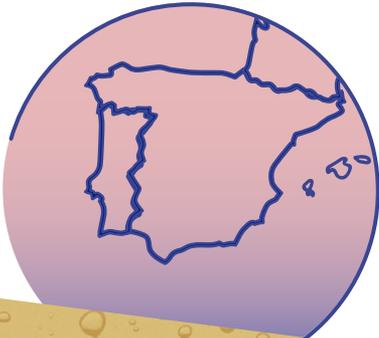
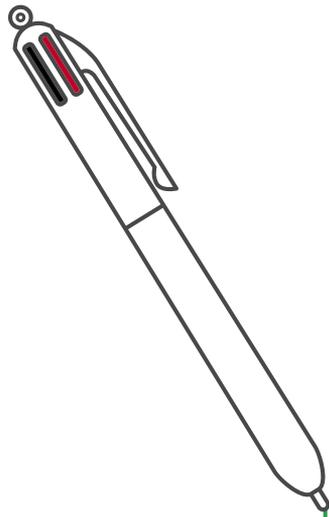


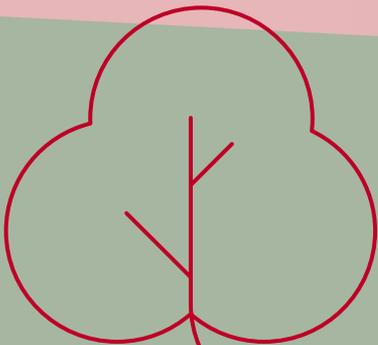


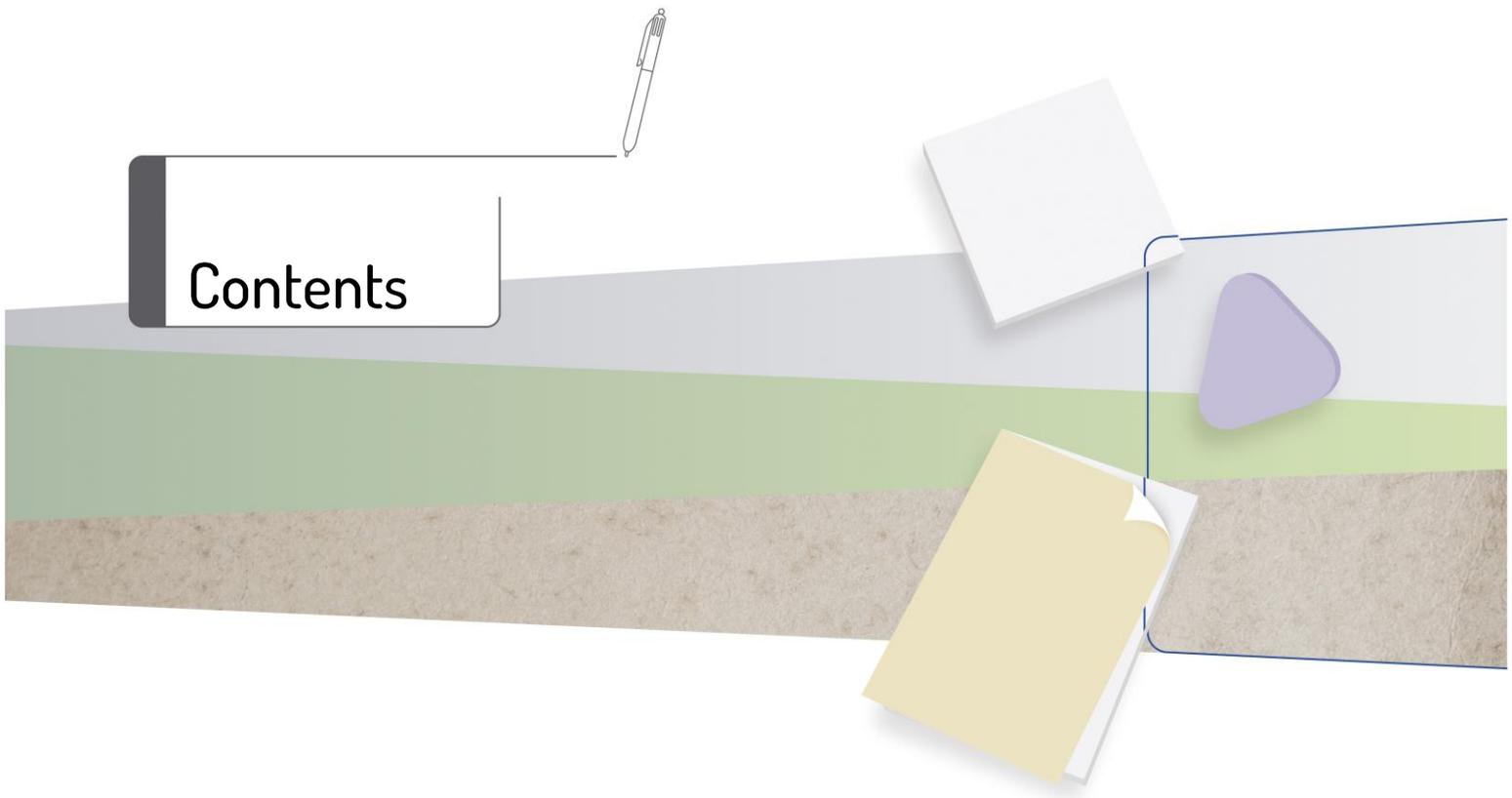
Your Brand Ambassador



COMMUNICATION
ON PROGRESS

2020





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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

05-JUL-2021

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 and 2020, 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.

Despite the unprecedented pandemic crisis everyone faced in 2020, BIC Graphic Europe's teams worked during the third year of our participation 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 in the previous years, not only you will be able to learn about some of BIC Graphic Europe' 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 2020. Firstly, we challenged our operations after nearly a year of implementation of new IT systems by creating a virtual factory where we analysed, in the smallest detail possible our way of working and most importantly, without the need of actually produce our products as the team was simulating operations from virtual working stations. Afterwards, we prepared an ambitious improvement plan to serve more efficiently our customers, improve the processes in the benefit of our team members, fasten the communication with providers and other stakeholders. Secondly, we focused on our team members by executing Gender Gap Analysis to confirm our involvement in diversity, equality and inclusion field and created the pertinent action plan in line with our renewed Equality plan.

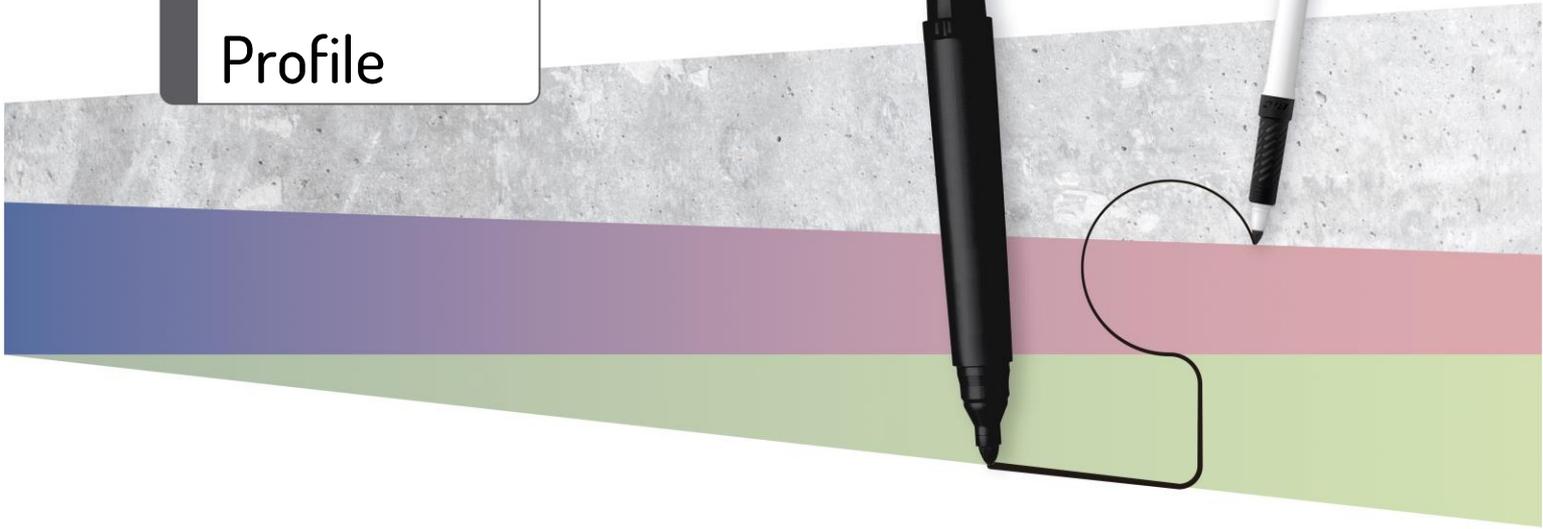
In 2021, BIC Graphic Europe will continue to integrate the 10 Principles and 17 Sustainable Development Goals in our everyday operations.

Sincerely yours,

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

Mare Rugi
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

Higher executive name: Marc Rugi

Contact person: Dominika Partelova

Total number of team members: 258

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 out of 10 people. In addition to 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 the 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 to benefit from the BIC Group's Sustainable development program as well as its 2025 Writing the Future, Together commitments.

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 35 to 45 of our [2020 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.

What 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 commitments BIC Graphic Europe participates to.

How is the COP being disseminated?

This COP is published on the website of UN Global Compact 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 3rd section covers our environmental, social and societal responsibility report (DPEF). 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 an 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 Code of Conduct as well as in the BIC Supplier Code of 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 a member of Amfori. Finally, BIC Graphic Europe, as a 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 Spanish legislation.

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

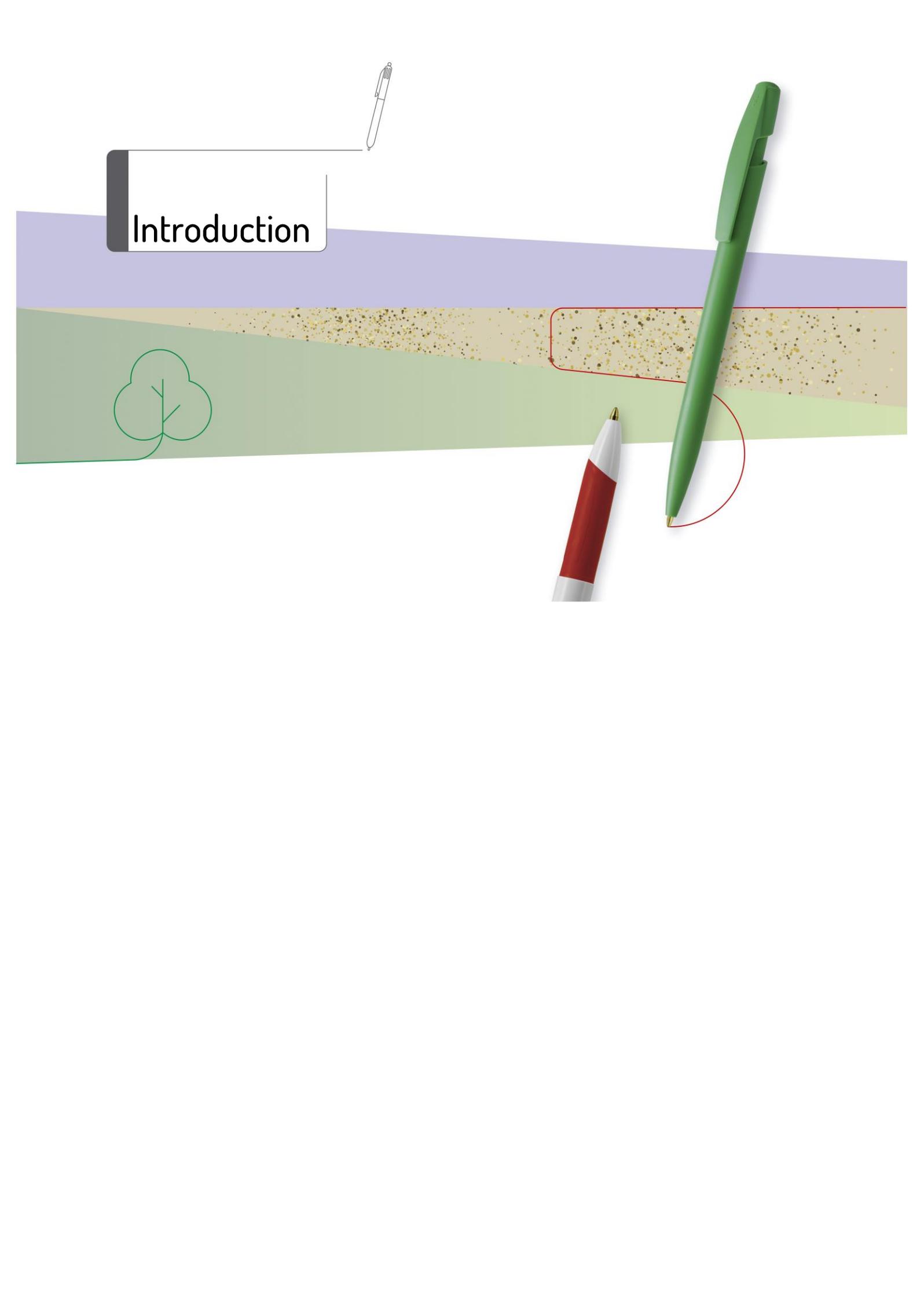
The BIC Group measures the implantation of the 10 principles via its own system proposed in its Sustainable development program.

MORE INFORMATION

BIC Graphic Europe website: www.bicgraphic.eu

BIC Group website: www.bic.com

Youtube channels: <https://www.youtube.com/channel/UC7ZQGQ44SIF34LsUvTI11ZA> &
<https://www.youtube.com/user/bicbrand>



Introduction

BIC Group and BIC Graphic Europe

Société BIC is a family-owned company listed on the Paris Stock Exchange and a world leader in stationery, lighters and shavers products for more than 75 years.

BIC began simply – with a vision and a pen. The goal was to create a product to answer a fundamental consumer need: a smooth, effortless writing tool. But what resulted was so much more: BIC democratized the art of writing and gave everyone the power of creative expression.

Today, BIC bring simplicity and joy to everyday life. BIC's refreshed vision is the following:

The graphic features a central yellow banner with the word "VISION" in bold black letters. Below the banner is a large, light gray rectangular box with a thin yellow border. Inside this box, the text is centered and reads: "OUR AMBITION IS TO CREATE A SENSE OF *ease & delight* IN THE MILLIONS OF MOMENTS THAT MAKE UP THE HUMAN EXPERIENCE. IT IS THIS PASSION FOR BRINGING *simplicity & joy* TO PEOPLE ALL OVER THE THE WORLD THAT DRIVES OUR TEAM MEMBERS EACH DAY. WE REIMAGINE EVERYDAY ESSENTIALS, DESIGNING PRODUCTS THAT ARE PART OF EVERY *heart & home* . WE BELIEVE WE POSITIVELY IMPACT THE WORLD BY OFFERING SUSTAINABLE SOLUTIONS THAT RESPECT THE PLANET THROUGH SMART DESIGN AND THE CREATION OF PRODUCTS THAT LAST."

BIC also refreshed its mission in 2020:

The graphic features a central yellow banner with the word "MISSION" in bold black letters. Below the banner is a large, light gray rectangular box with a thin yellow border. Inside this box, the text is centered and reads: "WE CREATE HIGH QUALITY, SAFE, AFFORDABLE, ESSENTIAL PRODUCTS, TRUSTED BY EVERYONE."

To learn more about BIC's vision and mission, please refer to this [video](#).

BIC® products are made in a unique atmosphere of mutual respect and professional ambition that is characterized by our values. Those values are:

The graphic features a central yellow banner with the word "VALUES" in bold black letters. Below the banner is a large, light gray rectangular box with a thin yellow border. Inside this box, there are five value statements arranged in two columns, each with a horizontal line above the title:

INTEGRITY We are honest, open and fair, and demand an environment where everyone feels respected, included and heard.	SUSTAINABILITY We drive sustainable growth while making meaningful contributions to our team members, communities, and the world.
RESPONSIBILITY We make courageous, timely decisions and deliver ambitious results that delight consumers across the world.	INGENUITY We dream big and create clever, simple, yet bold solutions for our consumers, customers, and teams.
TEAMWORK We set high standards, trust each other, and work together across boundaries, holding ourselves and each other accountable.	SIMPLICITY We believe that simple solutions are often the best solutions. When faced with complexity, we respond with clarity.

