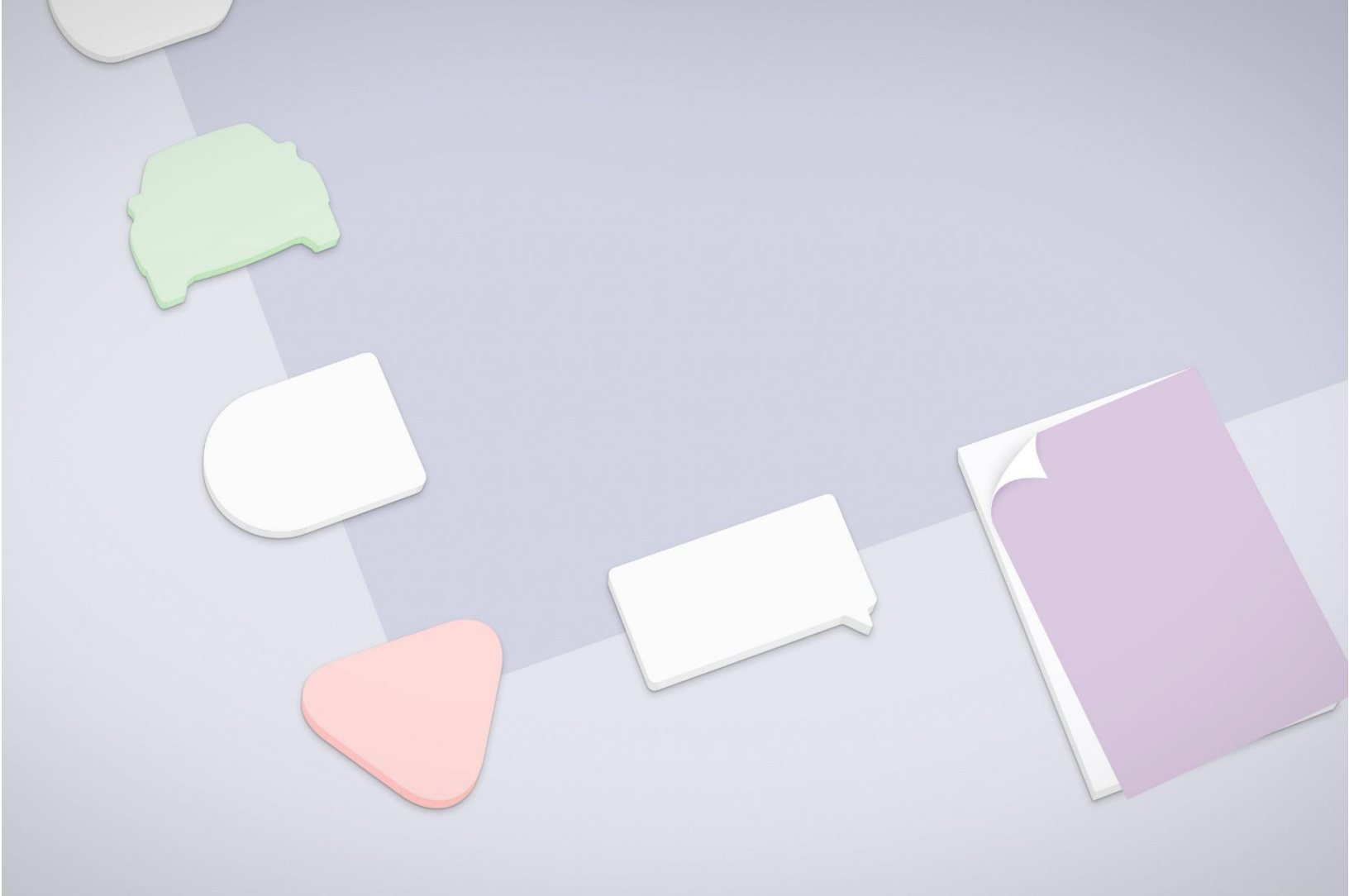




**Communication on progress**

2019

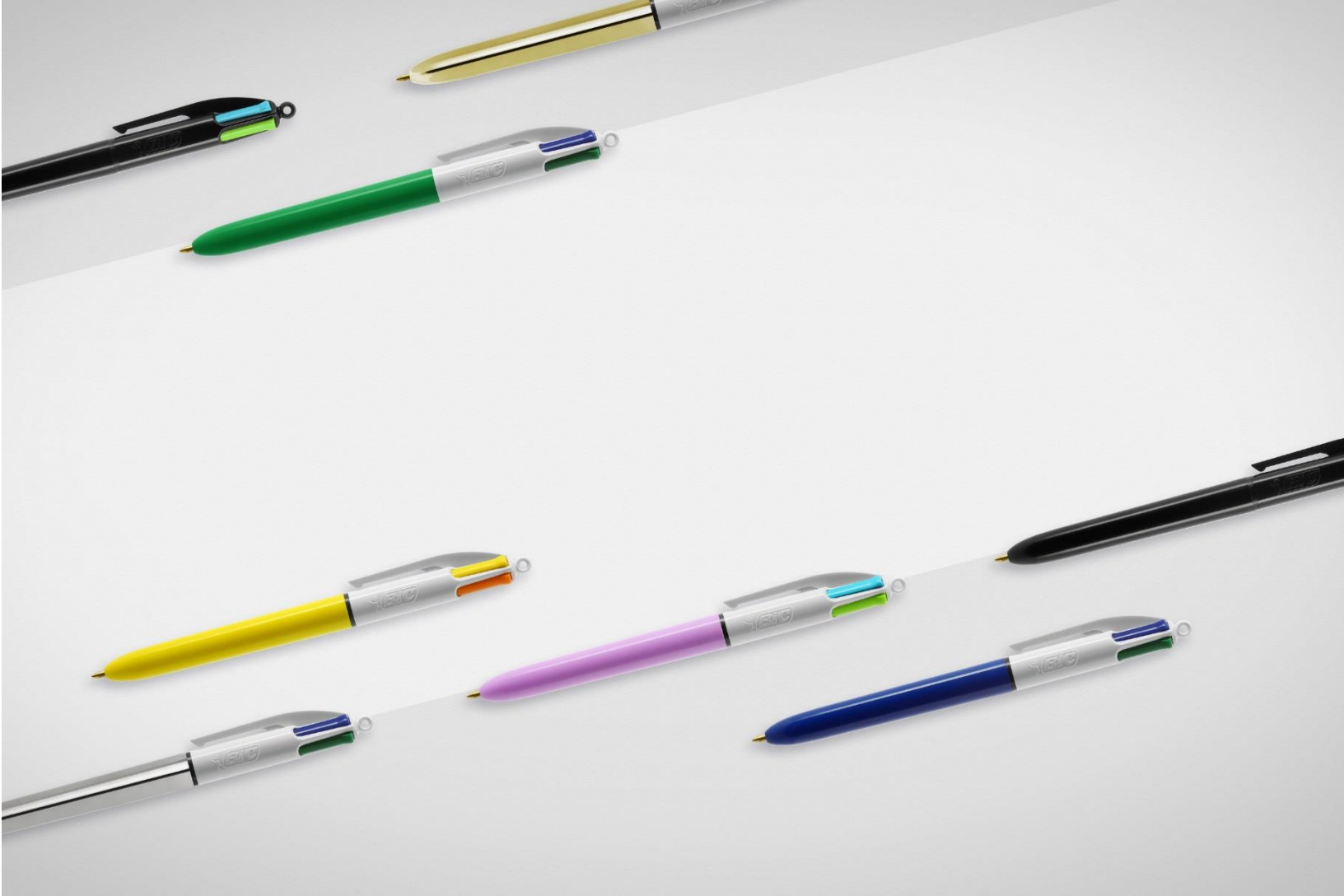
BIC Graphic Europe, S.A.  
Pol. Ind. Entre Vias s/n  
Tarragona  
Spain



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- 05 Progress at BIC Graphic Europe level



Renewal of commitment



**BIC GRAPHIC EUROPE S.A.**  
Pol. Ind. "Entre Vías" - Complejo BIC  
43006 Tarragona - Spain  
Tel. (34) 977 556 044 - Fax (34) 977 551 554  
[www.bicgraphic.eu](http://www.bicgraphic.eu)

10-JUL-2020

H.E. António Guterres  
Secretary-General  
United Nations  
New York, NY 10017  
USA

Dear Mr. Secretary-General,

After joining UN Global Compact's Spanish red in April 2018 and our continuous progress in 2019, I am pleased to reconfirm today our strong commitment to the UN Global Compact 10 Principles as well as to the 17 Sustainable Development Goals.

As relatively new UN Global Compact participant, BIC Graphic Europe's teams worked during the second year on larger integration of the principles and sustainable development goals in our everyday operations and focused on actions that improved our level of participation to the said principles and goals.

I am very proud to present this new BIC Graphic Europe's Communication on Progress. As last year, not only you will be able to learn about some of BIC Graphic Europe's initiatives in Spain, but you will also see our initiatives at BIC Group worldwide level.

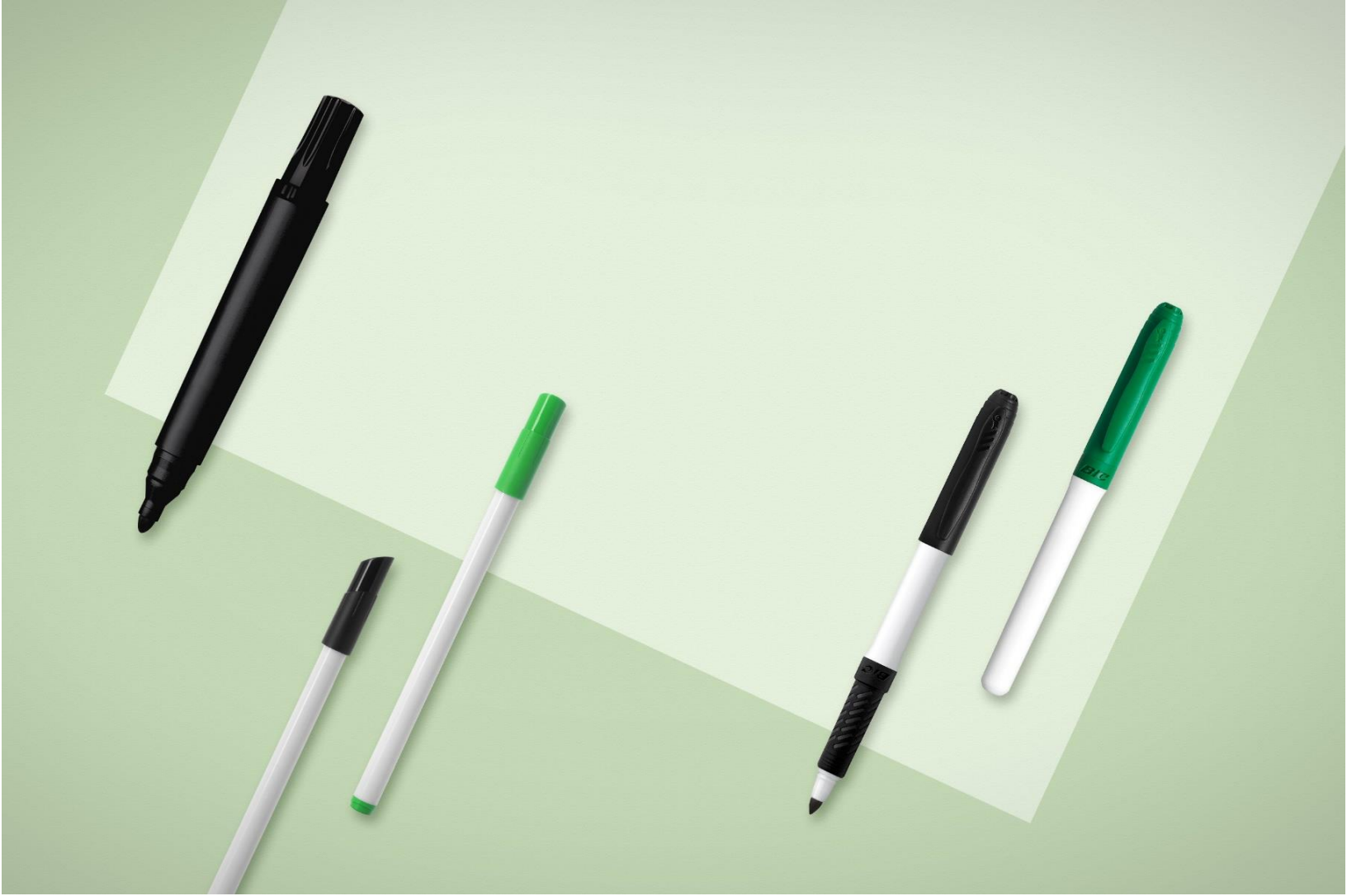
I would like to highlight two actions of BIC Graphic Europe in 2019. Firstly, we integrated a new category of stakeholders to our reporting and you will be able to read more in details about our initiative with local schools where we playfully spread the message about recycling. Secondly, as we implemented a series of new IT systems, we were able to focus on continuous training of our employees and improved their everyday working conditions at the same time as we bettered our relationship with customers.

In 2020, BIC Graphic Europe will continue to integrate the 10 Principles and 17 Sustainable Development Goals in our everyday operations.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Marc Rogi", written over a white background.

Marc Rogi  
Vice-President and General Manager



# Profile

# GENERAL INFORMATION

**Complete name:** BIC Graphic Europe, S.A.

**Type of company:** Large unlisted company

**Address:** Pol. Ind. Entre Vias s/n, 43006 Tarragona, Spain

**Web:** [www.bicgraphic.eu](http://www.bicgraphic.eu)

**Higher executive name:** Marc Rugi

**Contact person:** Dominika Partelova

**Total number of team members:** 257

**Sector:** Professional services

## Activity, main brands, products and/or services:

BIC Graphic Europe is an international company and main supplier of the promotional products industry. The BIC® brand is recognized by 9 persons out of 10. In addition of having more than 50 years of experience and offering various possibilities of full colour customization, the users of our products can be sure that their brands are in hands of an expert. Buying BIC® is not only buying a product, it also means buying values, guarantees, emotions and products that are recognized worldwide.

**Billing/ Revenue:** 24 - 48 million €

**The most significant stakeholders:** Customers, Team members, Providers, Environment, Local community

## Criteria to select the stakeholders:

BIC Graphic Europe selected the most significant stakeholders in function of the BIC Group's Sustainable development program as well as its 2025 Writing the future, together commitment.

## Countries where the business is present or has production:

BIC Graphic Europe has its headquarters in Spain and serves the territory of Europe, Middle East and Africa. The production sites of the BIC Group are present in several countries, please refer to pages 40 & 41 of our [Universal Registration Document](#) for further details.

## Scope of the COP:

BIC Graphic Europe serve customers in Europe, Middle East and Africa and has various sites around Europe.

The BIC Group is acting on worldwide level.

This COP is focusing on BIC Graphic Europe's actions in Spain or Europe and BIC Group's actions at worldwide level that includes BIC Graphic Europe participation.

### How is the materiality or definition of the most important topics to include in the COP?

This COP includes all topics that are part of the BIC Group Sustainable Development Program as well as the 2025 Writing the Future, together commitment BIC Graphic Europe participates to.

### How is the COP being disseminated?

This COP is published on the website of UN Global Compact Spanish red and will be also shared via the usual internal communication tools of the BIC Group.

**COP reporting period:** Calendar year

**COP presentation cycle:** Yearly

### Notes:

The BIC Group publishes yearly its Universal Registration Document where the 3<sup>rd</sup> section covers our environmental, social and societal responsibility report. Such section is reproduced in this COP's Chapter 4.

### Do you have activities in developing countries?

BIC Graphic Europe serve countries of Middle East and Africa and some of them can be considered as developing countries.

### Do you have providers in developing countries?

Yes, very few of BIC Graphic Europe's providers are based in developing countries.

### Do you have high environmental impact?

No, BIC Graphic Europe is not considered as actor with high environmental impact.

## STRATEGY AND GOVERNMENT

### Indicate how your entity incorporates the suggestions of your stakeholders in your strategy and decision-making process.

The 10 principles of UN Global compact are represented in the BIC Group's Codes of Ethics and Conduct. The said Codes are constantly followed within the relationship with our team members, providers and customers. Moreover, BIC Graphic Europe observes the BSCI Code of conduct since it is member of Amfori. Finally, BIC Graphic Europe, as participant to the UN Global Compact Spanish red informs and trains proactively its team members, providers and customers on the 10 Principles via internal and external focused communication.

### Indicate the legal nature of the entity preparing this COP :

BIC Graphic Europe is a limited liability company constituted under the Spanish legislation.

### Indicate if the leadership measures the progress and implantation of the 10 principles via indicators .

The BIC Group measures the implantation of the 10 principles via its own system proposed in its Sustainable development program.



## MORE INFORMATION

BIC Graphic Europe website: [www.bicgraphic.eu](http://www.bicgraphic.eu)

BIC Group website: [www.bicworld.com](http://www.bicworld.com)

Youtube channel: <https://www.youtube.com/channel/UC7ZQGQ44SIF34LsUvTII1ZA>



# Introduction

Soci t  BIC is a family-owned company listed on the Paris Stock Exchange and a world leader in stationery, lighters and shavers. For more than 70 years, BIC Group has honoured the tradition of providing high-quality, simple, inventive and reliable choices for everyone, everywhere, every time.

## OUR VISION

We offer  
**SIMPLE, INVENTIVE,**  
and **RELIABLE** choices for  
**EVERYONE, EVERYWHERE,**  
**EVERY TIME.**

Simple	BIC® products provide easy answers for everyday needs. In creating its first product, the BIC® Cristal® ballpoint pen, BIC chose to go straight to what's essential: create something for everyone to use that is simple, yet reliable, and provides a solution for something that we all do. This vision is at the heart of every brand decision BIC makes.
Inventive	BIC adapts and develops its products to the changing needs of the consumer. Each time BIC identifies a specific need, its research and development teams respond with technical ingenuity to optimize performance.
Reliable	The best way to gain and keep consumer loyalty is to provide products that offer the same quality of use from start to finish. Every BIC® Cristal® pen provides the same quality writing experience from beginning to end, writing for more than 1,2 miles (2 km). Every BIC® full-size lighter produces up to 3,000 steady flames. Every BIC® Flex 3 razor delivers up to 17 shaves.
For everyone, Everywhere	Write in many colours, highlight, draw, colour in, correct, produce a flame or shave... with BIC® products, everyone in the world is sure to find what they need, at an affordable price, offering both quality and reliability. In addition, BIC® products are available to consumers worldwide in more than four million retail outlets, from open-air pushcarts to large retailers.

BIC is a special place to work, with a unique atmosphere of mutual respect and professional ambition that is characterized by its 5 values:



Ethics	We conduct our daily business with honesty, trustworthiness and respect.
Responsibility	We deliver our commitments to consumers, customers and colleagues, and we hold ourselves accountable for our work and our decisions.
Teamwork	We believe that a diversity of people from different cultures keeps our minds open to new opportunities, and that working in teams allows us to take advantage of these opportunities.
Simplicity	We believe that simple solutions are often the best solutions. When faced with complexity, we respond with clarity.
Ingenuity	We find clever, practical and efficient solutions to the challenges that confront us.

BIC Graphic is the division in charge of advertising and promotional items for the BIC Group. In the sixties some customers started to request BIC® Writing Instruments personalised with their logo. In the following years more and more orders came and in 1969 the BIC Graphic division was formed in Europe.

BIC Graphic Europe follows seven golden rules inspired from the BIC Group values and principles:

Rule 1 "I WILL BUY WITH CONFIDENCE"	We stand by the Code! It's simple – if you want to be a supplier for BIC Graphic Europe, you have to sign the Group's Code of Conduct. Working conditions, quality, safety: BIC Graphic Europe takes the utmost care when selecting the partners and regularly carries out compliance audits in their factories to make sure that they keep their commitments.
Rule 2 "I WILL ONLY ACCEPT 100% COMPLIANCE"	Products that BIC Graphic Europe offers are basically "spokespeople" for a brand, so we have to do them justice! Not only does the item have to be appropriate to the audience and impactful, it also has to meet all applicable standards. BIC Graphic Europe cuts no corners here either; we systematically apply the highest level of regulations for each region.

Rule 3 "I WILL PROVIDE USEFUL AND CREATIVE PRODUCTS"	A product that BIC Graphic Europe offers not only has to be and sturdy, but it also has to be well designed, appealing and creative. It also has to provide a printing surface that is big enough to effectively display the client's logo. From there, BIC Graphic Europe technology makes all the difference and a simple ball pen or lighter makes a lasting impression.
Rule 4 "I WILL REMAIN IN STEP WITH THE TIMES"	There are fashions in promotional items just like in clothing – surfing the trends is key! Like a design investigator, the BIC Graphic Europe team scour the hippest stores, internet sites and specialty trade fairs the world over so that the catalogue is always right in step with the times. Be careful not to confuse trends with passing fad products: BIC Graphic Europe offers to surf the deep waves, the ones that last!
Rule 5 "I WILL STRIVE FOR THE HIGHEST QUALITY SERVICE"	Allô, pronto, Alô, bom dia? At BIC Graphic Europe, not only we do speak the same language as our clients, we come from the same country. That's essential if we are to be able to offer the right products at the right time, or even better, anticipate what clients want and give them original products that are 100% on target for the local culture.
Rule 6 "I WILL SCRUPULOUSLY MEET EVERY DEADLINE"	5.000 pens in your company colours next week? We can do that. Of course, there are more possibilities when you organise things a bit more in advance, but at a pinch, BIC Graphic Europe can still provide what you need. The secret? We do the printing ourselves with products that we have in stock; this allows us to guarantee the quickest reaction time and a finished product of the highest quality.
Rule 7 "I WILL CHERISH MY DISTRIBUTORS"	What we won't do for family... For many years, BIC Graphic Europe has been able to rely on a broad, solid network of several thousand distributors specialising in promotional items and who themselves have in-depth knowledge of their end clients' expectations. In countries with developing markets, BIC Graphic Europe works mostly with distributors of classic BIC® products.

### BIC Graphic Europe and BIC Group's Sustainable Development Program




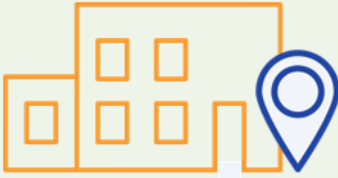


BIC Group's sustainable development approach is based on a set of documents that define our vision and provide a framework for each team member's everyday activities in order to ensure compliance with the principles of sustainable development.

This Program was born in 2003 and is based on 3 principles:




- Develop ecological common sense: the Group strives to minimise the use of raw materials in products and packaging and gradually introduce new eco-friendly materials.
- Reduce environmental impact: the Group measures the environmental impact of its products, factories or transport activities.
- Built day-to-day relationships based on trust: the Group focuses on team members' skills and employability, on diversity and on improving quality of life in the workplace while promoting initiatives that support local communities and on diversity.

Progressively the Program focused on 4 pillars:







I: Affordable products made to last.

		
<p><b>Lightweight</b></p> <p>Only 2,9 g of materials per kilometer of writing for a BIC®Cristal® compared with 6,4 g for a competing, comparable product.</p>	<p><b>Long lasting</b></p> <p>Up to 3,000 lights for BIC® Maxi pocket lighter, up to 2x more than its competitors.</p>	<p><b>Long lasting</b></p> <p>60 days of shaving with the BIC® Easy / BIC® Hybrid with its 6 refill blades.</p>
		
<p><b>Alternative materials</b></p> <p>By the end of 2019, 194 alternative materials tested including: 66 recycled plastics; 47 hybrid materials; 81 materials from renewable resources.</p>	<p><b>Diversified and responsible distribution</b></p> <p>To make products available to consumers wherever they live, BIC works with local retailers to develop appropriate distribution channels: kiosks, micro-shops, service outlets...</p>	<p><b>BIC® Ecolutions®</b></p> <p>The BIC® Ecolutions® range features products made from recycled materials.</p>




II: Reducing our environmental footprint.

		
<p><b>FACTORIES</b></p> <p>As an industrial leader in the manufacturing of consumer products, BIC is committed to ensuring that its production facilities operate in an environmentally responsible way</p>	<p><b>TRANSPORTATION</b></p> <p>BIC's shipping management system aims to reduce the ecological footprint of its operations by controlling emissions, optimizing shipments and routes, and selecting responsible carriers.</p>	<p><b>PACKAGING</b></p> <p>BIC has focused on three priorities for reducing the environmental footprint of our packaging: eliminate packaging whenever possible, select environmentally responsible materials and reduce and recycle packaging waste in the factories.</p>

III: Uniting our people around key values.

		
<p><b>SHARED VALUES</b> BIC's philosophy "Honor the past, invent the future" constitutes a central element of BIC's culture and arose from the following five shared values: Ethics, Responsibility, Teamwork, Simplicity and Ingenuity.</p>	<p><b>SAFETY AT WORK</b> Safety in the workplace is a fundamental priority for BIC. The company adopts measures that allow it to guarantee a safe working environment for its team members.</p>	<p><b>HEALTH AND WELLNESS</b> Through our global program, "Quality of Life at Work", BIC seeks to continually promote health and wellness at work, empowering employees to achieve physical, mental and financial well-being.</p>
		
<p><b>LEARNING AND DEVELOPMENT</b> Every team member at BIC is given opportunities to develop their skills and reach their potential, whatever their function, level of responsibility and years of experience.</p>	<p><b>DIVERSITY</b> The BIC Charter of Diversity, a global program with local considerations, takes all different types of diversity into account: gender, disability, race, ethnicity, age, etc.</p>	<p><b>HUMAN RIGHTS</b> The implementation of the BIC Code of Conduct enables BIC to continually improve performance on worker's rights, labor standards, and other human rights issues across the the production process and supply chain.</p>

IV: Commitment to education.

		
<p><b>PROMOTING ACCESS TO EDUCATION</b> BIC and its team members contribute time and donations to support access to education. At the end 2019, BIC estimated the number of children whose learning conditions have been improved through direct actions with children or through actions with teachers and parents at 61 million.</p>	<p><b>GIVING BACK TO COMMUNITIES</b> In 2019, product donations and financial aid worldwide represented 2 million euros (internal valuation), primarily in education, health and emergency aid. These two sectors represent 84% of BIC's community activities in number and 86% in financial value.</p>	<p><b>THE BIC CORPORATION FOUNDATION</b> Born of BIC's desire to promote and structure its philanthropic approach, the Foundation supports increasing access to education, putting emphasis on the funding of social entrepreneurship and innovation in education.</p>

BIC Graphic Europe as part of BIC Group participates actively every year to the Group's Sustainable development Program and progress.

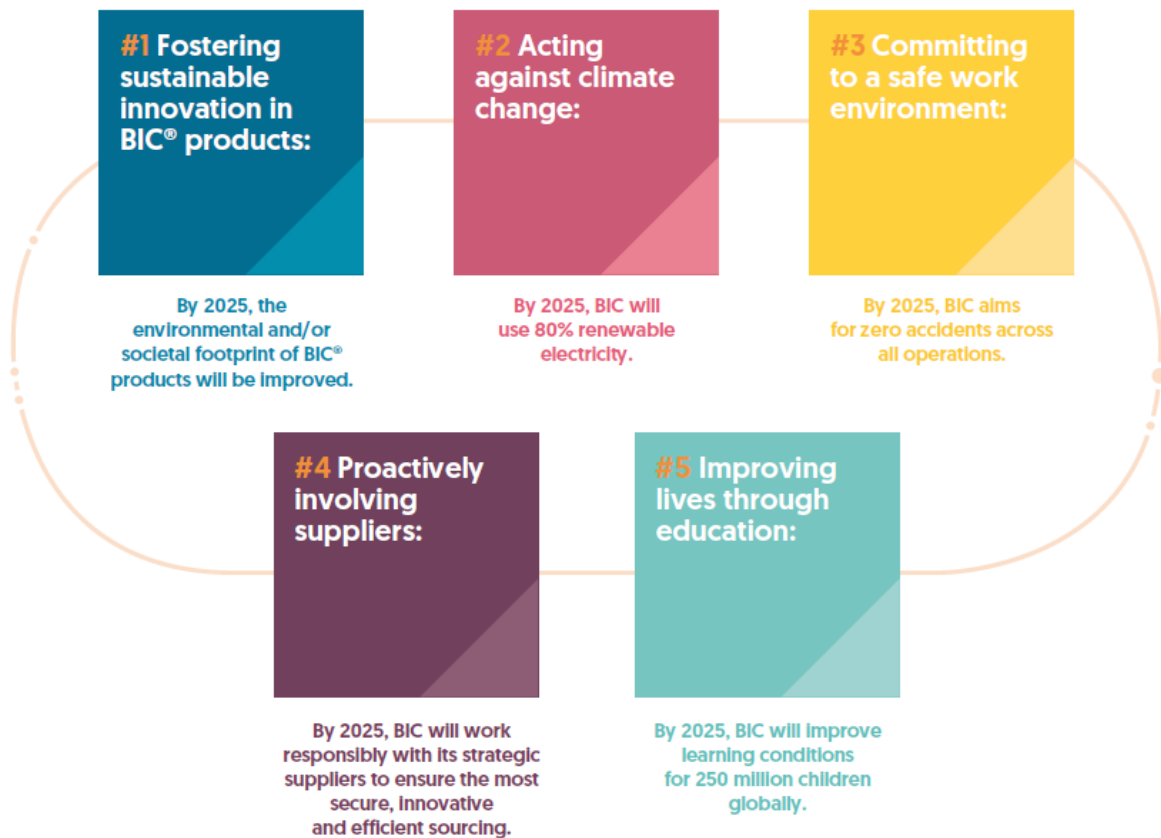
### BIC Graphic Europe and BIC Group's 5 flagship Commitments: Writing the Future, Together

In 2017, the BIC Group defined its new and very ambitious commitment for 2025 Writing the Future, Together.



The 5 commitments are in line with BIC Group's Sustainable development program and strategy:

- Fostering sustainable innovation in BIC® products
- Action against climate change
- Commitment to a safe work environment
- Proactively involving suppliers
- Improving lives through education





Please refer to Chapter 3 of this COP for further details of these flagship commitments and the progress BIC Group and BIC Graphic Europe already made.

BIC Graphic Europe proudly participates to the Writing the Future, Together commitments and the Chapter 4 of this COP will focus on some the main achievements in the year 2019.

### BIC Graphic Europe and UN Global Compact






In 2018, BIC Graphic Europe decided to take a further step in our engagement to human rights, labour rights, environmental approach and fight against anticorruption by becoming, in April, participant to the UN Global Compact Spanish red.




BIC Graphic Europe is fully committed to the UN Global 10 Principles that complete BIC Group’s own Code of Conduct and Code of Ethics as well as other of its Policies. Moreover, the 10 Principles are also represented in BSCI Code of Conduct BIC Graphic Europe adopted in 2019. The Chapter 4 details the integration of the 10 Principles.

BIC Group and BIC Graphic Europe also fully support the 17 Sustainable development goals that are incorporated by reference to the Writing the Future, Together 2025 Commitment. The Chapters 3 & 4 detail actions in place regarding the 17 SDG during 2019.

### BIC Graphic Europe’s audits and certifications

BIC Graphic Europe is proud to be able to show its commitment to the 10 UN Global principles and 17 Sustainable development goals as it disposes of several certifications and was subject to various audits in 2019.