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 their 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 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 ballpen 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 and transport activities.
- Build 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>Lightweight</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>Long lasting</p> <p>Up to 3,000 lights for BIC® Maxi pocket lighter, up to 2x more than its competitors.</p>	<p>Long lasting</p> <p>60 days of shaving with the BIC® Easy / BIC® Hybrid with its 6 refill blades.</p>
		
<p>Alternative materials</p> <p>By the end of 2020, 26 alternative materials have been tested.</p>	<p>Diversified and responsible distribution</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>BIC® Ecolutions®</p> <p>The BIC® Ecolutions® range features products made from recycled materials.</p>

II: Reducing our environmental footprint.

		
<p>FACTORIES</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>TRANSPORTATION</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>PACKAGING</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>SHARED VALUES</p> <p>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>SAFETY AT WORK</p> <p>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>HEALTH AND WELLNESS</p> <p>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>LEARNING AND DEVELOPMENT</p> <p>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>DIVERSITY</p> <p>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>HUMAN RIGHTS</p> <p>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>PROMOTING ACCESS TO EDUCATION BIC and its employees contribute time and donations to support access to education. Learning conditions for more than 118 million children were improved since 2018.</p>	<p>GIVING BACK TO COMMUNITIES In 2020, products donations and financial aid worldwide represented 1.4 million euros (internal valuation), primarily in education, health and emergency aid. These two sectors represent 72% of BIC's community activities in number and 67% in financial value. *internal valorization</p>	<p>THE BIC CORPORATION FOUNDATION 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>

With the 2020 refresh of our vision, mission and values, our commitments are now concentrated around the following topics:

I: The BIC Corporate Foundation

Our Mission:

We drive access to high quality education programs for all. With a focus on building creative skills, our programs directly enable and empower our participants to build stronger, more inclusive, more creative communities, while inspiring and equipping our children and young adults to make their mark on our world.

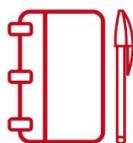
Our Vision:

We aspire to live in a world where there is equal access to quality education that inspires and empowers our youth. Where creative expression and creative skills are cherished and bring joy to everyday life. Where we directly see and feel the positive impact of innovative education programs on our youth, and consequently on their communities. Through our partnerships we're proud to have directly contributed to the development of the most inspiring and innovative pool of creative change makers known in our society.

II: BIC's Commitment to Education

BIC and its team members are part of the global effort to improve learning conditions for students worldwide. The company is proudly contributing to "ensure inclusive and quality education for all and promote lifelong learning," one of the 17 sustainable development goals defined by the United Nations in September 2015.

BIC fulfils these commitments year-round through three types of action:



SUPPLYING GRANTS AND PRODUCT DONATIONS



VOLUNTEERING IN OUR COMMUNITIES



FORMING GLOBAL PARTNERSHIPS

III: Commitment to Sustainability

At BIC, we believe in providing simple, inventive, reliable choices for everyone, everywhere, every time. We also 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 honouring 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.

To learn more about our journey, please visit us.bic.com/en_us/sustainability.

IV: Uniting Our People around Key Values

The people at BIC have been the key to its success from the beginning. With people and factories all around the world, BIC thrives on a shared corporate culture, enriched by local nuances and needs.



SAFETY AT WORK

50 reportable accident in 2020 (-32% vs 2019).



RESPECT FOR HUMAN RIGHTS

Committed to audit 100% of BIC's contract manufacturers once every two years to ensure they comply with the BIC Code of Conduct.



HEALTH AND WELL BEING

Families that make healthy choices together are more likely to turn those choices into lifelong habits. BIC provides the tools and resources to team members and their family members to help achieve their goals, while focusing on emotional, physical, and financial health.



VALUES IN ACTION

Since 2006, BIC has honored more than 1,300 employees with "The Values in Action" award, presented to employees whose performance exemplifies certain BIC values.



ANTI-CORRUPTION POLICY

The BIC Group Anti-corruption policy prohibits bribery and corruption in any form—everywhere BIC operates —upholding BIC's reputation for integrity and supplements the principles reflected in the BIC Group Code of Ethics.



LEARNING AND DEVELOPMENT

BIC University offers training opportunities that are specifically designed to enhance capabilities and foster knowledge.

V: Writing the Future, Together: Our Sustainable Development Commitments for 2025

At BIC, we believe in providing everyday essentials that are part of every heart and home. 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. We believe we positively impact the world by driving innovation and offering sustainable solutions through smart design and the creation of products that last.

In 2018 we launched the "Writing the Future, Together" sustainable development program because we believe that achieving our five commitments – improving our environmental and societal product footprint, acting against climate change, providing our employees 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 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

#1 Fostering sustainable innovation in BIC® products.

Commitment 1: By 2025, the Environmental and/or Societal Footprint of BIC Products Will Be Improved.

Our goal is to deploy a comprehensive eco-design process within each of our categories that will encompass environmental and societal dimensions and drive sustainable innovation. A rating tool integrating criteria such as the use of alternative materials or ability to be recycled at end-of-life has been designed to allow assessment of all BIC® products and performance improvement.

As we continue our sustainable development journey, we added two additional commitments in 2020:

- By 2025, 100% of packaging will be reusable, recyclable, or compostable
- By 2030, BIC will use 50% non-virgin petroleum plastic in our products

Commitment 2: By 2025, BIC Will Use 80% Renewable Electricity.

We are seeking to reduce the Group's greenhouse gas emissions by purchasing renewable energy and will also study the potential production of renewable electricity on-site. We met our 80% target in 2021 and have updated this goal to operate on 100% renewable electricity by 2025. Also, we actively encourage all team members to get involved and be mindful of energy usage.

#2 Acting against climate change.

#3 Committing to a safe work environment.

Commitment 3: By 2025, BIC Aims for Zero Accidents Across All Operations.

This ambition integrates the dimensions of safety, health, and well-being at work, at every level. It is based on further intensification of our safety policies and culture across all of our operations and includes the implementation of specific local actions, e.g., clearly defined targets, empowering health & safety systems, greater people involvement.

Commitment 4: By 2025, BIC Will Work Responsibly with Its Strategic Suppliers to Ensure the Most Secure, Innovative and Efficient Sourcing.

BIC will identify its "strategic suppliers" according to criteria relating to innovation, finance, and security. To begin the process, BIC will complete a comprehensive mapping exercise based on social, environmental and regulatory factors. Action plans will then be developed and implemented to control and mitigate any risk while strengthening supplier relationships.

#4 Proactively involving suppliers.

#5 Improving lives through education.

Commitment 5: By 2025, BIC Will Improve Learning Conditions for 250 Million Children, Globally.

BIC aims to help children succeed in their education by providing improved learning conditions and promoting the developmental benefits of handwriting. As a company inherently involved with education, we aim to extend our positive impact with a more coordinated approach. From 2018 we focus on building awareness amongst BIC teams, and we also developed a tool-box to integrate and animate our long-term focus on Education within business plans.

Our progress in 2020 can be found on this dedicated webpage: us.bic.com/en_us/news-writing-the-future-together-2020-progress.

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 Compact 10 Principles that complete BIC Group's own Codes of Conduct as well some of its other policies. Moreover, The 10 Principles are also represented in the BSCI Code of Conduct that BIC Graphic Europe adopted in 2019. 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. Chapters 3 & 4 detail actions in place regarding the 17 SDG during 2020.

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 we hold several certifications and were subject to various audits in 2020.

<p>First of all, BIC Graphic Europe is ISO 9001 and ISO 14001 certified since 2000 and successfully renewed its certification in 2020. www.lr.org</p>	
<p>BIC Graphic Europe is also member of the SEDEX platform since 2012 and regularly renews its SMETA 4 Pilar social audit. In 2020, the most recent 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 2020, the audit was renewed. 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. Such audit was renewed in 2020. www.intertek.com</p>	
<p>BIC Graphic Europe also achieved in 2018, and renewed in 2019 and 2020, the Ecovadis platform Gold recognition. www.ecovadis.com</p>	
<p>As in 2017 and 2018, once again in 2019 BIC Graphic Europe was one of winners of the PSI Sustainability awards. www.psi-network.de</p>	
<p>In 2019, BIC Graphic Europe decided to certify its website as Carbon neutral and we renewed our commitment in 2020. www.globalclimateinstitute.com</p>	
<p>Finally, in 2019, BIC Graphic Europe obtained the Imprim'vert label that proves its eco approach when decorating products. The label was naturally renewed in 2020. www.imprimvert.fr</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, Chapter 3 of this COP reproduces the section 3 of BIC Group's Universal Registration Document 2020 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, 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
BIC Group





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SUSTAINABLE DEVELOPMENT

Sustainable development has guided BIC's approach to doing business for more than 15 years. BIC's "Writing the Future, Together" ambition outlines our commitments to acting as a responsible company, limiting our impact on the environment and living up to our stakeholders' expectations.

1 FOSTERING SUSTAINABLE INNOVATION IN BIC® PRODUCTS

Description Simple, inventive designs, with less raw materials and long-lasting performance: sustainable development is embedded into BIC® products starting from the design phase	Main 2020 Achievements <ul style="list-style-type: none"> • At the end of 2020, the EMA tool, containing the process and criteria for evaluating and improving products was finalized and integrated into operational models • 19 products labeled NF Environnement • 4,3% of BIC® products produced from recycled or alternative material • At the end of 2020, more than 50 million pens have been collected via TerraCycle
2025 Commitment By 2025, the environmental and/or societal footprint of all BIC® products will be improved	UN SDG¹ <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>3 GOOD HEALTH AND WELL-BEING</p> </div> <div style="text-align: center;">  <p>6 CLEAN WATER AND SANITATION</p> </div> <div style="text-align: center;">  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div style="text-align: center;">  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> </div> </div>

2 ACTING AGAINST CLIMATE CHANGE

Description We deploy a global approach to energy consumption (energy efficiency, use of renewable energy, etc.) based on a Group roadmap and local choices	Main 2020 Achievements <ul style="list-style-type: none"> • 80% of renewable electricity used - Target achieved • Installation of solar panels in Daman (India) • Partnership signed with Schneider Electric to implement energy consumption management tool on all sites
2025 Commitment By 2025, BIC will use 80% renewable electricity	UN SDG¹ <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <div style="text-align: center;">  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div style="text-align: center;">  <p>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</p> </div> <div style="text-align: center;">  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> </div> <div style="text-align: center;">  <p>13 CLIMATE ACTION</p> </div> </div>

3 COMMITTING TO A SAFE WORK ENVIRONMENT

Description The Group is committed to the safety, health and well-being of its team members.	Main 2020 Achievements <ul style="list-style-type: none"> • 50 reportable accidents (-32% vs 2019) • Implementation of health and safety roadmaps delayed due to COVID • Implementation of a centralized health and safety management system • Formalization of HSE "family" job descriptions • Implementation of safety dashboard
2025 Commitment By 2025, BIC aims for zero accidents across all operations	UN SDG¹ <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>3 GOOD HEALTH AND WELL-BEING</p> </div> <div style="text-align: center;">  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> </div>

¹ United Nations Sustainable Development Goals



4

PROACTIVELY INVOLVING SUPPLIERS

<p>Description</p> <p>Being a responsible company requires control of our entire value chain. Our purchasing team analyzes all risks and selects and collaborates with our most strategic suppliers on implementing a responsible approach</p>	<p>Main 2020 Achievements</p> <ul style="list-style-type: none"> • 300 strategic suppliers identified at the end 2020 • 25.8% of strategic suppliers part of the Responsible Purchasing Program • 100% of buyers trained in the responsible purchasing process
<p>2025 Commitment</p> <p>By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing</p>	<p>UN SDG¹</p> 

5

IMPROVING LIVES THROUGH EDUCATION

<p>Description</p> <p>Because education has the power to change the world, it has always been at the heart of the Group's concerns</p>	<p>Main 2020 Achievements</p> <ul style="list-style-type: none"> • Learning conditions improved for more than 118 million children since 2018 • 53% of philanthropic contributions promote education
<p>2025 Commitment</p> <p>By 2025, BIC will improve learning conditions for 250 million children, globally</p>	<p>UN SDG¹</p> 

New commitments for plastics

In 2020, BIC reinforced its contribution to Sustainable Development as part of its Horizon plan. The company defined two ambitious objectives to reduce its climate and environmental footprint linked to the use of plastics:

- By 2025, 100% of packaging will be reusable, recyclable, or compostable,
- By 2030, we will use 50% non-virgin petroleum plastic or alternatives in our products.

Through these objectives, BIC responds simultaneously to three major current environmental challenges: climate change, the depletion of natural resources due to the consumption of fossil fuels, and environmental pollution, in particular, plastic pollution in the oceans and on land.

The purchase of goods represents 29% of BIC's carbon footprint, particularly materials purchased for the manufacture of products. Plastics represent 21% of the company's carbon footprint. BIC estimates that achieving these commitments could reduce its CO₂ emissions by around 10% by 2030.

¹ United Nations Sustainable Development Goals



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 ⁽¹⁾ 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.

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 introduction to each section, a description of the challenges of sustainable development;
- in the "Risks and Opportunities" sections: the risks identified in the Non-Financial Performance Statement and the related opportunities;
- in the "Policies, actions taken, results and perspectives" sections: a description of the policies adopted and actions implemented by the BIC Group, including due diligence procedures undertaken to identify, prevent and reduce the frequency of risks or to seize the identified opportunities, as well as the results of these policies, including key performance indicators, and, where applicable, perspectives on these points.

2020 was the first year in which BIC released its Climate-Related Performance Report (§ 3.7) in keeping with the guidelines proposed by the Task Force on Climate-related Financial Disclosure (TCFD). Consequently, this section follows the headings proposed by the TCFD rather than the structure described above.

BIC identifies information expressly required in the Non-Financial Performance Statement with the initials [NFPS] and [NFPS Risk X]. 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 below.

The main CSR risks resulting from BIC's operations and the use of its goods and services ^[NFPS]

BIC identifies 9 main 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).

(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.



SUMMARY TABLE OF THE NON-FINANCIAL PERFORMANCE STATEMENT

Non-financial risks	Description of the risks	Opportunities	Policies and actions taken	Main results/indicators*
R1	Risks related to plastics: plastic waste and resource depletion.	<p>On the one hand, plastic 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>Increase the use of recycled and alternative materials in the products in order to promote more responsible consumption.</p> <p>Create circular economy loops that enable the collection, recycling and reuse of the products.</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 in its markets through BIC® products that offer environmental and social benefits.</p>	<p>BIC's policies</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>BIC's approaches</p> <p>The "4 Rs" philosophy (Reduce, use Recycled and alternative materials, Refill, Recycle).</p> <p>An eco-design approach incorporating social and societal criteria.</p> <p>An approach to increase the use of recycled and alternative materials in all products.</p> <p>Systematic evaluation of all products based on environmental and social criteria.</p> <p>Developing an innovative circular economy model.</p> <p>Partnerships for innovation approach.</p>	<ul style="list-style-type: none"> • 4.3% of recycled or alternative materials in BIC® products (3% in 2019) • 49.3% of reusable, recyclable or compostable plastic in consumers' packaging • 48.9% recycled content of plastic packaging • 94.4% PVC-free packaging • 97.3% of BIC cardboard packaging comes from a certified and/or recycled source • 90% of the BIC® product portfolio had been evaluated using EMA in 2019 • 9 products improved between April and December 2020 • 19 BIC® products have earned the NF Environnement label • At least, 50%⁽¹⁾ of BIC® products offer environmental benefits • At the end of 2020, more than 54 million pens collected through TerraCycle • 24 alternative materials tested

(1) This figure takes into account top-ups and intra-company sales.



Non-financial risks	Description of the risks	Opportunities	Policies and actions taken	Main results/indicators*
R2	<p>Risks related to climate change.</p> <p>Major risks related to Climate Change are:</p> <ul style="list-style-type: none"> 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 subcontractors; 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; increasing global regulation of carbon and energy directly or indirectly impacting BIC's operations or those of its suppliers and contract manufacturers. 	<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 in its markets by offering BIC® products with a reduced carbon footprint, in particular through the use of recycled and alternative materials and the implementation of circular economy loops.</p> <p>To innovate in order to make the Group's materials and products more responsible.</p> <p>Reduce production costs by optimizing energy consumption.</p>	<p>BIC's</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 & Safety Policy.</p> <p>BIC's approaches</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"> 4.3% of recycled or alternative materials in BIC® products (3% in 2019) 80% Share of renewable energy. The Group's objective is achieved 78,046 teqCO₂ (location-based) direct and indirect GHG emissions (scopes 1 and 2), i.e. -20% compared to 2019 1.03 teqCO₂/ton of production (scopes 1 and 2) 12.96 gigajoules/tonne of production, i.e. +3% compared to 2019 0.84% Share of air freight (in tons/kilometers) (vs. 0.75% in 2019)
R3	<p>Risks related to product safety and consumer health and safety.</p> <p>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>	<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>BIC's policies</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>BIC's approaches</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"> 291 products have been tested by independent laboratories



Non-financial risks	Description of the risks	Opportunities	Policies and actions taken	Main results/indicators*	
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.	To position the Group as a desirable employer through an ambitious health and safety policy.	<p>BIC's policies</p> <p>Writing the Future, Together: #3 Committing to a safe work environment.</p> <p>Environment, Health and Safety (EH&S) Policy.</p> <p>BIC's approaches</p> <p>Deployment of the EH&S Suite platform.</p> <p>Health-Safety reporting.</p> <p>Environment-Health-Safety guidelines.</p> <p>Safety watch.</p> <p>Safety certification (OHSAS 18,001) for four Stationery factories.</p> <p>"Quality of Life at Work" program.</p>	<ul style="list-style-type: none"> • 50 Lost-Time Injuries • 62 sites without injuries • 1.63 On-site accident incidence rate—BIC team members and temporary employees • 0.07 Severity rate of on-site accidents—per thousand hours worked—BIC team members
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.	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>BIC's policies</p> <p>Writing the Future, Together: #4 Proactively involving suppliers.</p> <p>BIC Group Code of Conduct.</p> <p>Supplier Code of Conduct</p> <p>Responsible Purchasing Charter.</p> <p>BIC's approaches</p> <p>Social audit program.</p> <p>EcoVadis evaluation.</p>	<ul style="list-style-type: none"> • 85% of permanent employees work in "free countries" with respect to human rights • 92% of all BIC® products are produced in the Group's own factories. • 58% of contract manufacturers audited between 2019 and 2020.
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>BIC's policies</p> <p>BIC Group Code of Conduct.</p> <p>BIC Group anti-corruption policy.</p> <p>BIC's approaches</p> <p>Anti-corruption training.</p> <p>Deployment of the Group's Code of Conduct.</p> <p>BIC Speak-up hotline.</p>	<ul style="list-style-type: none"> • 80% of BIC sales generated in countries considered to have a medium or low risk of corruption according to Transparency International



Non-financial risks	Description of the risks	Opportunities	Policies and actions taken	Main results/indicators*	
R7	Risks related to our operations and the environment.	<p>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>	<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>BIC's policies</p> <p>Environment, Health & Safety (EH&S) Policy.</p> <p>BIC's approaches</p> <p>Environmental management systems at the sites (internal or ISO 14,001).</p> <p>Various certifications for certain sites: ISO 50,001, European Water Stewardship Gold, BREEAM, LEED.</p> <p>Water consumption reduction approach.</p> <p>Waste reduction approach.</p> <p>See also Risk 2.</p>	<ul style="list-style-type: none"> • 5.22 m³/tonne annual water consumption • 0.197 tonne of non-hazardous waste/tonne of production • 0.033 tonne of hazardous waste/ton of production • 73% of non-hazardous waste recycled (in tons) • 39% of hazardous waste incinerated with energy recovery (in metric tons) • 142 volunteer operations, product donations and financial donations worldwide in 2020 (all areas combined). • 1.4 million euros in product donations and financial aid worldwide • 1.3 million in aid as part of the Covid crisis
R8	Risks related to reputation and brand.	<p>In the context of increasing environmental awareness, the brand image could be associated with disposable products, leading to customer disaffection for BIC® products.</p>	<p>To position BIC as a brand that delivers quality and safety and as a responsible brand, emphasizing its long-term commitment and ambitious programs.</p> <p>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.</p> <p>To stand out on the Group's markets through BIC® products that offer environmental and social benefits.</p>	<p>BIC's policies</p> <p>Writing the Future, Together #1 Fostering sustainable innovation in BIC® products</p> <p>Responsible Communication Charter.</p> <p>BIC's approaches</p> <p>The "4 Rs" philosophy (Reduce, use Recycled and alternative materials, Refill, Recycle).</p> <p>An eco-design approach incorporating social and societal criteria.</p> <p>Increased use of recycled and alternative materials in all products.</p> <p>Systematic evaluation of all products based on environmental and social criteria.</p> <p>Development of an innovative circular economy model.</p> <p>Partnerships for innovation.</p>	<ul style="list-style-type: none"> • BIC® products' performance in use: <ul style="list-style-type: none"> • more than 2-km of writing for a ballpoint pen • up to 3,000 flames for a lighter • 17 shaves for a triple-blade shaver • 19 BIC® products have earned the NF Environnement ecolabel • 100% of the environmental claims for BIC® products on packaging, in catalogs and on websites are validated by the Legal Department • 4.3% of recycled or alternative materials in BIC products (3% in 2019) • 49.3% of reusable, recyclable or compostable plastic in consumers' packaging • 48.9% recycled content of plastic packaging



3

OUR ENVIRONMENTAL, SOCIAL, AND SOCIETAL RESPONSIBILITY

Non-financial risks	Description of the risks	Opportunities	Policies and actions taken	Main results/indicators*	
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.	<p>BIC's approaches</p> <p>Succession Plans.</p> <p>Team members training.</p>	<ul style="list-style-type: none"> 24,202 Number of training days—permanent employees

* See also 3.8.3 Indicators table.





3.1. SUSTAINABLE DEVELOPMENT PROGRAM ^[NFPS]

Sustainability is deeply rooted in BIC's Values and is 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.

In keeping with its core mission, the Group's ambition is to ensure that it has a limited impact on the environment and society, and that it 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.

In 2020, seeking to go even further, the BIC Group announced additional commitments related to its basic commitment #1 Fostering sustainable innovation in BIC products. These new commitments will fundamentally transform the Group's approach to the use of plastics:

- by 2025, 100% of BIC consumer plastic packaging will be reusable, recyclable, or compostable;
- by 2030, BIC aims for 50% non-virgin petroleum plastic for its products, with a goal of 20% by 2025.

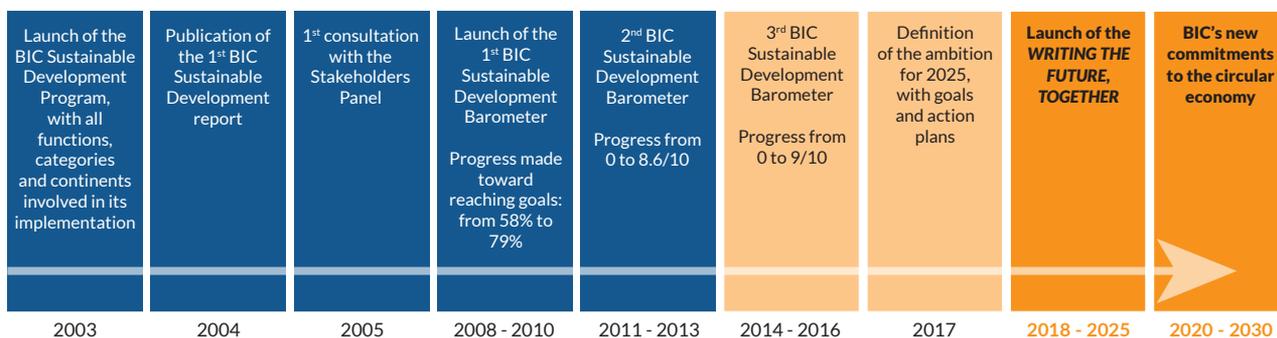
3.1.1 THE HISTORY OF BIC'S SUSTAINABLE DEVELOPMENT PROGRAM

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 take the evolutions in the Group's operations into account.

This exhaustive program encompasses all key sustainability issues as well as the related risks ⁽¹⁾ 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". In 2020 this program was enriched with additional commitments that will fundamentally transform the way the Group uses plastics.

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 § 3.1.2.1).



(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 47.



3.1.1.1 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 one of 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 think that promoting sustainable innovation in our products, 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."

3.1.2 WRITING THE FUTURE, TOGETHER, A COMMITMENT FOR 2025

In 2017 BIC defined ambitious commitments that will enable the Group to create value over the long term for the benefit of all of its stakeholders. This effort is based on the principles of its Sustainable Development Program, 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.

The vision thus defined is expressed in the signature "Writing the Future, Together", driven by BIC's ambition for sustainability (see 3.1.1.1) and comprising five ambitious commitments. These commitments are an integral part of the Group's strategy:

→ WRITING THE FUTURE, TOGETHER—THE COMMITMENTS

#1 Fostering sustainable innovation in BIC® products (SDG 3, 6, 8, 12, 14, 15):

- by 2025, the environmental and/or societal footprint of BIC® products will be improved (SDG 3, 6, 8, 12);
- by 2030, BIC aims for 50% non-virgin petroleum plastic for its products, and 20% by 2025 (SDG 14, 15);
- by 2025, BIC will have 100% reusable, recyclable or compostable plastic packaging (SDG 14.15).

#2 Acting against climate change: By 2025, BIC will use 80% renewable electricity (SDG 7, 8, 9, 12, 13).

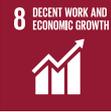
#3 Committing to a safe work environment: By 2025, BIC aims for zero accidents across all operations (SDG 3, 8).

#4 Proactively involving suppliers: By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing (SDG 8, 12, 16).

#5 Improving lives through education: By 2025, BIC will improve learning conditions for 250 million children globally (SDG 1, 4, 5, 6, 8, 13).

3.1.2.1 Writing the Future, Together – Progress chart ^[NFPS]

WRITING THE FUTURE, TOGETHER

5 commitments	Progress as of Dec. 2020	Other factors: approach and performance	§	UN SDG ^(a)	Issues and risks addressed ^(b)
 <p>By 2025, the environmental and/or societal footprint of BIC® products will be improved.</p> <p>By 2030, BIC aims for 50% non-virgin petroleum plastic for its products, with a goal of 20% by 2025.</p> <p>By 2025, 100% of BIC consumer plastic packaging will be reusable, recyclable, or compostable.</p>	<p>As of end 2020 the EMA tool, concerning the process and criteria for product evaluation and improvement, has been finalized and integrated in the operational models.</p> <p>90% ^(c) of the BIC® product portfolio had been evaluated using EMA ^(d) in 2019.</p> <p>9 products improved between April and December 2020.</p>	<p>BIC’s product portfolio is now undergoing evaluation and Group-wide performance monitoring indicators are being defined.</p> <p>A similar system is also being developed for evaluating and improving the CSR performance of the Group’s packaging.</p> <ul style="list-style-type: none"> • 4.3% of recycled or alternative materials in BIC® products (3% in 2019). • 49.3% of reusable, recyclable or compostable plastic in consumers’ packaging. • 48.9% recycled content of plastic packaging. • 94.4% PVC-free packaging. • 97.3% of BIC cardboard packaging comes from a certified and/or recycled source. • 19 BIC® products with the NF Environnement ecolabel. • At least 50% ^(e) of BIC® products have environmental benefits. • At the end of 2020, more than 54 million pens collected through TerraCycle in Europe, the United States, Australia and New Zealand. • 24 alternative materials tested. 	3.2.1.2	     	<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>

(a) UN Sustainable Development Goals.

(b) Risks identified within the framework of the NFPS.

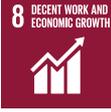
(c) Based on 2018 sales volumes.

(d) Environmentally & socially Measurable Advantage.

(e) This figure takes into account top-ups and intra-company sales.



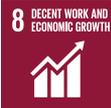
WRITING THE FUTURE, TOGETHER

5 commitments	Progress as of Dec. 2020	Other factors: approach and performance	§	UN SDG ^(a)	Issues and risks addressed ^(b)
 <p>By 2025, BIC will use 80% renewable electricity.</p>	<p>80% of electricity is of renewable origin. The Group has reached its objective.</p>	<p>The BIC Group's use of renewable electrical energy is part of a global energy approach that also encompasses energy efficiency in operations.</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>Installation of several solar panels in Daman (India) and Tarragona (Spain).</p> <p>The signing of a partnership with Schneider Electric for the installation of a tool to manage energy consumption at all sites. The goal is to optimize consumption and the related costs while increasing the use of renewable energy.</p> <p>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 5.8%.</p>	3.3.3.1	    	<p>[NFPS Risk 2]: risks related to climate change.</p> <p>[NFPS Risk 1]: risks related to plastics.</p>

(a) UN Sustainable Development Goals.

(b) Risks identified within the framework of the NFPS.

WRITING THE FUTURE, TOGETHER

5 commitments	Progress as of Dec. 2020	Other factors: approach and performance	§	UN SDG ^(a)	Issues and risks addressed ^(b)
 <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>In 2020, due to the health crisis caused by the coronavirus pandemic, the roll-out of the safety culture and implementation of the health-safety roadmaps proceeded more slowly than planned.</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&S managers participate in a conference call to assess progress made and share feedback from experience.</p> <p>Launch of the construction of a centralized health-safety management system, following the creation in late 2019 of a Quality Director position in the Group Supply Chain (GSC) business unit.</p> <p>Formalization of the job descriptions for the EH&S "family" and roll-out in video form of the strategic vision for the skills of the EH&S network.</p> <p>Updating of the EH&S maturity reference system and its integration in the "production" maturity reference system.</p> <p>Definition and implementation in GSC of a centralized safety progress chart comprising four proactive safety indicators that make it possible to evaluate the actions taken rather than the results obtained.</p> <ul style="list-style-type: none"> • 50 accidents (-32%). • 1.63 On-site accident incidence rate—BIC team members and temporary employees. • 0.07 Severity rate of on-site accidents—per thousand hours worked—BIC team members. • 62 sites with 0 accident. 	3.4.3.2	 	<p>[NFPS Risk 4]: Risks related to the health and safety of team members.</p>

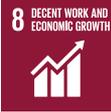
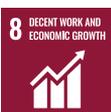


(a) UN Sustainable Development Goals.

(b) Risks identified within the framework of the NFPS.



WRITING THE FUTURE, TOGETHER

5 commitments	Progress as of Dec. 2020	Other factors: approach and performance	§	UN SDG ^(a)	Issues and risks addressed ^(b)
 <p>#4 Proactively involving suppliers</p>	<p>By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing.</p>	<p>As of end 2020, 25.8% of strategic suppliers have integrated the responsible purchasing program (excluding Cello Pens).</p>	<p>3.5.1.2</p>	  	<p>[NFPS Risk 5]: Risks related to non-respect of Human Rights (child labor, ILO's international conventions).</p>
 <p>Improving lives through education</p>	<p>By 2025, BIC will improve learning conditions for 250 million children globally.</p>	<p>Learning conditions for more than 118 million children were improved since 2018 through direct actions with children or with teachers and parents.</p>	<p>3.6.2.1</p>	     	

(a) UN Sustainable Development Goals.

(b) Risks identified within the framework of the NF

(c) For this indicator, all sponsorship actions in favor of education are considered, including those carried out as part of commitment #5.



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



GOALS SUSTAINABLE DEVELOPMENT



#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.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
#1			x			x		x				x			x	x	
#2								x	x	x		x	x				
#3			x					x									
#4								x				x					x
#5	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:

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 § 3.2.2).

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 § 3.2).

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 14. Aquatic life;

SDG 15. Life on land;

SDG 16. Peace, justice and strong institutions.



3.1.3 GOVERNANCE OF POLICIES AND ACTIONS TAKEN TO PREVENT, REDUCE AND CORRECT THE MAIN CSR RISKS ^[NFPS]

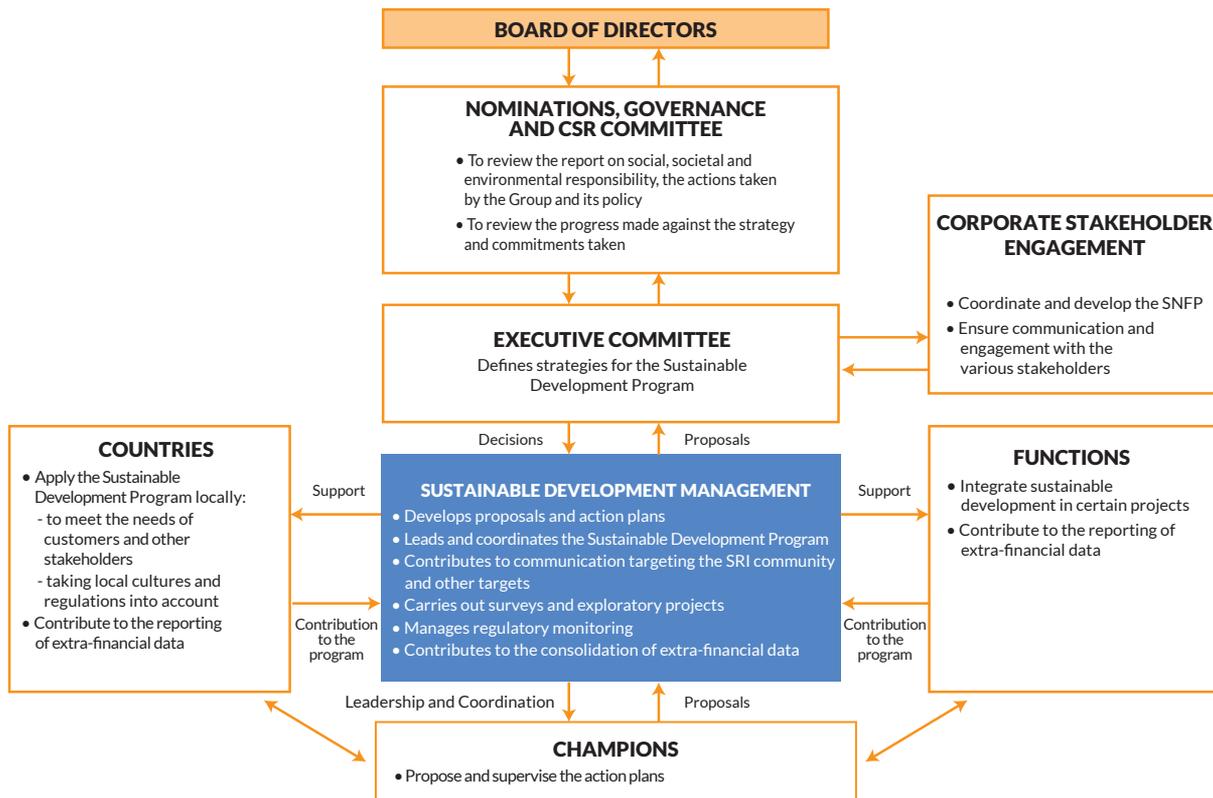
3.1.3.1 Sustainable development as a key factor in the decision-making process

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. Topics related to sustainable development are regularly discussed at Executive Committee meetings, in particular: issues concerning plastic, the “Writing the Future, Together” program, the development of responsible products and progress reviews of other sustainable development efforts (responsible communication, emerging issues, etc.).