<p>First of all, BIC Graphic Europe is ISO 9001 and ISO 14001 certified since 2000 and successfully renewed its certification in 2019. www.lr.org</p>	
<p>BIC Graphic Europe is also member of the SEDEX platform since 2012 and is regularly renewing its SMETA 4 Pilar social audit. In 2019, the SMETA audit took place. www.sedexglobal.com</p>	
<p>In 2016 BIC Graphic Europe received its first audit based on The Coca Cola Company standard and in 2018, such audit was renewed with a perfect 0 deficiencies score. BIC Graphic Europe is therefore proudly audited to a standard recognised by members of the Aim Progress Forum. www.aim-progress.com</p>	
<p>In 2018, BIC Graphic Europe also decided to get its first audit to Intertek’s Workplace condition assessment as this is the standard BIC Group and BIC Graphic Europe uses to audit its own suppliers. A perfect score of 100% achievement also permitted to Intertek to recognize BIC Graphic Europe by its Achievement Award. www.intertek.com</p>	
<p>BIC Graphic also achieved in 2018 and renewed in 2019 the Ecovadis platform Gold recognition. www.ecovadis.com</p>	

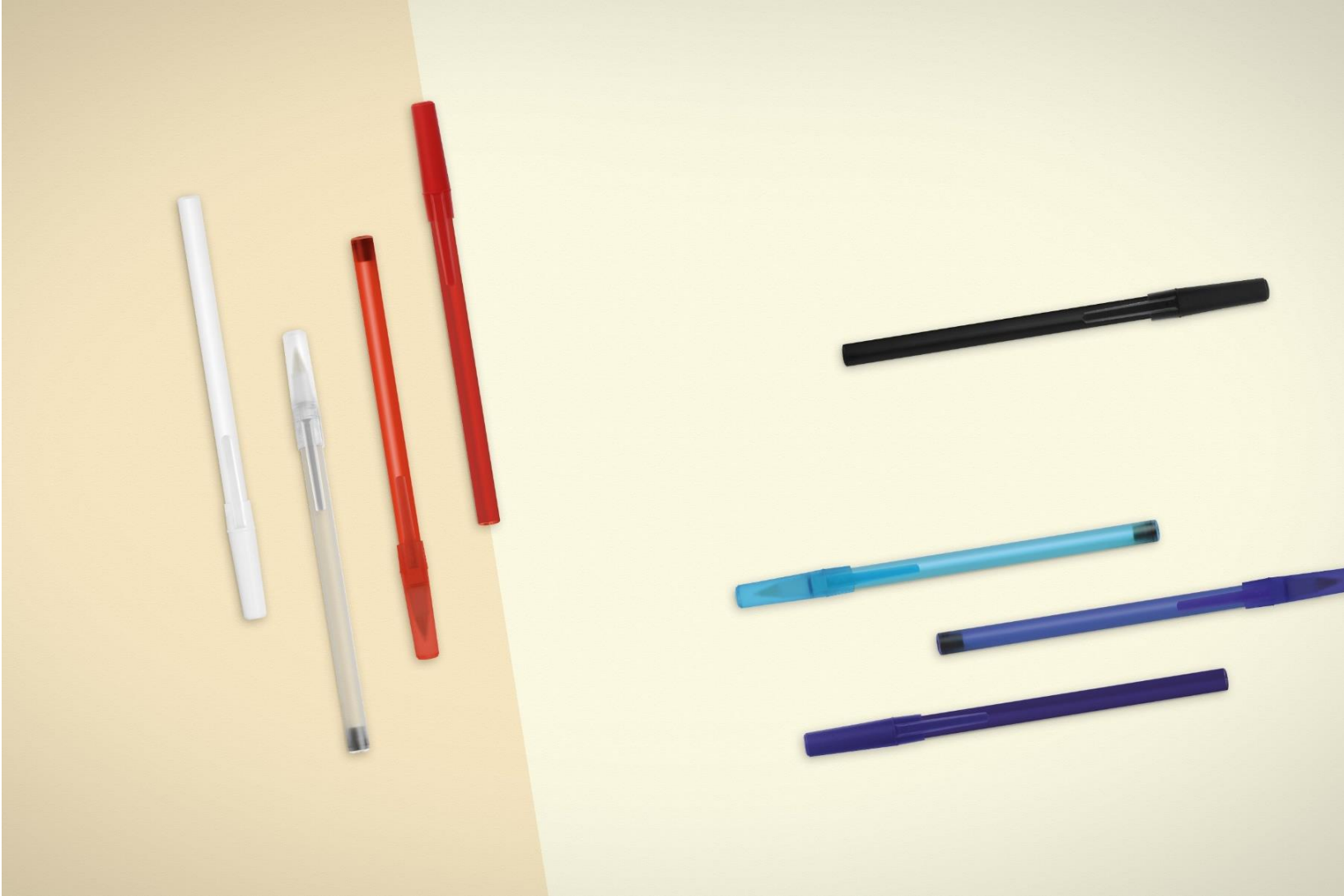
<p>As already in 2017 and 2018, in 2019 BIC Graphic Europe was one of winners of 2 PSI Sustainability awards.  <a href="http://www.psi-network.de">www.psi-network.de</a></p>	
<p>In 2019, BIC Graphic Europe decided to certify its website as Carbon neutral.  <a href="http://www.globalclimateinstitute.com">www.globalclimateinstitute.com</a></p>	
<p>Finally, in 2019, BIC Graphic Europe obtained the Imprim'vert label that proves its eco approach when decorating products.  <a href="http://www.imprimvert.fr">www.imprimvert.fr</a></p>	

### BIC Group and BIC Graphic Europe actions

In the following pages, the actions of the BIC Group and BIC Graphic Europe in the field of 10 Principles and 17 Sustainable development goals of UN Global Compact can be found.

Firstly, the Chapter 3 of this COP reproduces the section 3 of BIC Group's Universal Registration Document 2019 where all actions of BIC Graphic Europe are included within the Group reporting. The cross-reference table for environmental and social indicators is also reproduced.

Secondly, the Chapter 4 of this COP compiles the most important actions of BIC Graphic Europe as well as a cross-reference table with 10 UN Global Principles and 17 UN Global Sustainable development goals.



Progress at BIC Group Level



# OUR ENVIRONMENTAL, SOCIAL, AND SOCIETAL RESPONSIBILITY

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### How to read BIC's non-financial information and Non-Financial Performance Statement

BIC has decided to present the various elements of information required by French executive order No.2017-1265 of August 9, 2017<sup>(1)</sup> in different chapters of its management report in order to facilitate the reader's comprehension.

Consequently, BIC's business model is presented in the extracts from the integrated report, page 8.

The CSR risks identified under the NFPS are listed and described in paragraph 3.1.1.5, those of which are also major risks for BIC, are equally presented in chapter 2.1.

Chapter 3, Our environmental, social and societal responsibility, presents:

- in the "Challenges, risks and opportunities" sections: the key issues as identified using the materiality matrix<sup>(2)</sup> or during the analyses of CSR risks and opportunities for the Group;
- in the "Policy, approach and measures implemented" sections: a description of the policies instituted and actions taken by the Group, including, where necessary, the due diligence procedures implemented to identify, prevent and reduce the occurrence of those risks, or to take advantage of the identified opportunities;
- in the "Progress made in 2019" and "Performance" sections: the results achieved by these policies, including key performance indicators.

BIC identifies information expressly required in the Non-Financial Performance Statement with the initials [NFPS]. Firmly convinced of the value of the BIC Sustainable Development Program, which has been in effect for more than 15 years, the Group has also decided to continue presenting all of the action plans implemented as part of this program, including those that do not directly help prevent or reduce a major risk. However, the Group has reorganized this chapter to give priority to the elements relating directly to the Non-Financial Performance Statement.

A summary table of the Non-Financial Performance Statement is also available in section 3.1.1.5.

(1) For the application of decree No. 2017-1180 dated July 19, 2017 concerning the disclosure of non-financial information by certain large companies and corporate groups.

(2) Published in the 2017 Registration document.

# 3.1. THE BIC SUSTAINABLE DEVELOPMENT PROGRAM AND NON-FINANCIAL PERFORMANCE <sup>[NFPS]</sup>

The story of BIC is first and foremost a story about our vision: "To provide simple, inventive and reliable choices for everyone, everywhere, every time". Since the very beginning, sustainability has been deeply rooted in BIC's values as an integral part of its day-to-day operations. For nearly 15 years, it has played a fundamental role in BIC's strategy, helping guide its various endeavors, especially its social and societal actions.

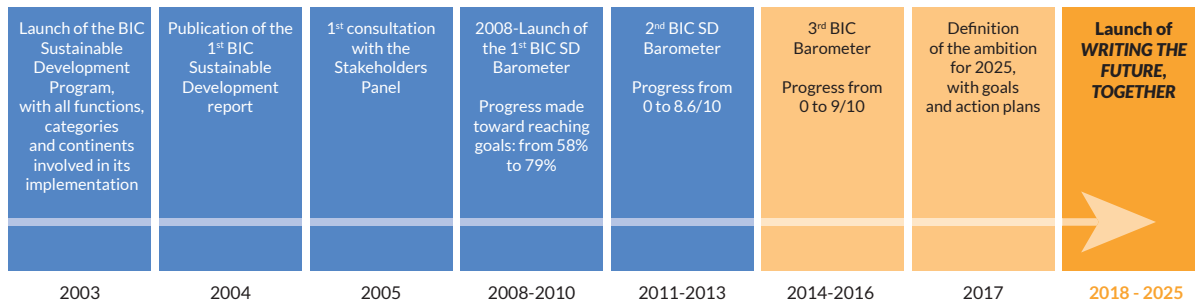
The ambition of BIC is to ensure that the Group limits its impact on the environment and society and makes a meaningful contribution to the lives of its team members and the planet over the long term.

Through its "Writing the Future, Together" program, BIC seeks to build on its longstanding involvement in sustainable development and to bolster its engagement by pledging to five commitments for the period of 2018 to 2025.



## 3.1.1 WRITING THE FUTURE TOGETHER, A COMMITMENT FOR 2025, ROOTED IN OUR HISTORY AND CONVICTIONS

### 3.1.1.1 The history of BIC's Sustainable Development Program



Based on the principles of its Sustainable Development Program (see box on the following page), namely studying the materiality of the issues, incorporating the UN Sustainable Development Goals and feedback from the BIC Sustainable Development Barometer, but also taking into account regulatory requirements and consultations with stakeholders, as well as lessons drawn from regular benchmarks, in 2017 BIC defined ambitious commitments that will enable it to create value over the long term for the benefit of all of its stakeholders.

The vision thus defined is expressed in the signature "Writing the Future, Together", driven by BIC's ambition for sustainability (see 3.1.1.2) and comprising five ambitious commitments. These commitments are an integral part of the Group's strategy:

- **#1 Fostering sustainable innovation in BIC® products:** By 2025, the environmental and/or societal footprint of BIC® products will be improved;
- **#2 Acting against climate change:** By 2025, BIC will use 80% renewable electricity;
- **#3 Committing to a safe work environment:** By 2025, BIC aims for zero accidents across all operations;
- **#4 Proactively involving suppliers:** By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing;
- **#5 Improving lives through education:** By 2025, BIC will improve learning conditions for 250 million children globally.



### THE BIC SUSTAINABLE DEVELOPMENT PROGRAM

Launched in 2003, the BIC Sustainable Development Program has continued to evolve and expand, incorporating major environmental and human issues as well as the expectations of stakeholders, but also benefiting from advances in R&D, innovations, and evolutions in the Group's operations.

This exhaustive program encompasses all key sustainability issues as well as the related risks<sup>(1)</sup> to which BIC, in order to fulfill its corporate responsibility, must respond. A specific reporting system is used to monitor the Group's performance as part of a dynamic of ongoing improvement. Since 2018, the BIC Program has been guided by the five ambitious commitments that comprise "Writing the Future, Together".

Through its Sustainable Development Program, the Group also contributes to the global Sustainable Development Goals adopted by the UN in its successive programs (the Millennium Development Goals until 2015 and the Sustainable Development Goals since then) (see also page 70).

#### 3.1.1.2 BIC's ambition

"At BIC, we believe in providing simple, inventive, reliable choices for everyone, everywhere, every time. And we believe in doing so responsibly with the planet, society and future generations in mind.

Our approach to sustainability is deeply rooted in our Values and is an integral part of our day-to-day operations. Staying true to our philosophy of honoring the past and inventing the future, we want our ongoing commitment to sustainable development to be long-lasting and far-reaching.

Our ambition is to ensure that we limit our impact on the planet and make a meaningful contribution to the lives of the people we employ and society in the long term, simply because it is the right thing to do.




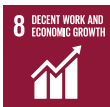



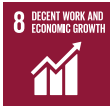



We believe that improving our environmental and societal product footprint, acting against climate change, providing our team members with a safe workplace, making our supply chain more responsible and reinforcing our commitment to education are key in shaping our business tomorrow so that we can write a sustainable future for all.

The next chapter of our sustainability journey starts here. With you. Today."

**Gonzalve Bich – CEO**

(1) The main CSR risks related to the activities and use of BIC Group's goods and services are presented in the Chapter "Risks management" on page 43.

3.1.1.3 Writing the Future, Together – Progress chart<sup>(NFPS)</sup>

WRITING THE FUTURE, TOGETHER						
5 commitments	Progress as of Dec. 2019	Other factors: approach and performance	Pages	UN SDG <sup>(1)</sup>	Issues and risks addressed <sup>(2)</sup>	
 <p>#1 Fostering sustainable innovation in BIC products</p>	<p>By 2025, the environmental and/or societal footprint of BIC® products will be improved.</p>	<p>At the end of 2019, the process and criteria for product evaluation and improvement have been defined and aligned for all BIC® product categories.</p> <p>90%<sup>(3)</sup> of the BIC® product portfolio evaluated.</p>	<p>The product evaluation and improvement process is managed by a dedicated software program for all existing BIC® products as well as future developments.</p> <p>Other factors of the approach:</p> <ul style="list-style-type: none"> <li>• 7.78% of all BIC® stationery products made from alternative materials;</li> <li>• 6% of the plastics used in the manufacturing of BIC® Stationery products are recycled plastics;</li> <li>• 19 BIC® products with the NF Environnement ecolabel;</li> <li>• At least 50% of BIC® products have environmental benefits;</li> <li>• At the end of 2019, more than 46 million pens collected through TerraCycle.</li> </ul>	80	   	<p>Quality and product safety.</p> <p>Compliance with regulations.</p> <p>Responsible products.</p> <p>Consumption and raw materials dependency.</p> <p>[NFPS Risk 3]: risks related to products safety and consumers health and safety.</p> <p>[NFPS Risk 1]: risks related to plastics.</p> <p>[NFPS Risk 2]: risks related to climate change.</p>
 <p>#2 Acting against climate change</p>	<p>By 2025, BIC will use 80% renewable electricity</p>	<p>76% of electricity is of renewable origin.</p>	<p>The use of renewable energy by BIC is part of a global approach to energy that also covers energy efficiency in operations. When it comes to using renewable energy, the approach is based on a Group roadmap and takes into account local opportunities and constraints.</p> <p>The use of certified renewable electricity is expected to help reduce BIC's GHG emissions by 50% by 2025 (market-based).</p> <p>Since 2018, all BIC® products manufactured in France are produced using renewable electricity.</p> <p>Other factors of the approach:</p> <ul style="list-style-type: none"> <li>• In terms of energy efficiency, the Group is continuing its efforts. Thus over the last 10 years, energy consumption per ton of products has decreased by 12.5%.</li> </ul>	88	    	<p>Energy and climate change.</p> <p>Consumption and raw materials dependency.</p> <p>[NFPS Risk 2]: risks related to climate change.</p> <p>[NFPS Risk 1]: risks related to plastics.</p>



(1) UN Sustainable Development Goals.

(2) Issues from the materiality matrix updated in 2015 and published in the 2017 Registration document and risks identified within the framework of the NFPS.

(3) Based on 2018 sales volumes.







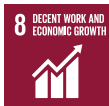




# 3

## OUR ENVIRONMENTAL, SOCIAL, AND SOCIETAL RESPONSIBILITY

The BIC Sustainable Development Program and non-financial performance [NFPS]

### WRITING THE FUTURE, TOGETHER






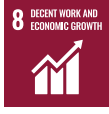

5 commitments	Progress as of Dec. 2019	Other factors: approach and performance	Pages	UN SDG <sup>(1)</sup>	Issues and risks addressed <sup>(2)</sup>
 <p>By 2025, BIC aims for zero accidents across all operations.</p>	<p>At the end of 2019, BIC integrates its Health-Safety approach in the key departments of its new organization.</p>	<p>The Group belongs to "Vision 0", a program of the International Social Security Association.</p> <p>Every month, the factory Directors and their EH&amp;S managers participate in a conference call to assess progress made and share feedback from experience.</p> <p>In 2019, a second series of Stationery factory assessments was carried out according to the internal EH&amp;S maturity reference system.</p> <p>The behavioral observation visits program is deployed at all Stationery factories.</p> <p>167 managers have taken "Managing Safely" training.</p> <p>More than 46,000 hours of safety training have been delivered in 2019.</p>	99	 	<p>Health and Safety.</p> <p>[NFPS Risk 4]: Risks related to the health and safety of team members.</p>
 <p>By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing</p>	<p>At the end of 2019, the strategic suppliers, risks and actions have been identified and the organization and tools implemented.</p>	<p>BIC has adopted a new organization, with a single buyer in charge of each purchasing family, developed a guide for the assessment and selection of strategic suppliers based on their CSR approaches and performance, and introduced a responsible purchasing training program as part of the global training curriculum for buyers.</p> <p>Other factors of the approach:</p> <ul style="list-style-type: none"> <li>• ESG evaluations (EcoVadis tool) of strategic suppliers since 2011;</li> <li>• Program for CSR auditing of global or local contract manufacturers;</li> <li>• 292 strategic suppliers identified;</li> <li>• 10 purchasing categories evaluated;</li> <li>• 95 risks identified;</li> <li>• 31 action categories identified;</li> <li>• 43% of contract manufacturers audited in 2019.</li> </ul>	108	  	<p>Purchasing, subcontractors and suppliers.</p> <p>Consumption and raw materials dependency.</p> <p>[NFPS Risk 5]: Risks related to non-respect of Human Rights (child labor, international conventions and ILO).</p>

(1) UN Sustainable Development Goals.

(2) Issues from the materiality matrix updated in 2015 and published in the 2017 Registration document and risks identified within the framework of the NFPS.



WRITING THE FUTURE, TOGETHER

5 commitments	Progress as of Dec. 2019	Other factors: approach and performance	Pages	UN SDG <sup>(1)</sup>	Issues and risks addressed <sup>(2)</sup>
 <p>By 2025, BIC will improve learning conditions for 250 million children globally.</p>	<p>Learning conditions for more than 61 million children were improved since 2018 through direct actions with children or with teachers and parents.</p>	<p>2<sup>nd</sup> BIC Global Education Week:</p> <ul style="list-style-type: none"> <li>• 76 participating BIC sites;</li> <li>• 50 countries;</li> <li>• Nearly 4 times more children saw their learning conditions improved during this 2<sup>nd</sup> edition versus last year.</li> </ul> <p>Other factors of the approach:</p> <ul style="list-style-type: none"> <li>• 63% of philanthropic contributions (product or financial donations, skills) undertaken by local entities for local communities or by the BIC Corporate Foundation promote education (75% in financial value).<sup>(3)</sup></li> </ul>	113	     	<p>Communities and sponsorship.</p> <p>Local socio-economic footprint.</p> <p>Social Business.</p> <p>Customers and consumers.</p>



(1) UN Sustainable Development Goals.

(2) Issues from the materiality matrix updated in 2015 and published in the 2017 Registration document and risks identified within the framework of the NFPS.

(3) For this indicator, all philanthropic actions in favor of education, including those carried out under commitment # 5, are taken into consideration.



### 3.1.1.4 With Writing the Future, Together, BIC contributes to the UN Sustainable Development Goals



#### GOALS SUSTAINABLE DEVELOPMENT



	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
<b>#1 Fostering sustainable innovation in BIC® products</b> By 2025, the environmental and/or societal footprint of BIC® products will be improved.			x			x		x				x					
<b>#2 Acting against climate change</b> By 2025, BIC will use 80% renewable electricity.								x	x	x			x	x			
<b>#3 Committing to a safe work environment</b> By 2025, BIC aims for zero accidents across all operations.			x						x								
<b>#4 Proactively involving suppliers</b> By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing.									x				x				x
<b>#5 Improving lives through education</b> By 2025, BIC will improve learning conditions for 250 million children, globally.	x			x	x	x		x									x

The table shown above charts the ways in which “Writing the Future, Together” contributes to the UN SDGs. To create it, BIC evaluated its contribution to the targets defined by the UN for its 17 major goals. The Group contributes mainly to two goals, in

particular through the products that it manufactures and markets in more than 160 countries, reflecting its vision of offering “simple, inventive and reliable choices for everyone, everywhere, every time”:



**SDG 8. Decent work and economic growth.** BIC contributes through the development of products and production modes that favor the efficient use of resources, including recycled materials (see pages 77 to 87 and 88 to 95).

**SDG 12. Responsible consumption and production.** BIC contributes through the Company's eco-design program, which provides consumers with information to help them make their purchasing choices, and through its monitoring and compliance program, which ensures that the products it markets are safe and comply with health and environmental standards (see pages 77 to 85).

Within the direct scope of its operations or its sphere of direct influence – by making simple, reliable products that meet essential needs available to everyone, undertaking initiatives that provide support for its team members, offering various products and programs to promote access to education, reducing the environmental impacts of its factories, ensuring respect for Human Rights in its own factories and by its suppliers and subcontractors, and through the actions of its Corporate Foundation – the Group also contributes to the following UN Sustainable Development Goals:

- SDG 1.** End poverty;
- SDG 3.** Good health and well-being;
- SDG 4.** Quality education;
- SDG 5.** Gender equality;
- SDG 6.** Clean water and sanitation;
- SDG 7.** Affordable and clean energy;
- SDG 9.** Industry, innovation and infrastructure;
- SDG 10.** Reduced inequalities;
- SDG 13.** Climate action;
- SDG 15.** Life on land;
- SDG 16.** Peace, justice and strong institutions.

### 3.1.1.5 The main CSR risks resulting from BIC's operations and the use of its goods and services <sup>[NFPS]</sup>

BIC identifies 9 non-financial risks resulting from its operations and the use of its goods and services:

- risks related to plastics: plastic waste and resource depletion *[NFPS risk 1]*;
- risks related to climate change *[NFPS risk 2]*;
- risks related to product safety and consumer health and safety *[NFPS risk 3]*;
- risks related to health and safety of team members *[NFPS risk 4]*;
- risks related to non-respect of human rights (child labor, international conventions, ILO) *[NFPS risk 5]*;
- risks related to unfair practices (corruption) *[NFPS risk 6]*;
- risks related to our operations and the environment *[NFPS risk 7]*;
- risks related to reputation and brand *[NFPS risk 8]*;
- risks related to experienced team members and skills *[NFPS risk 9]*.

Risks related to tax evasion are not identified as major CSR risks for the Group.

The method for identifying these risks and evaluating their degree of criticality is described in Chapter 2 of the present Universal Registration Document.

Below, the summary table of the Non-Financial Performance Statement summarizes the elements required by French executive order No. 2017-1265 dated August 9, 2017 (for the application of decree No. 2017-1180 dated July 19, 2017 concerning the disclosure of non-financial information by certain large companies and corporate groups).

Chapter 3 of the present Universal Registration Document presents these elements in detail, plus other elements of the CSR approach, concerning key areas that represent promising opportunities for the Group. The indications *[NFPS]* and *[NFPS risk x]* allow the reader to identify elements of the Group's regulatory responses within the overall presentation of its sustainable development approach.



### SUMMARY TABLE OF THE NON-FINANCIAL PERFORMANCE STATEMENT

Non-financial risks	Description of the risks	Opportunities	Policies and actions taken	Results/Indicators	
R1	Risks related to plastics: plastic waste and resource depletion.	<p>On the one hand, plastics risk is incurred upstream, with the use of this material in BIC® products, contributing to the depletion of a non-renewable resource, and therefore subject to rarefaction and price volatility, and on the other hand, it occurs downstream with the growing problems of pollution related to plastic waste. In addition to these issues, there is also the growing regulatory environment regarding the use of plastics and the perception of consumers and citizens.</p>	<p>To establish circular economy loops involving the collection of used products for recycling and reuse.</p> <p>Based on the feedback from this experience, to establish well-adapted, appropriate systems for each product and country, while improving the products and their use.</p> <p>To stand out on its markets through BIC® products that offer environmental and social benefits.</p>	<p><b>BIC's policies</b></p> <p>Writing the Future, Together: #1 Fostering sustainable innovation in BIC® products.</p> <p>Writing the Future, Together: #2 Acting against climate change.</p> <p><b>BIC's approaches</b></p> <p>Eco-design approach.</p> <p>Developing an innovative circular economy model.</p> <p>Partnerships for innovation approach.</p>	<ul style="list-style-type: none"> <li>• 7.78% of BIC® stationery products are made from alternative materials</li> <li>• 6% of the plastics used in the manufacturing of BIC® Stationery products are recycled plastics</li> <li>• 19 BIC® products have earned the NF Environnement label</li> <li>• At least, 50% of BIC® products offer environmental benefits</li> <li>• At the end of 2019, more than 46 million pens collected through TerraCycle</li> <li>• 194 alternative materials tested</li> </ul>
R2	Risks related to climate change.	<p>Major risks related to Climate Change are:</p> <ul style="list-style-type: none"> <li>• increasing global regulation of carbon and energy directly or indirectly impacting BIC's operations or those of its suppliers and contract manufacturers;</li> <li>• disruption or interruption of production activities due to extreme weather conditions or availability of natural resources (water, energy, etc.) directly impacting BIC's factories or those of its suppliers and sub-contractors;</li> <li>• development of new regulations and standards regarding product environmental impact assessment and communication (including carbon impact) as well as consumer behavior changes impacting the Group's sales.</li> </ul>	<p>To develop production centers closer to the Group's markets, supporting local economic development and know-how in the countries where the Group has operations, while at the same time limiting the products' environmental footprint and the physical risks linked to climate change.</p> <p>To stand out on its markets by offering BIC® products with a reduced carbon footprint.</p> <p>To innovate in order to make the Group's materials and products more responsible.</p> <p>To optimize production costs by limiting the use of energy resources.</p>	<p><b>BIC's policies</b></p> <p>Writing the Future, Together: #1 Fostering sustainable innovation in BIC® products.</p> <p>Writing the Future, Together: #2 Acting against climate change.</p> <p>Environment, Health &amp; Safety Policy.</p> <p><b>BIC's approaches</b></p> <p>Purchasing electricity from renewable sources.</p> <p>Eco-design approach.</p> <p>Action plan with measures to mitigate climate-related risks at the sites.</p> <p>Environmental management systems at the sites.</p> <p>Energy efficiency approach.</p>	<ul style="list-style-type: none"> <li>• 12.59 Ratio of annual energy consumption normalized to production – BIC Group – in gigajoules/ton</li> <li>• 76% Share of renewable energy – as % of total consumption – BIC Group</li> <li>• 97,710 (location-based) 45,827 (market-based) Annual direct and indirect greenhouse gas emissions (scopes 1 and 2, location-based and market-based) – in teqCO<sub>2</sub> – BIC Group</li> <li>• 1.07 Ratio of annual direct and indirect greenhouse gas emissions (scopes 1 and 2) normalized to production – in teqCO<sub>2</sub>/ton – BIC Group</li> <li>• Breakdown of tonnages shipped by mode of transport – as % of total: Road: 43.08%; Air: 0.66%; Sea: 56.26%</li> <li>• Breakdown of GHG emissions by mode of transport – as % of total: Road: 23.61%; Air: 51.18%; Sea: 25.21%</li> <li>• 0.75% Share of air freight (in tons/kilometers) – as % of total</li> </ul>



Non-financial risks	Description of the risks	Opportunities	Policies and actions taken	Results/Indicators	
R3	Risks related to product safety and consumer health and safety.	The risk related to product safety and consumer health and safety is a risk of placing non-compliant or unsafe products on the market.	<p>To establish BIC as a brand of reference in terms of the quality and safety of its products, meeting or surpassing the regulatory requirements on each market.</p> <p>To develop expertise in the evaluation of materials, especially for recycled and alternative materials.</p>	<p><b>BIC's policies</b></p> <p>Writing the Future, Together: #1 Fostering sustainable innovation in BIC® products.</p> <p>Product Safety Policy.</p> <p>The seven BIC commitments to ensure the quality and safety of its lighters.</p> <p><b>BIC's approaches</b></p> <p>Regulatory watch and compliance.</p> <p>Process for marketing safe products that comply with health and environmental standards.</p> <p>Process for evaluating recycled materials.</p> <p>Systematic testing and evaluation programs.</p>	<ul style="list-style-type: none"> <li>306 products have been tested by independent laboratories</li> </ul>
R4	Risks related to health and safety of team members.	BIC's operations, both industrial and commercial, expose its workers to various professional risks (physical, chemical, psychosocial, biological, ergonomic) that differ from function to function (headquarters, factories, sales force). For the Group, workplace safety means ensuring its team members' physical and mental well-being by preventing accidents and occupational diseases.	<p>To position the Group as a desirable employer through an ambitious health and safety policy.</p>	<p><b>BIC's policies</b></p> <p>Environment, Health and Safety (EH&amp;S) Policy.</p> <p>Writing the Future, Together: #3 Committing to a safe work environment.</p> <p><b>BIC's approaches</b></p> <p>Deployment of the EH&amp;S Suite platform.</p> <p>Health-Safety reporting.</p> <p>Environment-Health-Safety guidelines.</p> <p>Safety watch.</p> <p>Safety certification (OHSAS 18001) for four Stationery factories.</p> <p>"Quality of Life at Work" program.</p>	<ul style="list-style-type: none"> <li>1.87 On-site accident incidence rate – BIC team members and temporary employees</li> <li>0.06 Severity rate of on-site accidents – per thousand hours worked – BIC team members</li> </ul>
R5	Risks related to non-respect of human rights (child labor, international conventions, ILO).	Non-compliance with fundamental human rights such as child labor, discrimination or forced labor may result in legal action against the Group and major consequences in terms of reputation and attractiveness.	<p>To highlight the culture of control over quality, costs and production conditions that BIC has pursued since its founding (92% of BIC products are manufactured in its own factories).</p> <p>To strengthen relations with the Group's strategic suppliers.</p>	<p><b>BIC's policies</b></p> <p>BIC Group Code of Conduct.</p> <p>Responsible Purchasing Charter.</p> <p>Writing the Future, Together: #4 Proactively involving suppliers.</p> <p><b>BIC's approaches</b></p> <p>Social audit program.</p> <p>EcoVadis evaluation.</p> <p>Guide explaining BIC Code of Conduct for Brazilian transport carriers.</p>	<ul style="list-style-type: none"> <li>Permanent workforce by category of country in relation to human rights risk – BIC Group: Free countries: 87%; Partly free countries: 11%; Not free countries: 2%</li> <li>Number of contract manufacturers by country in relation to human rights risk – BIC Group: Free countries 33%; Partially free countries 8.5%; Non-free countries 58.5% (source: Freedom House)</li> </ul>



# 3

## OUR ENVIRONMENTAL, SOCIAL, AND SOCIETAL RESPONSIBILITY

The BIC Sustainable Development Program and non-financial performance [NFPS]

Non-financial risks	Description of the risks	Opportunities	Policies and actions taken	Results/Indicators
R6	Risks related to unfair practices (corruption). The risk of corruption and unfair practices can lead to legal action against the Group and major consequences in terms of reputation and attractiveness.	To further develop BIC's culture of ethics within the Group.	<p><b>BIC's policies</b></p> <p>BIC Group Code of Ethics. BIC Group anti-corruption policy.</p> <p><b>BIC's approaches</b></p> <p>Anti-corruption training. Deployment of the Group's Code of Ethics.</p>	<ul style="list-style-type: none"> <li>32% of BIC sales generated in countries considered to have a high or very high risk of corruption (Brazil, Mexico, India, Italy, Argentina)</li> </ul>
R7	Risks related to our operations and the environment. The nature of BIC's manufacturing operations, primarily the molding and assembly of plastic products and printing of products, has a local environmental impact that remains relatively low compared with other manufacturing sectors.	<p>To optimize production costs by limiting the consumption of resources (water, energy, etc.) and the production of factory waste.</p> <p>To facilitate the factories' integration in their local surroundings by reducing their environmental footprint, adopting exemplary practices and initiating outreach actions to benefit the local populations.</p>	<p><b>BIC's policies</b></p> <p>Environment, Health &amp; Safety (EH&amp;S) Policy.</p> <p><b>BIC's approaches</b></p> <p>Environmental management systems at the sites. ISO 14001, ISO 50001, European Water Stewardship Gold, BREEAM and LEED certifications for the factories. Water consumption reduction approach. Waste reduction approach. See also Risk 2.</p>	<ul style="list-style-type: none"> <li>4.87 Ratio of annual water consumption normalized to production – BIC Group – in m<sup>3</sup>/ton</li> <li>Ratio of annual industrial waste production normalized to production – tons per ton – BIC Group: Hazardous waste: 0.039; Non-hazardous waste: 0.181</li> <li>Breakdown of hazardous industrial waste by treatment method – % of total expressed in tons – BIC Group: Recycled: 21%; Incinerated with energy recovery: 32%; Incinerated without energy recovery: 21%; Sent to land disposal: 5%; Sent to other form of treatment disposal: 21%</li> <li>Breakdown of non-hazardous industrial waste by treatment method – % of total expressed in tons – BIC Group: Recycled: 74%/Incinerated with energy recovery: 13%/Incinerated without energy recovery: 2%/Sent to land disposal: 10%/Sent to other form of treatment disposal: 1%</li> </ul>



Non-financial risks	Description of the risks	Opportunities	Policies and actions taken	Results/Indicators	
R8	Risks related to reputation and brand.	In the context of increasing environmental awareness, the brand image could be associated with disposable products, leading to customer disaffection for BIC® products.	To position BIC as a brand that delivers quality and safety and as a responsible brand, emphasizing its long-term commitment and ambitious programs.  To launch innovative products that counter BIC®'s image as a maker of disposable products: multi-use products designed to use minimum materials and last a long time.  To stand out on the Group's markets through BIC® products that offer environmental and social benefits.	<b>BIC's policies</b>  Writing the Future, Together: #1 Fostering sustainable innovation in BIC® products  Responsible Communication Charter.  <b>BIC's approaches</b>  Eco-design approach.	BIC® products' performance in use: <ul style="list-style-type: none"> <li>• more than 2-km of writing for a ballpoint pen</li> <li>• up to 3,000 flames for a lighter</li> <li>• 17 shaves for a triple-blade shaver</li> <li>• 19 BIC® products have earned the <i>NF Environnement</i> ecolabel</li> <li>• 100% of the environmental claims for BIC® products on packaging, in catalogs and on websites are validated by the Legal Department</li> </ul>
R9	Risks related to experienced team members and skills.	BIC has specific skills thanks to its experienced team members, especially in manufacturing processes and business practices. The loss of experienced team members could slow down the implementation of the Group's development plans. It could also result in the inability to implement the Group's strategy.	To develop programs that favor the employability of our team members in the Company and outside the Company.	<b>BIC's approaches</b>  Succession Plans.  Team members training.	<ul style="list-style-type: none"> <li>• 59% Rate of promotion of managers within the Company (levels 3, 4, 5 and 6) – BIC Group</li> <li>• 16,629 Number of training days – permanent and temporary employees</li> <li>• Number of training hours (per subject) – BIC Group – permanent and temporary employees: technical training: 100,725; Health and well-being training: 5,607; BIC Culture: 11,814; Leadership skills: 14,889.</li> </ul>



### 3.1.2 GOVERNANCE OF POLICIES AND ACTIONS TAKEN TO PREVENT, REDUCE AND CORRECT THE MAIN CSR RISKS <sup>[NFPS]</sup>

#### 3.1.2.1 Sustainable development as a key factor in the decision-making process

The issues of sustainable development are considered in the Company's decision-making process from the perspective of risks to be controlled and opportunities to be seized. A Sustainable Development Steering Committee was formed in 2019, including the Group Supply Chain Officer, Group Insights and Innovation Officer, General Manager Lighters, Group Commercial Officer and Group Sustainable Development Director. It met three times during 2019 with the following agenda: alignment with the short- and long-term sustainable development strategy, progress review of the "Writing the Future, Together" program and other Sustainable Development Programs (responsible communication, responsible products, emerging issues, etc.), information on topics related to

plastics and the circular economy, and the sharing of strategic orientations.