The 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 2020 the new commitments of

the “Writing the Future, Together” program were explained to the Board of Directors as part of the presentation of the “Horizon” strategic plan. 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 as well as the Group’s progress in responsible innovation, the circular economy and the development of new responsible products.



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. With this change, the teams of the Sustainable Development Department, while continuing to pursue their transversal missions, also work closely with the innovation and product design teams, providing everyday support to help facilitate responsible innovation and speed the improvement of the products’ carbon footprint and/or societal impact.

As part of this effort, in 2020 the Group shared its new commitments with them during the presentation of the Group’s strategic orientations (the “Horizon” strategic plan). In addition, year after year, BIC fulfills its commitment to respond to the questions submitted by the following non-financial ratings agencies: Vigeo, Sustainalytics, MSCI, GAIA and FTSE. The Stakeholders Commitment Department is available to investors, ready at all times to answer questions concerning ESG. The Sustainable Development and Stakeholders Commitment Departments regularly participate in ESG conferences hosted by financial intermediaries.

3.1.3.2 Listening to investors and Shareholders

The BIC Group engages in an ongoing dialogue with the financial community.



3.2. OUR PRODUCTS ^[NFPS]

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.

At BIC, this approach is reflected in the “4 Rs” philosophy (Reduce, use Recycled and alternative materials, Refill, Recycle) based on the principles of the circular economy. Through its “Writing the Future, Together” program, the Group goes even further, making a commitment to accelerate the integration of recycled and alternative materials in its products and improve their environmental, social and societal performances. As part of this effort, the Group’s Sustainable Scorecard, EMA (Environmentally & socially Measurable Advantage), has been integrated into the product design processes.

BIC also contributes to the development of the circular economy by initiating partnerships for the use of secondary raw materials, and by cooperating in the implementation of a pilot channel for the recycling and remanufacturing of stationery 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 CIRCULAR ECONOMY AT BIC: THE “4 RS” PHILOSOPHY

The circular economy consists of producing goods and services in a sustainable way by limiting the consumption and wasting of resources as well as the production of wastes. The goal is to transition from a society based on a linear extraction-production-waste model to a more circular economic model.⁽¹⁾

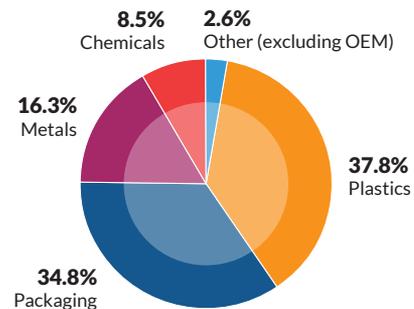
At BIC the principles of the circular economy are expressed in the Group’s “4 Rs” philosophy, which serves as a guide for all of its “product” processes:

- **reduce** the consumption of materials;
- use **Recycled or alternative** materials;
- design and manufacture **Refillable** products and packaging whenever possible;
- design and manufacture **Recyclable** products and packaging.

3.2.1.1 Risks and opportunities ^[NFPS]

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 2020



The product life cycle studies show that a product’s environmental impact is determined mainly by the raw materials used in its composition and the length of its service life. The challenge is thus to minimize the use of raw materials and maximize the product’s lifespan. In fact, the more lightweight a product is and the longer it lasts, the better its environmental performance.

Starting in 1994, when BIC conducted its first life cycle studies, the Group defined its founding principle of “just what’s necessary”⁽²⁾ in order to offer fairly priced products with less environmental impact.

(1) Source: website of the French Ministry for the Ecological Transition.

(2) “Il y aura l’âge des choses légères” by Thierry Kazazian, Victoires Éditions, 2003.



ENVIRONMENTAL PERFORMANCE MEASUREMENTS FOR THREE MAIN BIC® PRODUCTS ⁽¹⁾



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%

Among the major CSR risks related to its products, the BIC Group identifies:

- risks related to plastics *[NFPS risk 1]*, including:
 - upstream, the use of this material in BIC® products, contributing to the depletion of a non-renewable resource which is therefore subject to rarefaction and price volatility,
 - downstream, with the growing problems of pollution resulting from plastic waste. In addition to these issues, there is also the ever-growing body of regulations on the use of plastics, as well as the perception of consumers and citizens;
- risks related to climate change *[NFPS risk 2]* due to the use of petroleum-derived raw materials (plastics). The effort to minimize the use of these raw materials and use more recycled and alternative materials is part of the plan for controlling these risks (see also *Writing the Future, Together # 1* § 3.2.1.2).

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 and remanufacturing 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 New ambitious goals for products and packaging, in keeping with the “4 Rs”

In 2020 BIC wanted to go further. In keeping with its “4 Rs” philosophy, the Group made new commitments to use more recycled and alternative materials in its products, and to speed the transition toward reusable, recyclable or compostable packaging:

- by 2030, BIC aims for 50% non-virgin petroleum plastic for its products, with a goal of 20% by 2025;
- by 2025, 100% of BIC consumer plastic packaging will be reusable, recyclable, or compostable.

In addition:

- by 2025, 100% of BIC paper and cardboard packaging will be provided by certified sources and/or recycled;
- by 2025, 100% of BIC plastic packaging will be PVC-free;
- by 2025, 75% of the material used in BIC plastic packaging will be recycled.

All of these goals were defined by ad hoc working groups uniting all of the entities concerned within the Group (Group Insight & Innovation, Group Global Supply Chain, Group Lighter and Group Commercial), based on recommendations and expertise from outside the Group (in particular the Ellen MacArthur Foundation).

These goals have been integrated into the “Writing the Future, Together” program (#1 Fostering Sustainable Innovation in BIC® products) and supplement the commitment made in 2018 to implement the 4 Rs philosophy as well as other environmental and social principles (responsible chemistry, affordability, etc.) as part of the Group’s everyday operations:

- by 2025 the environmental and/or societal footprint of BIC® products will be improved (“Writing the Future, Together” #1 Fostering Sustainable Innovation in BIC® products).



(1) BIC analysis.



3.2.2 APPLYING THE “4 RS” PHILOSOPHY TO PRODUCTS ^[NFPS]

3.2.2.1 Policy, actions taken, results and perspectives ^[NFPS]

The “4 Rs” – Reduce the consumption 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. The Group updates its product designs on a regular basis, with the aim of optimizing and reducing its consumption of 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 (more than 10% material reduction since inception), 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 stands out thanks 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.

In late 2020 the Lighters category launched the EZ Reach™ utility lighter, whose environmental footprint in terms of materials is reduced by two-thirds compared with the U140 model.

The “4 Rs” – Use Recycled or alternative materials

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:

- to ensure a perennial source of such materials that meet the specifications and are available on the market;
- to convert any products that lend themselves to this adaptation.

Regarding the identification of recycled or alternative 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. Depending on the products' applications and implications, the Group's marketing teams can be consulted in order to anticipate potential consumer reactions;

- **collaborative research** with suppliers to identify new materials (e.g. plant-based or recycled, etc.), new concepts (materials from new recycling techniques) 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.

“ 24 alternative materials tested in 2020 including: 11 recycled plastics; 10 hybrid materials; 3 materials from renewable resources. ”

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 14,021. 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.

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

In 2021 BIC plans to launch several products that integrate alternative materials, including:

- a retractable ballpoint pen in the BIC ReVolution line in the United States, made with 73% recycled (“ocean-bound”⁽¹⁾) plastic;
- a J26 lighter combining multiple eco-friendly improvements: a single bio-sourced plastic for easy recycling, plastic-free packaging, PET case cover, recycled metal parts, no added dyes, etc.

The “4 Rs” – Design and manufacture Refillable products

In keeping with its “4 Rs” philosophy, BIC makes an ongoing effort to launch refillable products when possible due to their environmental advantages. However, in the case of low-end Stationery products the consumer demand for refills is virtually non-existent, and in the case of lighters the BIC Group's highest priority is ensuring its consumers' safety.

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.

In 2021 the Group plans to launch Cristal ReNew, a premium, refillable, even more sustainable version of the emblematic BIC® Cristal® pen. It features a matte metal barrel and a push-button for easy refilling and will be sold in cardboard packs containing one pen plus two refills.

(1) Plastics littered on the ground, near rivers or shores.

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®.

In late 2020 the BIC Group acquired Rocketbook, the number one brand in the United States for reusable smart notebooks. Its products meet the needs of a great many consumers, allowing them to store and share handwritten notes quickly and efficiently in an environmentally-friendly way. Rocketbook's line of affordable, innovative products expands and enriches BIC's range of writing instruments, offering consumers a complete and sustainable ecosystem for writing and creating.

Going even further with the functional economy

In 2019 the BIC Group set out to further develop the refill model by experimenting with a new circular economy model –the functional economy– through a partnership with LOOP, a 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-ocity® 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.

The “4 Rs” – Design and manufacture Recyclable products and explore new recycling channels

In keeping with its “4 Rs” philosophy, the BIC Group constantly strives to make its products more recyclable by improving their design and by exploring all available recycling channels in order to gain an understanding of its products' end-of-life phase.

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 2020, more than 54 million pens had been collected and 680,000 euros in

donations made. This program, funded entirely by BIC, enables the Group to gain a better understanding of the mechanisms of selective collection, to encourage responsible consumption (using products until the very end of their service life) and to promote the habit of waste sorting at the site of consumption.

After its launch in Australia and New Zealand in 2019, the TerraCycle program was rolled out in the United States in 2020;

- **a partnership with Govaplast and Plas Eco** for the design, manufacture and distribution of “Ubicuity™”, 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 Ubicuity™ 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.

At the end of 2020 Ubicuity™ posted strong sales in France, showing steady growth since 2017 (with more than 500 pieces of outdoor furniture sold in three years). Buoyed by this success, Plas Eco and BIC have expanded the product range with the launch in 2020 of a new line for nursery and grade schools.

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.

Furthermore, several years ago, the Lighters category has launched a test phase of several collection and recycling loops. The objective is to understand consumer behavior with regard to collection and recycling, and to define the most effective models for implementing the collection of used lighters.

The “4 R's” in the product teams' everyday operations

The BIC Group wants to make responsible innovation and the improvement of its products' environmental and societal footprint an integral part of its teams' everyday operations. To aid in this effort, the Group has developed a tool for evaluating its products: the EMA (Environmentally & socially Measurable Advantage) Scorecard.

EMA is based on eight criteria (service life, product weight, the materials' environmental impact, the use of recycled and/or alternative materials, the materials' recyclability, etc.). Conceived in keeping with the principles of the circular economy, EMA reflects the “4 Rs” philosophy while taking into account other environmental aspects (responsible chemistry, green chemistry, efficient manufacturing) and social considerations (benefits for society, affordability, etc.).

The goal is to stimulate and facilitate sustainable innovation within the Group by adopting an objective, scientific approach in the design processes. Directly connected to the existing tools used for eco-design (e-DEA and SimaPro), EMA unites all of the R&D work conducted at BIC for the purpose of product improvement. The criteria defined for EMA are applied to all products (both new and updated existing products) and integrated into the innovation process. This tool makes the eco-design approach developed by the Group for many years now the focal point of product development at BIC, establishing its guidelines as unconditional principles.



TOOLS TO FACILITATE THE ECO-DESIGN PROCESS

Life Cycle Analysis

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 such as SimaPro, associated with e-DEA ⁽¹⁾ (software, design interfaces, product environmental profiles, eco-design and LCA guides), which allow them to carry out comprehensive, detailed environmental assessments as well as rapid analyses to facilitate decision-making during the design process.

The measuring of product performance is a prerequisite for improving that performance. BIC focuses on the stages of the product life cycle that it can affect. For a shaver, its use by the consumer, which includes water consumption, water heating and the disposal of the packaging for the shaving cream, is the most important stage (accounting for 78% of the environmental footprint according to some estimates). This makes consumer awareness all the more important.

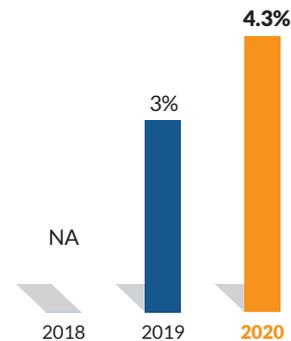
Since 2015, 100% of new products are thus subject to eco-measurement.

In 2020 the digital development of EMA was completed and the scorecard was totally integrated into the product development processes. All Marketing teams have received training on how to use this tool for the design or updating of a product, and an analysis of the Group's product portfolio is underway. Having succeeded in this initial development for product improvement, in 2020 BIC began conceiving a similar tool for its packaging.

The roll-out of product improvement plans in all three BIC® product categories is scheduled to begin in 2021, in particular integrating the use of recycled and alternative raw materials, as specified in the Group's most recent commitments. Progress will be assessed according to an indicator showing the percentage of BIC® products improved in comparison with the year of reference.

At the end of 2019, 90% ⁽²⁾ of the BIC® product portfolio had been evaluated using EMA. Since the finalization and integration of EMA into business processes in April, nine products have been improved.

PERCENTAGE OF RECYCLED/ALTERNATIVE PLASTICS IN BIC® PRODUCTS (% OF VOLUMES PURCHASED)



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).

(1) *Everybody can Design with Environmental Awareness.*

(2) *Based on 2018 sales volume.*



Perspectives

An extension of the EMA tool for evaluating BIC® products is underway for packaging. Making it possible to evaluate new packaging in order to optimize it and reduce its environmental footprint, this tool will be used by the packaging development teams in their everyday decision-making process.

The BIC ecosystem, promoting the circular economy

In the past several years BIC has joined forces with key players to facilitate its progress toward the circular economy:

- 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;
- in 2020 the BIC Group also joined the **Plug & Play** network, the world's largest innovation ecosystem. This will give the Group easy access to the right partners and the best startups on the market in order to speed up the research and development process for the creation of new pertinent solutions and sustainable products that meet the ever-changing needs of consumers;
- with its partners **TerraCycle, Govaplast and Plas Eco**, BIC is driving an innovative new channel to promote the circular economy, exploring plastic recycling techniques in order to improve the state of the art;

- since 2019 the BIC Lighters division has backed the **Tara Ocean Foundation**, whose oceanographic research vessel sails the world's oceans, uniting scientists in an effort to understand the dynamics of the degradation of plastic objects at sea. This research program also documents the impact of plastic wastes on the oceans, with the long-term goal of identifying substitute materials;
- BIC has joined **Bio-speed**, a consortium for the purpose of accelerating the emergence of a biomass economy. It unites a number of groups, including Danone, Faurecia, Lego, Michelin, L'Oreal and Quicksilver, with the goal of reducing fossil fuel dependency and the environmental footprint of manufactured products by promoting the conversion of non-food biomass into polymers;
- in R&D on alternative materials, 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 the "**Matériaux Chimie, Chimie Verte**" **competitiveness cluster** 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.

3.2.3 APPLYING THE "4 RS" PHILOSOPHY TO PACKAGING

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.

Historically, BIC promotes selling products without consumer packaging or in value packs. In Europe, 77% of writing products are packaged in boxes, trays or pouches of at least 10 products (81% in North America), 79% of lighters are sold in trays of at least 50 (64% in North America) and 81% of shavers are marketed in pouches of five, 10 or more (72% in North America).

Following up on its actions undertaken over the past several years, BIC has launched multiple Group-wide initiatives in keeping with its "4 Rs" philosophy. A few examples are given below.

The "4 Rs" – Reduce the consumption of materials

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.

Plastic consumption has been reduced by decreasing the thickness of plastic pouches and blister pack shells (by 15 to 20%) and by eliminating plastic trays for bulk shipping. Implemented in 2020 at the Athens (Greece) and Saltillo (Mexico) sites, this type of initiative saved 150 tons of plastic for the year.

The Group seeks to reduce its cardboard consumption by:

- **eliminating cardboard packing inserts.** For example, in 2020 the elimination of cardboard inserts for the Velleda markers and of some shipping wedges made it possible to save 13 tons of cardboard;
- **using lighter weight cardboard.** In 2020 the grammage of the blister pack cards for the shaver range was reduced by 12%, thus saving nearly 50 tons of cardboard.

The "4 Rs" – Use Recycled or alternative materials

In Mexico and Brazil, trials are being conducted with various suppliers of recycled PET as a replacement for virgin PET.

In the United States, recycled PET is now used instead of virgin PET for blister packs, representing a quantity of nearly 500 tons.

In 2020 the transition from virgin to recycled plastic began for the 50-lighter trays, with the goal of using 100% recycled plastic.

The BIC Group estimates that as of end 2020:

- 48.9% recycled materials are used in BIC plastic packaging;
- 97.3% of BIC paper and cardboard packaging comes from certified and/or recycled sources.



The “4 Rs” – Design and manufacture Recyclable or reusable packaging

The BIC Group has been working for many years to improve recyclability for the reuse of its packaging, with initiatives like LOOP and the reuse of its display stands. In 2020 the Group announced that by 2025, 100% of its plastic consumer packaging will be reusable, recyclable or compostable.

As part of this effort, the BIC Group is pursuing its commitment to eliminate the use of PVC in its packaging. The Group has already eliminated PVC at its factories in Europe and the United States (99% of the packaging is now PVC-free). All products packaged locally in South Africa also use PVC-free packs. In 2020 the Group's South American sites stepped up their efforts to use less PVC, reducing consumption by 80 tons in Mexico and by 39 tons in Brazil.

Also in 2020, a 100% recyclable cardboard pack was developed to replace the PET blister pack for the BIC® Hybrid Flex and BIC® Click Soleil shavers. This product line was rolled out on the North American market in January 2021 and in Europe in Q1 2021, which

should reduce plastic consumption by more than 200 tons for the year in 2021.

In the United States, the plastic pouch of the BIC® Cristal® 10-pack has been replaced by a 100% recyclable cardboard case, for a savings of 25 tons of plastic over one year.

In North America, since Q1 2020, BIC has been printing recycling logos and instructions (How2Recycle) on its primary packaging in order to help consumers sort their used packaging.

For the store displays of several product lines, BIC uses semi-permanent “refillable” plastic display units as well as recyclable cardboard units. In 2020 a wooden display unit was launched in Europe for the sale of lighters. The wood used is FSC-certified and the inks are Ecolabel-certified.

As of end 2020:

- 94.4% of BIC plastic packaging was PVC-free;
- 49.3% of the Group's plastic consumer packaging was reusable, recyclable or compostable.

Results

IMPROVEMENT OF PACKAGING

	2018	2019	2020
Percentage of cardboard packaging from certified and/or recycled sources ^(a)	94.2%	95.7%	97.3%
Percentage of plastic packaging that is PVC-free ^(a)	87.9%	92.1%	94.4%
Percentage of reusable, recyclable or compostable plastic in consumers' packaging ^(b)	NA	NA	49.3%
Percentage of recycled content of plastic packaging ^(b)	NA	NA	48.9%

(a) Cello Pens excluded (see scope in § 2.8.2.3).

(b) Indicator measured for the first time in 2020 as part of the BIC Group's 2020 commitment.



3.2.4 PRODUCT SAFETY ^[NFPS]

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.

3.2.4.1 Risks and opportunities

[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 for each market.

3.2.4.2 Policy, actions taken, results and perspectives

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. From 2020, the year of its acquisition by BIC, Djeeep has been integrated into the Group's product safety culture and processes.

The **Product Safety Policy**, introduced in 2001, specifies the ten 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.

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. Since 2019 the Watch List has been taken into consideration as part of the product ratings in the EMA tools. The Product Safety team works closely with the product design teams to stay abreast of the list's evolution and ensure its incorporation in product improvement.

[Covid-19] In 2020, in response to the coronavirus crisis, the BIC Group expanded its regulatory watch processes to include biocidal products (hydroalcoholic gels), personal protective equipment (visors) and filtering masks for the general public.

BIC, as a member or Executive Committee member of numerous sectoral organizations and industry associations⁽¹⁾, 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. In 2020 many of these events were canceled. The teams were able to participate in the REACH DII conference, and later to remote-attend work sessions of the TIE association and AFNOR (toy standardization committee) as well as webinars organized by FEBEA.

In response to the CLP regulation, BIC complied with the EU toxicovigilance statements and began including the UFI (Unique Formulation Identifier) number on the packaging of its products covered by the regulation. Seven products (one glue and six correction fluids) now have UFI numbers, and all of the packaging and labels for these formulas have been modified (for a total of more than 40 items updated).

(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.



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.

Many countries are adopting regulations similar to the EU REACH regulation. As of end December 2020, BIC has pre-registered 19 substances for South Korea, 141 for Eurasia (Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia) and 30 substances for Turkey.

3

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 2020, in response to the recommendations and exemptions issued by the relevant authorities, BIC undertook qualification for the production of masks and hydroalcoholic gels at its sites. These products were manufactured for the protection of the Group's own employees and for donations.

[Covid-19] In addition, the lockdown measures imposed in France from March to May 2020 obliged the Product Safety teams to reorganize the management of samples in order to compensate for the closing of some laboratories and maintain the product qualification processes.

Systematic testing and evaluation programs

Before they arrive on the market, all BIC® products, whether new or modified, must undergo a comprehensive program of safety tests and qualification evaluations. 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. 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 2020 the European Commission decided to terminate the infringement proceedings against the Netherlands, as well as the complaints filed by the BIC Group in 2018 against France and Germany for non-enforcement of safety standards on the lighters market.

The European Commission is now in the process of revising its General Product Safety Directive, and the BIC Group, based on its knowledge of the market and long experience with the shortcomings of the system, in particular as a result of the infringement proceedings against the Netherlands, is formulating constructive proposals for the fundamental improvement of the European framework for product safety supervision.

“ 291 products have been tested by independent laboratories ⁽¹⁾. ”

”

(1) Product qualification excluding lighters.



Training

In 2020, as part of its transformation program, the BIC Group introduced training on regulatory obligations and product safety, but the roll-out was not as extensive as planned due to the public health crisis. A training course was taken by 25 members of the operational teams of the Samer and Verberie sites (France), including project managers, production teams and quality teams. The Product Safety team prepared remote training courses for all project teams, and an initial session took place in October for the quality teams, with more than 70 people participating.

Perspectives

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. The BIC Group also plans to offer training in the main principles of its product safety policy to the teams concerned. This training will emphasize the importance of ensuring maximum safety for all BIC products and for all markets throughout the world, in particular in order to meet the challenges of e-commerce.

3.2.5 PRODUCTS DESIGNED TO MEET AND ANTICIPATE CONSUMERS' EXPECTATIONS ^[NFPS]

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 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.

3.2.5.1 Risks and opportunities ^[NFPS]

[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 so-called 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 two-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.

3.2.5.2 Policies, actions taken, results and perspectives ^[NFPS]

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 § 3.2.1.2);
- the “4 Rs” philosophy (see § 3.2.2);
- 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 Thesis program (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 and participates in the yearly Gigaton project;

- 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 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 was launched in 2020.

In France, BIC 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 ⁽¹⁾ 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.

➔ BIC® WRITING PRODUCTS EARN THE NF ENVIRONNEMENT ECOLABEL

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.

Results

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).

Perspectives

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.

(1) www.bicworld.com/fr/affichage-environnemental.

3.3. OUR INDUSTRIAL SITES AND OFFICES ^[NFPS]

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. It favors in-house production over contract manufacturing: 92% of the Group's net sales are generated by products manufactured in its own factories.

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), 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.

- regulatory compliance;
- continuous improvement;
- awareness and involvement.

Since 2010, the Environment, Health & Safety (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 (see § 3.4.3.2).

3.3.1 RISKS AND OPPORTUNITIES ^[NFPS]

[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 POLICIES AND MANAGEMENT SYSTEMS ^[NFPS]

The **Environment, Health & Safety (EH&S) Policy**, defined in 2005, 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;

3.3.2.1 At the industrial sites

The Eh&S Policy on 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.

Management Systems and Certifications

In 2020 the implementation of BIC management systems at the Group's industrial sites was 84% complete for the environment and 91% complete for health and safety.

Beyond the implementation of management systems, the BIC Group also invests regularly in the obtainment and renewal of certifications. In 2020, the following certifications were obtained or renewed:

- **ISO 14001:** BIC Écriture 2000, CONTE, PIMACO Autoadesivos, BIC Mexico – Stationery, BIC South Africa, BJ75, BIC Iberia, BIC CORP – Milford, BIC Rasoirs, BIC Viorex, BIC Shavers Mexico – Industrial de Cuautitlan, BIC Amazonia, BIC Graphic Europe;
- **ISO 45001:** BIC Rasoir, BIC Viorex, BIC Amazonia.

3.3.2.2 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 six 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.

3.3.2.3 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 § 3.5.2.2) has included a comprehensive questionnaire on environmental performance, accounting for 6% of the total number of questions posed. Between 2019 and 2020, 31 subcontractors, or 58%, were audited.

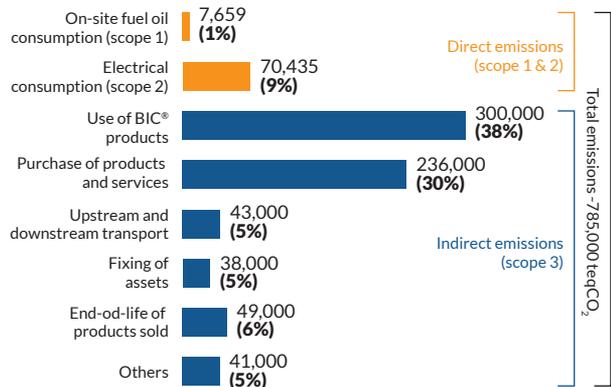
3.3.3 ACTIONS TAKEN TO CONTROL ENVIRONMENTAL IMPACTS, RESULTS AND PERSPECTIVES ^[NFPS]

3.3.3.1 Energy and greenhouse gases ^[NFPS]

To manufacture and distribute its products, BIC uses raw materials (plastics, inks, packaging, metals, etc.), consumes resources (water, energy), produces waste and uses transportation services, all of which are responsible for greenhouse gas emissions.

A study of the BIC Group's global carbon footprint shows the following breakdown of greenhouse gas emissions:

BREAKDOWN OF GREENHOUSE GAS EMISSIONS – IN TEQCO₂ – BIC GROUP – 2020



Risks and opportunities related to climate change and their impacts ^[NFPS]

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

- 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 subcontractors;
- 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;
- increasing global regulation of carbon and energy directly or indirectly impacting BIC’s operations or those of its suppliers and contract manufacturers.

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.

Using renewable energy at BIC sites

Electricity consumption at BIC sites accounts for 9% of the Group’s total emissions. Through the commitment Writing the Future, Together – #2 Acting Against Climate Change, the BIC Group aims to use 80% renewable electricity by 2025, and in the longer term, 100%. Building on the experience acquired in recent years at certain of its sites, BIC defined a roadmap for this goal. 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 ⁽¹⁾, green contracts and long-term Power Purchase Agreements, and is investigating the production potential of certain sites.

In 2020, the BIC Group has reached its target of 80% of electricity from renewable sources. In the coming years, the Group will work to consolidate this performance and investigate options for long-term contracts or on-site developments.

More specifically, in 2020:

- in France, BIC purchases renewable energy certificates (Guarantees of Origin, or GoO) for all of its factories plus the Clichy headquarters. This means that all BIC® products manufactured in France are produced using renewable electricity;
- in Greece, the purchase of GoO certificates has covered all of the BIC Violex site’s electrical consumption since 2016;
- in Spain, the BIC Iberia and BIC Graphic Europe sites have been using renewable electricity through the purchase of certificates (GoO) since 2018;
- in the United States, the purchase of renewable wind energy certificates (U.S. RECs) covers the energy needs of most American sites;
- in Brazil, the Manaus site has been using wind energy since 2018 through the purchase of iREC certificates;
- in Mexico, the BIC Group has launched a tender for the purchase of long-term renewable energy (Power Purchase Agreements), thus specifically supporting the development of new infrastructures;
- in Daman (India) and Tarragona (Spain), solar panels have been installed.

In addition, since 2018, 100% of the lighters factories have been powered by green electrical energy, and research is underway to develop the sites’ self-sufficiency (recovery of waste heat, development of photovoltaic and solar thermal energy, etc.).



GREENHOUSE GAS (GHG) EMISSIONS – IN TEQCO₂

	2018	2019	2020	Variation 2020/2019
Direct GHG emissions (scope 1)	9,813	9,278	7,659	-17%
Indirect GHG emissions (scope 2 location based)	88,470	88,432	70,435	-20%
Indirect GHG emissions (scope 2 market-based)	48,829	36,549	25,277	-31%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED])	98,283	97,711	78,046	-20%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 MARKET-BASED)	58,646	45,827	33,097	-28%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED]) NORMALIZED TO PRODUCTION*	1.014	1.070	1.031	-4%
GHG emissions related to purchases of raw materials (scope 3)	316,000	347,000	232,000	-33%
GHG emissions related to intra-company transport ^(a) (scope 3)	37,000	34,000	18,000	-47%

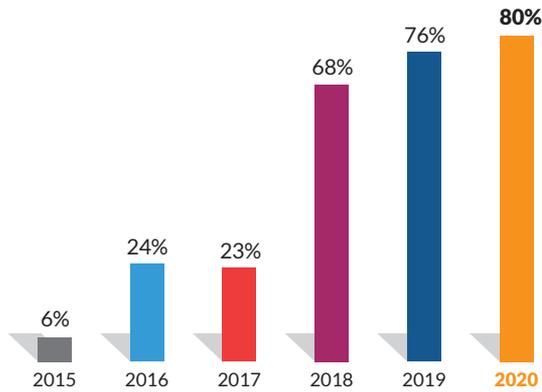
* TeqCO₂/ton.

(a) Does not take into account road transport in sea and air fret

(1) Is considered renewable, electricity generated from biomass (including biogas), geothermal, solar, water (including hydro) and wind power.



SHARE OF RENEWABLE ENERGY - AS OF TOTAL CONSUMPTION



Optimizing energy consumption

The BIC Group has been implementing energy efficiency programs in its factories for many years. As a result, the Group has improved its energy efficiency by 5.8% in ten years.

In 2020 BIC signed a partnership with Schneider Electric for the implementation of a system that will closely monitor energy consumption at all BIC sites, with the goal of optimizing consumption and the related costs while increasing the use of renewable electricity. Energy audits of the Group's sites are also planned. In 2021 the first audits will take place at the following sites: Mexico City, Marne La Vallée (France), Violex (Greece), Samer and Boulogne (France).

Seventeen energy reduction projects were launched in 2020. Three of these projects involved lighting (replacement of conventional light bulbs by LED bulbs and increased use of natural daylight). Eight projects were conceived to reduce electrical consumption and three to reduce gas consumption.

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:

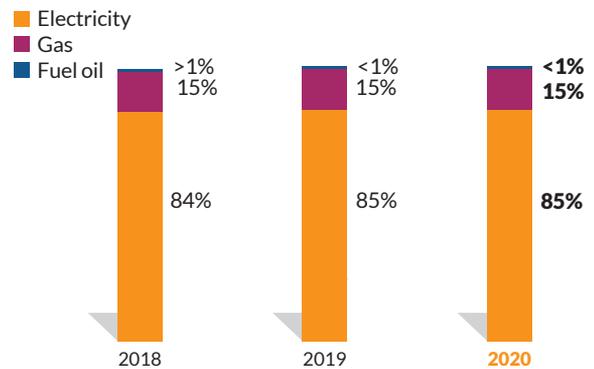
- in 2020 a manager was assigned to oversee Green IT operations, including defining a strategy and implementing best practices;

- about 85% of the Group's internal and external servers are now virtualized. In 2020 BIC continued to install evermore efficient servers. In particular, they produce less heat, thus reducing the amount of energy needed to cool the data centers;
- as part of the implementation of teleworking due to the public health crisis, all employees in all regions are now equipped with remote coworking tools. An average of 28,000 meetings are organized every month.