The BIC Sustainable Development Program's goals and progress are presented at least once a year to the Board of Directors and at the Annual Shareholders' Meeting. In addition, the Audit Committee is kept abreast of the policies and programs implemented by the Group.

Since 2017, the Nominations, Governance and Corporate Social Responsibility (CSR) Committee reviews the actions taken by the Group as part of its Sustainable Development Program and monitors the deployment of the "Writing the Future, Together" strategy.

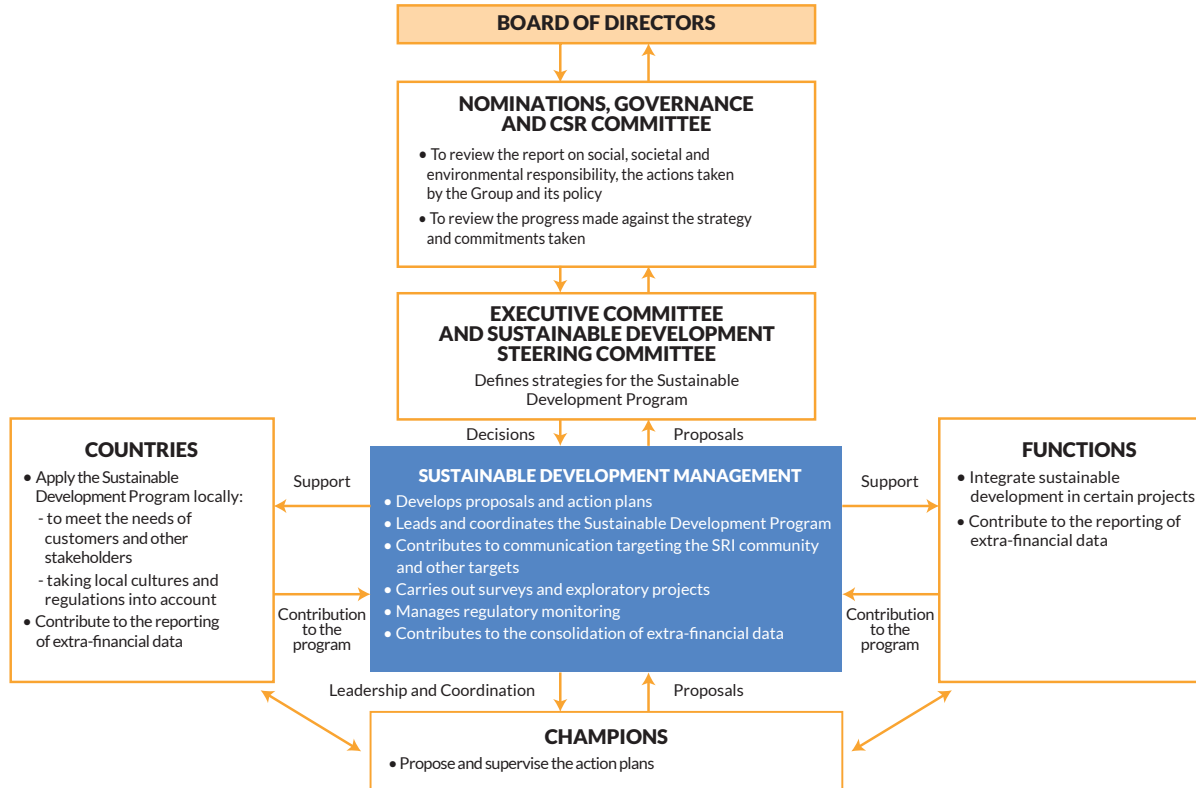




### 3.1.2.2 Our operational structure

Managing sustainable development at BIC is based on a continuous improvement approach that has been deployed across the entire Group since 2003. The risk-based approach, as it is understood in particular for the presentation of regulatory information, is systematically combined with a strategic approach geared toward seizing opportunities related to environmental and social challenges.

For the definition of the "Writing the Future, Together" program, "Champions" were designated for each topic in order to coordinate the tasks of defining the commitments, implementing the roadmaps and achieving the goals set for 2025. Relying on the "Champions" as well as the active involvement of Management, this new organization reflects the "integrated" approach that the Group seeks to adopt in order to fulfill its commitments.



As part of BIC's transformation plan, "BIC 2022 - Invent the Future", the Sustainable Development Department is now integrated into the Group Insights & Innovation division, focusing on products and innovation. This gives the Sustainable Development Teams closer involvement with Stationery and Shavers product design, allowing them to maximize their leverage to improve the products' environmental and/or societal footprint. The Sustainable Development Department provides support for operations and for the Lighters category, whose commitments correspond to the specific challenges of that type of product and are aligned with those of the Group.

### 3.1.2.3 Highlighting non-financial performance to Shareholders and investors

As part of its ongoing dialogue with the financial community, BIC strives to provide all relevant information and indicators and to show how its Sustainable Development Program has allowed the Group to seize opportunities and control the associated risks. The progress of the "Writing the Future, Together" program was presented to the Shareholders at the Annual Shareholders' Meeting on May 22, 2019.

## 3.2. RESPONSIBILITY CONCERNING OUR PRODUCTS <sup>[NFPS]</sup>

BIC produces and markets consumer products that are lightweight, have a long performance life, and are affordable by everyone. Right from the start, BIC® products have been designed and made with just what's necessary in terms of raw materials, leaving out anything that is superfluous. To attain this goal, the Group has always pursued an approach that is based on innovation and emphasizes economy of materials. Through its "Writing the Future, Together" program, BIC is reinforcing its commitment with the creation of a "Sustainable Scorecard", conceived to improve the environmental, social and societal performance of all BIC® products.

BIC also contributes to the emergence of the circular economy by initiating partnerships for the supply of secondary raw materials, and participating in the creation of a pilot recycling program for writing products. BIC® products are designed to meet and anticipate the expectations of all consumers in developed as well as developing countries. In addition, the Group takes all necessary measures to uphold its brand image and preserve its reputation.

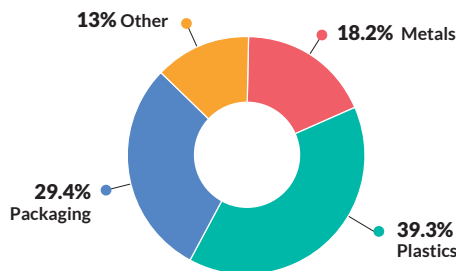


### 3.2.1 THE PRODUCTS' ENVIRONMENTAL PERFORMANCE <sup>[NFPS]</sup>

#### 3.2.1.1 Challenges, risks and opportunities related to the products' environmental performance <sup>[NFPS]</sup>

To manufacture its products, BIC uses raw materials (plastics, inks, packaging and metals, etc.) and resources (water and energy), and generates waste.

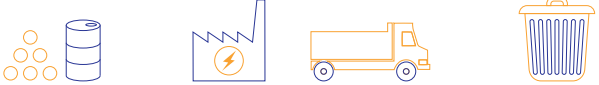
#### Breakdown of raw material purchases in 2019



Analysis of product environmental performance (LCA) shows that a product's weight/performance life ratio is a pertinent indicator for environmental performance. In fact, the more lightweight a product is and the longer it lasts, the better its environmental performance.

Life cycle studies of its products confirm that the environmental impact of a product is mainly due to raw material usage in its manufacturing. The challenge for BIC is to minimize its products' primary environmental impact, namely the use of these raw materials. Starting in 1994, when BIC conducted its first life cycle studies, the Group defined its founding principle of "just what's necessary"<sup>(1)</sup> in order to offer fairly priced products with less environmental impact.

#### ENVIRONMENTAL PERFORMANCE MEASUREMENTS FOR THREE MAIN BIC® PRODUCTS<sup>(2)</sup>

Life cycle analysis approach – ReCiPe (version 1.12) Endpoint (H/A) Europe				
	Raw materials	Production	Distribution	End of life
BIC® Cristal® ball pen	81%	12%	4%	3%
BIC® Maxi lighter	81%	11%	5%	3%
BIC® Classic single-blade shaver	79%	14%	4%	3%

[NFPS risk 1] BIC identifies risks related to plastics – plastic waste and resource depletion – among the major RSE risks resulting from its operations. On the one hand, plastics risk is incurred upstream, with the use of this material in BIC® products, contributing to the depletion of a non-renewable resource, and therefore subject to rarefaction and price volatility, and on the other hand, it occurs downstream with the growing problems of pollution related to

plastic waste. In addition to these issues, there is also the growing regulatory environment regarding the use of plastics and the perception of consumers and citizens.

[NFPS risk 2] Through its approach for minimizing the use of raw materials, BIC also responds to the risks related to climate change insofar as they concern BIC® products (see also section 3.3.1.1).

(1) "Il y aura l'âge des choses légères" by Thierry Kazanian, Victoires Éditions, 2003.

(2) BIC analysis



For many years, long before the current growing concern about plastic pollution, the Group has been committed to combating this form of pollution:

- by minimizing the quantity of plastic materials it uses and offering products with long-lasting performance (see page 79);
- by using alternative materials (recycled and bio-sourced plastics) (see page 79).

For BIC, the challenges related to plastic waste and resource depletion also offer opportunities, such as:

- differentiation on the markets by offering products with environmental benefits;
- innovation in materials and products, backed up by the close monitoring of technical and regulatory developments concerning plastics;
- the implementation of a recycling channel, paving the way toward the circular economy, and making use of feedback on this experience to initiate other similar systems adapted to each country;

- communication to inform customers and consumers of the products' environmental benefits in order to help them make more responsible choices.

### 3.2.1.2 Policies: BIC's three eco-design solutions <sup>[NFPS]</sup>

To minimize the consumption of non-renewable raw materials, BIC has developed an eco-design approach based on three points:

- minimizing the quantity of materials used in the manufacturing of each product, while ensuring long-lasting performance;
- using alternative materials of either vegetable or recycled origin;
- developing refillable products.

## → TOOLS TO FACILITATE THE ECO-DESIGN PROCESS

### Measuring products' environmental performance

Starting in 1994, BIC launched product life cycle studies in order to determine how its products impact the environment and to implement an effective policy to limit their impact.

To evaluate its products' environmental performances, BIC focuses on life cycle phases where it can take action. For shavers, an approach incorporating the usage phase shows that this step – involving water consumption, water heating and the disposal of shaving cream packaging – plays a key role (78% of the total environmental impact, according to certain estimations), underlining the importance of consumer awareness.

From 2008 to 2014, BIC monitored measurement of the environmental performances of its products. This measurement is now completely integrated in the processes for designing or modifying a product. In Stationery, 100% of new products are thus subject to eco-measurement.

### LCA

The practice of measuring the products' environmental performance has been extended by the Life Cycle Analysis (LCA) approach, a method for assessing a product's total environmental impact in each successive phase in its life. BIC often uses the simplified method of the life cycle approach, which is similar to Life Cycle Analysis except that it does not include the final independent verification phase. From the very beginning of its Sustainable Development Program, BIC Group has been committed to the life cycle approach to verify that it is making steady progress in all pertinent areas.

The product design teams are equipped with an array of tools (software, design interfaces, product environmental profiles, eco-design and LCA guides) that allow them to carry out comprehensive, detailed environmental assessments as well as rapid analyses to facilitate decision-making during the design process.

### Economy of materials

BIC has always sought to optimize its use of raw materials as much as possible. As an expert in the processing of plastics, BIC exercises its responsibility above all by minimizing its use of these materials.

In the Stationery category, the BIC® Cristal® ball pen, one of the Group's flagship products, exemplifies this approach. Even though its design already optimized the use of materials in 1950, it continues to benefit from ongoing research to minimize the quantity of material used:

- it has a minimum writing length of more than 2-km;
- it uses only 2.9 grams of material per kilometer of writing, compared with 6.6 grams for a competing product with comparable characteristics.

In the Shavers category, BIC achieves very good performance on its markets due to its highly competitive price/quality ratio. For each product range, this price/quality ratio is made possible by the development of products with an optimal quantity of materials and keeping them as simple as possible.

For example, the BIC® Simply Soleil® shaver is designed to weigh as little as possible. Although it is hollow, its handle nonetheless ensures a high level of performance, quality and comfort in shaving.

### Integrating alternative materials

#### Research & Development

Regarding new materials, the BIC Research and Development teams, in collaboration with the Purchasing departments, focus on two approaches:

- the use of existing innovative materials. An inventory of innovative materials available for industrial use is kept up to date. From this list, engineers select materials that correspond to industrial and economic requirements with the objective of conducting feasibility tests. In the absence of a simple, economical solution to develop a material based on biological material from plants, recycled materials are chosen;
- collaborative research with suppliers to identify new materials (e.g. plant-based or recycled, etc.), new concepts or hybrid materials. Many materials are considered and then analyzed. These have included potato starch, sugarcane, plant fibers, woodchips, etc. Once a formulation is ready, it is tested to ensure that it meets industrial specifications for quality and safety, sometimes going all the way to the finished product qualification stage.

#### Integrating alternative or recycled materials into Stationery products

Since 2014, BIC has been conducting a research program to maximize the use of recycled and alternative materials in BIC® products. To achieve this, the research teams have identified all BIC® products whose design could be modified or adapted for production using alternative/recycled materials without sacrificing quality. The challenge is, first of all, to ensure a perennial source of such materials that meet the specifications and are available on the market, and secondly, to convert any products that lend themselves

to this adaptation. Exemplifying this approach, the BIC® Ecolutions® range is a complete stationery line that consists of products manufactured using recycled materials (at least 50%) in compliance with the standard ISO 14021. The BIC® Matic Ecolutions® mechanical pencil, for example, contains 65% recycled materials. All stationery lines now include at least one product made with alternative (in particular recycled) materials.

#### BIC at the heart of an innovation community

Over the years, BIC has cultivated more than 100 strategic partnerships in research and development with startups, companies at the forefront of innovation, universities, research institutes and external laboratories, playing a leading role in a community with which it pursues long-term prospective and development programs. For example, the Group works closely with a number of French startups, like Pilibio and Inofib, specializing respectively in the production of inks from microorganisms and in natural cellulose fibers. Since 2012, the Group has also been a member of *Matériaux Chimie, Chimie Verte* (formerly called MAUD), a competitiveness cluster based in Villeneuve-d'Ascq that backs innovative projects in materials, chemistry, green chemistry and sustainable development. The projects sponsored by the cluster concern multifunctional, eco-designed and bio-sourced materials, high-efficiency processes and clean technologies.

To further its involvement in sustainable development, BIC has joined Bio-speed, a consortium bringing together multiple groups, including Danone, Faurecia, Lego, Michelin, L'Oréal and Quicksilver, for the purpose of accelerating the emergence of a biomass economy. Its goal is to reduce fossil fuel dependency and the environmental footprint of manufactured products by promoting the conversion of non-food biomass into polymers.

#### Developing refillable and hybrid products

BIC makes an ongoing effort to launch refillable products due to their environmental advantages. However, in the case of low-end stationery products, the consumer demand for refills is virtually non-existent.

In the Stationery category, BIC continues to offer refillable pens. For example, the BIC® Gel-ocity® line of refillable gel ink pens, the 4-Color™ and 4-Color™ 3+1, which combine three ink colors and a mechanical pencil, are all refillable. On the U.S. market, pen refills are available on a dedicated website: [www.shopbic.com](http://www.shopbic.com). They are also available on the website [www.bicworld.com](http://www.bicworld.com), which links to a European e-commerce site offering the BIC® refill range.

In the Shaver category, the BIC® Hybrid shaver is sold as a handle with four-to-six heads. The underside of the handle is also ribbed to reduce the use of plastic without altering the shaver's ergonomic characteristics, which are the same as those of a conventional handle. Because it comes with four-to-ten heads, the product's performance life is at least four times that of a standard non-refillable shaver. Over its entire life cycle and for one year of shaving, the environmental impact of the BIC® Hybrid shaver is 28% less than that of a similar non-refillable BIC® model, like the BIC® Comfort 3® Action®.



### 3.2.1.3 Policies: Writing the Future, Together – #1 Fostering sustainable innovation in BIC® products <sup>[NFPS]</sup>

To go even further, BIC has set the goal of fostering sustainable product innovation and has codified this ambition in the following commitment: By 2025, the environmental and/or societal footprint of BIC® products will be improved.

BIC has created a “Sustainable Scorecard” defining the process and criteria for the evaluation and improvement of its products. Conceived to stimulate and facilitate sustainable innovation within the Group, it unites all of the R&D work conducted at BIC for the purpose of product improvement. The criteria defined in the Sustainable Scorecard will be applied to all products (both new and updated existing products) and to all the steps in the product development process. To evaluate the products’ environmental and societal footprint, the performance of eight criteria (light and long lasting, recycled plastic, ability to be recycled at end-of-life, green chemistry, responsible chemistry, efficient manufacturing, affordability, benefits for society) is evaluated. This tool makes the eco-design approach developed the the Group many years ago

(described below) the focal point of product development at BIC, establishing its guidelines as unconditional principles.

This Sustainable Scorecard was developed in 2018 by transversal working groups uniting the different Group departments (Innovation, Marketing, Sustainable Development, etc.) and BIC® product categories (Stationery, Lighters, Shavers).

In 2019 a special computer tool was developed to facilitate product evaluation, directly connected to the existing eco-design tools (e-DEA and SimaPro). An initial evaluation of 90%<sup>(1)</sup> of the BIC® product portfolio has been completed (see page 118 for detail of the scope of this indicator).

The roll-out of improvement plans in all three BIC® product categories is scheduled for 2020. Progress will be assessed according to an indicator showing the percentage of BIC® products improved in comparison with the year of reference, 2019.

#### ➔ BIC JOINS THE CIRCULAR ECONOMY 100 INITIATIVE

In 2019, BIC became a partner in the Circular Economy 100 initiative of the Ellen MacArthur Foundation. Its various programs will enable BIC’s teams to expand their knowledge, develop their skills, build a network and collaborate with key organizations on topics related to the circular economy.

### 3.2.1.4 BIC’s eco-design approach: actions taken and results <sup>[NFPS]</sup>

#### Writing the Future, Together – #1 Fostering sustainable innovation in BIC® products

90%<sup>(1)</sup> of the BIC® product portfolio have been evaluated using the Sustainable Scorecard.

#### Eco-design approach

Since 2015, 100% of the new Stationery products have undergone eco-measurement. In 2019, at least 50% of the products sold by each of the three BIC® product categories offered at least one environmental benefit.

BIC has defined the environmental benefits for its products by complying with at least one of the following:

- lightweight and long-lasting (writing instruments ≤ 3 g/km; correction products ≤ 1.8 g/m; lighters ≤ 8 g/1,000 flames; shavers ≤ 1 g/shave);
- made from alternative materials (recycled, vegetable origin, etc.);
- refillable;
- eco-labeled (*NF Environnement*, etc.).

This indicator is calculated on the number of units and concerns the products of the three main categories (except PIMACO and Cello Pens activities).

#### Economy of materials and the circular economy

BIC has signed a partnership with LOOP, the circular economy e-commerce platform created by Terracycle, the world leader in the recycling of wastes that are considered difficult to recycle. LOOP offers a practical, affordable circular economy e-commerce solution based on sustainable and refillable products and containers. It reduces dependency on packaging through home delivery, returnable packaging and supply based on actual consumption. Three BIC® products are carried by LOOP, all three listed as approved school supplies: the BIC® Gel-city® Illusion™ erasable gel pen and its cartridges, the BIC® Criterium™ refillable mechanical pencil and its six-lead refill case, and a box of 10 woodless colored pencils, for which consumers can reorder single pencils of a specific color.

#### Integration of alternative materials

The Velleda whiteboard, containing 50% pencil production residue, was launched in France at the start of the school year last fall.

194 alternative materials tested including: 66 recycled plastics; 47 hybrid materials; 81 materials from renewable resources.

Stationery: 6% of the plastics used in the stationery manufacturing are recycled plastics.

(1) Based on 2018 sales volumes.

## Development of refillable and hybrid products

### Shavers

- Two launches in North America: the BIC® Flex 2 Hybrid in a pack containing one handle and ten heads, and the BIC® Soleil Click 5, a five-blade women's shaver sold as a handle and three heads;
- One launch in the United States: in partnership with a major e-tailer, the "Made For You" brand of refillable five-blade shavers, sold online only;
- One launch in Europe (Italy): the BIC® Soleil Click, a three-blade women's shaver sold as a lightweight hollow handle and six heads;
- Two launches in Latin America: the BIC® Soleil Click, a three-blade women's shaver sold as a lightweight hollow handle and six heads, and the BIC® Flex 3 Hybrid, sold as a handle and five heads;
- Two launches in the Middle East-Africa zone: the BIC® Flex 3 Hybrid, a three-blade shaver sold with four heads, and the BIC® Flex 5 Hybrid, a five-blade shaver sold with four heads.

### 3.2.1.5 Perspectives: BIC's eco-design approach

Building on the momentum of recent years, BIC plans to expand the distribution of its men's and women's hybrid shavers in 2020, with:

- the launch of the new BIC® Soleil Click Sensitive and the deployment of the BIC® Flex 2 Hybrid in Europe;
- expansion of the distribution of the BIC® Flex 3 Hybrid and BIC® Flex 5 Hybrid systems in Eastern Europe, the Middle East and Africa;
- expansion of the distribution of the BIC® Flex 3 Hybrid and BIC® Soleil 3 Click systems in Latin America.

### 3.2.1.6 Opportunities: BIC's innovative contribution to the circular economy

#### › Challenges

Understanding the end of life of products by exploring the recyclability or otherwise and by experimenting with new recycling channels is one of the major challenges of the 21<sup>st</sup> century. It means bringing about a real circular economy, decoupling economic growth and waste production.

#### › Approach

BIC has always been committed to the preservation of resources, offering high-quality products with a long service life. Putting this commitment into action through its eco-design approach, the Group is constantly renewing its goal of always using a minimum of materials and experimenting with alternatives, in particular recycled materials.

Since 2011, BIC has been exploring the development of channels for the recycling of its products, thus becoming active in the field of waste management, a completely new activity for the Group in relation to its core business. Taking part in a collaborative effort with different stakeholders, BIC is the initiator of an independent recycling industry, which offers a circular economy model unique in France. This circular economy sector relies on two major partnerships:

**BIC's partnership with TerraCycle** for the collection of used writing instruments: since 2011, the BIC-TerraCycle program has been offering the collection and recycling of used writing instruments in Europe. A pioneer in this field, the program allows users of these products to organize at their consumption sites the collection of all types of writing instruments, whether BIC® branded or not, to be recycled. For each instrument collected, one euro cent is donated to a charity or non-profit association of the organizer's choice or, in the case of schools, directly to the school to finance an educational project. As of the end of 2019, more than 46 million pens had been collected and 615,000 euros in donations made. This program, funded entirely by BIC, enables the Group to gain a better understanding of the mechanisms of selective collection and to promote the habit of waste sorting at the site of consumption.

**A partnership with Govaplast and Plas Eco** for the design, manufacture and distribution of "Ubicity™", the 'write' kind of bench™ furniture. Used pens are collected, sorted and shredded by a recycler. The plastic materials are shipped to Govaplast, which converts them into recycled plastic boards. The boards are in turn used by Plas Eco, which designs, manufactures, distributes and markets the products in the Ubicity™ line. This range comprises seven models. Made entirely from recycled plastic, these products are themselves recyclable, resistant to rot, ultraviolet radiation and graffiti as well as very durable (guaranteed 10 years). Long-lasting and easy to maintain – qualities in keeping with the Values of BIC® products – they have a smaller environmental footprint than outdoor furniture made from farmed wood.

BIC wishes to develop this pioneering recycling sector with its partners by seeking to finance the extension of the collection program for used pens and long-term solutions for financing collection. This innovative sector provides solutions that meet citizens' expectations by showing them the outcome and the practical usefulness of their sorting gesture: by collecting used pens, they participate in their transformation into outdoor furniture to equip local authorities and schoolyards. Through this experiment, BIC and its partners are accelerating the process of recycling post-consumer waste and are working to remove the technological obstacles to plastic recycling.

#### › Progress made in 2019 and results

In 2019, building on the positive response to the TerraCycle program, BIC launched an action plan to expand the network of collection points to include public spaces, thus covering the territory more completely and effectively. An interactive map of the collection points has been created in order to make each collection point as user-friendly as possible.

In February 2019, the Ubicity™ product range won the Students' Special Mention award in the fourth edition of the ESSEC business school's Grand Prix for Responsible Consumer Goods.

In August 2019, the BIC TerraCycle program for the collection and recycling of writing instruments expanded to Australia and New Zealand, with the goal of collecting writing products at consumption sites, primarily schools and businesses.

At the end of 2019, Ubicity™ posted good sales results in France (more than 450 pieces of outdoor furniture in two years), reflecting steady growth for the past two years. Following up on the success of Ubicity™, Plas Eco and BIC developed a new line of products for kindergartens in 2019, to be launched in 2020. Educational, fun and constructive, these products provide the basic function of seating while developing the children's imagination (pirate ship).



### › Perspectives

The positive reaction of BtoB customers to the concept of sorting and to the "Ubiquity™, the 'write' kind of bench™" product range has now been confirmed. BIC hopes that this product line and the circular economy channel that spawned it will grow rapidly in the years to come, as exemplified by the program's extension to

Australia and New Zealand in 2019. The priority today is to overcome the economic obstacles to the collection of post-consumer waste and the technological obstacles encountered in its recycling.

## 3.2.2 PRODUCT SAFETY <sup>[NFPS]</sup>

### 3.2.2.1 Challenges, risks and opportunities related to product safety and consumer health and safety <sup>[NFPS]</sup>

BIC seeks to offer safe products that meet consumer expectations and comply with all pertinent safety requirements and standards. This entails the integration of consumer health and safety concerns in the design and production of its products. Consumers want to be assured that the products they buy are free of certain substances and safe for their health and the environment. The Group also strives to strictly comply with all regulations and the increasingly stringent, constantly evolving restrictions concerning product usage and chemical substances.

*[NFPS risk 3]* Product safety and consumer health-safety risks are one of the major CSR risks identified by BIC, i.e. the risk of placing non-compliant or unsafe products on the market.

The various actions taken to ensure the products' safety and the protection of consumers' health and safety constitute an opportunity for the Group to establish itself as a reference brand in terms of the quality and safety of its products, meeting or surpassing the regulatory requirements on each market.

### 3.2.2.2 BIC Group policies for product safety <sup>[NFPS]</sup>

The topics of product safety and the protection of consumer health are of strategic importance for the Group. With the primary goal of offering products that comply with all pertinent safety requirements and standards, BIC integrates regulatory compliance and risk management concerning product safety into its strategy through a body of documents defining its commitment, and through strict processes conceived to ensure that it markets only safe products compliant with safety requirements and standards. As a result, each day, BIC supplies millions of products while maintaining consistent quality, checked through a vast array of tests and in compliance with national and international safety requirements.

The **Product Safety Policy**, introduced in 2001, specifies the 10 commitments adopted to ensure that the products developed and manufactured by BIC are safe for human health and the environment. They include:

- a systematic program of pre-market product qualification testing;
- a global approach, resulting in products that often exceed the safety requirements of local markets;
- expecting BIC suppliers to comply with safety standards;
- incorporating safety considerations from the earliest stages of product design, including toxicological evaluations and tests to assess potential physical and chemical hazards;
- the anticipation of product safety requirements through active regulatory monitoring at national and international levels, in close cooperation with industry associations that share their members' expertise with the appropriate authorities;
- the integration of innovations in product safety processes;
- building awareness among all stakeholders about safety and the appropriate use of BIC® products;
- carefully reviewing all incidents involving the safety of BIC® products;
- appropriate measures for product recall in the case of an incident;
- the implementation of this Policy by a Product Safety Department.

*[NFPS – the well-being of animals]* In its position on animal testing, BIC specifies that it strives systematically not to resort to animal testing as a first solution. However, such tests can be necessary if:

- the alternatives cannot provide sufficient guarantees that a new product is harmless for the consumer;
- the alternatives to animal testing are not recognized by regulations.

More specifically, BIC is also developing seven commitments to ensure the quality and safety of lighters (see the box on the following page).

### ➔ BIC'S SEVEN COMMITMENTS TO ENSURE THE QUALITY AND SAFETY OF ITS LIGHTERS

1. All BIC® lighter plants are ISO 9001 certified production plants. BIC® lighter products meet or exceed the ISO 9994 international safety standard requirements.
2. BIC is an active member of various organizations (such as the European Federation of Lighter Manufacturers, working groups and technical committees for ISO and CEN and numerous other national standardization bodies) to provide the latest and most reliable quality and safety information to its customers.
3. Each BIC® lighter undergoes more than 50 separate automatic quality checks. Additionally, BIC conducts regular post-market product tests of its lighters.
4. BIC continuously develops and improves exclusive technology to ensure the quality and safety of all BIC® lighters, including factors like flame height and stability, extinction time, and a reservoir that can resist extreme drop tests and exposure to elevated temperatures.
5. BIC has an integrated production process, designs and develops much of its own machinery and uses all the latest manufacturing technologies, from basic materials right down to the packaged lighter.
6. BIC employees are all guided by three principles: Method-Precision-Discipline. Each employee in the lighter plants spends nearly 25% of his or her time checking product conformity and proper operation of the control equipment.
7. BIC has been committed to sustainable, long-term safety programs for over 30 years.



#### 3.2.2.3 Actions taken <sup>[NFPS]</sup>

##### Regulatory monitoring and compliance

BIC has a comprehensive monitoring system based on formalized regulatory watch procedures in addition to internal and external resources – in particular, the product safety teams' specific knowledge of BIC® products, their components and the materials used. In 2018, a BIC Watch List was created to extend the Group's monitoring system to include non-official lists defined by NGOs, future regulations and controversial substances that are not already banned. The Group always strives to anticipate the substitution of regulated substances. By its very nature open-ended, this Watch List will be expanded to include requirements and controversies reported from outside of Europe. In 2019, the BIC Watch List was made more operational for the work teams and more precise, targeting risks related to BIC® products and the Group's customers. During the large-scale product evaluation campaign conducted in 2019 as part of commitment #1 of "Writing the Future, Together," the BIC Watch List was used to establish an overview of the current situation, identifying directions for improvement concerning

substances to be restricted or replaced in BIC® products by 2025. The evaluation involved 249 product ranges, 443 formulas and 45 specific tests.

BIC, as a member or Executive Committee member of numerous sectoral organizations and industry associations<sup>(1)</sup>, actively participates in regulatory watch and interactions with local regulatory authorities, an important activity for staying abreast of new requirements.

In order to keep pace with future regulatory challenges, in 2019 the Product Safety teams participated in various events in Europe and around the world on themes concerning the safety of cosmetics, chemicals and consumer goods, in particular: *Congrès Parfums et Cosmétiques*, Chemsec, REACH Conference DII, The International Consumer Product Health and Safety Organization.

To comply with the CLP regulation, BIC began preparing for the EU *toxicovigilance* statements and the adoption of the UFI (Unique Formula Identifier) number on the packaging of its products covered by the regulation.

### ➔ COMPLIANCE WITH THE REACH REGULATION

The European REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation establishes the regulatory framework for chemical substances and places responsibility on manufacturers to demonstrate the safety of the chemicals they use.

To address these requirements, BIC created a dedicated organization to allow the integration of the REACH topics. At Group level, an expert was appointed who, with the support of specialized firms, monitors the regulation, evaluates the impacts for the Group and creates the administrative files. This person is the contact person for all entities on this topic. Since 2008, in response to REACH, BIC has preregistered 168 substances for six of its legal entities. In compliance with the law, registration has been completed for all substances that needed to be registered. After the deadline of 2018 for products representing 1 to 100 tons per year, the authorities are now evaluating the compliance of the registration files received. BIC remains on the lookout for potential impacts on the files submitted.

(1) In particular, BIC is a member of EWIMA (European Writing Instrument Manufacturers Association), WIMA (Writing Instrument Manufacturers Association), ACMI (Art & Creative Materials Institute), TIE (Toy Industries of Europe), EFLM (European Federation of Lighter Manufacturers), and the *Fédération des Entreprises de la Beauté in France*.





### Marketing compliant products that are safe for human health and the environment

To guarantee consumer safety, the Group Insights & Innovation Officer, the Group Supply Chain Officer and the Group Lighter General Manager are responsible for marketing safe products that comply with regulations. To this end, they rely on:

- BIC Group's commitment to ensure that its products comply with regulations and are safe for health and the environment (see above);
- monitoring by dedicated regulatory watch teams (see above);
- a product safety qualification process for all products before they are launched in the market (see below).

This solid, longstanding organization is constantly being adapted and expanded to take changing regulations into account. The Executive Committee and management teams are systematically kept abreast of new developments in product safety and regulations.

In 2019, in parallel with the launch of the Bodymark™ by BIC® temporary tattoo marker, the Group developed a process for the qualification of cosmetic products.

The Product Safety teams have also developed a process for approving the use of recycled plastic raw materials in the production of BIC® products. These materials are recuperated from a very wide range of consumer products, making it impossible to provide traceability for the substances they contain. This new process allows the Group to qualify each batch of recycled material before it is used in BIC® products, helping ensure consumer safety.

### Systematic testing and evaluation programs

Before they arrive on the market, all BIC® products, including modified products, must pass a full program of safety qualification tests. These tests and evaluations make it possible to assess potential hazards and to identify the chemical substances present, evaluate their risk level, verify their compliance with standards, and identify any adaptations of the formulas or substitutions that might be needed to reduce risks.

BIC faces competition from several low-cost lighters that too often do not comply with international safety standards. According to tests conducted by independent accredited laboratories, more than three-quarters of the lighter models in the European market fail to meet standards. The Group has initiated actions to raise awareness among the various parties involved.

In 2010, emphasizing the consequences for consumer safety, BIC filed a complaint against the Netherlands with the European Commission for non-enforcement of EU safety standards for lighters. As a result, the Commission opened an infringement procedure against the Netherlands. In March 2012 and then in July 2014, the country was served formal notice to explain its failure. The procedure remains pending.

In April 2019, the *Association des Brûlés de France* (French burn victims' association) participated in a hearing with the European Parliament after petitioning the European Commission regarding the lack of progress in the regulatory compliance of lighters in Europe. In July, BIC lodged a complaint with the European Ombudsman concerning the European Commission's misadministration of the infringement proceedings initiated in 2010 against the Netherlands. The Ombudsman deemed the complaint admissible and has begun an investigation to determine whether the Commission has taken an undue amount of time to address the case.

#### 3.2.2.4 Results of the product safety approach <sup>[NFPS]</sup>

##### Writing the Future, Together – #1 Fostering sustainable innovation in BIC® products

Assessment according to the Sustainable Scorecard:

- 249 product ranges;
- 443 formulas;
- 45 specific tests.

##### Systematic testing

306 products have been tested by independent laboratories.

#### 3.2.2.5 Perspectives: The product safety approach

In the coming years, the Group will continue to adapt its working methods and means to maintain its own standards and level of compliance concerning product safety. BIC will continue to expand its regulatory watch activities to remain ready to adapt its processes, products and formulas as needed.

In 2020, as part of the Group's transformation plan, training will be offered on regulatory obligations and product safety. Training will continue on an international scale, at the industrial sites in South Africa and Tunisia (Bizerte) and in China at the sales office in Shanghai.

### 3.2.3 PRODUCTS DESIGNED TO MEET AND ANTICIPATE CONSUMERS' EXPECTATIONS <sup>[NFPS]</sup>

#### 3.2.3.1 Challenges, risks and opportunities related to consumers' expectations <sup>[NFPS]</sup>

BIC is a maker of mass-market consumer goods. Since its founding, the Group has believed that its products should satisfy and anticipate the expectations of all of its consumers, in both developed countries and developing countries.

BIC distinguishes its "customers" (i.e. companies, public administrations and office supply distributors, as well as major mass-market retailers) from its "consumers", the end users of its products. Customers are becoming increasingly demanding in terms of the environmental and social performance of the products they buy, as well as the evaluation of their suppliers' Sustainable Development Policies. They submit many questionnaires addressing increasingly specific and diversified topics. Retailers and wholesalers also want their collaborators in the distribution chain to

show how they are helping to reduce the global environmental and societal impact of their operations, and impose increasingly strict requirements on the packaging of the products that they carry.

[NFPS risk 8] Among its main CSR risks, BIC has identified risks related to reputation and brand. In the context of increasing environmental awareness, the brand image could be associated with disposable single-use products, leading to customer disaffection for BIC® products. In addition, BIC seeks to improve its communication operations, in particular concerning its products' environmental and social performance, to ensure that they allow the Group to retain the confidence of its stakeholders.

Meeting consumer expectations is also a source of opportunities for BIC, such as:

- positioning BIC as a responsible brand that delivers quality and safety through its long-term commitment and ambitious programs;
- highlighting its products' environmental and social benefits, standing out on the brand's markets and overcoming the disposable/sustainable contradiction;
- innovating in order to make BIC® products affordable to all.



#### ➔ OVERCOMING THE DISPOSABLE/SUSTAINABLE CONTRADICTION

BIC® products are very often stigmatized as "disposable". Although not all of them are refillable, neither are they used just once. On the contrary, most of them offer long-lasting performance: more than 2-km of writing for a ball pen, up to 3,000 flames produced for a lighter and 17 shaves for a triple-blade shaver. In addition, most of them are designed with no superfluous parts or features, using a minimum of raw materials, and BIC makes an ongoing effort to reduce their environmental impact in daily use. Each of the various products on the market, whether refillable or not, meets a specific consumer need.

#### 3.2.3.2 Policies and actions taken to meet customer and consumer expectations <sup>[NFPS]</sup>

Since its founding, BIC has strive to develop and offer simple, affordable products, leaving out anything superfluous, that meet consumers' expectations, especially in terms of environmental and social performance. To that end, the Group develops various programs and policies:

- Writing the Future, Together #1: Fostering sustainable innovation in BIC® products (see page 80);
- the product eco-design approach (see page 78);
- communication on the products' environmental benefits in order to encourage more responsible consumption (see below);
- defined in 2013, the Responsible Communication Charter formalizes BIC Group's integration of the Value of Responsibility in its communication. This Charter expresses BIC's intention to share reliable information and release clear, accurate messages; it applies to all communication undertaken by the Group around the world towards all of its stakeholders;
- BIC participates in Walmart's Sustainability Index (for shavers and writing instruments), which assesses suppliers' sustainability performance according to indicators established by the Sustainability Consortium. BIC also carries out specific reporting for Walmart every year through the CDP Supply Chain;

- in addition to responding to its customers' specific questionnaires on its CSR approach, BIC discusses all pertinent topics with them, including sustainable development issues, as part of its commercial relations. In certain cases these relations can take the form of partnerships. All the professional functions involved (marketing, communication, sales) are equipped with the tools they need to explain BIC's Sustainable Development Program;
- BIC strives to make its products affordable to all.

#### Encouraging consumers to adopt more responsible consumption habits

All the products that use recycled materials display the Moebius strip symbol as well as information to help consumers make their purchasing decisions. Some BIC® products are *NF Environnement* certified, while others supply information on their environmental and social qualities (eco-values) to help consumers choose products that meet their expectations. The most appropriate approach is chosen for each continent or category. For example, the communication in Europe emphasizes the *NF Environnement* ecolabel certification of a given product, where it was manufactured, the amount of recycled materials in it or its writing length. In the Lighter category, the packaging for the BIC® Maxi, the world's bestselling lighter, mentions the number of flames ("Up to 3,000 lights" or "Up to 2x more lights") and the website [www.mybiclighter.com](http://www.mybiclighter.com) includes a section on performance.





In 2019, BIC in North America became a member of How2Recycle, an organization that promotes the use of clear, concise and consistent recycling labels. A program to introduce “H2R” labels on BIC’s product packaging for the North American market will begin in 2020.

### ➔ BIC® WRITING PRODUCTS EARN THE NF ENVIRONNEMENT ÉCOLABEL

For equal performance in use, the *NF Environnement* ecolabel granted in France by AFNOR Certification certifies products that have a reduced impact on the environment. To obtain this ecolabel, a product must comply with certain functional and ecological guidelines conceived to reduce its environmental impact throughout its life cycle.

In the case of BIC® writing products, the main criteria for receiving the ecolabel are limited quantities of raw materials or the use of recycled materials, a long performance life and the strength of the pencil leads. BIC was the first manufacturer of writing instruments to earn *NF Environnement* certification. **Today, a full range of 19 BIC® products has been granted this ecolabel**, including historical products like the BIC® Cristal® and the BIC® 4-Color™ ballpoint pen, as well as the pens in the BIC® Ecolutions® line.

In France, BIC is a member of the ADEME-Quantis platform and participates in the joint effort now underway on environmental labeling of products. To this end, in 2012 the Group launched a test score posting in the form of a dedicated website <sup>(1)</sup> that shows the ecological footprint of the BIC® Flex 3 and BIC® Flexi Lady shavers and proposes eco-habits that allow consumers to help reduce the footprint.

Since 2015, in compliance with French law, BIC has been offering consumers sorting instructions for its packaging. This information is posted in a dedicated section of the Group’s website.

#### 3.2.3.3 Results and perspectives <sup>[NFPS]</sup>

- 100% of the environmental claims that appear on the packaging, in the catalogs and on the websites for BIC® products are approved by the Legal Department.
- 19 BIC® writing instruments received the French ecolabel *NF Environnement* (NF 400).

Responsible products are a permanent and ever-growing feature of BIC’s product range. In the coming years the Group will continue integrating these products into its corporate strategy, in particular through commitment #1 of Writing the Future, Together: fostering sustainable innovation in BIC® products, while giving them greater visibility by pursuing the efforts undertaken to improve the communication of its range of responsible products.

## 3.2.4 OPTIMIZED PACKAGING

### › Challenges

Packaging is needed at several stages in the life cycle of BIC® products: for their protection, shipping, storage and sale, and for promotional support. BIC’s packaging consists primarily of boxes and cases made of plastic, paper and cardboard. This packaging has an environmental impact during its manufacturing and shipping, and at its end of life.

### › Approach and progress made in 2019

Historically, BIC promotes selling products without consumer packaging or in value packs. In Europe, 69% of writing products are packaged in boxes, trays or pouches of at least 10 products (79% in North America), 79% of lighters are sold in trays of at least 50 (71% in North America) and 67% of shavers are marketed in pouches of five, 10 or more (49% in North America).

### BIC Group Packaging Community

The “Packaging Community” was formed to promote a packaging approach that takes sustainable development into account and demonstrates its utility for the Group, by pursuing shared goals and by defining a strategy for the Group in response to major trends. To that end, it unites a network of packaging experts from around the world. In 2019, the Packaging Community focused its efforts on the following: completing the transition of the last 1% of PVC still used in Europe and the United States; joining the How2Recycle organization for the Group’s operations in the United States; introducing sorting logos on BIC packaging; increasing the share of recycled materials in the Group’s primary packaging; and monitoring the key indicators for packaging optimization.

(1) [www.bicworld.com/fr/affichage-environnemental](http://www.bicworld.com/fr/affichage-environnemental).

**Three priorities for reducing the impact of our packaging**

**Priority #1: Selecting responsible packaging materials**

With the aim of reducing its environmental footprint resulting from the production of packaging, the Group has set two goals, one on cardboard packaging and one on plastic packaging:

- maintaining the level of 90% of BIC’s cardboard packaging coming from certified and/or recycled sources;
- targeting the level of 90% of BIC’s plastic packaging being PVC-free.

**Certified and/or recycled sourcing for cardboard packaging**

In order to increase the use of certified or recycled cellulose fiber in its packaging, BIC works closely with its packaging suppliers to help them obtain certification and improve their supply processes. Certifications can be: FSC (Forest Stewardship Council), SFI (Sustainable Forestry Initiative) or PEFC (Pan European Forest Certification).

As of January 2014, the Group has reached its previously defined goal of having 90% of its packaging come from certified sources and/or containing more than 50% recycled fibers. At the end of 2019, the Group’s rate was 95.7% overall. This result reflects the efforts made on several continents and in the concerned factories to select suppliers that are engaged in a long-term responsible approach.

In 2019, BIC in North America launched a program to transition the materials used in its primary packaging toward more recycled materials.

**PVC-free plastic packaging**

The elimination of PVC in BIC Group packaging was completed several years ago for the factories in Europe and in the U.S., where 99% of the packaging is now PVC-free. The elimination of PVC packaging is also well advanced in Mexico. All products packaged locally in South Africa now use PVC-free packaging.

Depending on the type of packaging, the transition from PVC to PET can entail a few simple adjustments of the machine settings or, in other cases, a complete reworking of the packaging system. For this reason, the “Packaging Community” works with the factories and R&D, getting the marketing teams involved as far upstream as possible. This transition, initiated by BIC many years ago, allows the Group to meet the demands of certain distributors. For example, one major distributor in the U.K. will no longer stock products whose packaging contains PVC.

BIC takes advantage of every opportunity to replace plastic packaging by cardboard in its products. A few examples of progress made in 2019 exemplify the Group’s learning curve in this area:

In Europe:

- the BIC® 4-Color™ gift packs sold as a limited edition on BIC.com and e-tail sites are made of 100% FSC certified cardboard;
- the new display unit for the BIC® Intensity Medium felt-tip pen is 100% cardboard;
- the new permanent display unit for lighters is made of 100% FSC certified wood.

In Brazil:

- lighters became the first category to achieve 100% PVC-free packaging;
- a project was launched to replace the plastic packaging of the BIC® 4-Color™ Fine and BIC® 4-Color™ Metallic with cardboard while increasing the number of pens per box. The production of this new packaging will begin in 2020, for an estimated savings of about 1.2 tons of plastic.

**Priority #2: Reducing the quantity of packaging per product sold**

BIC Group actively seeks to reduce the weight and volume of its packaging through multiple targeted actions around the world in accordance with local distribution models.

In Europe, 14 tons of cardboard were saved by the introduction of large cardboard sheets that can be reused as many as ten times, replacing small, single-use sheets.

**Priority #3: Reducing packaging waste**

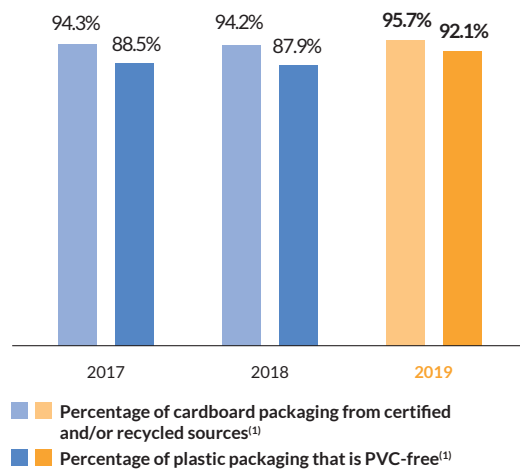
The Group is taking action to increase the recycling rate of packaging production waste in the packaging center facilities. The Charlotte site in the U.S. has already reached the program’s goal of 100% waste recycling. The site is now focusing on the reduction of waste due to packaging obsolescence.

The “Packaging Community” also seeks to reduce the amount of waste generated by the destruction of stocks of obsolete packaging.

In Australia, since 2013, BIC has been a member of the Australian Packaging Covenant (APC), a governmental initiative to promote the development of more sustainable packaging systems, increase recycling and reduce packaging waste – three priorities shared by BIC Group. BIC Australia has defined several goals in this area.



**Performance**



These indicators cover all packaged BIC® products delivered to the Group’s customers all over the world (except pallets): consumer packaging (pouch, blister, cardboard box), outer/inner, shrink-wrap, displays, etc. It is calculated on material weight.

**Perspectives**

BIC intends to pursue its programs to promote the use of packaging materials with reduced environmental footprints (paper or recycled PET for blister packs), reduce the packaging for its products and reduce packaging waste in its factories.

(1) Cello Pens excluded



### 3.3. ENVIRONMENTAL RESPONSIBILITY CONCERNING OUR OPERATIONS <sup>[NFPS]</sup>

As an industrial leader in the manufacture of consumer products, BIC is committed to ensuring that its sites, including both factories and offices, operate in an environmentally responsible way. BIC Group strives to reduce the impact of its manufacturing operations and optimize the shipping of its products.

BIC exerts good environmental control over its entire manufacturing chain, in particular due to two factors. First, it favors in-house production over contract manufacturing: 92% of the Group's net sales are generated by products manufactured in its own factories. Secondly, 81% of its products sold in Europe are also manufactured there.

#### 3.3.1 PARTICIPATING IN THE FIGHT AGAINST CLIMATE CHANGE <sup>[NFPS]</sup>

##### 3.3.1.1 Challenges, risks and opportunities <sup>[NFPS]</sup>

[NFPS risk 2] Among its main CSR risks, BIC has identified the following risks related to climate change:

- increasing regulation on carbon or energy directly impacting the Group's operations or those of its suppliers and contract manufacturers;
- the disruption or interruption of production activities due to extreme weather conditions or availability of natural resources (water, energy, etc.) directly impacting the Group's factories or those of its suppliers and contract manufacturers;
- the development of new regulations and standards regarding product environmental impact assessment and communication (including carbon impact) as well as consumer behavior changes impacting the Group's sales.

#### ➔ EVALUATING THE PHYSICAL RISKS FOR BIC REGARDING CLIMATE CHANGE

In 2018, using an analysis model based on risk statistics and the geographic locations of the sites, the physical risks linked to climate change (risks resulting from high temperatures, flooding, storms and typhoons, hydric stress and rising sea levels) were evaluated for each BIC site and for certain subcontractors and major suppliers. For the sites most at risk, the Group plans to define an appropriate action plan, incorporating any measures already implemented to counter the risk.

The challenge related to global warming is also a source of opportunities for BIC, such as:

- innovating in terms of energy supply, in particular through "Writing the Future Together" commitment #2: Acting against climate change, and by streamlining energy costs;
- improving the products' environmental performance, in particular through "Writing the Future Together" commitment #1: Fostering sustainable innovation in BIC® products;
- standing out on the markets by offering products with a reduced carbon footprint.

##### 3.3.1.2 Policies: Writing the Future, Together – #2 Acting against climate change <sup>[NFPS]</sup>

Fighting climate change has always been an integral part of BIC's Sustainable Development Program. In 2019, BIC renewed its signing of the French Business Pledge, joining 98 other French companies in a pledge to fight climate change.

BIC codifies this ambition in the following commitment: by 2025, BIC will use 80% renewable electricity.

Building on the experience acquired in recent years at certain of its sites, BIC defined a roadmap for its goal of 80% renewable energy by 2025, as part of a long-term vision of achieving 100% renewable electricity. This roadmap reflects a strategy in which each country or site examines its opportunities for sourcing renewable electricity, taking their regulatory and operational constraints into account. It serves as a guide for the countries and sites, which must also keep pace with the frequent market and regulatory evolutions that affect this business sector. To bring about a far-reaching change in its purchasing process for electricity, BIC is putting the focus on renewable energy certificates <sup>(1)</sup>, green contracts and long-term Power Purchase Agreements, and is investigating the production potential of certain sites.

In addition to the use of renewable electricity, BIC is pursuing its investments and actions to improve its sites' energy efficiency and strives to limit its GHG emissions from other significant sources (scope 3), in particular by optimizing its transportation activities (see section 3.3.1.6 Our transportation activities).

(1) Renewable electricity is defined as electricity generated by biomass sources (including biogas), geothermal, solar, water (including hydroelectrical) or wind power.

### 3.3.1.3 Actions taken to reduce our operations' contribution to climate change (scopes 1 and 2) <sup>[NFPS]</sup>

#### Using renewable energy

- 80% of the electricity that BIC uses will be from renewable sources by 2025, as a step toward its long-term vision of achieving 100% renewable electricity. This commitment is a key part of the Group's strategy as part of its "Writing the Future, Together" program.
- As of 2019, BIC's percentage of renewable electricity stood at 76%, a significant proportion that reflects the Group's commitment to fighting climate change.
- BIC estimates that its use of renewable energy will allow it to reduce its GHG emissions by nearly 50% by 2025 in comparison with 2015. This will enable BIC to promote the development of renewable energy sources in the countries where it has operations, and to reduce its indirect, so-called "market-based" (scope 2) emissions.

In 2019:

- with the adoption of a renewable electricity supply by the BIC (Nantong) Plastic Products factory in China, 100% of the Group's lighters factories are now powered by "green" energy;
- in the United States, the purchase of renewable wind energy certificates (U.S. RECs), which has covered the energy needs of the Shelton head office and the Milford factory since 2012, was expanded to 6 sites, bringing the coverage to 100% for BIC's American factories.

In addition, BIC has continued using renewable energy sources adopted in recent years:

- in Brazil, the Manaus site has been using wind energy since 2018 through the purchase of iREC certificates. This factory produces about 1 billion products per year for the South American market, covering all three BIC® product categories;
- in Spain, the BIC Iberia and BIC Graphic Europe sites have been using renewable electricity through the purchase of certificates (GoO) since 2018;
- in France, BIC buys renewable electricity certificates (Guarantees of Origin, or GoO) for all of its factories plus the Clichy headquarters. This means that the BIC® products manufactured in France are produced using renewable electricity;
- in Greece, the purchase of GoO certificates has covered all of the BIC Viorex site's electrical consumption since 2016;
- in India, the roof of one of BIC's eight factories is equipped with photovoltaic solar panels (15 kW).

#### Optimizing energy consumption

+3.8% energy consumption per ton of production between 2019 and 2018.

This increase is sometimes due to machine maintenance or other requirements such as heating. Some factories also have molding machines which consume energy. Some sites also use diesel during power cuts, or activity transfers.

Energy efficiency programs at Group sites also included the installation of more efficient production machinery, the optimization of lighting towards more efficient solutions and the awareness-raising among team members. For the past several years the Group has been pursuing a program to replace its hydraulic injection machines with more energy-efficient electrical machines.

Since the main BIC offices are equipped with servers, the sustainable development approach adopted by the IT support departments has a direct impact on the sites' environmental footprint. After several years of effort on this issue:

- the virtualization of the Group's internal and external servers has now reached the optimal level of about 80%. In 2019, the number of physical servers at the Clichy site was further reduced by 25%;
- the specifications for the renewal of the workstations incorporate two sustainable development guidelines: the quality of the suppliers' sustainable development approach and the energy efficiency of the equipment. The difference in energy consumption between the old and new workstations is estimated at approximately 20%;
- since 2019, the Group has been reconditioning and reselling its replaced equipment. Obsolete equipment that cannot be reconditioned is destroyed, according to accepted practice, by an expert service provider, which ensures the proper processing of each material;
- since 2013, in the Europe and Middle East-Africa zones, 100% of the team members who use a computer (some 6,800 in all) have been equipped with Skype for business, a set of solutions for remote collaboration. In 2019, BIC logged nearly 3,000 routine meetings via Skype.

### 3.3.1.4 Measuring the effect on climate change of other significant sources of GHG emissions

BIC has been responding to the Carbon Disclosure Project (CDP) for more than ten years. In line with the good performance of previous years, in 2019, BIC received an A- rating in the Climate questionnaire and was awarded "Leadership Level", which recognizes companies that are leaders in the effort to fight climate change. BIC also received an A- rating in the "Supplier Engagement Rating" for its supply chain actions.

The 2016 study of the main causes of greenhouse gas emissions related to the Group's operations and consumption of goods and services (covering factories and offices, excluding Cello Pens) was based on a carbon footprint study of the Clichy headquarters (France) and two factories (BIC Amazonia in Brazil and BIC Rasoires in France) using the ADEME Bilan Carbone® method. The study demonstrated that in addition to direct emissions (scope 1) and indirect emissions (scope 2), the main sources of other indirect (scope 3) emissions are: the purchase of products and services, upstream and downstream transport, and product end of life. Direct (scope 1) and indirect (scope 2) emissions plus these three main causes of scope 3 emissions account for more than 80% of the Group's total GHG emissions. Studies are being conducted to include a greater perimeter to calculate the scope 3 emissions.

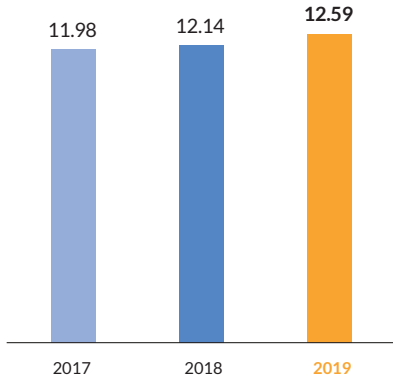


### 3.3.1.5 Results of actions to reduce the contribution to climate change <sup>[NFPS]</sup>

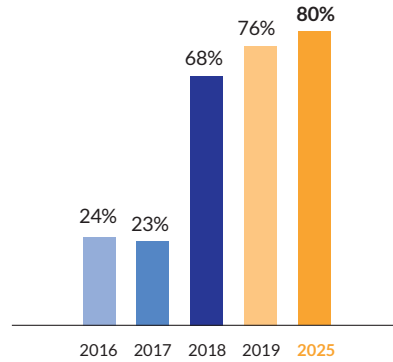
Between 2018 and 2019, within the perimeter of its industrial sites and main offices, the Group's performance regarding GHG emissions, both direct and indirect (scopes 1 and 2) as well as from the purchase of materials and transport (scope 3), was as follows:

- a 5.44% decrease in direct (scope 1) GHG emissions from the reduction of combustion of fossil fuels, mostly natural gas and fuel oil used primarily for heating buildings;
- a 0.04% drop in indirect (scope 2) GHG emissions from the production of electricity consumed by the Group's industrial sites;
- a 0.58% drop in the total quantity of direct and indirect (scopes 1 and 2) GHG emissions, in particular due to variations in national emission factors (scope 2), which fell for certain countries;
- a 22% drop in market-based emissions due to the Group's increased use of renewable electricity;
- a 10% increase in GHG emissions related to purchases of raw materials due to an increase in purchases of certain metals and/or an update of the emission factors related to the production of certain raw materials;
- a 7.6% decrease in emissions related to intra-company transport due to update of emission factors related to each type of transport, but also to reduction of air freight distances

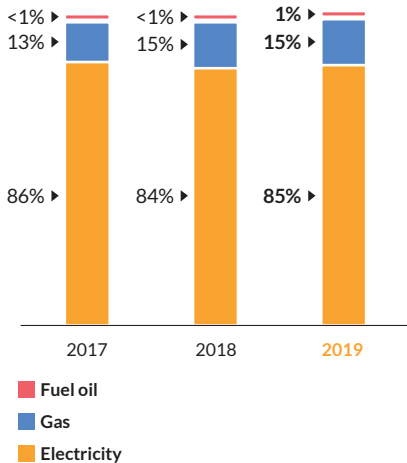
ANNUAL ENERGY CONSUMPTION NORMALIZED TO BIC GROUP PRODUCTION - IN GIGAJOULES/TON



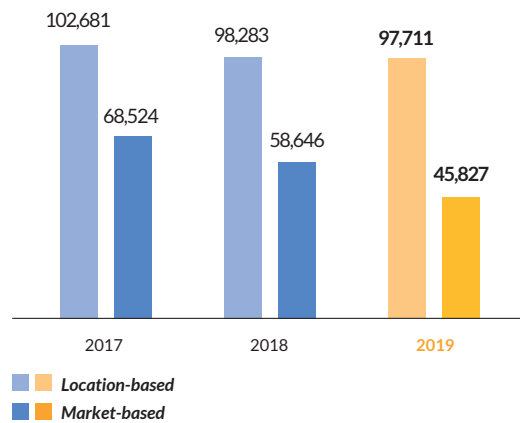
SHARE OF RENEWABLE ENERGY - AS % OF TOTAL CONSUMPTION - BIC GROUP



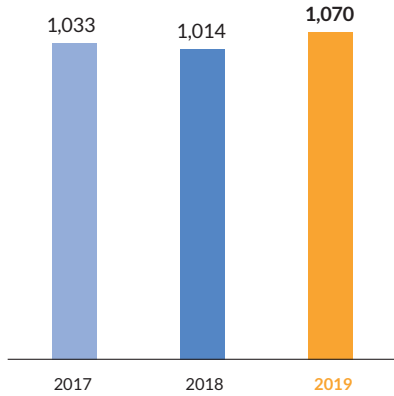
BREAKDOWN OF BIC GROUP ENERGY CONSUMPTION



ANNUAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS (SCOPES 1 AND 2) LOCATION-BASED AND MARKET-BASED - IN TONS OF CO<sub>2</sub> EQUIVALENT - BIC GROUP



**ANNUAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS (SCOPES 1 AND 2) NORMALIZED TO PRODUCTION – IN TONS OF CO<sub>2</sub> EQUIVALENT/TON – BIC GROUP**



**3.3.1.6 Reducing the carbon footprint of our transportation activities**

**› Challenges**

The objective of BIC’s shipping management system is to ensure the availability of its products to around 4 million points of sale all over the world, thus maximizing customer satisfaction, while at the same time reducing the environmental impact of its transport activities and optimizing costs.

BIC engages in two types of transport for its products:

- “Inter-site shipping” which refers to factory-factory and factory-warehouse shipments (inter- and intra-continental);
- “Distribution shipping” which refers to shipments from the factories or warehouses to the end customer.

Due to the environmental and financial impact of air freight, the key challenge for the Group is to use this form of shipping as little as possible. Even though it accounts for only 0.66% of the total tonnage shipped, air freight is the transport method that generates the most GHG: in 2019 it represented 51% of the Group’s total emissions from transport.

**› Approach and progress made in 2019**

BIC Group has factories all over the world, which tends to limit the need for shipping its products. For example, 81% of the products sold in Europe are manufactured on that continent.

In addition, BIC has chosen to outsource its transport operations while maintaining a high level of internal expertise in the management of service providers, flow engineering and transport management tools. A specific effort focused on each transport flow is the best way to provide high-quality, competitive shipping while reducing the environmental impact.

Led by BIC’s Transport Community, which unites the Group’s shipping managers, the approach is comprised of three main tactics:

- raising awareness and controlling emissions;
- optimizing shipments and routes;
- selecting responsible carriers.

BIC pays close attention to the proportion of this type of transport, with the goal of continuing to keep it below 2.3% for intra-company transport. In 2019, the share of air freight, in tons/kilometer, was 0.75%.

**Raising awareness and measuring emissions**

Like any function involving the supply chain, the optimization of shipping is a responsibility shared by several teams within BIC, from production to delivery, as well as sales and warehouse management.

Since 2014, the “Transport Community” has been working closely with the categories (Stationery, Lighters, Shavers) and a steering working group tasked with identifying solutions to achieve significant and long-term reductions in air freight. In 2019, the Transport Community continued to consult with experts and work in cooperation with customers. Transport companies that are committed to sustainable development are also regularly consulted.

The specific monitoring of air transport was introduced in 2014, with quarterly reports to the management teams in each zone. With this regular monitoring, the Transport Community is focused on this issue at the highest levels. A detailed analysis of these reports has allowed the Transport Community to identify worldwide flows and to define three key actions for their optimization. Cost and flow optimization and the promotion of initiatives to foster sustainable development are included in the criteria for choosing transport service providers in new calls for tenders.

**Optimizing shipments and routes**

In shipping, the main leverage points for decreasing emissions are the reduction of the distances traveled, the choice of transportation mode and load optimization. BIC’s logistical teams work on all three points in cooperation with other departments within the Group, such as Production and Sales, and service providers. Following the completion of a project to map all intra-Group flows, a study is being conducted to pool shipments on a Group-wide scale. Certain flows were optimized in 2019, and the Group’s new organization should make it possible to expand this optimization considerably.

**Selecting responsible carriers**

Logistical operations are carried out by transport companies chosen by BIC. Therefore, their equipment, methods and management systems are determining factors in the level of GHG emissions, including the age of the vehicles, training in the techniques of eco-driving, the use of speed governors, tire technology, emission measurement capacities, etc.

In conjunction with the Group’s responsible purchasing policy, BIC selects carriers that can reduce the ecological footprint of its shipping operations. For example, in the U.S. and Canada, the Group only works with carriers that have received SmartWay® certification, a program designed by the U.S. Environmental Protection Agency.

To encourage its transport service providers to adopt responsible practices, BIC has incorporated the reduction of GHG emissions in its criteria for selecting carriers.

Lastly, to foster its carriers’ commitment to corporate responsibility, BIC extended its Code of Conduct to logistics service providers. The amended Code was made available to all the Group’s transport teams worldwide, to be put into practice with their service providers. To support their carriers’ efforts, in 2015 the Brazilian teams developed a methodology for auditing a transporter’s commitment in relation to the requirements of the BIC Code of Conduct, with the goal of rewarding the most committed carriers.

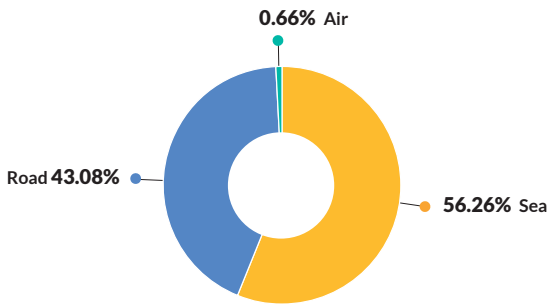




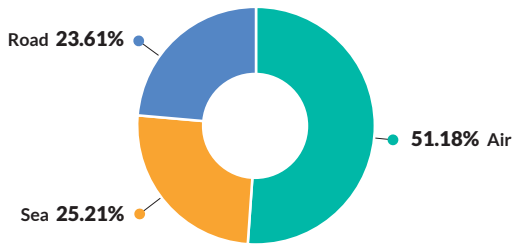
“ In 100% of the new Group's calls for transport tenders, sustainable development is a criterion for selection. ”

### > Performance

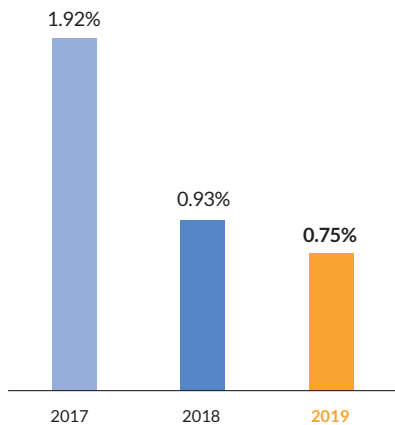
**BREAKDOWN OF TONNAGE SHIPPED BY MODE OF TRANSPORT - AS% OF TOTAL**



**BREAKDOWN OF GHG EMISSIONS BY MODE OF TRANSPORT - AS% OF TOTAL**



**SHARE OF AIR FREIGHT AS% OF TOTAL (IN TONS/KILOMETER)**



### > Perspectives

Starting in 2020, the Group's new organization will make it possible to expand and pool the logistics teams' actions and to carry out more Group-wide transversal actions to further reduce the environmental footprint of BIC's transport operations.