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



BREAKDOWN OF BIC GROUP ENERGY CONSUMPTION



Emissions related to purchases

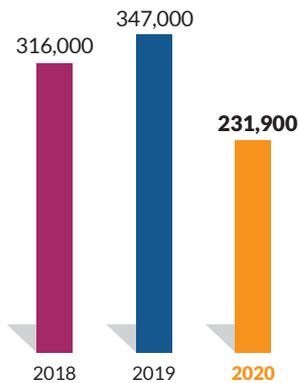
The emissions in this category are mainly related to the Group’s purchases of materials, especially plastics (74%).

In 2020 BIC announced two new ambitious goals as part of its “Writing the Future, Together” program. These two goals, which are also integrated in the Group’s “Horizon” corporate strategy plan, will help significantly reduce its GAG emissions:

- by 2025, 100% of BIC consumer plastic packaging will be reusable, recyclable, or compostable;
- by 2030, BIC aims for 50% non-virgin petroleum plastic for its products, with a goal of 20% by 2025.

These goals will be attained through the implementation of the Group’s “4 Rs” philosophy (described in § 3.2.2.1) and could help reduce its GAG emissions by about 10% (at constant perimeter).

GREENHOUSE GAS EMISSIONS FROM PURCHASES OF PRODUCTS AND MATERIALS – IN TEQCO₂ – BIC GROUP – 2020



The carbon footprint of our transport activities

The objective of BIC’s shipping management system is to ensure the availability of its products while maximizing customer satisfaction, reducing the environmental impact of its transport activities, and optimizing costs. BIC Group has factories all over the world, which tends to limit the need for shipping its products. For example, more than 80% of the products sold in Europe are manufactured on that continent.

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 0.84% of the total tonnage shipped, air freight is the transport method that generates the most GHG: in 2020 it represented 49% of the Group’s total emissions from transport.

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.

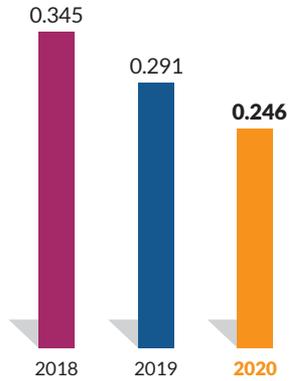
In addition, BIC has chosen to outsource its transport operations while maintaining a high level of internal expertise in the management of service providers, flow engineering and transport management tools. A specific effort focused on each transport flow is the best way to provide high-quality, competitive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



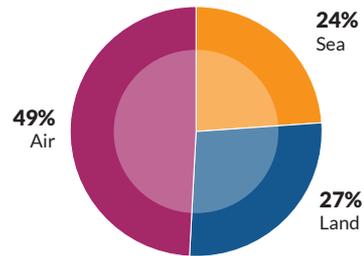
The responsible shipping approach comprises three objectives, whose actions are described in the following table:

Objectives of the responsible shipping approach	Actions taken
Raising awareness and controlling emissions	<p>Since 2014 a steering working group has been tasked with identifying solutions to achieve significant and long-term reductions in air freight, uniting all the professional functions involved and working closely with teams from every category and from all over the world. Transport companies that are committed to sustainable development are also regularly consulted.</p> <p>The specific monitoring of air transport was introduced in 2014, with quarterly reports to the management teams in each zone. In 2020 a tool for overseeing airfreight was implemented Group-wide. This tool requires multiple justifications and approvals prior to the authorization of any shipment by air. Already in 2020, this new tool reduced BIC's total annual air freight by 51%, for a saving of 8,600 tons of CO₂.</p> <p>In addition, in 2020, the BIC Group has launched a project to capture all of its downstream transportation flows and thus better track the associated emissions. The first results are expected in early 2021.</p>
Optimizing shipments and routes	<p>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.</p>
Selecting responsible carriers	<p>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.</p> <p>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.</p> <p>To encourage its transport service providers to adopt responsible practices, BIC has incorporated the reduction of GHG emissions in its criteria for selecting carriers.</p>

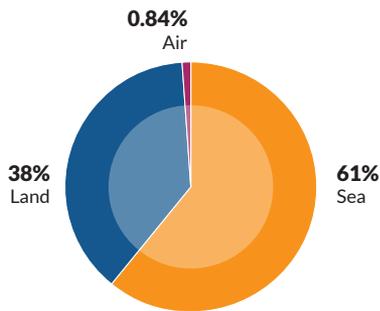
GAG EMISSIONS FROM INTRA-COMPANY TRANSPORT ⁽¹⁾
(EXCLUDING CELLO PENS) - TEQCO₂/TON OF PRODUCTS



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



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



Emissions related to the use of products

The energy used to heat water when shavers are used is the most emitting station, with 38% of total emissions. BIC is exploring opportunities to reduce this position and hopes to launch concrete projects in the coming years.

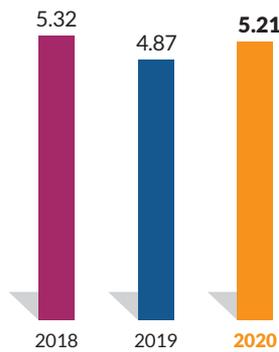
(1) Not taking into account transport by road in sea and air travels.



3.3.3.2 Water ^[NFPS]

BIC consumed 394,822 m³ of water worldwide in 2020.

ANNUAL WATER CONSUMPTION NORMALIZED TO BIC FACTORIES PRODUCTION - BIC GROUP - IN M³/TON



An increase of 7.1% in water consumption per ton of production is observed between 2019 and 2020. Over this same period, BIC's total water consumption dropped by 11% while production dropped by 17%. These changes can be explained by the implementation of programs to optimize the Group's industrial processes and equipment, combined with the Covid-19 crisis, which increased water needs by 4.1% for hygiene (62% of water is consumed for domestic use).

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.

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.

BIC East Africa (Kenya) is planning to build a water treatment plant for wastewater treatment.

3.3.3.3 Waste ^[NFPS]

Total waste production

As part of its industrial activities, BIC Group generates both Hazardous and Non-Hazardous waste. Non-Hazardous waste represents the 86% of the total (in tonnes) and includes, for example:

- packaging waste;
- manufacturing waste (production scrap, plastics, metal, wood, cardboard...);
- maintenance waste (metal, paper); and
- waste from employees' activities.

Hazardous waste, which represents the 14% of the total waste (in tonnes), is mainly generated by the manufacturing processes and includes for example:

- absorbents (filters, activated carbon, etc.);
- chemical substances (solvents, inks, etc.);
- WEEE (lamps, batteries, etc.);
- manufacturing waste (such as paper/cardboard, metal or wood polluted with chemical substances, etc.).

Over the years, BIC has developed a global waste management policy and many programs at factory level to promote waste reduction and ensure best valorization of waste.

In 2020 various projects were carried out in BIC Group's plants, in particular:

- on Conté site (France), recovered waste helped reduce by 20% the quantity of waste generated per ton of production;
- BIC East Africa (Kenya) site undertook recycling of plastic scraps.

The results achieved by the BIC Group in 2020 regarding waste production and management are as follows:

- a 13% decrease in the quantity of waste generated per ton of production between 2019 and 2020;
- the percentage of recovered waste (recycled or incinerated with energy recuperation) at 82% increased between 2019 and 2020. The increase of 1 point is due to increased incineration with energy recovery;
- the percentage of recycled industrial waste remained stable at 64.5% between 2019 and 2020;
- nine sites reported zero waste to landfill in 2020. 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.

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

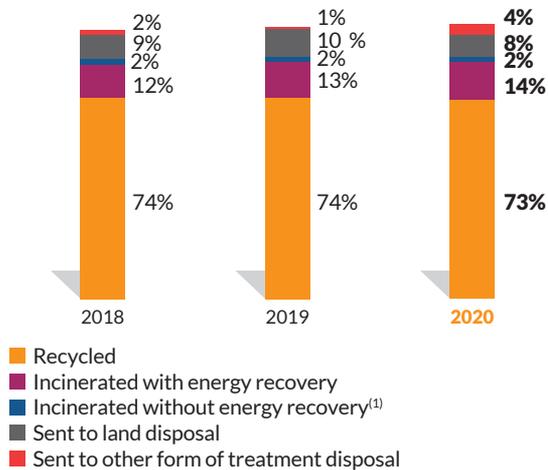


Non-hazardous industrial waste

The results achieved by the BIC Group in 2020 regarding the production and management of non-hazardous waste are as follows:

- a 9% increase in the quantity of non-hazardous industrial waste per ton of production;
- in the main offices, waste production reached 80 tons, a decrease of 55% in comparison with 2019 in particular due to the employees' absence.

BREAKDOWN OF NON-HAZARDOUS WASTE -% OF TOTAL EXPRESSED IN TONS - BIC GROUP ⁽¹⁾

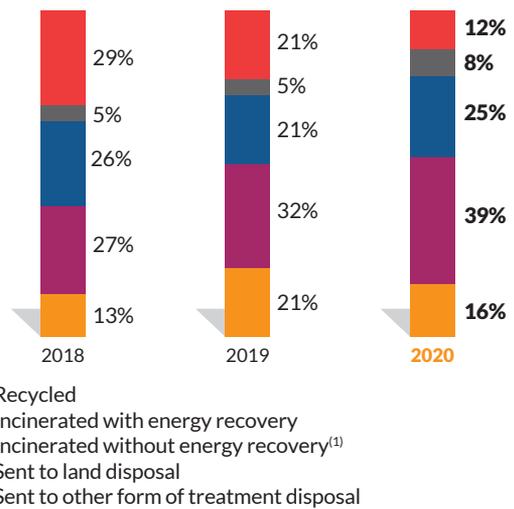


Hazardous industrial waste

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.

The results achieved by the BIC Group in 2020 regarding the production and management of hazardous waste are as follows: a 15% decrease in the quantity of hazardous waste per ton of production between 2019 and 2020, mainly resulting from Group's optimization of industrial processes and equipment the decrease.

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



(1) The "Incinerated without energy recovery" category was created in 2018. In 2017, these waste were categorized under "Other form of treatment disposal".



3.4. OUR SOCIAL RESPONSIBILITY ^[NFPS]

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, 2020, BIC Group had 11,246 permanent team members, 587 fixed term contracts (FTC) and an average of 1,919 temporary staff.

The following sections describe BIC's workforce in 2020 and its evolution.

3.4.1.1 Breakdown of the workforce by region and activity

With the implementation of our Invent the Future strategy, the organizational structure was strategically arranged to address the future vision of the Company. These changes reflect a grouping of activities by business units in the various regions of Europe, the Middle East and Africa (MEA), Asia and Oceania (APAC), India, North America, and Latin America (LAM). As a result, the distributional reporting by region has split Developing Markets into the four regions of LAM, MEA, APAC and India.

Due to production fluctuations, the number given for temporary workers will now be considered an average for the entire twelve months.

Changes in staff numbers by region are shown below:

WORKFORCE BY REGION – AS OF DECEMBER 31*

Workforce by region	2018	2019	2020	Variation 2020/2019
Europe	4065	3,939	4,025	2%
North America	745	750	740	-1%
Latin America	2,568	2,435	2,163	-11%
Middle East and Africa	406	664	683	3%
India	5,665	4,806	3,524	-27%
Asia Pacific	215	183	111	-39%
TOTAL PERMANENT STAFF	13,664	12,777	11,246	-12%
Temporary staff plus FTC*	3,291	4,017	2,506	-38%
Average FTE Temps through Agency	NA	NA	1,919	
Total Fixed Term Contracts 31-DEC	NA	NA	587	
TOTAL	16,955	16,794	13,752	-18%

* Headcount no longer being reported as Full Time Equivalent.

The reduction in Headcounts since 2019 reflects both the "Invent The Future" strategy implementation and the impact of the global Covid-19 related crisis.

PERMANENT TEAM MEMBERS – BIC BUSINESS UNIT

Business unit	2020
Group Commercial	2,030
Graphic	280
Group Supply Chain	7,453
Lighters	941
Group Insights & Innovation	194
Group BIC Services	104
BIC Group	1
BIC Foundation	1
Corporate Stakeholder Engagement	6
Group Communications	13
Group Finance	58
Group HR	34
Group IT	91
Group Legal	37
Strategy & Business Development	3

This is a new reporting structure for 2020. This is a reflection of the Invent The Future Strategy restructure which includes new business units and the creation of a Shared Services Center (Group BIC Services). Comparisons year to year will become available in the future.

3.4.1.2 Breakdown of the workforce by age

The breakdown of generations was modified this year, so there is no comparison to 2019. However, as with prior years, all age groups are represented.

BREAKDOWN OF THE WORKFORCE BY AGE GROUP

	2020
Under 20 years	0.1%
20 to 29 years	12.6%
30 to 39 years	33.1%
40 to 49 years	33.7%
50 to 59 years	17.8%
Over 60 years	2.8%

3.4.1.3 Recruitment and terminations

The Group enhances awareness of BIC in the international employment market using global recruitment attraction tools such as LinkedIn, Glassdoor and Indeed. The Group also partners with internationally known specialized recruitment companies. In recent years, BIC has reinforced its managers' expertise in recruitment techniques and has developed a more efficient selection and tracking process. Specifically, the Group utilizes a global applicant tracking system, SmartRecruiters, to implement interview processes shown to decrease bias in the selection process by focusing solely on skills and experience needed to perform the job.

BIC has also implemented internal training webinars to educate the recruitment and human resources communities on the recruitment process and best practices in hiring. Monthly calls are held for the global human resources community highlighting recruitment and talent acquisition projects and process changes. These sessions provide an opportunity for timely reviews of important recruitment topics and allow our human resources community to share ideas on global best practices.

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

New Set of Vision and Values

In November 2020, BIC announced a new vision and updated set of Values.

BIC: we bring simplicity and joy to everyday life

Legacy

BIC began simply and humbly – with a vision and a pen. The intent was to address an unmet consumer need: smooth, effortless writing that was both affordable and could free the hand for creative expression. The result was BIC making the art of writing accessible for all. By providing millions of people access to a high quality, everyday item at a significant Value, the BIC® Cristal® ball pen became a symbol of accessibility for people everywhere.

After creating a revolution in writing, BIC went on to innovate in pocket lighters, setting new, ever-improving standards for enhanced consumer safety. BIC continued its innovation journey in Shavers, bringing convenience and ease of access to the category.

At the heart of BIC is great pride in enhancing consumers' daily lives with simple, well-designed solutions for everyday use. We advocate for sustainability through **smart design**, the long life and versatility of our products, and our philosophy of **minimalism**. We strive for excellence in all aspects of our operations, from ensuring precision manufacturing and the highest safety standards, to delivering high quality products, with a focus on customer satisfaction.

Our **entrepreneurial family heritage** has provided the foundation for our team members to reimagine consumer solutions. They are passionate about engaging with consumers and customers and honoring the diversity of the communities we serve. As a result, our brand is universally recognized and trusted across the globe as a **beacon of reliability and value**.

Vision

Bring simplicity and joy to everyday life

Our ambition is **to create a sense of ease and delight** in the millions of moments that make up the human experience. It is this passion for bringing simplicity and joy to people all over the world that drives our team members each day.

We reimagine **everyday essentials**, designing products that are part of every heart and home.

We believe we **positively impact the world** by offering sustainable solutions that respect the planet through smart design and the creation of products that last.

Mission

We create high quality, safe, affordable, essential products, trusted by everyone.

How

The BIC way – simplifying to the essential – dictates everything we do.

Our consumers: We put finding affordable and reliable solutions for consumer needs at the center of all we do.

Our customers: We value our customer relationships, and partner with them to provide value-driven solutions that help their business grow.

Our team: We respect each one of our team members around the globe and are energized by the diversity of their strengths and talents.

Our planet: We advocate for sustainability through the long, versatile life of our products and strive to use the least material possible in our designs. Our aim is to deepen this commitment through investments in future technologies that help minimize our impact on the planet. We are a responsible corporate citizen by supporting causes that facilitate fair access to education and improve learning conditions for children.

Our Shareholders: We operate with prudence, transparency, and the highest ethical standards – the essential drivers of long-term value creation.

Our Values

Our values inspire our daily activity

Integrity: We are honest, open and fair, and demand an environment where everyone feels respected, included and heard.

Ingenuity: We dream big and create clever, simple, yet bold solutions for our consumers, customers, and teams.

Responsibility: We make courageous, timely decisions and deliver ambitious results that delight consumers across the world.

Sustainability: We drive sustainable growth while making meaningful contributions to our team members, communities, and the world.

Simplicity: We believe that simple solutions are often the best solutions when faced with complexity, we respond with clarity.

Teamwork: We set high standards, trust each other, and work together across boundaries, holding ourselves and each other accountable.

3.4.3 HEALTH/SAFETY AND WELL-BEING IN THE WORKPLACE ^[NFPS]

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

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.

3.4.3.1 Challenges, risks and opportunities related to team members health and safety ^[NFPS]

[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

For many years BIC has relied on its world-recognized partner International SOS to help its employees plan business travel under the best possible health and safety conditions, providing all necessary information and assistance prior to departure and during the completion of travel formalities. Before their arrival, employees are apprised of all the potential risks in terms of health and safety as well as political and climatic conditions. International SOS also provides immediate logistical assistance in the case of an unforeseen development affecting international travelers and expatriates’ health or safety. An emergency service is also available to inform BIC of any serious event that could be of concern to its employees.