## 3.3.2 REDUCING OUR FACTORIES AND OFFICES' OTHER ENVIRONMENTAL IMPACTS <sup>[NFPS]</sup>

### 3.3.2.1 Challenges, risks and opportunities related to our operations <sup>[NFPS]</sup>

To manufacture its products, BIC uses raw materials (plastics, inks, paperboard, metals, etc.), consumes resources (water, energy) and produces waste. The Group is aware of the environmental impact of its production activity and is committed to minimizing it. While the need for raw materials is determined mainly by the design of the products (see section 3.2.1 *Our products' environmental performance*), the factories that manufacture BIC® products assume the important responsibilities of optimizing their water and energy consumption, as well as reducing greenhouse gas (GHG) emissions and waste production.

[NFPS risk 7] Among its main CSR risks, BIC has identified risks related to its operations and the environment: the nature of the Group's manufacturing operations, primarily the molding and assembly of plastic products and printing of products, has a local environmental impact that remains relatively low compared with other manufacturing sectors.

Reducing its factories' environmental footprint is also a source of opportunities for BIC, such as:

- optimizing production costs by limiting the consumption of resources (water, energy, etc.) and the production of factory waste;
- facilitating the factories' integration in their local surroundings by reducing their environmental footprint, adopting exemplary practices and initiating outreach actions to benefit the local communities.

### 3.3.2.2 Policies: management systems, certifications and external audits <sup>[NFPS]</sup>

The **Environment, Health & Safety (EH&S) Policy**, defined in 2005 and signed by the Chairman and CEO, codifies the Group's commitment to minimizing the environmental and safety impacts that result from our operations, from production to distribution, in order to better protect the environment. The Policy specifies BIC's dedication to:

- pollution prevention;
- health and safety risk prevention;
- regulatory compliance;
- continuous improvement;
- awareness and involvement.

Since 2010, the EH&S Policy is deployed at all BIC Group industrial sites. BIC maintains a formal procedure to review the BIC EH&S Policy to ensure that it remains pertinent and appropriate to the business. This procedure describes a periodic assessment and revision of the Policy to ensure that it is still appropriate for any changes in the Group's activities and products, including acquisitions and changing stakeholder expectations.

In addition, since 2018, all BIC sites (factories, packaging or distribution centers, head offices and other offices and installations) have been equipped with a system for documenting and managing safety incidents, as part of the implementation of commitment #3 Writing the Future, Together: Committing to a safe work environment (see page 99).

**At the industrial sites**

The Group’s Policy on Environment, Health & Safety (EH&S) requires factories to implement pragmatic management systems designed to involve all stakeholders, as well as to drive continuous improvement of operational performance. Every BIC factory has a local EH&S manager in charge of deploying these management systems. In addition, the Stationery category, which has the most sites around the world, employs a central EH&S manager who guides and coordinates the network of EH&S managers in this category. He also ensures that all facilities comply with the Group’s Policy and objectives, and monitors site performance by consolidating, analyzing and communicating the results achieved.

The environmental management system helps ensure **compliance of the activity with applicable laws and regulations concerning the environment**. This may include daily or periodic controls, to comply with local regulations, that are carried out internally or with the assistance of an independent external company. An action plan is established to correct any identified compliance issues.

Within the framework of the management systems, an in-depth review of all aspects of the site’s activities and environmental impacts (water, air, soil, noise, etc.) is performed and action plans are defined to limit these environmental impacts. Simple improvement targets are set for the factories to contribute to the Group’s overall environmental performance while meeting their own specific challenges (production, resources, geographic location, etc.).

The environmental management systems deployed at the Group’s industrial sites call for **contingency plans to deal with pollution accidents with off-site consequences**. Emergency prevention and response plans have been established in locations where there is an identified risk of an accident with consequences beyond plant boundaries.

In particular, in France, the two SEVESO plants have emergency procedure protocols (*Plan d’Opération Interne* and *Plan Particulier d’Intervention*), and a major hazard prevention policy (*Politique de Prévention des Accidents Majeurs*). They have also implemented a Safety Management System.

Outside France, some Group plants have equivalent emergency plans that address risks with potential off-site consequences. For example, plants in the U.S. maintain an Emergency Response Plan that includes prevention and management of the off-site consequences of any accidents.

In 2019, the implementation rate for BIC management systems at BIC industrial sites was 80% complete for the environment and 86% complete for health and safety. These rates for management system implementation vary every year as plants join or leave the scope and others make progress, but rates remain consistently high.

**Certifications**

BIC’s continued and steady progress in systems registrations underscores the Group’s commitment to the highest standards of environmental protection and health and safety.

- 2019: BIC Iberia (Spain): the Stationery factory was granted Imprim’Vert eco-certification.

- 2018: BIC Violex (Greece) was granted BREEAM (Building Research Establishment Environmental Assessment Method) certification for one of its buildings.
- 2018: BIC Shavers Mexico obtained ISO 14001 certification and nine other sites renewed their certification, giving BIC a total of 12 industrial sites that have met the criteria of this environmental standard.

**In the offices**

For the sake of exemplarity, the BIC sustainable development approach covers all of its operations, including office activities, even though they represent a non-significant part of the Group’s environmental impact. The environmental performances of the Group’s three main offices (Clichy in France, Shelton in the U.S. and Cajamar in Brazil), which have been monitored for the past five years, are presented in consolidated form with the performances of the Group’s industrial sites.

Initiatives have been undertaken at these sites to reduce their environmental footprint. The Shelton (U.S.) offices were granted LEED (Leadership in Energy and Environmental Design) certification in 2009 and are powered by electricity from renewable sources. The Clichy site (France) also purchases electricity from renewable sources.

**In the supply chain**

Beyond the accounting of its own environmental impacts, BIC Group also considers the impacts of its supply chain. Since 2014, the Workplace Conditions Assessment (WCA) platform for auditing subcontractors’ working conditions (see page 109) has included a comprehensive questionnaire on environmental performance, accounting for 6% of the total number of questions posed. Of the 35 suppliers who were active and audited in 2019, 10 suppliers had deficiencies relating to the environment. A total of 17 deficiencies were identified, 65% of which were minor and 35% moderate.

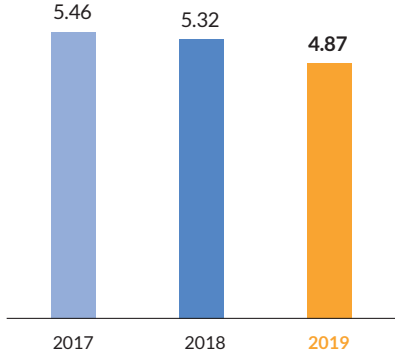
**3.3.2.3 Reducing water consumption and assessing the scarcity of the resource: results <sup>[NFPS]</sup>**

BIC consumed 444,840 m<sup>3</sup> of water worldwide in 2019. In addition to the volumes consumed, it is essential to consider where this consumption takes place. It can occur in so-called “water stress” zones where water is a scarce resource. The uneven distribution of water across the planet, and limited access to it, may give rise to severe political and social tensions.

- An 8.4% drop in water consumption per ton of production between 2018 and 2019. Over this same period, BIC’s total water consumption dropped by 14% while production dropped by 5.8%, in particular due to the implementation of programs to optimize the Group’s industrial processes and equipment.
- Eight sites show a moderate risk of water stress (in Europe, the United States, India, Africa, Mexico and Brazil) according to a global risk assessment on water and its future availability conducted by BIC in 2018. The Group will continue striving to improve its water consumption ratios, taking the scarcity of this resource into account in order to prioritize its action plans for the reduction of water consumption.



**ANNUAL WATER CONSUMPTION NORMALIZED TO BIC FACTORIES PRODUCTION – BIC GROUP – IN M<sup>3</sup>/TON**

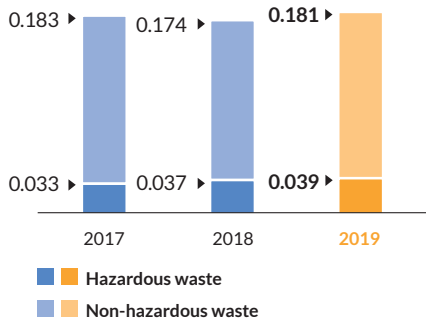


**3.3.2.4 Reducing waste production: results [NFPS]**

**Hazardous and non-hazardous Industrial waste**

- A 3.7% increase in the quantity of waste generated per ton of production between 2018 and 2019, resulting from an increase (+4%) in the ratio of non-hazardous waste generated per ton of production, which represents 82% of the Group's waste, and an increase (+3.65%) in the ratio of hazardous waste.

**ANNUAL PRODUCTION OF WASTE NORMALIZED TO PRODUCTION – IN TONS/TON – BIC GROUP**

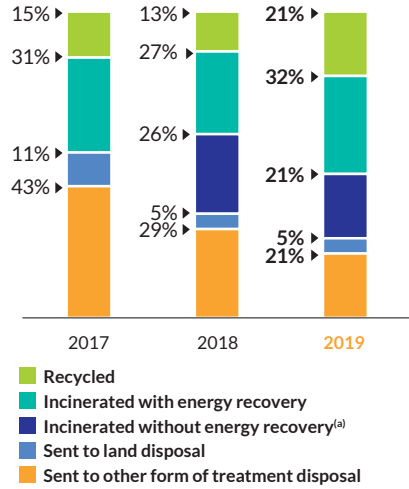


**Hazardous industrial waste**

- A 3.65% increase in the quantity of hazardous waste per ton of production between 2018 and 2019, often resulting from the disposal of large quantities of obsolete stock.

Some factories are equipped with wastewater treatment plants to treat hazardous waste, such as that from the surface treatment workshops, transforming it into metal hydroxide sludge that can be processed to eliminate almost all risk to the environment.

**BREAKDOWN OF HAZARDOUS WASTE TREATMENT – % OF TOTAL EXPRESSED IN TONS – BIC GROUP**

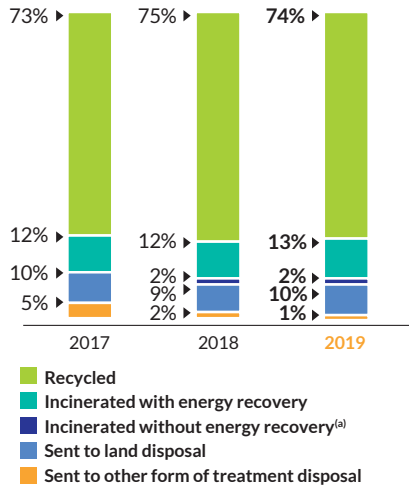


(a) The category "Incinerated without energy recovery" was created in 2018. In 2017 this waste was reported under the "Sent to other form of treatment or disposal" category.

**Non-hazardous industrial waste**

- A 4% increase in the quantity of non-hazardous industrial waste per ton of production.
- In the main offices, waste production reached 176 tons, an increase of 37% in comparison with 2018 in particular due to the rise in paper waste at the Clichy site.

**BREAKDOWN OF NON-HAZARDOUS WASTE - % OF TOTAL EXPRESSED IN TONS - BIC GROUP**



**Better recovery of waste, promoting recycling and reducing waste to landfill**

- The percentage of recovered waste (recycled or incinerated with energy recuperation) at 81% increased between 2018 and 2019. The increase of 3% is due to an increase in recycled non-hazardous waste.
- The percentage of recycled industrial waste remained stable at 64.7% between 2018 and 2019. The slight increase of less than 1% is due to the industrial sites which have continued to take action to promote recycling, in particular through awareness-raising and improved internal waste monitoring.
- Eight sites reported zero waste to landfill in 2019. In addition, efforts continue to determine the reasons for the landfill disposal of certain types of waste at the Group's sites. In particular, these reasons can include regulatory obligations or the lack of waste processing channels in remote areas.



(a) The category "Incinerated without energy recovery" was created in 2018. In 2017 this waste was reported under the "Sent to other form of treatment or disposal" category.



## 3.4. OUR SOCIAL RESPONSIBILITY TO OUR TEAM MEMBERS <sup>[NFPS]</sup>

The women and men who make up BIC Group have been the key to its success from the very beginning. With factories all around the world, distribution teams in 57 countries and with approximately 4 million sales outlets spanning the globe, BIC thrives on a shared corporate culture, enriched by local specificities. The challenge for its Human Resources is to continue to nurture this common culture, founded on BIC's Values and philosophy, across geographic, professional and organizational borders. Shared protocols, based on the Group's history and built to serve its industrial and commercial goals both present and future, are deployed to develop the skills and strengthen the commitment of everyone in the Company, while protecting and improving their health, safety and well-being. Working with its social partners, BIC strives to create a favorable environment for the long-term development of its team members, and of the Group as a whole.

### 3.4.1 THE WORKFORCE

For the year ending December 31, 2019, BIC Group had 12,777 permanent team members and 4,017 temporary staff.

The following sections describe BIC's workforce in 2019 and the evolution.

#### 3.4.1.1 Breakdown of the workforce by region and activity

Changes in staff numbers by region are shown below:

##### WORKFORCE BY REGION - IN FULL-TIME EQUIVALENTS AS OF DECEMBER 31

Workforce by region	December 2017	December 2018	December 2019	Variation 2019/2018
Europe	4,014	4,061	3,935	-3.1%
North America	805	740	746	+0.8%
Developing markets	10,117	8,863	8,554	-3.5%
<b>TOTAL PERMANENT STAFF</b>	<b>14,936</b>	<b>13,664</b>	<b>12,777</b>	<b>-6.5%</b>
Temporary staff	3,912	3,291	4,017	+22.1%
<b>TOTAL</b>	<b>18,848</b>	<b>16,955</b>	<b>16,794</b>	<b>-1.0%</b>

In 2019, permanent team members decreased by 6.5% (887 team members).

This reflects the decrease of headcount in Cello Pens in India (859 fewer team members between December 2018 (5,665 team members) and December 2019 (4,806 team members)). This decrease in permanent headcount is linked to productivity improvements in the factories and a move to a more flexible workforce in order to address changing business demands. The increase in temporary workers in India, (377 more than in 2018 for a total of 2,400), is indicative of this flexible workforce. In all other BIC subsidiaries, the permanent workforce remained broadly constant.

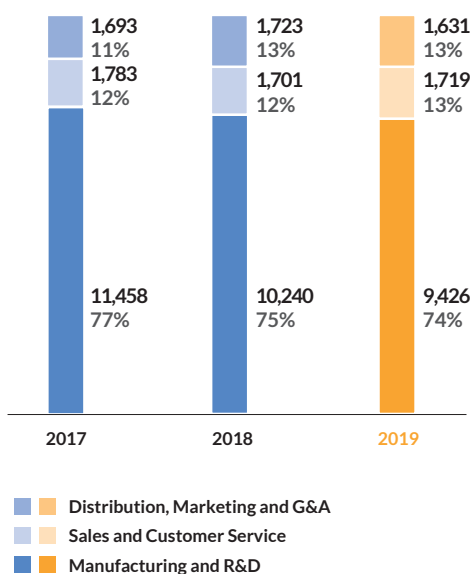
Permanent team members (with a permanent employment contract) accounted for 76% of the Group's total workforce. Temporary workers accounted for 24% of the Group's total workforce; split across temporary staff, fixed-period contracts, and university interns.

As of December 31, 2019, the number of temporary workers was higher than December 31, 2018 by 726 (4,017 versus 3,291). In addition to the India increase mentioned previously, Mexico also saw an increase in temporary workers by 209.

BIC grew in Africa through acquisitions in Kenya (206 team members plus 98 temporary team members) and Nigeria (18 permanent team members).

Temporary workers are employed primarily in manufacturing plus some in sales support, distribution, and administration. The use of temporary workers is essentially due to the highly seasonal nature of BIC's activities.

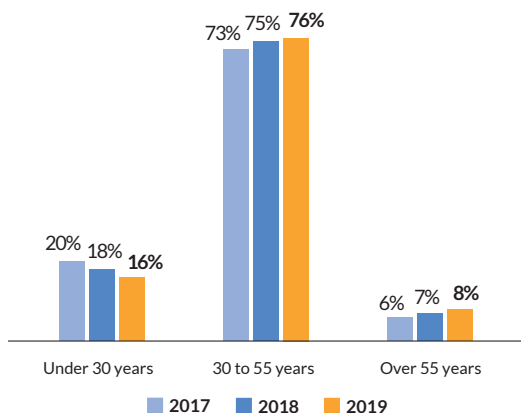
PERMANENT TEAM MEMBERS BY ACTIVITY - BIC GROUP



3.4.1.2 Breakdown of the workforce by age

All ages are represented in BIC

BREAKDOWN OF THE WORKFORCE BY AGE GROUP



3.4.1.3 Breakdown of the workforce by category

PERMANENT HEADCOUNT BY CATEGORY

	December 2018	December 2019	Variation 2019/2018
Managers	2,787 (20%)	2,814 (22%)	+1.0%
Non-managers	10,877 (80%)	9,963 (78%)	-8.4%

Managers accounted for 22% of permanent BIC Group team members in 2019. For BIC Group, the main characteristic of a manager is that he/she coordinates a range of resources for which he/she is responsible, with a degree of autonomy and responsibility necessary for the achievement of objectives on at least an annual basis. Management might refer to a team, a project, a process, a technique, or a customer or supplier portfolio.

3.4.1.4 Recruitment and terminations

For recruitment purposes, the Group has, over recent years, developed a mobility policy and an active internal promotion policy backed by career management tools (Individual Development Plan, Succession Plan, talent accelerators, etc.).

The Group recruited 1,680 external candidates (an increase of 8% versus 1,563 in 2018), including 381 for management positions. The external recruitment rate was 13% versus 11% in 2018 (the rate was 14% for managers).

The Group enhances awareness of the Company in the international employment market through the use of tools such as LinkedIn and also partners with internationally renowned specialized recruitment companies. Over recent years, the Group has reinforced its managers' expertise in recruitment techniques and has developed a more efficient selection and tracking process.

Voluntary departures were 1,784, 13% of total permanent headcount versus 2,044 (14%) in 2018. There were 789 involuntary departures versus 791 in 2018, (6% of permanent headcount in each year).

The rate of voluntary departures continues to be highest in APAC at 19% and India at 25%. In Middle East/Africa and North America, voluntary turnover saw a decline. Middle East/Africa dropped from 10% to 8% and North America saw a decline from 11% to 9%. Although Europe continues to have a lower voluntary turnover rate, there was a slight increase in 2019 from 5.6% to 6%. Latin America turnover in 2019 was 10%.

Globally, in the event of staff restructuring that results in job cuts and terminations of profiles that are not adapted to the future business, Group policy is to respect local legal obligations as a minimum, in cooperation with social partners. Moreover, BIC strives to reassign team members whenever possible.



### 3.4.2 SHARING OUR VALUES, LISTENING TO OUR TEAM MEMBERS

#### › Challenges

The Group's philosophy "Honor the past, Invent the future" symbolizes for BIC a respect for its heritage, which is one of the keys to its success, as well as the way in which its team members build the future of the Group together. BIC's heritage encompasses many aspects: an entrepreneurial spirit, products that have become icons within their markets, irreproachable quality, attention to detail, and the commitment of the team members who have built the BIC® brand.

This philosophy constitutes a central element of BIC's culture and arises from the following five shared Values: Ethics, Responsibility, Teamwork, Simplicity and Ingenuity.

BIC Values the opinions of all its team members and regularly seeks their views on the Group, their work environment and their perception of the Group's programs.

#### › Approach

Since 2005, surveys on engagement and adherence to values have been used to measure regularly the difference between the values as they are defined in the communication tools and as they are truly experienced by team members in the workplace, as well as the team members' engagement and related factors like working conditions, individual recognition, independence, career opportunities and management effectiveness.

#### › Performance

##### The Engagement and Adherence to Values Survey

The Engagement and Adherence to Values Survey in 2018 covered 11,053 team members (permanent and temporary team members under contract) with a participation rate of 93%.

2018 saw an 84.3% overall engagement index versus 83% in 2016 (+1.3 point).

Special tools were developed, and coaching was offered to help managers define local action plans in response to the survey results.

#### › Perspectives

BIC will continue its program of in-house surveys, with the goal of being attentive to its team members and implementing plans for improvement.

### 3.4.3 HEALTH/SAFETY IN THE WORKPLACE <sup>[NFPS]</sup>

#### 3.4.3.1 Challenges, risks and opportunities related to team members health and safety <sup>[NFPS]</sup>

For the Group, workplace safety means ensuring its team members' physical and mental well-being by preventing accidents and occupational diseases.

[NFPS Risk 4] BIC has identified the "health/safety in the workplace" risk as one of the major CSR risks resulting from its operations. BIC's operations, both industrial and commercial, expose its workers to various professional risks (physical, chemical, psychosocial, biological, ergonomic) that differ from function to function (headquarters, factories, sales force).

For the Group, a commitment to improving safety in the workplace is a key factor for team members engagement, helping build loyalty among the work teams.

The information presented in this chapter on health and safety in the workplace concerns all of the Group's activities.

#### → TEAM MEMBERS SECURITY RELATED TO GEOPOLITICAL RISKS

Since 2018, BIC Middle East has launched Travel Tracker, a service provided in partnership with International SOS. This service offers team members comprehensive information and support before and during travel, automatically linked to their travel booking. It prepares them for their visit by providing information on any potential health, security, political or climate risks. It also includes emergency services through which BIC can be notified in case an unforeseen event occurs while an employee is traveling.

Team members can also seek help if they find themselves in danger, have questions or need medical support during their trip. This initiative is part of a proactive strategy to mitigate risk by keeping safety and security top of mind.

### 3.4.3.2 Writing the Future, Together – #3 Committing to a safe work environment <sup>[NFPS]</sup>

Safety in the workplace is a fundamental priority for BIC.

BIC has set the goal of taking action for safety in the workplace, as stated in the following commitment: By 2025, BIC aims for zero accidents across all operations.

The Group deploys all useful means: health and safety management, ongoing improvement of working environments and the organization of working hours, and actions to raise team members' awareness of safety issues.

Inspired by the "Vision Zero" approach developed by the International Social Security Association<sup>(1)</sup>, the Group is developing a program that integrates the dimensions of safety, health, and well-being at work, at every level, with the goal of achieving zero sick leave days due to on-site accidents for everyone who works for BIC. It is based on the ISSA's Seven Golden Rules: take leadership – demonstrate commitment; identify hazards – control risks; define targets – develop programmes; ensure a safe and healthy system – be well-organized; ensure safety and health in machines, equipment and workplaces; improve qualifications – develop competence; invest in people – motivate by participation.

This "zero accidents" goal implies an intensification of the Group's safety culture and policies in all of its operations, and includes the implementation of specific local actions.

In 2018, building on the approach already adopted over the past several years in the Stationery category, BIC began extending and adapting that category's health-safety roadmap to the other categories and continents. In 2019, this roadmap was presented to all continents and the Country Directors General and global actions will continue in 2020.

#### 3.4.3.3 BIC Group's Environment, Health & Safety Policy <sup>[NFPS]</sup>

BIC adopts a Health & Safety program that allows it to guarantee a working environment that protects its team members' physical integrity. In keeping with its **Environment, Health & Safety (EH&S) Policy**, BIC strives to prevent or at least reduce health and safety risks for its team members, subcontractors and people who live or work near its production sites.

The Group deploys safety management systems at its production sites. Each site has an EH&S manager in charge of the deployment of the EH&S Policy and follow-up of programs for reducing the team members' health and safety risks, under the responsibility of the Industrial Directors.

The Group's health-safety program is based on a number of tools that evolve to keep pace with the organization's needs:

- the **"e-EHS Suite" platform**, which monitors and manages workers' accidents (evaluating risks, recording and documenting accidents, defining corrective action plans), allowing each entity in the organization to define an effective action plan;

- **safety reporting** extended to all BIC sites (factories and headquarters);
- an **Environment, Health & Safety reference system**, also called the EH&S maturity reference system;
- **safety watches** (behavioral observation visits) are conducted in the Stationery factories. Carried out with the team members, these visits consist of questioning unexpected behavior in a spirit of ongoing improvement and dialogue;
- **Global Safety Call**, a monthly teleconference bringing together the factory Directors, their EH&S managers and the Global Supply Chain management team.

In the Shavers category, since 2011 three of the four factories have earned triple certification for their development and deployment of the EH&S Policy: Safety (OHSAS 18001), Quality (ISO 9001) and Environment (ISO 14001). This year, the Manaus and Violex factories obtained ISO 45001 certification, which replaces OHSAS 18001.

#### 3.4.3.4 Actions taken and results <sup>[NFPS]</sup>

The transformation to zero accidents continues in 2019 with concrete achievements:

- the first global EH&S meeting was held at BIC Violex in Greece in April 2019;
- safety orientation was introduced for all newly hired office staff;
- the sharing of good practices was expanded with a Group-wide "Best In Class" communication campaign;
- the Stationery factories underwent a second series of evaluations based on the internal EH&S maturity reference system;
- certain actions implemented by the Stationery category in 2018 were duplicated in the Shavers category, including training for managers in "Managing Safely", "safety talks", and self-evaluations based on the Environment, Health & Safety reference system;
- managers at the headquarters were given awareness training on psycho-social risks, and prevention committees for this type of risk were formed at the two factories in Mexico.

In 2019, health and safety management systems were operational at 86% of BIC's sites.

In all BIC sites, accidents resulting in lost work time for BIC team members are mainly caused by the handling of materials and machines. The frequency rate decreased in 2019 from 2.09 to 1.85. The development and implementation of actions plans will continue in 2019 and should lead to an increased safety culture and a decrease of this rate. The severity rate decreased to 0.06. In addition, 55 sites reported no accidents with lost work time in 2019, including 10 factories.

Over the full organization in 2019, there were 68 accidents involving BIC Group team members and 6 for external temporary workers. The incident rate for BIC team members and temporary workers reached 1.87 in 2019.

Most of the occupational diseases, which so far have only been monitored in France, are related to musculoskeletal disorders.

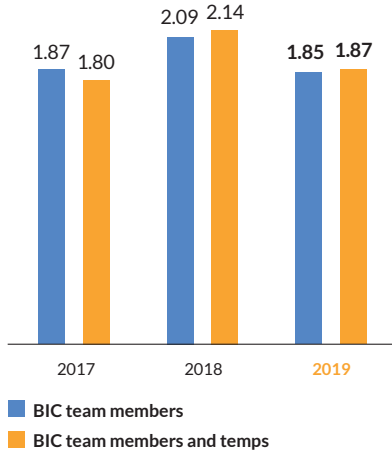


(1) The International Social Security Association (ISSA) is an international organization uniting social security administrations and institutions around the world.

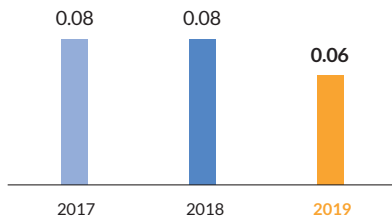




#### INCIDENT RATE: NUMBER OF ACCIDENTS LEADING TO LOSS OF WORK TIME - PER MILLION HOURS WORKED - BIC WORKFORCE AND TEMPORARY WORKERS



#### SEVERITY RATE: NUMBER OF CALENDAR DAYS LOST DUE TO AN ACCIDENT - PER THOUSAND HOURS WORKED - BIC WORKFORCE



#### 3.4.3.5 Perspectives

In 2020, the roll-out of the safety culture and implementation of the health-safety roadmaps will resume, in particular including:

- the introduction of safety relays at the Group's largest factories;
- the establishment of a centralized health-safety management system;
- the development of skills in the EH&S network, with increased discussion and interaction within the network;
- the updating of the EH&S maturity reference system.

### 3.4.4 HEALTH AND WELL-BEING IN THE WORKPLACE

#### › Challenges

For BIC Group, team member health and well-being are also a matter of reducing the incidence of work-related diseases, primarily musculoskeletal disorders and psychosocial risks (PSR) such as stress. BIC keeps a close watch on these issues and constantly strives to reduce all forms of job-related suffering.

To this end, in conjunction with the above-mentioned approaches to organization and health-safety in the workplace, programs to promote well-being at work are coordinated Group-wide and deployed locally depending on each site's specific needs.

#### › Approach

The Group's worldwide program called "Quality of Life at Work", launched for the purpose of defining goals and a global strategy for improving quality of life in the workplace, continues to be developed at many sites. As part of this worldwide program, action plans have been defined and implemented locally based on past initiatives deployed in various countries. Through this program, BIC seeks to promote wellness at work in the interest of its team members and their engagement. In this way, the Group will help limit the effects of professional or personal stress on its team members' health.

This program promotes both short- and long-term initiatives and action plans based on a combination of reactive and preventive approaches. It includes a section dedicated to the "Role of Managers". "Quality of Life at Work" also examines team members' job responsibilities and the quality of their working environment.

The efforts focus on four main areas:

- **health and well-being:** safety, physical exercise, nutrition;
- **the manager's role:** stress management and prevention as well as the new skills required for team leaders;
- **workspace and workstations:** ergonomics, configuration of workspaces and common areas;
- **team member services:** to make everyday life easier and help team members deal with personal and professional difficulties.

In each of the four above-mentioned fields, new initiatives have been undertaken and the programs developed over the past several years in various countries are being continued. The most significant programs are described below.

#### › Progress made in 2019: health and well-being

##### Prevention/awareness campaigns in all of the Group's geographic zones

Prevention, screening and awareness campaigns are carried out in all of the countries where BIC has operations:

- in South Africa, the program to combat HIV/AIDS has continued every year since it was launched in 2000, including a dedicated dispensary and educators, coverage of treatments for seropositive team members who request it, vaccination against hepatitis B, and the hosting of a presentation each year on World AIDS Day. The dispensary continues to provide primary health care and screening for all of the site's team members;
- in Argentina, 64% of all BIC team members participated in screening operations. In all, 34% of the team members in Argentina and Uruguay received flu vaccinations;

- in Australia and New Zealand, team members benefit from skin cancer screening and prevention operations. One Australian warehouse also organized a campaign on the prevention of occupational accidents and risks related to manual materials handling;
- in Brazil, weekly exercise sessions help prevent stress and musculoskeletal disorders;
- in the United States, the Group is pursuing its partnership with OneExchange, a private healthcare company offering a broad range of services in compliance with US healthcare reform. In 2019, 80% of BIC's American team members subscribed to OneExchange. Events were held on site in Shelton, Connecticut, in Charlotte, North Carolina, and in Gaffney, South Carolina, highlighting preventive measures such as flu vaccinations and biometric screening. The latter gives team members an overview of their current state of health, enabling them to identify potential opportunities for improving their health and well-being. A newly launched benefits portal allows team members to log in and access their health and well-being benefits, using either a computer or a smartphone for maximum convenience;
- in Morocco, following up on the good results achieved in the past three years, the "Joy Ministers" continue to conduct workplace well-being programs, including yoga, running, fitness sessions and outdoor activities for team members and their families;
- in Mexico, two sites proposed screening programs (with 70% team members participation) and flu vaccinations (50% of team members vaccinated).

› **Progress made in 2019: the role of the manager**

The managers' attitudes and behavior are the cornerstone of any effort to combat psychosocial risks (PSR). As a responsible company, BIC trains its managers in the ability to acquire and apply new managerial skills and in their fundamental role as the providers of a positive environment for themselves and for their teams. They also have a clearly stated mission to be on the lookout for the subtle signals indicating that a team member is in distress and are trained to detect those signals. The "Managing Others@BIC" and "Leader@BIC" training modules, created to help managers deal effectively with the challenges they face as team leaders, increasingly incorporate the aspect of well-being at work as well as stress management in their programs.

All people managers are trained on the Performance Evaluation and Development Module, which consists of:

- explanation of the performance model;
- how to give and receive feedback;
- writing a development plan; and
- how to successfully evaluate team members, encompassing not only the accomplishment of business goals but also how each team member demonstrates BIC's Core Values, Core Competencies and Functional Competencies.

In 2019, BIC University participated in the launch of the "Invent the Future" transformation plan by offering training in organizational transition management, specifically designed to help managers and team members facilitate the transformation process for themselves and their teams. Customized workshops, that included leadership assimilations, team formation and goal setting initiatives, helped the newly formed teams in quickly forming strong collaborative relationships.

› **Progress made in 2019: team member services**

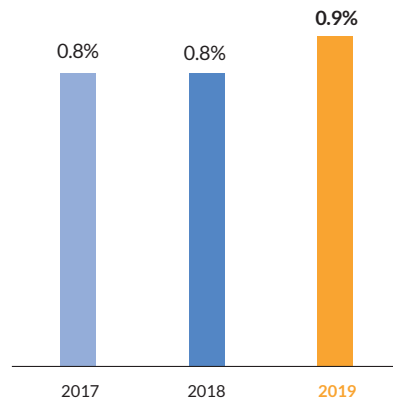
An Employee Assistance Program (EAP) has been in operation for several years in the United States (at BIC CORPORATION), in France (the PASS program), in the Asia-Pacific zone and in Latin America. Set up for the benefit of BIC team members and their families, this service offers a 24-hour helpline plus the possibility of face-to-face meetings with professionals.

› **Performance**

In 2019, 3 occupational diseases were declared in France and 2 in Mexico.



**ABSENTEEISM (EXCLUDING ON-SITE ACCIDENTS AND MATERNITY) - BIC GROUP PERMANENT WORKFORCE**



Absenteeism (excluding on-site accidents and maternity) remained stable.

Absenteeism (including on-site accidents and maternity) was 1.5% in 2019



### 3.4.5 TEAM MEMBER DEVELOPMENT <sup>[NFPS]</sup>

#### 3.4.5.1 Challenges, risks and opportunities related to team member development <sup>[NFPS]</sup>

In 2019, with the launch of the "Invent the Future" transformation plan, 140 managers from across the Group worked to identify the types of behavior needed for the plan to succeed:

1. **A clear vision of transformation:** crafting and developing a vivid and compelling vision of the future and describing how to get there.
2. **Consumer-centricity:** instilling the conviction that the consumer and end user must be the focal point of all business discussions and actions.
3. **Innovation:** BIC University is currently partnering with the business in identifying best practices to develop training with a focus on innovation and change management which will transform the way people learn, manage change and solve complex problems.
4. **Business and people performance:** achieving high performance through systematic performance management, skill building and flexible career paths based on performance and potential.

[NFPS risk 9] In addition, among its primary CSR risks, BIC identifies risks related to experienced team members and their skills: BIC relies on the specific skills of its experienced team members, in particular in industrial operations and the execution of professional functions. The loss of experienced team members could slow the deployment of the Group's development plans and prevent the Group from implementing its strategy.

#### 3.4.5.2 Policy: the 70/20/10 development principle <sup>[NFPS]</sup>

The priority for 2020 is not only the dissemination of skills and sharing of core values, but also team member development in these aspects of behavioral change.

To that end, the Group will continue to apply the 70/20/10 principle and to promote team member development based on the BIC University training programs.

Regardless of function, level of responsibility, and type and length of contract, all BIC team members will be given opportunities to increase their external and internal employability. That is the employability commitment of BIC to its team members.

To achieve its commitment to team member development, BIC aims at being a learning environment for its team members based on the 70/20/10 model, which boosts development by combining three dimensions:

- **learning from new professional experiences** (70%): BIC offers opportunities for team members to work in multi-functional teams or individual stretch assignments;

- **learning from others** (20%): developing a feedback culture, every team member has opportunities to receive and offer further feedback, either to build on a strong point or to strengthen a developmental point;
- **learning from training** (10%): by increasing access to the BIC University programs, as well as locally developed training programs.

The Talent Development team makes this model available to all teams. It is for example used to structure BIC tools like the Taleo system and the People Acceleration Plan, etc.

BIC Group's competencies framework specifies the Core Competencies that all team members around the world must cultivate to ensure BIC's success: "Displays Strategic Agility", "Drives for Results", "Champions MPD" (Method, Precision, Discipline), "Engages Others", "Acts with Courage" and "Develops Self and Others". These Core Competencies are embedded in all BIC University training programs and are included in the pre-employment testing process.

#### 3.4.5.3 Actions taken to promote team member development <sup>[NFPS]</sup>

Numerous actions were undertaken to encourage the use of the 70/20/10 model. Some examples are given below.

##### Learning from new professional experiences ("70")

###### New Performance Review Model rollout

Operational performance and improvement are two pillars of Group's success. The process for evaluating each team member's performance is essential for enabling the Group to achieve its development goals.

2019 was the first full year of implementation for the new BIC performance review model. The results show:

- good roll-out of the culture of recognizing team members for outstanding performance;
- better balanced evaluations;
- more constructive and beneficial discussions between managers and their team members.

In 2019, 191 managers and human resource team members were asked to evaluate the new performance review model. It was rated very highly, with 89% of the respondents expressing their satisfaction.

Also, in 2019, the Executive Development Program was once again a success, offering the designated high-potential exposure to the Executive Committee and Extended Leadership Team members who provided a structured approach in their developing leadership skills.

##### Mobility and succession plans

The "Open Positions Review" sessions facilitated by the Group Talent Development Team are designed to facilitate the mobility process. During these meetings, open positions are discussed along with role requirements and potential matches suggested in an effort to offer team members the best options for their own development and for the business. Open positions are shared globally in an effort to make optimal use of the available talents. In addition to the Open Positions Review discussions, BIC conducts a formal detailed review of high potential team members and potential succession to key positions.

**Learning from others ("20")**

Given the success of the Executive Mentoring Program, BIC University launched Mentoring@BIC, a global program that offers team members the experience of being mentored by leaders at BIC. Mentors and Mentees participate in a one-year journey that provides support (coaching and training) to both groups ensuring developmental needs are met. Mid-way through the program, 273 hours of mentor-mentee training was tracked. BIC's Core Competency of Develops Self & Others was the most often discussed. The overall satisfaction rate for the mentoring program was 4.1 out of 5. Relationship satisfaction from both mentors and mentees was 4.7 out of 5 and 4.5 out of 5 respectfully. The program has been a great success and BIC University will launch a 2<sup>nd</sup> cohort in 2020.

**Learning from training ("10")**

**The programs developed by BIC University**

Created in 1998, the mission of BIC University is to "Develop and evolve learning solutions that meet business needs and for building the workforce for the future".

With plants and sales teams in 57 countries, it is critical for BIC to make training accessible to everyone, everywhere in the world. In order to achieve this challenge, BIC University has a team of five dedicated people based in France and North America as well as a network of 12 BIC University Ambassadors all over the world. The community of Ambassadors promotes, leverages and delivers BIC University solutions. In addition, BIC University relies on an internal network of more than 71 trainers, experts in their fields with a genuine passion for sharing BIC's culture and the BIC experience. Gradually, BIC University is expanding its presence, most notably in 2019 to the countries of the Asia-Pacific zone, including Japan, South Korea and China.

In 2019, BIC University's catalogue was once again expanded and continued to receive above-average evaluations, with an 82% positive impact rate and 82% overall satisfaction. The catalogue was made available to all team members on the Group's website. This portal also hosts all of the Group's compliance training (BIC Group Code of Ethics and Anti-Corruption Policy).

Among the notable achievements of 2019:

- more than 150 managers of different nationalities were trained in skill management and leadership;
- 50 team members participated in a training program on BIC Fundamentals.

**Technical/functional training**

The technical training for BIC's specific industrial operations is developed locally: each entity invests in a program to build the technical and functional skills it needs.

For the past several years the Group has been striving to perpetuate its key technical skills. For example, in Tarragona (Spain), the Lighter category is recruiting new team members through apprenticeship programs in partnership with two schools. In France, the "Training for Industrial Professionals" (TIP) program trains young people in the technical functions of mechanics, tool setting and plastics technology, for which there is a shortage on the labor market.

Since 2016, 13 apprentices have been recruited as part of this program in those three categories, and 10 trainees have completed their training in Tarragona (Spain) and at Viorex (Greece).

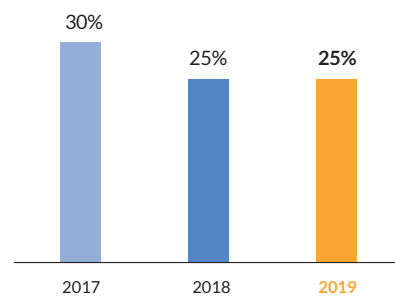
In Manaus (Brazil), BIC University enables team members to receive training and earn certification. In addition, the Manufacturing School has been relaunched with the objective of developing technical skills and competencies for team members in technical careers. The main changes were: a new training matrix was created taking into account the needs per job, new content was created to meet those needs, and 10 internal voluntary facilitators were certified with the appropriate methodology and competencies to multiply knowledge and train others. The School's primary goal is to be recognized as a key program for professional and technical career growth, relying on BIC know-how and the facilitators' knowledge and experience. 40 team members across categories were enrolled in the first module, which focused on Problem Solving. A new Languages Program was also launched in 2018 in order to improve English skills across categories and support areas. Individual assessments were carried out to identify proficiency levels and organize the classes. There are now five classes for 36 team members running at BIC after work, in partnership with an English business school.



**3.4.5.4 Results [NFPS]**

**Learning from new professional experiences ("70")**

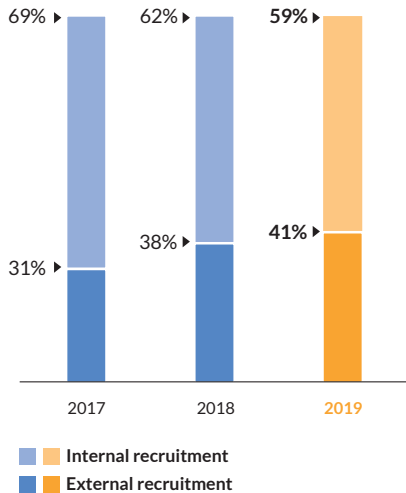
**INTERNAL DEVELOPMENT MOVES AND PROMOTION RATE - BIC GROUP**



This indicator measures the number of manager and non-manager positions filled internally, compared with the total number of positions filled within the Group over the same period. It includes promotions (level change) and developments (change of position, geographic zone or entity).



**RATE OF INTERNAL PROMOTION AMONG MANAGERS (LEVELS 3, 4, 5 AND 6) – BIC GROUP**

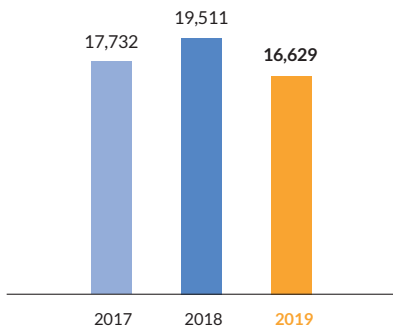


In 2019, the number of movements in the four top manager levels was 140 versus 126 in 2018. 41% were via external recruitments versus 38% in 2018.

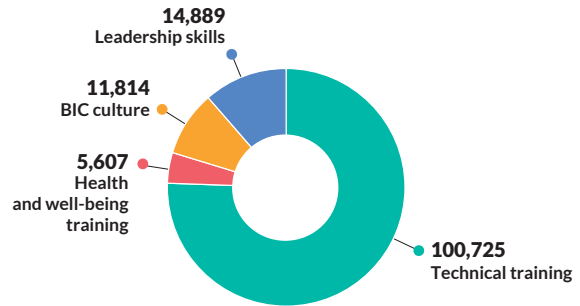
#### Learning from training (“10”)

In 2019, 10,002 team members received training (60% of headcount present on December 31, 2019).

**NUMBER OF TRAINING DAYS – BIC GROUP – PERMANENT AND TEMPORARY WORKFORCE**



**NUMBER OF TRAINING HOURS (PER THEME) – BIC GROUP -2019 – PERMANENT AND TEMPORARY WORKFORCE**



### 3.4.6 THE REMUNERATION SYSTEM

#### Challenges and approach

BIC seeks to develop a fair and motivating remuneration system that can make the Group both competitive and appealing to current and potential team members.

BIC Group’s remuneration policy is determined every year by the Human Resources Department in agreement with the Executive Committee. It is based on three principles:

- pay for individual and/or collective performance;
- internal equity;
- external competitiveness.

The acknowledgement of the performance of the individuals and the teams is an essential element in BIC Group’s remuneration policy. Thus, for managers, salary increases reflect individual merit (except in certain countries where legal obligations require general increases).

In 2019, variable remuneration relating to performance represented an average of 14% of fixed remuneration for Group team members.

For non-managers, BIC guarantees an appropriate remuneration and respects minimum salaries determined by local laws and which is inspired by local and international companies locally.

Human Resources teams worldwide are responsible for implementing BIC Group’s remuneration policy and for ensuring that it is adhered to.

› Performance

The average annual cost (including payroll taxes) of each team member totaled: 36,512 euros in 2019, increasing by 8% versus 2018, at actual exchange rates.

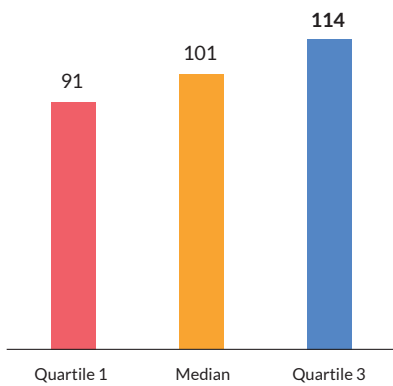
Analysis using constant exchange rates shows an increase of 9% compared with 2018. Overall, this variance in the average annual cost of each team member is due to:

- a 6% increase in average fixed remuneration;
- an 11% increase in variable remuneration;
- a 1% decrease in payroll taxes and other benefits.

Information on Senior Management remuneration is provided on page 150.

An analysis of the external competitiveness of BIC managers' base salaries is conducted on a periodic basis. This competitiveness analysis conducted at end-2017 shows that, on average, BIC managers' base salaries are positioned at their local market median.

**COMPARISON OF MANAGERS' SALARIES WITH THE MARKET - STATISTICAL BREAKDOWN OF COMPARISON RATIOS (IN 2017)**



The difference in pay between team members reflects responsibilities, experience, performance, potential and considers the characteristics of local markets.

3.4.7 PROMOTING DIVERSITY

› Challenges

In keeping with the Group's vision of offering "simple, inventive and reliable choices for everyone, everywhere, every time", its goal is to represent the communities in which it operates and the consumers whose everyday lives it seeks to improve. This ambition entails:

- taking action to ensure that its teams reflect as closely as possible the diversity of the Group's customers and consumers around the world;
- welcoming its team members and giving them a sense of responsibility through a culture of inclusion founded on practices of responsible leadership and management;
- encouraging the diversity and dynamism of its teams as drivers for innovation and a key factor for its success.

› Approach

The new BIC Diversity & Inclusion Credo, which was signed by the CEO and the CHRO in May 2019, reinforces BIC's commitment to Diversity and Inclusion by appreciating that the blending of different backgrounds, experiences and perspective in a collaborative environment which values open perspectives, will make the organization stronger and better prepared for the challenges ahead. It is shared by all of the Group's entities worldwide and has been translated into the main languages spoken in the Group.

› Progress made in 2019 and performance

**Celebrating diversity**

As part of its Diversity & Inclusion strategy, BIC conducted a campaign entitled "Celebrate Diversity" throughout the year, with special diversity days, weeks and months. The campaign was launched to:

- reinforce the organization's commitment to Diversity and Inclusion and create an environment that values open participation from diverse viewpoints and where everyone can unlock their true potential
- build goodwill with team members and make BIC an attractive place to work for candidates;
- enhance BIC's reputation on a topic that companies are increasingly becoming vocal about.

Launched on March 8, 2019, to coincide with International Women's Day, the program encouraged all team members to show their support for gender equality. On May 21, 2019, World Day for Cultural Diversity, BIC launched an LGBTQ pride month. On the same day, Gonzalve Bich announced the Group's endorsement of the UN global Standards of Conduct for Business, conceived to combat discrimination against LGBTI people in the workplace.

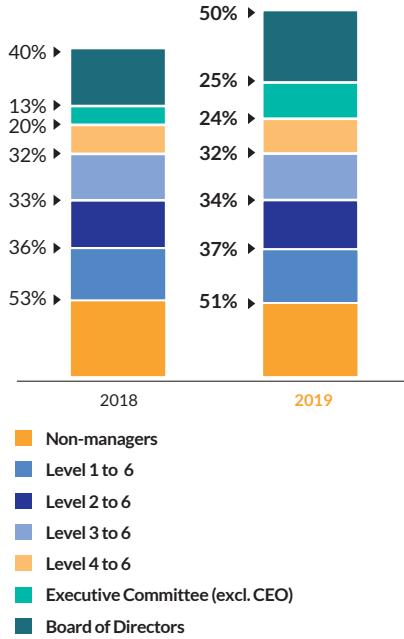
**Unconscious bias training**

In June 2019, 50 of BIC's senior executives met for a leadership summit. One of the many items on the agenda was an interactive training exercise on unconscious bias, which enabled the team to gain better self-awareness and understand how past experience shapes each person's mindset and personality, and how that can impact the effectiveness of their leadership behaviors.



**Male/Female equality**

**PERCENTAGE OF WOMEN IN THE PERMANENT WORKFORCE BY LEVEL - BIC GROUP**



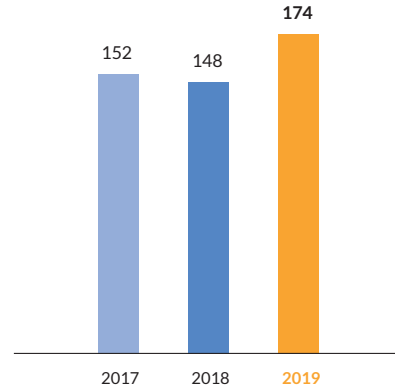
In 2019, women accounted for 48% of permanent team members in the Group: 36% in Europe, 42% in North America, 48% in Latin America and Asia, 39% in Middle East/Africa, 41% in Asia-Pacific/Oceania, and 60% in India.

Compared with 2018, the proportion of women in the headcount remains globally stable.

**Disabled team members**

BIC Group is committed to promoting employment for the disabled. Its entities conduct short-term and long-term initiatives in this direction at the local level, reflected in particular by training and employment assistance programs for disabled workers.

**NUMBER OF DISABLED WORKERS ON THE PERMANENT AND TEMPORARY WORKFORCE - BIC GROUP**



In 2019, disabled workers at the Group’s largest sites totaled 174 (excluding indirect jobs associated with outsourcing). They numbered 56 in Europe, 24 in North America, 71 in Latin America and 23 in the rest of world (Middle East, Africa, India, Oceania, and Asia).

**Intergenerational equity**

The aging of the population and its consequences will be a major issue in the years to come, especially in regions like Europe and the U.S. To ensure the transmission of skills and continuity of the Company’s know-how, an analysis of the age structure and seniority has been made in the Group’s factories.

In this context, BIC seeks to promote:

- cooperation among generations;
- professional motivation for seniors, and their employability throughout their careers;
- the transmission of knowledge and skills.



### 3.4.8 SOCIAL DIALOGUE

#### › Challenges

BIC strives to use all the means available to engage in dialog with its team members. In this spirit, it sets up the initiatives on listening to team members as mentioned on page 98. To maintain its team members' engagement and remain attentive to their expectations, the Group strives to cultivate a high-quality social dialog, either directly with the management or with the team members themselves, their representatives, or labor union representatives at unionized sites.

#### › Approach

In every country where the Group has operations, it complies with all applicable collective agreements. In addition, each subsidiary

strives, insofar as its resources allow, to improve working conditions by offering wages above the legal minimums, through superior team member benefits, or through investments to improve the working environment.

These types of social progress are a subject of prior dialog, and the team members and their representatives are kept informed to ensure optimal communication.

#### › Progress made in 2019

The topics discussed in the negotiations are related either to local obligations or to the previously mentioned management points. For example, many mechanisms to promote safety and health in the workplace have been initiated through social dialog.

The following table gives a few examples of such agreements.



Perimeter	Topics
France, all entities	In compliance with new French legislation, in 2019 a single staff representative body was designated for each legal entity concerned. Called the Social and Economic Committee ("CSE" in French), it combines all of the previous committees – including the works council ("CE"), the workplace health, safety and working conditions committee ("CHSCT") and staff delegates ("DP") – and unites all of their missions and prerogatives. The negotiations with social partners for effecting this change, as well as the elections for choosing representatives, took place throughout the year in the different companies within the Group.
France	Research and innovation are increasingly important challenges for BIC. In order to foster innovation, the compensation policy for researchers was reviewed in order to simplify it, make it clearer and fairer, and ensure that it effectively encourages inventiveness and creativity. A five-year agreement signed with all union organizations representing BIC team members in all French entities has enabled the Group to achieve this key goal.
Clichy (France)	As a result of the <i>Invent the Future</i> project and the impact of the related reorganizations on the BIC Services teams, a majority collective agreement was signed in 2019 concerning the implementation of the economic redundancy plan. The labor unions and BIC signed an agreement on the conditions for supporting team members affected by the reorganization.
Australia (Consumer Products)	For the sake of collective performance and individual development, while ensuring consistency across the Company, BIC decided to extend the new Performance Evaluation process to team members covered by the BIC Australia Pty. Ltd. Enterprise Agreement. BIC Australia has presented the process to the National Unions of Workers and held discussions with them on a question/answer mode for implementing it.
Mexico (Stationery)	In order to meet production needs, it was necessary to modify the working time agreement in force with the aim of having around 200 team members work on different shift patterns. After lengthy discussions, an agreement was reached to meet the Group's needs, while guaranteeing progress for the team members concerned.

#### › Performance

An audit conducted in 2014 showed that nearly 63% of Group team members were covered by a form of employee representation through Works Councils or committees, Health and Safety Committees, trade unions and collective agreements or equivalent. This representation takes place through regular meetings presenting the monthly or annual financial results, describing the Company's strategy, answering questions, etc.

Team members in Manaus (Brazil) can make their observations and expectations known through the "HR & You" program. This new communication channel allows team members to dialog with human resources staff via a questionnaire focusing on leadership effectiveness, communication, remuneration and engagement. The Leadership members are also questioned in order to highlight any convergences or gaps that might arise between the two groups. Action plans are then defined to address the critical points thus identified.

#### › Perspectives

This culture of remaining attentive to its personnel and taking collective requests into consideration is vital for the Group and will be maintained in the years to come through contacts with both labor unions and employee representatives. In 2020, the Group plans to:

- renegotiate the three-year agreements now in force for BIC Iberia (Spain) and Milford (United States);
- following the reorganization of BIC Services, continue negotiations on important issues such as the quality of life at work, gender equality, etc.;
- open negotiations for a new profit-sharing agreement for DAPE74, the previous agreement having expired on December 31, 2019.

Lastly, the Group also intends to review and update the staff representation systems in all of its entities.





## 3.5. RESPONSIBILITIES RELATED TO OUR SUPPLY CHAIN <sup>[NFPS]</sup>

In September 2015, the United Nations adopted a new Sustainable Development Program comprising 17 worldwide goals for combating poverty, inequality and injustice. These goals emphasize the crucial role of universal access to education and hygiene. The Group strives to meet these challenges through its local economic presence, with about four million points of sale offering BIC® products worldwide, and through its global presence: BIC manufactures and distributes its products in 160 countries, supplying the most developed marketplaces as well as some of the most impoverished ones.

The societal challenges undertaken by BIC also include respect for ethics and Human Rights in the workplace and the fight against corruption. To meet these challenges, BIC's operations and subcontracting activities integrate its Code of Conduct, Code of Ethics and, since 2016, its Anti-Corruption Policy.

Lastly, BIC seeks to support local communities through the development of philanthropic policies that favor involvement at both the Group and the individual level.

### 3.5.1 THE RESPONSIBLE PURCHASING APPROACH

#### 3.5.1.1 Challenges and opportunities related to responsible purchasing

In the course of its operations, BIC works with more than 15,000 suppliers and subcontractors. For the Group, being a responsible company means maintaining control over the entire value chain. The Purchasing Departments analyze all risks: stock levels, diversification of suppliers and sourcing zones, risks associated with the country and the rarity of the resource.

#### 3.5.1.2 The Responsible Purchasing Charter

The Group seeks to cultivate long-term commercial relationships with its suppliers, establishing responsible relations with them and upholding its commitment to Responsible Purchasing. BIC's Responsible Purchasing Charter, finalized in 2014, codifies the Group's relations with its suppliers in keeping with its five shared Values: Ethics, Responsibility, Teamwork, Simplicity and Ingenuity. This charter applies to relations with suppliers and contract manufacturers involved in the production or shipping of BIC® products.

Through the Responsible Purchasing Charter, the Group reminds its suppliers and subcontractors that all of the commitments that BIC has made concerning its own operations apply to their activities as well. This charter is submitted to all suppliers and subcontractors to whom it is applicable.

#### 3.5.1.3 Writing the Future, Together - #4 Proactively involving suppliers

##### › Approach

Beyond the stipulations of its Responsible Purchasing Charter, BIC has set the goal of involving its suppliers proactively and has codified this ambition in the following commitment: by 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing.

The ambition of the purchasing strategy is to maximize purchasing's contribution to the creation of value for BIC, its suppliers and subcontractors by:

- **securing the created value:** ensuring continuous supply and consistent quality, consumer safety, regulatory compliance, brand protection;
- **increasing the created value:** performance and costs, manufacturing processes, the development of new customer benefits with no technological or material disruption;
- **creating additional value:** innovation that benefits consumers, overhaul of the processes.

A complete review of the supplier database was carried out in 2019 in order to identify suppliers that are considered strategic for BIC based on four criteria:

- representing high volumes of purchases for BIC;
- continuity of operations if the supplier ceases to function;
- single-source supply;
- a significant impact on BIC's growth.

As a result of this review, the Group has identified 292 strategic suppliers among the 15,000 suppliers in its database.

##### › Progress made in 2019

In 2019, BIC Purchasing department reached the second benchmark in fulfilling commitment #4 of "Writing the Future, Together", proactively involving suppliers, with the following measures:

- **a new organization** that designates a single buyer for each purchasing family in charge of supervising all phases of supplier relations;
- the introduction of **a guide for assessing and selecting strategic suppliers based on their approach and CSR performance**. For each purchasing family, this guide lists the CSR challenges, the stipulations to include in the specifications and the criteria for evaluating the supplier's response. Each supplier is given a "CSR rating", which is used to select the suppliers who make the strongest contribution to the Group's purchasing strategy;

- a responsible purchasing training program integrated into the global buyers training curriculum. This program, which is mandatory for all members of the purchasing teams, is available to all team members in the BIC University catalogue. Its rollout began in late 2019 and all purchasing team members will have completed the program by the end of 2020.

The CSR-based suppliers assessment and selection guide comes on top of the three main tools that BIC uses to ensure compliance with its Responsible Purchasing Charter:

- compliance with the Code of Conduct (see page 110);
- audit programs (see page 110);
- ESG evaluations by EcoVadis.

› Perspectives

In order to monitor progress toward goal #4, proactively involving suppliers, the purchasing teams intend to implement an indicator specifying the percentage of strategic suppliers involved in at least one responsible purchasing action. To that end, in 2020 they plan to define pertinent “responsible purchasing actions” for each purchasing family in relation to the goal of ensuring “the most secure, innovative and efficient sourcing”. These responsible purchasing actions can be already underway (buyer training, assessment and selection of suppliers based on CSR performance, etc.) or in development, such as innovation for the substitution of plastics in packaging, supplier awareness of BIC’s responsible purchasing approach, etc. The groundwork undertaken in 2019 will be used to define a roadmap and establish goals for each buyer in each product family.

3.5.2 ENSURING RESPECT FOR HUMAN RIGHTS IN THE WORKPLACE [NFPS]

3.5.2.1 Challenges, risks and opportunities related to non-respect of human rights in the workplace [NFPS]

[NFPS risk 5] Among its main CSR risks, BIC has identified risks related to the non-respect of human rights (child labor, international conventions, ILO): non-compliance with fundamental human rights such as child labor, discrimination or forced labor may result in legal action against BIC and major consequences in terms of reputation and attractiveness.

Controlling its value chain is also a source of opportunities for BIC, such as:

- controlling quality, cost and production conditions by manufacturing most (92%) of the Group’s products in its own factories;
- strengthening relations with strategic suppliers in order to ensure the most secure, innovative and efficient sourcing;
- identifying opportunities for partnerships in order to meet the environmental and product development challenges of tomorrow.

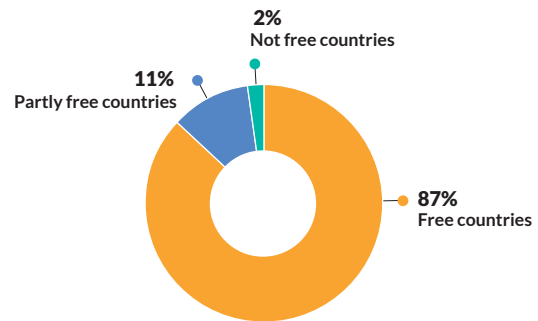
3.5.2.2 BIC’s human rights in the workplace policy [NFPS]

Limiting contract manufacturing

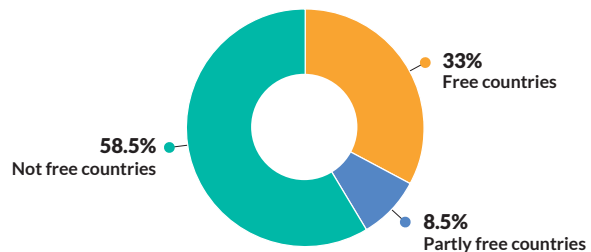
BIC’s reliance on contract manufacturing is relatively low. Overall, 92% of the Group’s net sales are generated by products made in its own factories. 83% of these factories are located in countries with no Human Rights risk according to Freedom House <sup>(1)</sup>.

BIC works with subcontractors primarily for stationery products in the Consumer business and for Advertising and Promotional Products. Subcontracting gives the Group greater flexibility.

PERMANENT WORKFORCE BY CATEGORY OF COUNTRY IN RELATION TO HUMAN RIGHTS RISK <sup>(1)</sup> IN 2019 – BIC GROUP



CONTRACT MANUFACTURERS BY CATEGORY OF COUNTRY IN RELATION TO HUMAN RIGHTS RISK <sup>(1)</sup> IN 2019 – BIC GROUP



(1) Source: “Freedom in the World 2018”, a study by the non-governmental organization Freedom House.



### An approach guided by the BIC Code of Conduct

To ensure respect for Human Rights in the workplace, BIC has implemented a **Code of Conduct**. This document comprises a set of professional and social principles derived from the standards of the International Labor Organization (ILO). The Group is committed to upholding socially responsible behavior in all its operations. The principles in this document are applied at all production facilities, whether owned by the Group or operated by contract manufacturers, and BIC conducts audits to ensure its implementation.

The Code of Conduct is based on the following 10 principles:

- a safe and healthy work environment;
- fair wages and reasonable working hours;
- no child labor;
- no forced labor;
- no discrimination;
- freedom of association;
- legal compliance;
- no animal testing;
- environmental responsibility;
- publication of the Code.

This Code of Conduct applies to BIC factories, which are mainly located in South Africa, Brazil, Spain, the U.S., France, Greece, India and Mexico. It also applies to contract manufacturers, which are primarily located in China, Brazil and Vietnam.

#### 3.5.2.3 Actions taken: the social audit program <sup>[NFPS]</sup>

Compliance with the Code of Conduct is verified by an audit program covering all the factories where BIC® products are manufactured. BIC has had a specific audit program in place for

more than 15 years to ensure compliance with its Code of Conduct by contract manufacturers. The program applies to both global contract manufacturers and contract manufacturers under local contracts producing BIC® products for local markets for BIC Consumer Products and BIC Graphic (Advertising and Promotional Products). Regular audits are conducted every two years to verify that standards are maintained at a satisfactory level.

Audits are carried out by third party Auditors. In 2014, BIC Group introduced the Workplace Condition Assessment (WCA) platform. This assessment tool is based on national laws, integrating ILO standards and existing best practices, and is consistent with the Group Code of Conduct. The WCA comprises more than 180 evaluation criteria covering a range of topics: child labor, forced labor, discrimination, harassment, freedom of association, working hours, salaries, employment contracts, health and safety and environmental responsibility. Contract manufacturers are audited and rated on each criterion and then given an overall score. This platform allows the Group to closely monitor a contract manufacturer's performance in relation to each indicator. Deficiencies in each evaluation criterion are rated as major, moderate or minor, thus allowing the implementation of targeted corrective action plans where needed. It also includes global benchmarks for each country and each Group business sector. All contract manufacturers producing BIC® products are audited over a two-year cycle, during which improvement programs will be implemented based on deficiencies identified during the assessment. BIC sees social responsibility as a partnership that requires shared values. In this spirit, BIC favors a common commitment to improvement rather than breaking off relations with a partner. The box below explains the main steps in the evaluation of contract manufacturers.

Self-assessments were conducted by all BIC factories from 2006 through 2016. The Group was thus able to acquire a thorough understanding of the risks and to develop corrective action plans in cooperation with the Human Resources Department.

#### THE SIX STEPS FOR EVALUATING CONTRACT MANUFACTURERS

1. The BIC contract manufacturer signs the BIC Code of Conduct.
2. An independent external monitoring agency conducts an initial assessment of the contract manufacturer.
3. BIC presents a corrective action plan (CAP) to the contract manufacturer.
4. The contract manufacturer implements the CAP within an agreed upon, reasonable time frame.
5. The Auditor conducts follow-up assessment(s) to confirm implementation of the CAP.
6. Ongoing assessments are conducted every two years.

#### 3.5.2.4 Results of the social audit program and perspectives <sup>[NFPS]</sup>

In 2019, 35 contract manufacturers (for Consumer Products or BIC Graphic) were audited, representing 43% of our active contract manufacturers at year end. The audits directly requested and managed by BIC, revealed, 34 major, 189 moderate and 166 minor deficiencies, and 34 corrective action plans were implemented. The four biggest areas of deficiency were found in management systems, health & safety and wages & hours:

- the facility has comprehensive working hour and wages management processes and procedures in a written manual

that support adherence to social compliance requirements but they are not all being properly implemented: 5%;

- the facility has comprehensive employee safety processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented: 5%;
- the facility has comprehensive emergency preparedness processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented: 4%;
- total overtime hours exceeds allowable limits under applicable law or agreement: 4%.