In 2020, as part of BIC’s health procedures, any employees have been instructed to check their travel conditions through the International SOS platform prior to their departure abroad.

In addition, since 2018 BIC Middle East has been using Travel Tracker, a tool offered by International SOS, to pinpoint each traveler’s location without compromising any private information.

These initiatives were created as part of a proactive risk reduction strategy whose bywords are safety and assistance.

3.4.3.2 Policies, action taken, results and perspectives ^[NFPS]

Writing the Future, Together – #3 Committing to a safe work environment ^[NFPS]

Safety in the workplace is a fundamental priority for BIC. The “Writing the Future, Together” program materializes this commitment by targeting zero accidents at all BIC sites by 2025.

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 ⁽¹⁾, 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 programs; 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.

BIC Group’s Environment, Health & Safety Policy ^[NFPS]

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.

Within the Global Supply Chain business unit, 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 factories. Carried out with the team members, these visits consist of questioning unexpected behavior in a spirit of ongoing improvement and dialogue;

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



- **Global Safety Call**, a monthly teleconference bringing together the Factory Directors, their EH&S managers and the 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 18,001), Quality (ISO 9001) and Environment (ISO 14,001). This year, the Verberie, Manaus and Violex factories obtained ISO 45,001 certification, which replaces OHSAS 18,001.

Deployment of the health and safety culture ^[NFPS]

In 2020, the public health crisis caused by the coronavirus pandemic slowed down the implementation of the health-safety roadmaps and the safety culture adoption plan. However, the Group made noteworthy progress in several areas:

- the construction of a centralized health-safety management system began in 2020, following the creation in late 2019 of the position of Group Supply Chain (GSC) Quality Manager;
- the formalization of the EH&S “family” job descriptions, plus the sharing in video form of the strategic vision for the EH&S network’s skills and the tools made available to this community;
- the updating of the EH&S maturity reference system and its integration in the maturity reference system for operational excellence in production;
- the definition and deployment of a safety scorecard comprising four proactive safety indicators, making it possible to assess the measures as they are implemented rather than the results:
 - % of workstations whose professional risk analysis is up to date,
 - % of application of good practices observed during safety tours,
 - % of events of potentially moderate or high severity, with an analysis of the underlying causes,
 - % of completion of the routine checklists for verifying the equipment’s safety features.

[Covid-19] A number of measures were adopted in 2020 as part of the plan for protecting employees against the coronavirus:

- the limitation of business trips;
- the definition of a protocol for the actions to be taken in the case of an employee contracting the virus;
- the formation of a “business continuity plan” Group to organize the maintenance of operations at the Group’s production sites in countries not affected by government-ordered shutdowns;
- the production and distribution of masks and antiseptic gel at all BIC sites and the reorganization of working conditions

(shorter shifts to avoid having two teams in the locker rooms at once, fewer briefings, floor markings to encourage social distancing, etc.);

- the organization of teleworking for head office employees and the opening of negotiations for a Group agreement on teleworking.

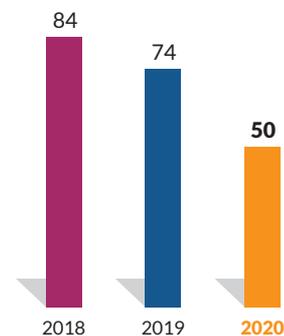
These measures have won the Tunisia and Mexico City sites the praise of local authorities for the protection that they offer the Group’s employees.

In all BIC sites, accidents resulting in lost work time for BIC team members are mainly caused by same-level falls, by the handling of materials and machines. In 2020, BIC recorded 50 lost time injuries (-32% compared to 2019) and 62 sites with 0 accident. The frequency rate for BIC employees and temporary workers decreases in 2020 from 1.87 to 1.63. The incident rate for BIC team members reached 1.85 in 2020. It should be noted that none of the factories in India have had a lost-time accident. The development and implementation of actions plans will continue in 2021 and should lead to an increased safety culture and a decrease of this rate.

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

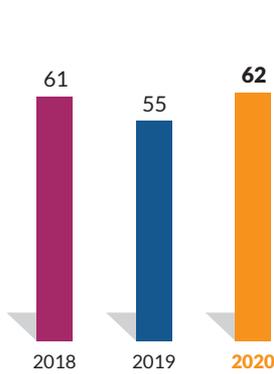
“ 50 lost time injuries and 62 sites without injuries. ”

NUMBER OF ACCIDENTS LEADING TO LOSS OF WORK TIME – BIC WORKFORCE AND TEMPORARY WORKERS

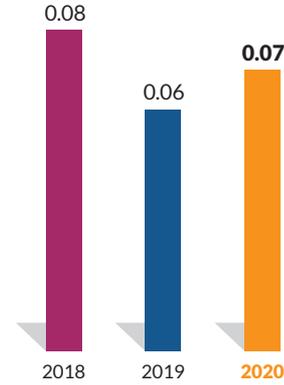




NUMBER OF SITES WITHOUT LOST-TIME INJURIES

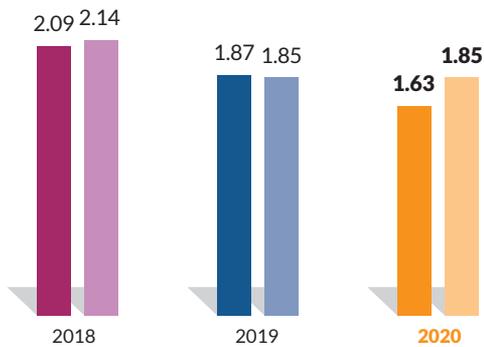


SEVERITY RATE: NUMBER OF CALENDAR DAYS LOST DUE TO AN ACCIDENT - PER THOUSAND HOURS WORKED - BIC WORKFORCE



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

■ BIC workforce
■ BIC workforce and non-permanent staff



In 2021, the adoption of the safety culture and the implementation of the health-safety roadmaps will resume, in particular with the introduction of safety relays at the Group's largest factories and the deployment of the strategic vision for EH&S skills, with:

- a skills self-evaluation system for the EH&S representatives, including "soft skills" like empathy, communication, strategic vision, etc.;
- training programs to develop skills in the EH&S population;
- cross audits applying the new EH&S maturity standard.

The worldwide "Quality of Life at Work" program

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 2020: prevention/awareness campaigns

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

In the United States, health and well-being continue to be a large component of the benefits package for our team members. 80% of our team members are enrolled in a Health Savings Account (HSA), which provides them with the opportunity to set aside money for future health care expenses. HSAs have three main tax benefits: team members can contribute on a pretax basis, their savings grow tax-free, and withdrawals to cover qualified health care expenses are also tax-free.

BIC partners with ADURO to provide online tools and resources that help BIC team members and their families achieve and maintain a healthy lifestyle. Team members can complete a health assessment that focuses on their strengths and identifies opportunities for improving their personal health. Onsite biometric screenings (cholesterol, glucose and triglycerides) are offered at all locations in the U.S.

The Mexico factory achieved 100% participation in the annual medical check-ups for team members.

In Brazil, three specific actions were taken:

- **labor gym + mindfulness:** due to the pandemic and teleworking, the labor gym usually offered in the office was shifted to an online version to encourage team members to maintain an exercise routine. Mindfulness meditation, an effective way to contribute to mental health, was also offered online;
- in order to ensure a safe environment for everyone when returning to the office, online training sessions were organized for all employees to review the new practices to be adopted;
- an influenza and H1N1 vaccination campaign was conducted at the Manaus site. In July, more than 500 team members were vaccinated.

At the Clichy (France) headquarters, a psychologist has been made available to employees, a particularly useful measure given the combination of the reorganization linked to the "Invent the Future" strategic plan and the pandemic. The site also offers weekly Pilates and yoga classes.

In **Morocco,** online activities have been organized in response to the coronavirus pandemic, including some sports challenges. A track and field athlete was invited to share his experience and explained how to access personal resources to overcome challenges.

Progress made in 2020: the role of the manager

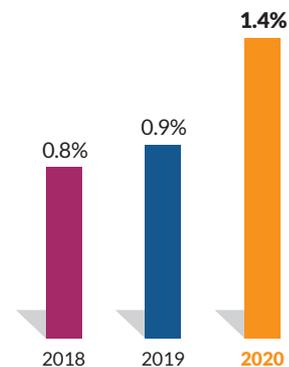
During the Covid-19 crisis, a specific learning path was created and implemented by BIC University's internal trainers to help managers and leaders support their teams. This training focuses on how to manage uncertainty, how to weather a crisis with resilience and how to deliver a difficult message. It was particularly appreciated for helping participants manage stress better, on both a personal and professional level.

Progress made in 2020: 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.

[Covid-19] Special support has been developed for the management of the coronavirus crisis. Support for teleworking, adaptation of procedures in plants, specific monitoring of people identified as vulnerable, support for people on short-time working or technical unemployment: many support actions have been offered remotely by managers.

ABSENTEEISM RATE FOR ILLNESSES LESS THAN THREE MONTHS OLD (EXCLUDING ON-SITE ACCIDENTS AND MATERNITY) - BIC GROUP PERMANENT WORKFORCE



The increase in the absenteeism rate, not including workers' accidents and maternity leave, is primarily the result of personal reorganization on the part of employees due to the Covid-19 crisis.

3.4.4 TEAM MEMBER DEVELOPMENT ^[NFPS]

3.4.4.1 Challenges, risks and opportunities related to team member development ^[NFPS]

[NFPS Risk 9] Before the crisis, among its primary CSR risks, the BIC Group identified risks related to the skills of its team members, especially those with the most experience: BIC relies on the specific skills of its experienced team members, in particular in industrial operations. The loss of experienced team members could slow the deployment of the Group’s development plans and prevent the Group from implementing its strategy.

In 2020, as a result of the physical distancing arrangements put in place around the world in response to the coronavirus pandemic, on-the-job training was severely curtailed. All instructor-led training sessions in classroom environments were canceled indefinitely.

Employees whose physical presence in the workplace is not strictly indispensable were obliged to leave their workstations and rapidly find solutions for doing their jobs from home.

A number of steps were taken to design and adapt training programs and expand the e-learning offered by BIC University. Online training, already in development before the pandemic, became the priority.

3.4.4.2 Policies, actions taken, results and perspectives ^[NFPS]

Crisis Management Learning Path

The BIC University team quickly developed and deployed a Crisis Management Learning Path to help our leveled team members adapt to their new environments. Timing was critical. Within weeks, sessions were developed with a specific focus for leaders and managers. By the end of Q3, 1,850 leaders, managers and team members had been trained in the following:



Internal trainers delivered 96% of the training and experienced 83% satisfaction and 76% anticipated impact ratings (both above benchmark).

Improving BIC University’s online offering

After the crisis management training course, BIC University also quickly converted its face-to-face and online training offerings to enable teleworking employees to continue developing their skills in personal effectiveness, collaboration, leadership and project management. By December 31, 2020, all BIC University courses had been converted to virtual training.

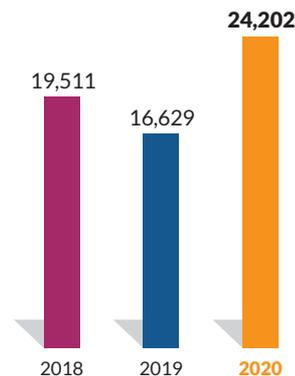
BIC University also partnered with SkillSoft, an e-learning content provider, to add 470 additional courses to the existing library on topics such as financial management, human resources, management and leadership, professional effectiveness, project effectiveness, sales and customer relations.

Expand BIC University’s reach

BIC University continues to increase its reach across the globe. More than 2,000 team members from 54 countries and from all business units have completed training in the full curriculum. This represents an increase of 59% over the same period in 2019.

In 2020, 7,864 team members received training (66% of headcount present on December 31, 2020).

NUMBER OF TRAINING DAYS - BIC GROUP - PERMANENT WORKFORCE



BIC University Ambassador Program Relaunch

The BIC University Ambassador Program enables human resources professionals to support employees in their learning and skills development. Through this program, ambassadors learn adult learning principles as well as how to deliver training, develop audio and video for educational purposes and maintain their networks within the Group. More than 20 ambassadors received this training in 2020.



NUMBER OF TRAINING HOURS (PER THEME) – BIC GROUP -2020 – PERMANENT WORKFORCE

Technical training	Personal Effectiveness	Management Skills	Crisis Management	Business Skills for Tomorrow	Health and well-being training
124,634	33,508	4,009	4,095	4,408	22,960

Due to our Invent the Future initiative, the training categories have modified to align with the necessary skills and competencies needed for the future leaders and team members.

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.

INTERNAL DEVELOPMENT: PROMOTIONS – BIC GROUP

Recruitment	2020
External Recruitment	825
Inter-Company Move	16
Promotions	270

The new scope for this indicator is total promotions within a calendar year for the entire population. Promotion is someone who changed levels to a superior level. In 2020, there were 270 promotions.

The BIC Group has two types of short-term variable remuneration:

- periodic (monthly or quarterly) variable remuneration for the sales teams, based on quantitative criteria concerning the effectiveness of their commercial performance;
- annual variable remuneration for the Group’s non-sales managers, based on the achievement of collective financial performances goals defined by territory (commercial management excluding the operational sales force) or Group-wide (manufacturing, marketing, support functions, etc.), combined with the degree of success in implementing more individualized action plans. This policy applies to all BIC managers across the Board, up to and including the CEO.

Variable remuneration represents a target percentage of fixed remuneration that can vary by 5% for the most junior positions to more than 50% for certain members of the Executive Committee.

In addition, since the mid-2000s it has been Group policy to incentivize its most experienced and most deserving team members by basing their long-term compensation on shares in the Company (stock options, performance share plan, granted shares). As a result, some 750 employees benefited from the performance share plan in 2020.

An analysis of the external competitiveness of BIC managers’ base salaries is conducted on a periodic basis. This competitiveness analysis conducted at end-2019 shows that, on average, BIC managers’ base salaries are positioned at their local market median (average compa-ratio between market data and the target total cash compensation of level 1 to 5 managers).

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

3.4.5 THE REMUNERATION SYSTEM

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).

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.

3.4.6 PROMOTING DIVERSITY

As stated in the BIC Code of Conduct, the Group Values diversity and inclusion (D&I) and does not tolerate discrimination and harassment based on grounds such as age, race, religion, color, ethnicity, national origin, disability, sexual orientation, gender, gender identity, gender expression or marital status and any other characteristics of which legal protection is afforded by local law. The Group wants to create an environment in which employees, suppliers, business partners and its communities feel valued and respected. At BIC, cultural and individual diversity is considered an essential element of team culture.

Furthermore, the recent events of racial inequality and social injustice that have garnered a global reaction has made DEI even more important as BIC looks to be a positive change agent throughout the many communities it operates in. 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.

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 used in the Group.

As part of its Diversity & Inclusion strategy, BIC has made a number of declarations, including:

- signing the UN Standards of Conduct for Business "Tackling Discrimination against Lesbian, Gay, Bi, Trans, & Intersex People";
- social media posts from the CEO and CHRO in response to the death of George Floyd and on Global Pride Day 2020;
- in January 2021, Gonzalve Bich, BIC's CEO, joined the "CEO Action for Diversity and Inclusion™", the largest CEO-driven business commitment of its kind. By taking this pledge, Gonzalve Bich is committing to take action to ensure the Company's culture celebrates and welcomes diverse perspectives and experiences and encourages open conversations about D&I.

3.4.6.1 Male/Female equality

BIC has set a target to reach 40% female in Executive positions by the end of 2027. To reach this target it has made the following commitments:

- implement the Human Capital Management System – SuccessFactor – to improve its talent identification and management process and the data to support these processes;
- continue focus on delivering gender balanced slates of candidates;
- launch mandatory unconscious bias training to ensure fair and equitable hiring, performance management, development and compensation practices;
- launch of new Employment Brand highlighting key attributes that will attract and retain female talent.

Within this framework, initiatives have been launched by the Group since 2020, such as:

- participation in the "Break the Ceiling Touch the Sky Summit" in New York (U.S.), which offered companies an opportunity to learn DEI best practices and connect with women leaders from around the world;
- launch of the "EmpowHerment" program within the Global Supply Chain business unit which brings together all the business lines related to operations. As part of this program, workshops offered employees (more than 70 participants) an opportunity to get in touch and share their knowledge and experience on how to successfully progress within the Group. Many ideas were implemented, including the creation of the WiSC ("Women in Supply Chain") network. Within WiSC, champions are responsible for co-constructing a strategy of career development training, coaching and team awareness programs in order to spread a culture of EmpowHerment and to continue building an inclusive environment in which everyone can unleash their potential. One of the highlights of the event was the inauguration of a daycare center at the Daman site (India). The launch day of the EmpowHerment program concluded with a commitment by the Cello Pens' Industrial Director and management team to provide more leadership opportunities for women in production activities;
- the Women@BIC Leadership Group was established in North America to allow women to discuss their aspirations and the challenges they face in the workforce.