## › Perspectives

In the years to come, BIC plans to pursue its social audit program, which will be incorporated in the BIC strategy “Writing the Future, Together” and its commitment #4, Proactively involving suppliers.

### 3.5.3 ETHICS AND THE FIGHT AGAINST CORRUPTION <sup>[NFPS]</sup>

#### 3.5.3.1 Challenges and risks related to ethics and the fight against corruption <sup>[NFPS]</sup>

BIC generates 32% of its sales in countries where the risk of corruption is considered high or very high (Brazil, Mexico, India, Italy and Argentina) and 68% in countries with a medium or low risk of corruption according to Transparency International, including France, the United States and Spain.

[NFPS risk 6] Among its main CSR risks, BIC has identified risks related to corruption: the risk of corruption and unfair practices can lead to legal actions against the Group and major consequences in terms of reputation and attractiveness.

#### 3.5.3.2 Ethics and anti-corruption policies <sup>[NFPS]</sup>

##### BIC Code of Ethics

Since 2007, the Group Code of Ethics has defined the fundamental ethical principles that the Group asks all of its team members to follow under all circumstances and everywhere in the world. The objective is to build and sustain an authentic corporate culture of integrity, honesty and fairness. The Code of Ethics comprises:

- 14 standards covering the following aspects: respect for fundamental Human Rights, respect for the environment, compliance with the law, listening and communicating, and the prevention of any form of active or passive corruption;
- 13 principles governing the behavior of BIC team members to control risks arising from conflicts of interest, the protection of the Group's assets, professional commitments, and relationships with its stakeholders;
- a Guide listing the questions that all BIC team members must ask themselves to assess their level of compliance with the Code of Ethics and facilitate its understanding and implementation.

The Code of Ethics, as approved by the Board of Directors and the CEO, and its guide are available in 15 languages. The text of the Code is available to all team members on the Group Intranet.

##### BIC Anti-Corruption Policy

Since 2016, the Group Anti-Corruption Policy has defined the appropriate conduct mandatory for all BIC personnel, including team members, managers or Directors, and for all parties acting on the Group's behalf: subsidiaries, affiliate companies, partners under

contract, wholesalers, or consultants. The Policy describes how business must be conducted with third parties to protect against corrupt practices and avoid their occurrence. BIC Group does not tolerate any kind of corruption or bribery and has made a commitment to fight corruption in all of its forms. The Anti-Corruption Policy covers the following topics:

- interactions with government officials, private entities and persons who are not government officials;
- gifts, corporate gifts and sponsorship;
- relations with stakeholders;
- donations, contributions to communities and political parties;
- conflicts of interest;
- monitoring, record keeping and reporting of any breaches of anti-corruption laws.

Team members are offered training on the Code of Ethics and the fight against harassment.

“BIC Speak Up”, the Group's anonymous and confidential reporting system, is accessible by telephone and Internet to all current and former BIC team members 24 hours a day and is available in more than 200 languages.

BIC is committing to ensure the confidentiality of the information gathered as well as to ensure that no sanction is taken against a team member who reported in good faith a breach of the Group Anti-Corruption Policy or of the Group Code of Ethics.

Additionally, as part of BIC's continuing efforts to ensure compliance with the Group Anti-Corruption Policy, the Group Code of Ethics and other legal and ethical policies, the alert hotline became accessible to third parties in 2019.

The alert hotline is featured on the home page of the BIC Intranet, the central hub of information for all team members worldwide. It is now being improved and updated for easier accessibility.

This alert mechanism aims to prevent the actions or conducts that would be contrary to integrity, honesty or equity.

It is the responsibility of the entities' CFOs or equivalent Officers to assess the entities' tax positions and manage all tax filings. The Group Tax Department provides broader support to all entities. In 2019, the internal control procedures did not detect any case of tax evasion linked to the activities of the Group.

#### 3.5.3.3 Actions taken and perspectives <sup>[NFPS]</sup>

In 2019, BIC continued to expand its mandatory training programs on ethics and the fight against corruption. An e-learning module is online and live training sessions are offered for team members in Latin America, Africa, the Middle East and the Asia Pacific Zone.

In the years to come, BIC will continue to enhance its third-party risk management, relying on the supplier risk management mechanisms already in place and extending its due diligence, risk assessments and risk mitigation measures for key customers. Additionally, new training programs will be introduced by BIC to cover other aspects of compliance, in particular duty of care, the fight against anti-competitive practices and data privacy.



### 3.5.3.4 Responsible lobbying and participation in sector working groups

#### › Challenges

BIC Group considers lobbying to be a positive action, making good use of its industrial expertise and knowledge of the market in its relationships with the public authorities. For the Group, lobbying is quite simply the communication, targeted towards decision-makers and important players on key issues, and the lessons learned from its experience to help establish the necessary balances. Its purpose is to help improve the effectiveness of the authorities' regulatory actions, to improve the safety of the products available on the market, thus improving consumer safety and ensuring fair competition. In this way, BIC seeks to be recognized and consulted as a stakeholder in all decisions and actions that affect its operations.

#### › Approach

##### Participation in sector dialogue

BIC Group pursues its lobbying activities in a responsible, ethical way to ensure that the legal and regulatory decisions, as well as the actions undertaken to enforce the rules, have realistic and effective technical and economic consequences, maintaining or restoring fair and honest relations among all the market players.

Although BIC has no tradition of making public statements on major industrial or societal topics, the Group does address the public when this type of action seems necessary. It also participates in sector dialogue and seeks to exert its influence in four key areas that are directly related to its commitments as a responsible corporation: product safety, the fight against counterfeiting, the fight against unfair competition and environmental protection.

BIC carries out its lobbying primarily as a member of various organizations, participating as needed in their working groups and the conception of their positions:

- French, European and American professional federations;
- standardization committees for toys, lighters and writing instruments;
- French watchdog groups and intra-sector associations.

BIC is a member of the Executive Committees of the main industry associations, and in some cases, has been for many years.

Lobbying activities can also take the form of direct contacts with the pertinent authorities, institutions, governmental agencies and NGOs.

The Group's subsidiaries also cultivate direct relations with the national authorities in their countries of operation. However, the Group has no professional lobbyists on its payroll.

##### Clearly identified lobbying responsibilities

At the highest level within the Group, CEO Gonzalve Bich and the members of the Executive Committee are responsible for steering and monitoring all lobbying actions on a regular basis.

The operational responsibility for BIC's relationships with public authorities and institutions is delegated to a small number of specifically identified managers, who have been named to represent the Group in the above-mentioned proceedings. The members of the Executive Committee are kept informed of the progress of laws and regulations that affect their operations.

BIC Group ensures strict compliance with local laws and regulations in the pursuit of its lobbying activities. Like all the Group's activities, lobbying is governed by the Anti-Corruption Policy and the BIC Code of Ethics, which names the persons to be notified in case of violation.

##### Team members awareness

The latest developments concerning lighters are shared with the Group's team members during the results presentations. The General Managers and Marketing Managers are also kept directly abreast of BIC's lobbying actions on lighters.

#### › Progress made in 2019

In 2019, BIC focused its lobbying activity on the monitoring of pending regulations and standards concerning stationery products (EU directives and regulations: REACH, CLP, Toy Safety), lighters (safety standards and market surveillance, CLP, e-commerce), and lighters and shavers (legislation in Spain's autonomous communities concerning product typologies and end-of-life management).

## 3.6. SOCIETAL BENEFITS RELATED TO BIC® PRODUCTS

### 3.6.1 WRITING THE FUTURE, TOGETHER – #5 IMPROVING LIVES THROUGH EDUCATION

#### › Challenges and opportunities

The UN Sustainable Development Goal No. 4 is “to ensure inclusive and equitable quality education and to promote lifelong learning opportunities for all”. It underlines the two key challenges regarding education: access to education and equity in learning. The latest UIS<sup>(1)</sup> report shows that today:

- access to education remains a major problem: 263 million school-age children do not have access to primary or secondary education. Access to primary education has not increased in the past decade, with 9% of all children of primary school age remaining outside of the scholastic system since 2008;
- the quality of the instruction is a critical problem: more than 617 million children and teenagers fail to acquire minimum skills in reading and mathematics, even though two-thirds of them are in school.

#### › Approach

Through its activities of designing, manufacturing and distributing writing instruments, BIC Group has long been involved in the promotion of education. Firmly convinced that education is crucial for the development of free will and independence, and to combat poverty, BIC has in particular been an active advocate of writing by hand, even before its importance in the structuring of children’s thought processes was proven. BIC has set the goal of improving lives through education and has codified this ambition in the following commitment: By 2025, BIC will improve learning conditions for 250 million children, globally.

The Group acts through three channels:

- actions undertaken by the BIC Corporate Foundation;
- philanthropic actions (donations of products, funding and skills) undertaken by local entities for the benefit of their communities (detailed in section 3.6.2);
- actions to help improve learning conditions, including awareness of the benefits of writing by hand in the learning and memorization processes.

At the end 2019, BIC estimated the number of children whose learning conditions have been improved through direct actions with children or through actions with teachers and parents at 61 million.

#### 3.6.1.1 The BIC Corporate Foundation

The BIC Corporate Foundation was born out of the Group’s desire to promote its civic activities and structure its philanthropic approach while bolstering BIC team members’ sense of pride and belonging. Its mission is to support access to education and good quality instruction, putting the emphasis, over the long term, on the funding of social entrepreneurship and innovation in education. It focuses on two main fields, namely reducing the school dropout rate and promoting equal access to education for boys and girls, as well as the advancement of environmental education.

The BIC Corporate Foundation Board of Directors consists of nine members, six from BIC plus three external experts:

- Runa Khan, founder and President of the NGO Friendship;
- Marine de Bazelaire, Head of Sustainability Continental Europe, HSBC;
- Jean-Marc Guesné: Associate, Azao Consulting.

Supporting a total of 26 projects in 15 countries, the BIC Corporate Foundation reached its annual engagement goal in 2019. It also renewed its annual call for projects for the third time and developed communication tools to raise awareness of its actions both within and outside the Group. Upon their request, the Foundation also contributes its expertise to help BIC teams that want to enter into partnerships to promote educational causes, in particular helping them choose appropriate, reliable partners (NGOs, non-profit organizations, etc.).

Examples of projects backed by the BIC Corporate Foundation in each of its main fields of action:

#### Reducing the school dropout rate

In France, AFEV (*Association de la Fondation Étudiante pour la Ville*) seeks to combat inequality, in particular among children and young people who are experiencing social or scholastic difficulties. The BIC Corporate Foundation supports programs in three cities:

- in Brest, extension of the individual tutoring program for children and young people who need scholastic help and/or who recently arrived in France;
- in Bordeaux, improvement of the individual tutoring program by developing new courses and educational tools and expanding to a new neighborhood;
- in Reims, development of an individual tutoring program in two new underprivileged neighborhoods.

A program in a fourth city, Rennes, will be added for the 2020-2022 period.



(1) Unesco Institute for Statistics.



### Educational opportunities for girls and women

**Laboratoria** (Latin America) aims to give women from underprivileged areas access to careers in computer technology. By targeting women, Laboratoria also seeks to promote gender equality in a largely male-dominated sector. In March 2019, the NGO celebrated its 1,000<sup>th</sup> graduate with an international “hackathon” called #hackinginequality. In April 2019, Laboratoria opened its new training center in Mexico City. The BIC Corporate Foundation provides support for the further development of a six-month training program in computer coding that includes participation in projects carried out directly in the workplace, leading to recruitment by partner companies.

### Environmental education

**Nébédáy** (Senegal). In Senegal, a country where the current deforestation rate is the equivalent of 300 football fields every day, the association Nébédáy seeks to promote the participative management of natural resources by and for the local communities through education and the responsible development of income-generating activities. The project backed by the BIC Corporate Foundation aims to improve environmental education in schools and raise awareness among children through a reforestation campaign. The project will be implemented in Fatick, a coastal region that is vulnerable to soil erosion and desertification.

#### 3.6.1.2 Awareness and coaching actions

In the learning process, writing by hand is a basic skill that helps structure the thought process. For this reason, writing instruments are indispensable tools for advancing the improvement of learning conditions. In recent years, BIC teams have taken action to support and facilitate handwriting and promote its importance in children’s development, especially through:

- initiatives in schools in a number of countries (Côte d’Ivoire, Ghana, Morocco, South Africa, Cameroon, Egypt, Spain, India, Morocco, Nigeria, the Philippines, etc.) such as: building awareness of the importance of education and writing, the production of written materials or workshops to offer teachers resources that they can use in class;
- for the second time in 2019, a special week was dedicated to education. Called “BIC Global Education Week” (November 5-8), the event offered all BIC team members the opportunity to donate a day of their time to improving learning conditions in their local community;
- BIC Group inaugurated its first ever BIC Cello vocational training center in Karembeli, India. After 500 hours of training and an official exam, students were awarded a certificate. Two cohorts graduated during 2019 and all of them found jobs, at BIC or elsewhere. The third cohort is currently undergoing training. The course delivers a state-recognized diploma and is approved by Center for Entrepreneur Development, Gujarat Govt.

#### › Perspectives

In 2020, BIC will pursue its efforts, continuing to work with key people to promote successful education, as well as pupils and students, teachers and parents.

## 3.6.2 PHILANTHROPIC ACTIONS BY BIC AND ITS SUBSIDIARIES

### › Challenges and opportunities

The philanthropic actions of BIC and its subsidiaries can take three forms: the donation of products, monetary gifts and volunteer work/skills sponsorship. BIC and its subsidiaries favor operations that benefit local populations near its sites.

### › Approach

Each year, BIC develops and markets charity-linked products, some of which are useful in education. For the consumer, these products offer the possibility of spending the same amount of money while making a humanitarian gesture, because part of the purchase price is donated to a charitable organization. The organization in turn can diversify its funding sources and benefit from additional publicity. And for BIC, it is an opportunity to underline the Group’s civic commitment and boost sales.

In Morocco, BIC launched its second BiblioBIC in 2019 as part of an initiative to renovate libraries in order to give schoolchildren and older students spaces conducive to studying, learning and knowledge expansion.

In keeping with its commitment to promote education, BIC East Africa worked in Kenya with the association Carolina for Kibera to donate BIC® pens and BIC® Evolution Red pencils to 171 schools, for the benefit of more than 59,000 underprivileged students in Kibera, Nairobi’s largest shantytown.

In 2019, BIC South Africa renewed its large-scale “Buy a Pen, Donate a Pen” charity products campaign. South Africa is a country that faces enormous educational challenges: more than 2 million of its citizens are illiterate and its unemployment rate exceeds 27%. For this campaign, for each product purchased, BIC South Africa donates one pen to the NGO READ Educational Trust, which distributes them to underprivileged children. As in previous years, the operation was a huge success, with 1.5 million pens once again donated, bringing the overall total to 10 million pens in seven years.

In the United States, BIC is a national sponsor of the Kids In Need Foundation, a non-profit organization whose goal is give every child the opportunity to learn and succeed in school, providing school supplies free of charge to those most in need. For the 16 million children living in conditions of extreme poverty, obtaining school supplies can be a determining factor in their future success. Every year, KINF helps more than 200,000 teachers and 6.2 million pupils in the U.S. In its 23 years of existence, KINF has distributed more than 1 billion U.S. dollars (in retail value) worth of school supplies to children who have no other way to obtain them.

In India, BIC Cello launched in September 2018, ‘Cello Write-to-Win’, a school initiative aimed at promoting a healthy attitude towards learning and education. The stress and fear of school failure can often adversely affect children’s social, emotional and academic success. The ‘Cello Write-to-Win’ program has been designed to train students to use handwriting as a tool to learn more efficiently and help them manage the stress levels that come with exams. Since its launch last year, the program has impacted almost 4 million students across India.

The program includes two workshops that were developed by a team comprised of certified handwriting analysts and experts from the field of education training. The first workshop, 'Secret to handwriting', engages students from the 4<sup>th</sup> to the 6<sup>th</sup> grade. The session teaches them the techniques they need to develop and enhance their handwriting skills, helping them manage the transition from pencil to pen.

The second workshop, "Making Exams Stress Free", targets older students from the 7<sup>th</sup> to the 9<sup>th</sup> grade. The session teaches students four cognitive techniques that help them to enhance their learning and memorization skills and enable them to prepare better for their exams. The workshop also trains students on writing with speed while maintaining precision.

BIC also continues to support various sponsorship actions in the fields of health, emergency aid and in favor of sports.

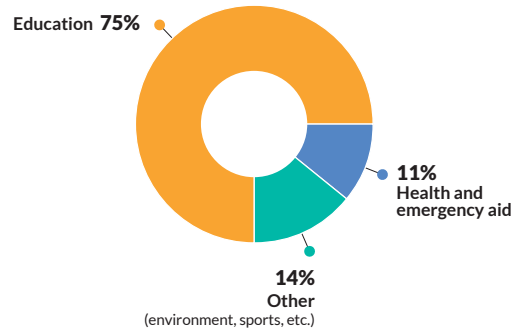
› Performance

In 2019, product donations and financial aid worldwide represented 2 million euros (internal valuation), primarily in education<sup>(1)</sup>, health and emergency aid. These two sectors represent 84% of BIC's community activities in number and 86% in financial value.

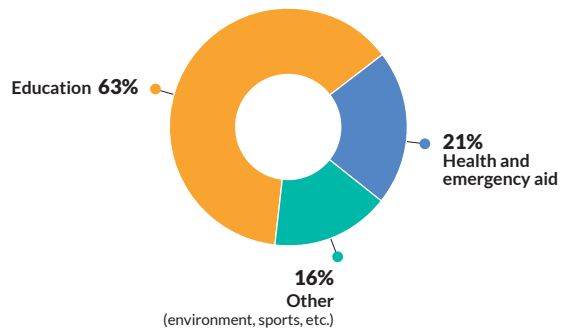
“ **Group objective achieved: the contribution toward communities is more than 0.70% of pretax profit.** ”

“ **208 philanthropic projects involving volunteer work, product donations and financial aid carried out worldwide in 2019 (all fields combined).** ”

FINANCIAL BREAKDOWN OF ACTIONS - BIC GROUP - 2019



BREAKDOWN OF ACTIONS BY NUMBER - BIC GROUP - 2019



(1) For this indicator, all philanthropic actions in favor of education, including those carried out under commitment # 5, are considered





### 3.6.3 MAKING OUR PRODUCTS AFFORDABLE TO ALL

#### › Challenges and opportunities

BIC Group is guided by a vision: “To offer simple, inventive and reliable choices for everyone, everywhere, every time”. For BIC Group, making products that everyone can afford means adapting them to markets in developing countries. The pens and shavers marketed by BIC in more than 160 countries promote access to education and personal care. BIC is thus contributing to social progress around the world.

In 2019, 32% of the Group’s turnover came from these growth markets.

#### › Approach and progress made in 2019

BIC Group’s approach consists of adapting all possible parameters to make its products affordable:

- building close relations between its production units and their distribution markets. In 2019, BIC strengthened its position in Africa with the acquisition of a 100% share in Lucky Stationery Nigeria Ltd, Nigeria’s leading manufacturer of writing instruments. With this acquisition, BIC is bolstering its presence on the Tanzanian, Ethiopian and Ugandan markets;
- creating products for growth markets;
- adapting BIC® products to the buying power of emerging countries;
- completely rethinking the packaging, in order to market products in packs of only one or two items;
- offering the best functionality at the best price, setting an optimal fair price for BIC® products in collaboration with local retailers, in consideration of local consumption trends and selling price thresholds;
- developing innovative distribution models, relying on local retailers to develop appropriate distribution channels, such as individual kiosks, micro-shops or service outlets near schools.

### 3.6.4 EXPERIMENTING WITH INNOVATIVE ALTERNATIVE DISTRIBUTION MODES THROUGH A SOCIAL BUSINESS INITIATIVE

#### › Challenges and opportunities

The expression “bottom of the pyramid” (BOP) designates the lowest-income populations, for whom most consumer goods remain unaffordable, primarily because they are designed for more affluent populations at the “top of the pyramid”. Today it is estimated that more than three billion people in the world live on less than three U.S. dollars per day. In keeping with its vision of offering “simple, inventive and reliable choices for everyone, everywhere, every time”, BIC Group explores ways to make products available that meet the needs of BOP populations. Its longstanding commitment to sustainable development and the BIC® brand’s reputation for offering high-quality products at an affordable price are among the Group’s key assets for playing an active role in these markets.

#### › Approach

An internal qualitative study conducted in 2018 showed that, apart from a few niches, BIC® products are mostly well-suited for the widest possible public, and that BIC team members are convinced that inclusive distribution is a useful leverage point for meeting the needs of consumers at the bottom of the pyramid. The Group’s approach is based on the launch of nine financially viable inclusive distribution projects, with the aim of identifying three to be maintained over the long term.

To that end, BIC is focusing on the development of partnerships with major companies that have established their own distribution modes.

#### › Progress made in 2019

In 2019, BIC initiated the creation of an application that will record sales in real time for each point of sale.

In Madagascar, BIC has developed a project for a network of itinerant vendors. The project in Senegal was improved in preparation for the deployment of the real-time sales monitoring application, and other projects are ongoing in Ghana, Cameroon and Morocco.

## 3.7. MILESTONES <sup>[NFPS]</sup>

### 3.7.1 EXTRA-FINANCIAL RATINGS

In 2019, BIC was listed on the following socially responsible investment indexes:

- CDP Climat 2019: Leadership Level A- (see page 89);
- CDP Supplier Engagement Rating 2019: Leadership Level A-;
- The FTSE4Good Index;
- The Ethibel Pioneer and Ethibel Excellence Investment Registers;
- The Ethibel Sustainability Index (ESI) Excellence Europe;
- The STOXX Global ESG Leaders Index.

### 3.7.2 PERIMETER AND SELECTION OF INDICATORS

The reporting period covered by the present report is from January 1 to December 31, 2019.

#### 3.7.2.1 Information not included in the Non-Financial Performance Statement

In compliance with article L. 225-102-1 of the French Commercial Code, BIC does not include the following topics in its Non-Financial Performance Statement, because they do not represent major challenges, risks or opportunities for the Group.

#### Impact on biodiversity

The Group's effect on biodiversity takes place primarily through its land use (industrial, logistical and administrative sites). To evaluate this impact, BIC relies on a "site approach". A cartographic analysis of the physical surroundings of each BIC<sup>(1)</sup> factory was carried out in 2011. The majority of BIC's factories are in non-sensitive (in most cases industrial) zones, and neither their land use, nor their operations, pose any evident risk to their surroundings. In places where there are specific obligations, the management systems address the problem and enable follow-up.

#### Air, water and soil release that seriously affect the environment

The nature of Group's manufacturing operations, primarily the molding and assembly of plastic products and printing of products, has a relatively low local environmental impact compared with other manufacturing sectors. Nevertheless, the BIC Sustainable Development Program, based on the EH&S Policy, requires each site to measure, evaluate and reduce their significant environmental impacts.

#### Conditions for use of soil

In Europe and the United States, where most of the Group's sites are located, whenever an industrial site is closed, BIC ensures that plant decommissioning is performed in accordance with local laws

and best environmental practices. When appropriate or when required by law, BIC carries out studies of the soil and subsoil, although most sites are not subject to compulsory examination. Studies of pollution at European plants that had been in operation for many years demonstrate that the Group's activities do not have a significant impact on soil and subsoil. For French plants subject to specific regulatory requirements, the policy for preventing the risk of soil pollution is an integral part of the operating plan.

#### Noise and odor impact

Odor is considered an insignificant aspect in the Group's product molding, assembly and printing activities.

Concerning noise impact, measures are taken within the property limits in order to fulfill administrative requirements according to local regulations. If any noise pollution is brought to the Group's attention in the future, studies will be conducted and any appropriate corrective actions implemented.

#### Fighting against food waste, combating food insecurity and promoting responsible, fair trade, sustainable food

Although these are not key issues for BIC, the Group holds regular awareness events for team members in its company restaurants, especially in Brazil and France.

#### 3.7.2.2 Reporting perimeter of indicators

Regarding the indicators that refer to human resources, the reporting perimeter encompasses all permanent employees of all French and foreign operational units within the Group, with the exception of information on training and the disabled, for which temporary employees are included. In 2018, the activities of Cello Pens have been included in the reporting perimeter for these indicators.

The environment indicators concern the operations that have a significant impact, namely the industrial activities owned by the Group. These indicators therefore concern BIC factories that produce finished or semi-finished products, as well as its engineering units and packaging operations of more than 50 employees or whose operations are regulated by government directives such as SEVESO (EU), PSM or RMP (U.S.). Group headquarters with more than 200 permanent employees are also included in the reporting.

In 2019, the Cello Karambeli stationery factory was added to the perimeter.

For health and safety indicators, all Group sites (offices or industrial sites) are included in the perimeter.

In 2019, two Cello sites, Cello Plastic Products and Cello Stationery Division, were removed from the environment-health-safety perimeter, and in China, the China Test Lab-STL Team office was closed. The Cello Karambeli site was added to the reporting perimeter.

HACO Industries Kenya entity is excluded from the perimeter for all indicators.



(1) The study perimeter does not include Cello Pens.



### 3.7.2.3 Indicators

The published indicators are chosen to best represent BIC's main social and environmental challenges.

The inventory of BIC's activities for the benefit of communities is compiled from information and data sent annually by the management of each subsidiary. This reporting is an estimate of project numbers and value.

The financial indicators, those referring to Human Resources, workers' accidents and the environment are compiled using several data collection systems that give preference to the use of dedicated Intranet tools, under the responsibility of their respective departments. The consistency of the data is verified before consolidation.

Concerning environmental and health and safety reporting, and for packaging data, to ensure that the published data is more reliable, information from previous years may be corrected when necessary.

The environmental indicators are normalized to production so that their measurements are less affected by variations in production volumes. However, it should be noted that these indicators also include elements that are not correlated to production, such as energy consumption for the heating and lighting of buildings, which correlates more closely to climatic conditions.

In addition, for BIC, the term "water consumption" is understood to mean total water withdrawal, regardless of any subsequent treatment or emissions of wastewater.

Concerning environmental indicators, the classification of the type of waste treatment is based on the channels to which they are directed.

Concerning the reporting of greenhouse gases emissions, the conversion factors for scope 1 are from the French Environment and Energy Management Agency (ADEME) carbon database (version 2.20.0). Conversion factors for scope 2 "location based" emissions are those proposed annually by the International Energy Agency (IEA). Unless otherwise indicated, the indirect emissions correspond to scope 2 emissions using a location-based approach.

In addition, to ensure transparency, some indicators have been more specifically detailed below:

#### Greenhouse gas emissions related to purchase of raw materials

This indicator includes the main raw materials used in the products of the three main categories, including Cello (since 2018) and the Stationery activity of BIC Sport (France) and in the packaging reported in the indicator "Percentage of responsible materials for packaging" for the three main categories (excluding PIMACO, BIC Ecuador, BIC Nantong and Cello Pens activities).

#### Percentage of BIC® products with at least one environmental benefit

BIC has defined environmental benefits for its products by complying with at least one of the following criteria as follows:

- light and long lasting (writing instrument ≤ 3g per km; correction tape ≤ 1.8g per m; lighter ≤ 8g per 1,000 flames; shaver ≤ 1g per shaving);
- made from alternative materials (recycled, vegetable origin, etc.);
- refillable;
- ecolabeled (*NF Environnement*, etc.).

This indicator is calculated on the number of units and concerns the products of the three main categories (excluding PIMACO and Cello Pens activities). For the Lighters category, only lighters are considered. For the Stationery and Shavers categories, refills are considered in the calculation.

#### Share of the BIC® product portfolio assessed using the Sustainable Scorcard

In 2019, the perimeter of application for this indicator is as follows:

- Stationery: all writing, marking, coloring and correction products excluding: Cello® products, Sheaffer® products, products under license, unbranded writing instruments, sticky notes, certain specific writing products (Stypen Easy Clic, Fountain Xpen, Gilbert products, Velleda® whiteboards), some coloring products (paints, gouache, glitter pens);
- Shavers: one-piece products, hybrid products excluding products in the System family;
- Lighters: pocket lighters, and excluding products from the Utility family.

#### Percentage of responsible materials for packaging

This indicator includes all packaged BIC® products delivered to the Group's customers all over the world (except pallets): consumer packaging (pouch, blister, cardboard box), outer/inner, shrink-wrap, lighter displays, etc. It is calculated on material weight and concerns the products of the three main categories (excluding PIMACO, BIC Ecuador, BIC Nantong and Cello Pens activities).

#### Percentage of air freight

The scope of this indicator is the inter-site shipping, *i.e.* all the factory to factory and factory to warehouse shipments (BIC factories and warehouses, contract manufacturers; inter and intra-continental). It is expressed in tons/kilometer and concerns all Group activities. In 2018, the activities of Cello Pens were included in the reporting perimeter for this indicator.

Emission factors were updated in 2019: The emission factors used are taken from the French Environment and Energy Management Agency (ADEME) carbon database (version 2.20.0).

#### Percentage of contract manufacturers audited

The indicator applies to all contract manufacturers of finished products. The rating system measures the level of performance of each contract manufacturer based on the social indicators of the Group Code of Conduct. This indicator concerns all Group activities except Cello Pens.

**Writing the Future, Together – #5 Improving lives through education**

The number of children whose learning conditions have been improved by BIC is an estimation of children reached by direct actions and/or impacted through actions towards teachers, deans or parents.

This number is a minimum because some of the actions carried by BIC may not be reported.

In 2019, the methodology for estimating the number of children affected by an action through teachers changed: 1 teacher directly impacted is reported as 90 children (indirect impact).

This corresponds to the impact of the action on a teacher for at least 3 years and to the worldwide average of a class of 30 children ( $3 \times 30 = 90$  children per teacher).

As a result, the 2018 impact figure was also revised and increased to 30.6 million children impacted

The present report follows the methodological recommendations of the Global Reporting Initiative (GRI). The GRI indicators used in the report are referenced in the cross-reference table for environmental and social indicators (page 324).



## 3.7.3 INDICATORS TABLE

Environmental indicators	Unit	2017	2018	2019
<b>Management systems of factories</b>				
Factories with environmental and health & safety management systems (or with implementation under way)	%	84.0	83.0	83.0
<b>Energy consumption</b>				
Annual energy consumption	Gigajoules	1,190,167	1,176,465	1,149,930
Share of electricity of renewable origin	%	23	68	76
Annual energy consumption normalized to production	Gigajoules per ton	11.98	12.14	12.59
<b>Greenhouse Gas (GHG) emissions</b>				
Total amount of annual GHG emissions ( <i>location based</i> )	tCO <sub>2</sub> eq	102,681	98,283	97,711
• Direct GHG emissions (Scope 1) ( <i>location based</i> )	tCO <sub>2</sub> eq	8,637	9,813	9,278
• Indirect GHG emissions (Scope 2) ( <i>location based</i> )	tCO <sub>2</sub> eq	94,043	88,470	88,432
Total amount of annual GHG emissions GES (market based)	tCO <sub>2</sub> eq	68,524	58,646	45,827
• Indirect GHG emissions (Scope 2) market-based	tCO <sub>2</sub> eq	59,887	48,829	36,549
Total ratio of annual GHG emissions to production	tCO <sub>2</sub> eq/ton	1.033	1.014	1.070
GHG emissions related to raw material purchase	tCO <sub>2</sub> eq	276,000	316,000	347,000
GHG emissions related to intra-company transport <sup>(1)</sup>	tCO <sub>2</sub> eq	67,000	37,000	34,000
<b>Water consumption</b>				
Annual water consumption	m <sup>3</sup>	542,290	515,296	444,840
Ratio of annual water consumption to production	m <sup>3</sup> per ton	5.46	5.32	4.87
<b>Waste production</b>				
Annual waste production	Tons	21,430	20,515	20,049
• Non-hazardous industrial waste	Tons	18,171	16,908	16,526
• Hazardous industrial waste	Tons	3,259	3,607	3,522
Ratio of annual production of industrial waste to production	Tons/tons	0.216	0.212	0.220
Recycled waste	%	64	64	65
Recovered waste (recycled or incinerated with energy recovery)	%	79	78	81
<b>Transportation</b>				
GHG emissions related to intra-company transport <sup>(1)</sup>	tCO <sub>2</sub> eq/ton	0.536	0.345	0.291
Intra-company transport operated without air freight	%	98.08	99.07	99.25
<b>Products</b>				
Number of products certified with the French <i>NF Environnement</i> ecolabel		19	19	19
Number of products that have at least one environmental benefit <sup>(2)</sup>	%	>50.0	>50.0	>50.0
<b>Packaging</b>				
BIC cardboard packaging from a certified and/or recycled source	%	94.34	94.16	95.7
BIC plastic packaging PVC free	%	88.46	87.90	92.1
<b>Other Indicators</b>				
Provisions and guarantees for environmental risks <sup>(3)</sup>	Million euros	-	-	-
Compensation paid during the fiscal year under court order	Million euros	-	-	-

(1) Not taking into account transport by road in sea and air travels.

(2) Excluding Cello Pens.

(3) Guarantees received regarding the environment are listed in Note 26 "Off-balance sheet commitments: sureties, deposits and guarantees" to the consolidated financial statements for the year.

Social indicators	Unit	2017	2018	2019
<b>Group workforce</b>				
Total workforce (full-time equivalent)		18,848	16,955	16,794
• Permanent employees		14,936	13,664	12,777
• Temporary workers		3,912	3,291	4,017
Voluntary turnover	%	8	14	13
<b>Permanent workforce by region</b>				
Percentage of permanent workforce by region				
• Europe	%	26.9	30.0	31.0
• North America	%	5.4	5.0	6.0
• Developing countries	%	67.7	65.0	63.0
<b>Permanent workforce by activity</b>				
Percentage of permanent workforce by activity				
• Manufacturing and R&D	%	77	75	74
• Distribution, marketing et G&A	%	11	13	13
• Sales force and customer service	%	12	12	13
<b>Training, career management and engagement</b>				
Percentage of employees that have received training	%	75 <sup>(1)</sup>	68	60
Number of training days	Days	17,732 <sup>(1)</sup>	19,511	16,629
Number of training days per employee	Days	2.2 <sup>(1)</sup>	2.0	2.2
Number of training hours per theme	Hours	141,859 <sup>(1)</sup>	220,042 <sup>(1)</sup>	133,035
• Technical training	Hours	91,189 <sup>(1)</sup>	154,564 <sup>(1)</sup>	100,725
• Leadership skills	Hours	16,985 <sup>(1)</sup>	27,827 <sup>(1)</sup>	5,607
• BIC culture	Hours	27,110 <sup>(1)</sup>	23,738 <sup>(1)</sup>	11,814
• Health & Wellbeing	Hours	6,575 <sup>(1)</sup>	13,905 <sup>(1)</sup>	14,889
Internal promotion rate among managers (highest levels: 3 to 6)				
• External recruitment	%	31	38	41
• Internal recruitment	%	69	62	59
Participation rate in surveys	%	NA	93	NA
Internal development moves and promotion rate	%	30	25	25
<b>Diversity</b>				
Percentage of women in management and workforce				
• Board of Directors	%	40 <sup>(1)</sup>	49	48
• Executive Committee	%	13 <sup>(1)</sup>	14	25
• Managers (highest levels: 3 to 6)	%	29 <sup>(1)</sup>	32	32
<b>Safety</b>				
Incidence rate of workers' accidents – BIC workforce (accidents with temporary or permanent incapacity)	Number/million hours worked	1.87	2.09	1.85
Incidence rate of workers' accidents – BIC workforce and temporary workers (accidents with temporary or permanent incapacity)	Number/million hours worked	1.80	2.14	1.87
Severity rate of workers' accidents – BIC workforce (days of temporary incapacity)	Number/thousand hours worked	0.08	0.08	0.06
<b>Absenteeism</b>				
Absenteeism rate (excluding on-site accidents and maternity)	%	0.8	0.8	0.9



(1) Excluding Cello Pens.



# 3

## OUR ENVIRONMENTAL, SOCIAL, AND SOCIETAL RESPONSIBILITY

Milestones [NFPS]

Societal indicators	Unit	2017	2018	2019
<b>Respect for Human Right in the workplace</b>				
Net sales from BIC® products manufactured in its own factories	%	90	92	92
BIC permanent employees working in countries with no Human Rights risk <sup>(1)</sup>	%	80	87	87
BIC factories located in countries with no Human Rights risk <sup>(1)</sup>	%	91	87	83
Contract manufacturers located in countries with no Human Rights risk <sup>(1)</sup>	%	36	32	33
Net sales in countries with no Human Rights risk <sup>(1)</sup>	%	84.9	84.0	83.0
<b>Sponsorship</b>				
Contribution to communities (percentage of the Group's pretax profit)	%	>0.5	>0.5	>0.7

(1) Source: Freedom House



### 3.7.4 REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL STATEMENT

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

Société BIC

Société Anonyme

14, rue Jeanne d'Asnières

92611 Clichy Cedex

However, it is not our responsibility to provide any conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions, particularly with regard to the duty of vigilance, anti-corruption and taxation nor on the compliance of products and services with the applicable regulations.

For the year ended December 31, 2019

To the Shareholders,

In our capacity as Statutory Auditor of BIC SA, appointed as independent third party and accredited by COFRAC under number 3-1048 (scope of accreditation available at [www.cofrac.fr](http://www.cofrac.fr)), we hereby report to you on the consolidated non financial statement for the year ended December 31, 2019 (hereinafter the "Statement"), presented in the group management report pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

#### Company's responsibility

The Board of Directors is responsible for preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented with respect to these risks as well as the results of these policies, including key performance indicators. The Statement has been prepared by applying the company's procedures (hereinafter the "Guidelines"), summarized in the Statement and available on request from its headquarters.

#### Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (Code de déontologie). In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

#### Responsibility of the statutory auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirement of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

#### Nature and scope of procedures

We performed our work in accordance with Articles A. 225 1 et seq. of the French Commercial Code defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and with ISAE 3000 (Assurance engagements other than audits or reviews of historical financial information).

We conducted procedures in order to assess the Statement's compliance with regulatory provisions, and the fairness of the Information:

- we familiarized ourselves with the Group's business activity and the description of the principal risks associated.
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- we verified that the Statement covers each category of information stipulated in section III of Article L. 225 102 1 governing social and environmental affairs, the respect for human rights and the fight against corruption and tax evasion.
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code.
- we verified that the Statement presents the business model and a description of principal risks associated with all the entity's activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and





- corroborate the qualitative information (measures and outcomes) that we considered to be the most important<sup>(1)</sup>; concerning the information related to the risk of corruption and non-respect of human rights, and for the other qualitative information, our work was carried out on the consolidating entity;
- we verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information.
- we carried out, for the key performance indicators and other quantitative outcomes<sup>(2)</sup> that in our judgment were of most significance:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto,
  - substantive tests, on a sampling basis, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities<sup>(3)</sup> and covered between 26% and all the consolidated data for the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement in relation to our knowledge of the company.

We believe that the procedures we have performed, based on our professional judgment, are sufficient to provide a basis for a limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

One of the Statutory Auditors,  
Deloitte & Associés

Jean-Pierre Agazzi  
Partner, Audit

Julien Rivals  
Partner, Sustainability Services

## Means and resources

Our work engaged the skills of six people between September 2019 and March 2020.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around a dozen of interviews with people responsible for preparing the Statement.

## Conclusion

Based on our work, nothing has come to our attention that cause us to believe that the non financial statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

## Comments

Without qualifying the conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comment:

- as mentioned in the methodological milestones of the non-financial statement, the reporting perimeter is limited for some indicators (including those related to packaging, to the products that have at least one environmental benefit and to the audits of contract manufacturers that do not cover Cello Pens).

Paris-La Défense, March 23, 2020

(1) **Progress of the Writing the Future, Together program in 2019:** Evaluation of the environmental and/or societal footprint of products (commitment #1), Responsible sourcing involving strategic suppliers (commitment #4)

**Other qualitative information:** Evaluation of indirect greenhouse gas emissions (scope 3) and approach to limit these emissions, Measures for team member development, Ethics and anti-corruption approach

(2) **Progress of the Writing the Future, Together program in 2019:** Share of electricity of renewable origin (commitment #2), Incidence rates of workers' accidents for BIC workforce and temporary workers (commitment #3), Estimated number of children whose learning conditions have been improved (commitment #5);

**Other quantitative information:**

**Products and packaging:** Percentage of BIC® products with at least one environmental benefit, Percentage of recycled plastics used in the manufacturing of Stationery products, Percentage of cardboard packaging from a certified and/or recycled source, Percentage of plastic packaging PVC free;

**Environment:** Annual energy consumption normalized to production, Percentage of intra-company transport operated without air freight, Direct (scope 1) and indirect (scope 2) GHG emissions (location-based and market-based), GHG emissions related to intra-company transport (scope 3), GHG emissions related to raw materials purchase (scope 3), Ratio of annual production of non-hazardous and hazardous industrial waste to production, Percentage of recovered waste (recycled or incinerated with energy recovery);

**Safety:** Severity rate of workers' accidents for BIC workforce;

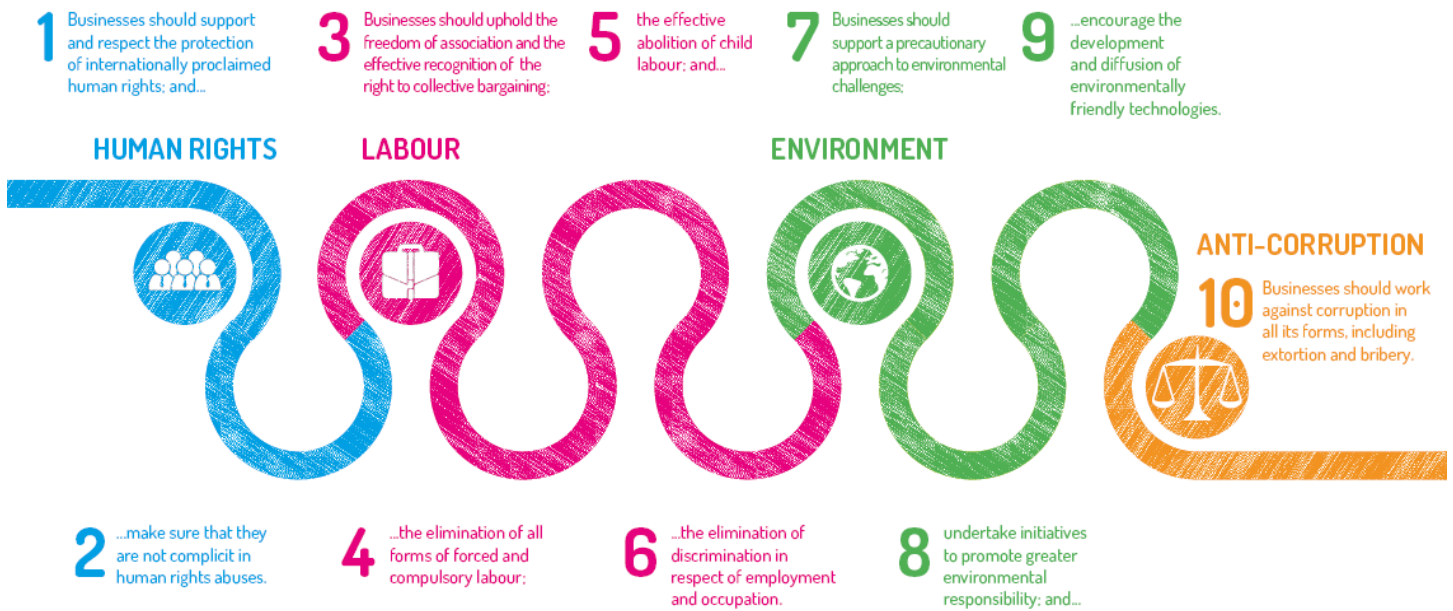
**Human resources:** Workforce as of December 31st, Percentage of women managers, Number of recruitments and terminations, Percentage of employees that have received training, Absenteeism rate

(3) BJ75 Redon (France), BIC Stationery Mexico (Mexico), BIC Shavers Mexico (Mexico), Toreo office (Mexico), BIC South Africa (South Africa), Cello Pens (India)



# Progress at BIC Graphic Europe Level

BIC Graphic Europe fully commits to the UN Global Compact 10 Principles.



BIC Graphic Europe selected several Sustainable development goals to concentrate on in 2018.



In April 2018, BIC Graphic Europe became participant to the UN Global Compact Spanish red. BIC Graphic Europe decided to dedicate its first year of membership in the conciliation of internal and external procedures and actions with the 10 UN Global Compact Principles and 17 UN Global Compact Sustainable development Goals. During the second year, in 2019, we integrated the 10 Principles and 17 Sustainable development goals in various fields of our operations. We also had the opportunity to work on projects that improved the conditions of several stakeholders at the same time and we integrated new stakeholders for the reporting. This COP is informing about the most important tools BIC Graphic Europe has in place or put in place during 2018. This COP focuses around the four groups of stakeholders selected by BIC Graphic Europe to report about after its first two year of membership: multi-stakeholders, team members, providers, customers, environment and local communities.

The following progress is reported by BIC Graphic Europe:

#### Multi-Stakeholders

- New IT systems
- New warehouse organization

#### Team members:

- BIC Group's Code of Ethics Training
- BIC Group's Anticorruption Policy Training
- Data protection training
- Waste segregation training
- Equality Plan revision
- Education week & Christmas Social Gift
- Daily interdepartmental meetings
- Use of Microsoft teams
- Eco/Bio training

#### Providers:

- New requirement for paper providers
- In house paper use
- Transport tender

#### Customers:

- Brexit organization in Customer care department
- BIC Graphic Europe's Customer Visits
- Backup process for Customer care department

#### Environment:

- Water bottles substitution
- Imprim'vert label
- CO2 neutral website
- FSC shipping boxes
- Sustainable packaging
- New digital printing
- Supply chain (new materials – bio & eco)
- Supply chain (in house manufacturing)
- Supply chain (final products & parts purchasing)
- Environmental emergency kit

#### Local communities

- Terracycle patrol
- Treedom partnership
- Material donations
- Working with persons having incapacities



# Multi-Stakeholders

## New IT systems

After a period of preparation, BIC Graphic Europe implemented and kicked off 6 new IT systems that interact together in order to improve our operations in the benefit of customers, team members, providers and other stakeholders.

BIC Graphic already disposed of online ordering platform, its website. In March 2019, the following systems were implemented:

- **CRM** Customer Relationship Mgmt
- **CPQ** Configure, Price, Quote
- **ERP** Enterprise Resource Planning
- **APS** Advanced Planning & Scheduling
- **MES** Manufacturing Execution System
- **WMS** Warehouse Management

Thanks to this state of art IT system implementation, the work conditions of our team members improved, they received an extended training and reorganized their daily tasks to gain efficiency. Moreover, our customers and providers benefit from better and faster service.

Overall, we executed 546 training sessions and 5429 tests. As matter of example, 214 trainings were given to 60 members of our Customer care department. We had 50 permanent participants and simulated 9 Go live end to end meetings. BIC Graphic also reviewed nearly all internal processes and issued variety of new ones accordingly to ISO 9001 and ISO 14001 standards.

UN Global Principles:

1	2	3	4	5	6	7	8	9	10
								√	

SDGs	1	2	3	4	5	6	7	8
				√				√
<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>
√								√

## New warehouse organization

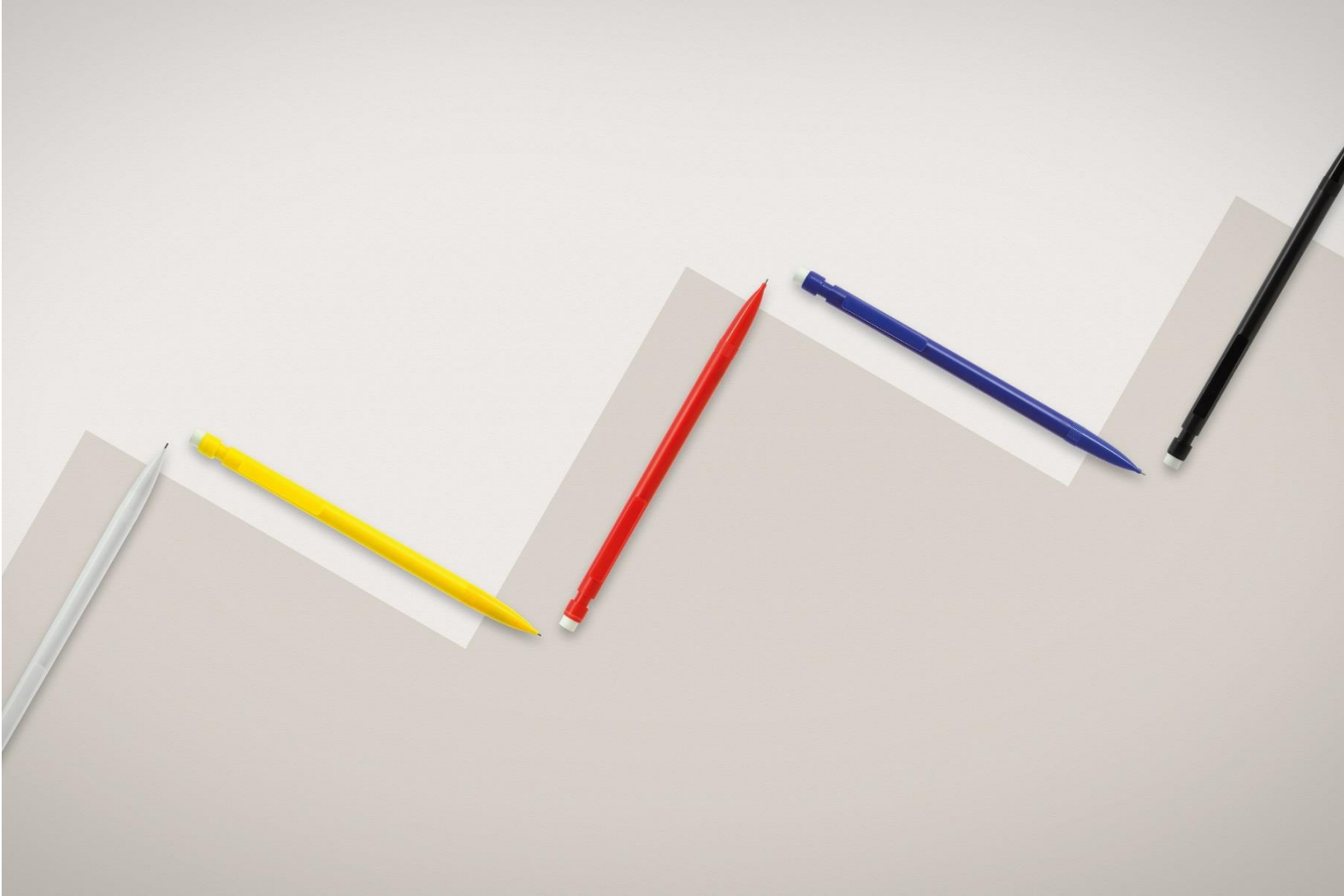
In line with the implementation of new IT systems, BIC Graphic Europe also adopted a different warehousing system called “chaotic” system. Thanks to this specific organization, the new MES system permits the organization of warehouse by optimizing the place without human intervention. Thanks to this new organization, we are able to store more goods in the same space and we therefore avoid use of external warehouses and unnecessary transport.

We benefit from a more standard processes and our employees benefit from new tools and spend less time on repeated tasks, most of the tasks are grouped in “waves”, designed in each case the more optimize “routes”. All operations are tracking, allowing us to follow the flow of a WO from the PIC to the SHIPPING. Due to that, our customers and providers receive more transparent information on purchased or sold goods.

UN Global Principles:

1	2	3	4	5	6	7	8	9	10
								√	

SDGs	1	2	3	4	5	6	7	8
				√				√
<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>
√			√					√



Team members

## BIC Group's Code of Ethics Training

The BIC Group's Code of Ethics define since 2007 the fundamental ethical principles that the Group asks all team members to follow under all circumstances and everywhere in the world.

This code is structured in eight blocks that can be cross-referenced with the 10 UN Global principles:

1. Fundamental Human rights
2. Respect of the Environment
3. Listening and Communicating
4. Compliance with the Law
5. Conflicts of Interest
6. Protection of Group's Assets
7. Professional Commitment
8. Relationship with Stakeholders

On top of the 168 trained team members in 2018, from 2019 all new incorporations at BIC Graphic benefit from a very clear online or offline training regarding our most important ethical principles.



UN Global Principles:

1	2	3	4	5	6	7	8	9	10
√	√	√	√	√	√	√	√	√	√

SDGs	1	2	3	4	5	6	7	8
	√		√	√	√	√	√	√
<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>
	√			√	√		√	√





## Waste segregation training

At BIC Graphic Europe, training for multiple topics is a must. The waste segregation training for offices and production was received in 2019 by the entire customization department with the aim of raising awareness on issues of waste segregation. Likewise, all the new incorporations get information and training on safety and environment the first days at BIC Graphic Europe.



UN Global Principles:

1	2	3	4	5	6	7	8	9	10
		√				√	√	√	

SDGs	1	2	3	4	5	6	7	8
				√		√	√	√
9	10	11	12	13	14	15	16	17
				√	√	√		





## Organization of interdepartmental “daily meetings”

BIC Graphic Europe’s customer focused department (customer care, inside sales and graphic design) is a department that needs to collaborate with the full organization. To smooth out this collaboration, we increased the participation of other departments to Customer care’s “daily meeting”. A “daily meeting” has for the purpose to discuss in 15 to 30 minutes, twice per week the most important updates for the team. At least once per month, a guest from another department (human resources, production, legal, pricing, etc.) is invited to present the common tasks and answer questions.

Thanks to these short contact points, the collaboration between the teams is highly improved and this benefit ultimately to all team members and even customers.

In 2019, some guests explained our new certifications in the field of CSR, our new partnerships that helps us integrate Sustainable development goals in our operations and reminded about our participation to UN Global compact.

UN Global Principles:

1	2	3	4	5	6	7	8	9	10
√	√	√	√	√	√	√	√	√	√

SDGs	1	2	3	4	5	6	7	8
			√	√	√		√	√
9	10	11	12	13	14	15	16	17
√			√					√

## Extended Use of Microsoft teams within the organization

In 2019, BIC Graphic Europe adopted, within several departments, the use of Microsoft teams as main communication channel.

For instance, the Customer care team uses Teams as base document and process sharing platform. All information can be found in such dedicated Team and all the other department can provide information in smoother way.

Thanks to this new tool, 13 questionnaires were put in place to determine fields of improvement for the Customer care department.



UN Global Principles:

1	2	3	4	5	6	7	8	9	10
									√

SDGs	1	2	3	4	5	6	7	8
				√				√
9	10	11	12	13	14	15	16	17
√			√					





# Providers

## New requirement for paper providers

In 2019, BIC Graphic Europe decided to integrate a new requirement for its paper suppliers. From now on, we have as minimum requirement to have FSC/PEFC certified paper. Another option is to have recycled paper.

In our supplier homologation process, we dispose of dedicated question regarding paper certification and source and any new provider is selected based on these criteria.

We also worked with current providers and start purchase from them certified paper.

Most of our packaging are therefore FSC certified or recycled. Please refer to detailed report on such packaging in the “environment” section of this report.



UN Global Principles:

1	2	3	4	5	6	7	8	9	10
						√	√	√	

SDGs	1	2	3	4	5	6	7	8
								√
9	10	11	12	13	14	15	16	17
√			√	√	√	√		√



## In-house paper use

In addition of the use of certified or recycled paper in production, BIC Graphic Europe decided to work with its printer provider to source a more sustainable paper for its office and factory in house use.

We decided to purchase made in Europe paper that is sustainable sourced instead of non-certified paper. We also put in place a system of monitoring and sensibilisation of users on the need to decrease our consumption.

This initiative permitted us to reduce significantly paper use.

We accompanied this initiative by renewal of our printers and the new generation is more efficient regarding energy and toner consumption.

UN Global Principles:

1	2	3	4	5	6	7	8	9	10
						√	√	√	

SDGs	1	2	3	4	5	6	7	8
								√
9	10	11	12	13	14	15	16	17
√			√	√	√	√		√

## Transport tender

BIC Graphic Europe launched in 2018 a tender and selected new transport companies starting 2019. The three main goals were to improve service quality, updating logistic solutions for new segments and define updated strategy for the company.

We spend time with 21 transport companies and 8 were selected for further step in the tender. The selected suppliers have a fleet that is as minimum Euro IV certified and integrates specific solutions for the transportation of full trucks whenever possible. We also improved our services toward our customers during peak season.

UN Global Principles:

1	2	3	4	5	6	7	8	9	10
						√	√	√	

SDGs	1	2	3	4	5	6	7	8
								√
9	10	11	12	13	14	15	16	17
√			√					√



Customers







Environment

## Water bottles substitution

During the summer 2019, BIC Graphic Europe decided to abandon the use of 1.5 l plastic bottles for team members. We substituted the use of 1800 bottles per trimester by water fountains that procure cold or hot water and dispose of reusable and recyclable 20 l plastic bottles. We implemented this new water distribution in the office space first and then in the production space.

Each team member received a 0.5 l glass reusable water bottle or 0.75 l aluminium reusable water bottle. The visitors use paper recyclable and biodegradable water cups. Our team members can also express their creativity as most of them personalized their bottle to be able to distinguish it.

We also selected our partner in view of its own sustainable development program and shared values.



UN Global Principles:

1	2	3	4	5	6	7	8	9	10
					√	√	√	√	

SDGs	1	2	3	4	5	6	7	8
			√	√		√		
9	10	11	12	13	14	15	16	17
√			√	√	√	√		√

## Imprim'vert label

During the summer 2019, BIC Graphic Europe decided to challenge its printing facilities. We decided to obtain the Imprim'vert label. Such label, obtained after documental review and on premises audit, proves our engagement in sustainable management of our printing methods.

Imprim'Vert label is dedicated only to printing plants. Objective is a pragmatic method to reduce environmental impact of the printing industry.

The following attribution are to be fulfilled:

1. elimination of dangerous waste
2. provide secure storage
3. no use of toxic products
4. energy consumption monitoring

BIC Graphic Europe successfully obtained the right to use such label and has firm intention to renew it regularly.



UN Global Principles:

1	2	3	4	5	6	7	8	9	10
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SDGs	1	2	3	4	5	6	7	8
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## CO2 neutral website

BIC Graphic Europe realizes that today, the internet has surpassed the environmental impact of aviation. The internet is growing very rapidly, and the consumption of power has resulted in CO2 emissions that are unfortunately going the wrong way: up. This is why, as internet actor, we decided to obtain CO2 neutral website certification in 2019. A website becomes carbon neutral by offsetting the carbon it emits with an increased carbon sequestration somewhere else in the world.



UN Global Principles:

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SDGs	1	2	3	4	5	6	7	8
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## FSC certified shipping boxes

During 2018, BIC Graphic analysed its gaps regarding sustainable transport of goods to customers. One of the selected points to remedy in 2019 was the sustainable material of our shipping boxes.

During 2019, we progressively substituted most of our shipping boxes references to a FSC certified carton and our goal is to continue with this substitution in 2020 for the few references that were not already substituted.



UN Global Principles:

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SDGs	1	2	3	4	5	6	7	8
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## Sustainable packaging

In 2019, BIC Graphic Europe decided to move forward with its eco approach regarding packaging. Our products are promotional items often considered as gift. We decided to integrate new gift packaging and we developed them following the reuse, reduce, recycle principles.

We launched a series of reusable and recyclable packaging.

For instance, we have a window box for writing instruments that becomes, once the pen is taken out, a card holder for the office or home. Obviously, the paper use for the packaging is FSC certified and at the end of its life, the box can be recycled.



Another example are our packaging for one or several writing instruments that were designed to be easily recyclable for the plastic part as we do not use any attachment between different parts of the packaging and give a second life for the paper part: the paper insert is also a bookmark. Here again, the paper is FSC certified.



We also decided to have packaging made from recycled paper and recyclable. It is the case of our Eco sleeve. This packaging, as the window box benefit from another sustainable action. We partnered with Treadom and these packaging finance our forest. Refer to the "Treadom" section of this reporting for further details.



UN Global Principles:

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SDGs	1	2	3	4	5	6	7	8
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## New digital printing

During 2019, BIC Graphic Europe decided to launch a new digital printing technique. This new technique has two main sustainable benefits. Firstly, this technique permits to use fewer prime materials as we eliminated from the process the use of one plastic film. Moreover, the inks used during the printing process are formulated accordingly to current and future product safety and environmental regulations.

Thanks to these new inks, the life cycle punctuation of our products improved, and our carbon footprint decreased.

We also used this opportunity to strengthen our great relationship with our important industrial business partners.



UN Global Principles:

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SDGs	1	2	3	4	5	6	7	8
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## Supply chain (new materials – bio & eco)

During the year 2019, BIC Graphic Europe decided to improve its strategy regarding alternative materials. We first substituted our recycled material source from non-European to European supplier. We progressively substituted all of our recycled material references to local production in order to improve our carbon footprint and strengthen our cooperation with local business partners.

Secondly, we decided to launch a product with alternative bioplastic. We found a European partner who is manufacturing patented sugar and corn-based bioplastic that is also biodegradable. It was a pleasure to work with this new partner sharing our values and sustainable approach.

Thanks to this new material, we have a great addition to our portfolio – a product that is partially biodegradable and partially recyclable.

This project helped us also to answer the needs of our internal stakeholders at Group level as well as our customer needs. We were able to train our teams on the differences regarding these new materials too.

**BIC MEDIA CLIC BIO ecoolutions®**

MADE FROM 70% OF BIO-SOURCED\* & 100% BIODEGRADABLE MATERIAL. Made from sugar cane.

Features: BIODEGRADABLE, BIO BASED MATERIAL, MADE TO LAST, 100% RENEWABLE ENERGY, ALIGNED WITH FSC, LOW CARBON FOOTPRINT.

CHOOSE THE ECO SLEEVE PACKAGING TO MAKE IT SPECIAL.

LET'S CONTINUE WRITING A MORE SUSTAINABLE FUTURE

**DISCOVER**

\*The percentage is calculated on total weight of barrel, biodegradable under industrial conditions

### UN Global Principles:

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SDGs	1	2	3	4	5	6	7	8
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### Supply chain (in house manufacturing)

In addition to our aim to purchase European materials as much as possible, BIC Graphic Europe decided, during 2019, to manufacture as much as possible all the components of our products in house.

Thanks to this ambitious project, we eliminated from our shopping list various references of product parts purchased in the past outside Europe. Thanks to this new approach, we have harmonized colour pallet of all the components, we dominate all the production of our products from the first to the last component and we improved our carbon footprint as we avoid unnecessary transport of unfinished products.

UN Global Principles:

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SDGs	1	2	3	4	5	6	7	8
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### Supply chain (final products & parts purchasing)

During 2019, BIC Graphic Europe put in place a rationalization plan regarding products and parts purchasing. We took this opportunity to eliminate some references that we were purchasing outside Europe, minimize the purchasing of product parts outside Europe and privilege in-house manufacturing as much as possible.

UN Global Principles:

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SDGs	1	2	3	4	5	6	7	8
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### Environmental emergency kit

In 2019, a kit for spills of chemical products was purchased, thus avoiding that if there are spills in the storage area of chemical products and the Sticky Notes area, these end up in the sewer, being able to collect easily.

UN Global Principles:

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SDGs	1	2	3	4	5	6	7	8
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# Local communities

## Terracycle contest

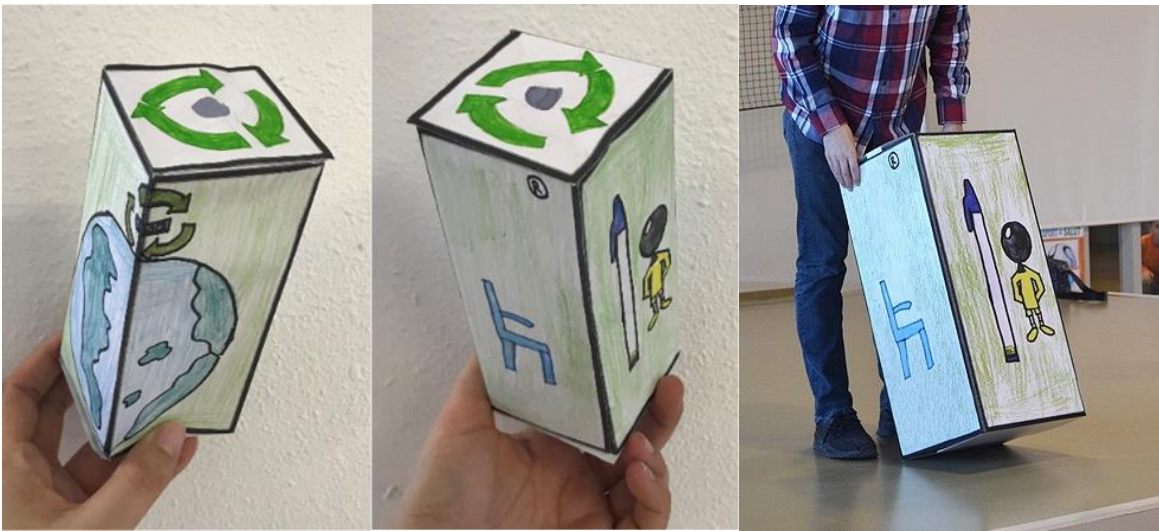
In 2011, the BIC Group launched a program to recycle stationary products by partnering with Terracycle.

At BIC Graphic Europe, in 2019, we decided to put in place a local project to raise awareness about the possibility to recycle writing instruments. We cooperated with our team members and local schools in the Tarragona area.

We believe that this kind of initiative – a competition for schools to create collection box for writing instruments combined with donation to an entity that helps out improve environmental awareness – was the way to raise also motivation of our team about sustainable actions. Kids learned about recycling and had lot of fun creating potential collection boxes.

Twenty volunteers from our team facilitated contacts to various schools. At the end, seven schools and therefore more than 500 kids participated to the contest.

The winning collection box is installed in the participating schools, and more, during the school year 2019/2020 for collection purposes. All the participants received a gift box with our products personalized for the occasion.



UN Global Principles:

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SDGs	1	2	3	4	5	6	7	8
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## Material donations

Since years, BIC Graphic Europe donate its unused or returned material to ONGs. In 2019, we donated lot of small quantities of pens or stationary products and the three most important donations are for the following projects:

- 9000 pens donated to an association acting in the field of education (Colombia)
- 5000 pens donated to association acting for kids with cancer (Spain)
- 3000 pens donated to an association acting for students (Morocco)

UN Global Principles:

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SDGs	1	2	3	4	5	6	7	8
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## Working with persons having incapacities

Since years, BIC Graphic Europe collaborates with an association working with persons with incapacities. Between 2018 and 2019, we increased the orders to the foundation as this is another way to eliminate discriminations and provide usually excluded persons with job opportunities.

UN Global Principles:

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SDGs	1	2	3	4	5	6	7	8
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