PERCENTAGE OF WOMEN IN THE PERMANENT WORKFORCE BY LEVEL – BIC GROUP

	2019	2020
Board of Directors	50%	45%
Level 4 and above (Executives, including Executive Committee)	24%	26%
Level 3 (Senior Managers)	37%	39%
Level 1 and 2 (Managers & Professionals)	38%	39%
Non-managers	51%	49%

PERCENTAGE OF WOMEN IN THE PERMANENT WORKFORCE BY ZONE – BIC GROUP

	2019	2020
Europe	33%	38%
North America	42%	44%
Latin America	49%	49%
Middle East and Africa	47%	38%
India	60%	56%
Asia & Pacific	40%	47%

Concerning remuneration, the Group also strives to ensure gender equity among women and men with equivalent positions and responsibilities. In compliance with French law, BIC publishes an annual report on its gender equity ratio in France.

In 2020 BIC was named one of the Top 20 SBF120 companies for gender parity in management teams, following a study conducted by an independent firm commissioned by the French ministry in charge of gender equality.

3.4.6.2 Intercultural diversity

Key initiatives and development opportunities have been made available to employees to increase their ability to work across borders as effectively as possible. These include:

- two new online training courses: Managing Remotely@BIC, available to all employees, and Manager in Uncertainty, aimed at managers of level 4 and higher;
- intercultural training for the Group Insights & Innovation function;
- Intercultural Assimilation Support for employees embarking on a new mission abroad;
- the launch of the Alliances for Diversity & Inclusion program, which invites employees to express their interest in D&I and become "Allies". More than 50 people have volunteered to take on the following roles: participating in the deployment of

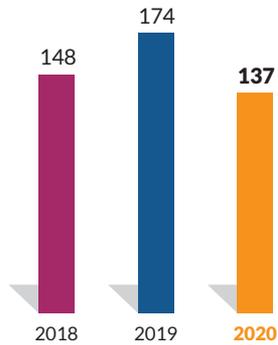
the Group's D&I strategy, promoting authentic behavior and fostering ties between employees, encouraging curiosity and understanding of others and their differences, and organizing local events to celebrate World Diversity Day;

- the launch of the "Black Leadership" academy, led by McKinsey & Company, to support black executives and leaders around the world. It comprises two distinct programs:
 - the "Black Executive Leadership Program", which is designed for targeted managers and takes the form of facilitated small group discussions over a three-month period. The objective is to develop participants' leadership skills and expand their networks,
 - a "Management Accelerator" that targets leaders at the beginning or middle of their careers. Over the course of a six-month program, participants develop their leadership and management skills and deepen their understanding of key functional areas (business strategy, problem solving, business fundamentals) while building an expanded network of peers in different sectors and business units.

3.4.6.3 Disabled workers

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 WORKFORCE - BIC GROUP



In 2020, disabled workers at the Group's largest sites totaled 137 (excluding indirect jobs associated with outsourcing). They numbered 68 in Europe, 9 in North America, 54 in Latin America and 6 in the rest of world (Middle East, Africa, India, Oceania, and Asia).

3.4.7 SOCIAL DIALOGUE

BIC strives to use all the means available to engage in dialogue 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 dialogue, either directly with the management or with the team members themselves, their representatives, or labor union representatives at unionized sites.

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 dialogue, and the team members and their representatives are kept informed to ensure optimal communication.

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 dialogue.



The following table gives a few examples of such agreements.

Perimeter	Topics
Clichy (France)	During the lockdown, a short-time work agreement was negotiated to mitigate the decline in sales force activity, and at the end of that period return-to-work measures were discussed with the CSE. In addition, teleworking will soon be deployed in the Group's various entities. The economic redundancy plan signed in 2019 continued into 2020: the third phase of voluntary departures took place from September 1 to 30, 2020. Follow-up committees with employee representatives are held every month.
Gaffney (United States) Saltillo and Cuautitlán (Mexico) Manaus (Brazil)	<p>We were aiming for three goals:</p> <ul style="list-style-type: none"> • to reduce mobility in order to avoid infection and protect our employees' safety; • to deliver orders to our customers and keep the business running; • to ensure that our employees' incomes were affected as little as possible. <p>To accomplish these goals and still keep producing in response to recent customer requests, we needed to switch some vacations days and rearrange work shifts.</p> <p>This was discussed with unions (where applicable) and works councils, and directly between employees and management. We reached agreements that were beneficial for all sides – truly a win-win situation.</p>
Gaffney (United States)	<p>Investigations and discussions with employees were held to ensure that no one at our factory was the victim of racism or discrimination.</p> <p>An incident of discrimination was reported and through discussions with HR and legal it was successfully addressed. Training on discrimination avoidance is forthcoming.</p>
Saltillo (Mexico)	The yearly Collective Bargaining Agreement was successfully negotiated despite the health crisis, requiring only two days of discussions.
Cuautitlán (Mexico)	The "Open Channel" program has been in place for a few years now and took on particular importance in 2020. It is a physical "suggestion box" system, available to employees, which is then managed digitally by a committee whose majority of members are unionized employees. Through this program, employees have raised a number of issues about the pandemic and how to manage its consequences in the workplace. Requests, doubts and questions are systematically answered, building employee confidence in the system.
Manaus (Brazil)	Employees can always make observations and comments on "Open Channel" and through the "HR & You" program. A new project called "BIC Up", inspired by the book "Ideas Driven Organization: Unlocking the Power in Bottom-Up Ideas" ^(a) , is currently being tested. Everyone is invited to share, comment, and implement their own ideas and those of others.

(a) Authors : Alan G. Robinson and Dean M. Schroeder.

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. For 2021, the BIC Group is planning to set up permanent and generalized methods for distance working.

3.5. ETHICS AND BUSINESS CONDUCT ACROSS THE VALUE CHAIN ^[NFPS]

The societal challenges undertaken by BIC include maintaining control over its entire value chain, recognizing the importance of its suppliers and subcontractors' involvement in meeting the corporate responsibility to uphold ethics and Human Rights in the workplace and to fight corruption. To meet these challenges, the Group's operations and subcontracting activities integrate its new general Code of Conduct, its Code of Ethics, its Anti-Corruption Policy and, since 2020, its Supplier Code of Conduct.

3.5.1 THE RESPONSIBLE PURCHASING APPROACH

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 Department analyzes all risks related to the sourcing of products and services: stock levels, sourcing zones, single sourcing, etc.

3.5.1.1 The Supplier Code of Conduct

In 2020 the BIC Group created a new Supplier Code of Conduct. This Code, which has been shared with all suppliers, explains the Group's responsible purchasing approach, its commitments to its suppliers and the commitments that it requires from them. The latter encompass all aspects of sustainable development: integrity in business conduct, human rights and labor laws, health and safety, environmental impact, and the development of a sustainable supply chain. The Supplier Code of Conduct also integrates the former Responsible Purchasing Charter, which codifies the Group's six basic Values: Ethics, Responsibility, Teamwork, Simplicity, Ingenuity and Sustainable Development.

All suppliers and subcontractors, as well as their suppliers and subcontractors, must comply with the Supplier Code of Conduct. All suppliers must also comply with all national and local provisions, laws and regulations in force on their respective markets. When local laws or standards differ from the current Supplier Code of Conduct, the BIC Group requires that its suppliers comply with the stricter standards and principles.

In a spirit of ongoing improvement, the BIC Group is committed to working with its suppliers and supporting them in their efforts to meet and exceed the standards of the Supplier Code of Conduct. This Code is one component of the overall BIC Group Code of Conduct, which also emphasizes the importance of the Group's responsible purchasing approach.

The Supplier Code of Conduct is included with the calls for tenders issued by the BIC Group and is appended to its contracts.

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

BIC has set the goal of making its responsible purchasing approach a central element of its Purchasing function. This ambition is codified 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.

In 2020 the BIC Group identified an average of 300 strategic suppliers from among the constantly evolving roster of 15,000 suppliers in its database.



In 2020 the Purchasing Department reached a milestone in its pursuit of goal #4 of the "Writing the Future, Together" program by launching a pilot campaign to evaluate the sourcing of the strategic materials needed for the production of lighters. The suppliers were included in this in-depth evaluation, which examines national risks and supply chain risks all the way back to the initial extraction sites. A webinar was held for the suppliers concerned. As a result, action plans could be launched to modify the supply of certain materials. In the longer term, this resilience evaluation will be extended to other materials and to all categories, conducted by the BIC buyers who have completed the training.

In addition, in 2020 the Group continued to incorporate its existing tools into its responsible purchasing approach, along with a number of new tools:

- the guide for assessing and selecting suppliers based on CSR performance. Each purchasing family has its own guide;
- compliance with the newly created Supplier Code of Conduct;
- audit programs (see § 3.5.2.2);
- an annual EcoVadis campaign, launched in October 2020, covering ten strategic suppliers per purchasing family, for a total of some 70 suppliers evaluated according to CSR criteria;
- the roll-out of the responsible purchasing training program, which is now integrated into the required training curriculum for buyers. As of end 2020, 100% of the Purchasing Department had completed this training.

In order to monitor progress toward goal #4 "Proactively Involving Suppliers," a new indicator was implemented in the Purchasing information system: percentage of strategic suppliers involved in at least one responsible purchasing action. To that end, in 2020 a list of "responsible purchasing actions" was defined for each purchasing family in relation to the goal of "ensuring the most secure, innovative and efficient sourcing." These actions can be:

- conducting a strategic resilience study;
- the EcoVadis campaign;
- working with suppliers to identify solutions for meeting BIC's commitments concerning its products (recycled or alternative plastics);
- reducing the use of materials, etc.

In fact, all of these actions help the BIC Group make progress toward its goals regarding products and energy (see § 3.2.1). This new indicator will reflect the Purchasing function's commitment to developing long-term relations with its suppliers, keeping them informed of the Group's sustainable development challenges and helping them adopt more responsible practices.

In 2020, 25.8% ⁽¹⁾ of strategic suppliers were involved in at least one responsible purchasing action. BIC aims at reaching 100% by 2025.

In 2021 the BIC Group's Purchasing Department will be equipped with a supplier management tool conceived to create programs of interactions with suppliers and to monitor business relations, audits, etc. It will serve the Group's overall goal of continuing to progress in close cooperation with its suppliers while developing new skills within the Purchasing Department.

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

Upholding and promoting Human Rights and preventing violations of those rights constitute an important aspect of corporate social responsibility. Respect for basic Human Rights is a key concern for the BIC Group, as it is for all corporations and their entire value chain, from the parent company to the subsidiaries to the subcontractors. Beyond the moral necessity of creating value in an acceptable, sustainable way, it is a matter of protecting the Group's reputation, legal certainty and operational efficiency, as well as the cohesion of its human capital.

3.5.2.1 Risks and opportunities ^[NFPS]

[NFPS risk 5] Among its main CSR risks, BIC has identified risks related to the non-respect of human rights (child labor, ILO's international conventions): 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

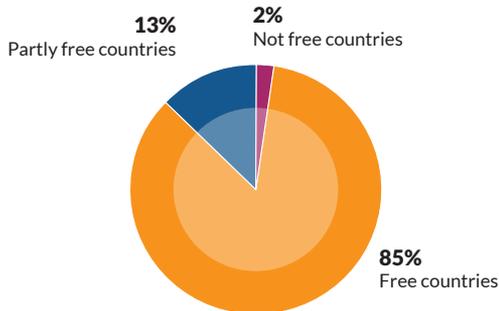
BIC's reliance on contract manufacturing is relatively low. Overall, 92% of the Group's net sales are generated by products made in its own factories. 84% of these factories are located in countries with no Human Rights risk according to Freedom House ⁽²⁾.

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

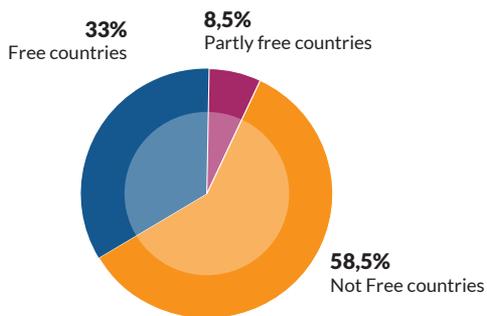
(1) Excluding Cello Pens
(2) Source: Freedom House.



PERMANENT WORKFORCE BY CATEGORY OF COUNTRY IN RELATION TO HUMAN RIGHTS RISK ⁽¹⁾ IN 2020 – BIC GROUP



CONTRACT MANUFACTURERS BY CATEGORY OF COUNTRY IN RELATION TO HUMAN RIGHTS RISK ⁽¹⁾ IN 2020 – BIC GROUP



The Supplier Code of Conduct

See § 3.5.1.1.

The social audit program ^[NFPS]

Compliance with the Code of Conduct (see below) 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.

(1) Source: Freedom House.



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.

Between 2019 and 2020, 31 contract manufacturers (Consumer Products or BIC Graphic) were audited, representing 58% of active contract manufacturers.

3.5.3 BUSINESS CONDUCT AND THE FIGHT AGAINST CORRUPTION ^[NFPS]

BIC generates 20% of its sales in countries where the risk of corruption is considered high or very high (Brazil, Mexico, India, Italy and Argentina) and 80% in countries with a medium or low risk of corruption according to Transparency International, including France, the United States and Spain.

3.5.3.1 Risks ^[NFPS]

^[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 Policy, actions taken, results and perspectives ^[NFPS]

The BIC Code of Conduct

As compliance laws change, the BIC Group is evolving its internal policies and directives to keep pace with the legal and regulatory environment. Thus, the Code of Ethics (2014) was reviewed and updated in 2020 to incorporate the Group's vision, mission and updated Values, as well as best practices in Codes of Conduct and all necessary updates to ensure that the team members are able to take ownership of this legal and regulatory context.

This update has taken the form of a new BIC Group Code of Conduct. Part of BIC's ongoing monitoring of compliance measures, the new Code outlines:

- the expectations of how BIC's business is to be conducted;
- the Group's Vision, Mission and Values;
- proper behavior toward internal and external stakeholders;
- precepts on integrity that focus on the Values being applied in the workplace; and
- guidance on where employees can find relevant policies, procedures and guidelines.

Regardless of their role, seniority or location, all team members are required, at all times, to comply with this Code, the Group's policies and standards, and all applicable laws, regulations and industry standards that relate to their individual work.

The new BIC Code of Conduct covers the following topics:

- **protecting the integrity of the BIC Group and strengthening its reputation:** conflicts of interest, gifts and entertainment, bribery and corruption, relations with governments and political bodies, brand protection, competition, money laundering, trade controls;
- **valuing and respecting employees:** health and safety, discrimination and harassment, Human Rights;
- **protecting data, assets and information:** information technology security, company property and resources, data privacy and personal information, business records;
- **maintaining high quality relationships and partnerships with all stakeholders:** quality, environment, charitable contributions, external communications and social media, relationships with customers, suppliers and other business partners.

On each topic, a concrete situation or question is proposed and the right attitude to adopt is described.

With this update, the BIC Code of Conduct now covers the topics previously covered by the Code of Ethics. The Supplier Code of Conduct (see 3.6.1.1) and the Anti-Corruption Policy (see below) are a vital part of this Code concerning these specific topics.

This updated Code of Conduct was distributed to all employees in October 2020. It has been translated into seven languages – English, Spanish, French, Greek, Hindi, Portuguese and Russian – and is available on the BIC Intranet, the central information hub for all team members worldwide, as well as the website www.bicworld.com. Training sessions on the Code of Conduct and the Anti-Corruption Policy were launched in October 2020. All employees have been invited to attend these training sessions to ensure a complete and comprehensive understanding of the Code.

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.

The Group Anti-Corruption Policy was updated and distributed to all employees in October 2020. It has been translated into seven languages – English, Spanish, French, Greek, Hindi, Portuguese and Russian – and is on the home page of the BIC Intranet as well as the external website www.bicworld.com. The changes update references to the new Code of Conduct, provide clarity on contacts for guidance and heighten standards with respect to dealing with third parties.

The training sessions on the Anti-Corruption Policy were launched in October 2020. All employees have been invited to attend these training sessions to ensure a complete and comprehensive understanding of the Anti-Corruption Policy. As of end 2020 3,824 employees had completed the training.

“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 committed to ensuring the confidentiality of the information gathered and that no sanctions are taken against team members who report in good faith a breach of the BIC Anti-Corruption Policy or of the BIC Code of Conduct.

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

Now improved and updated for easier accessibility, the alert hotline is featured on the BIC Intranet and www.bicworld.com. This alert mechanism aims to prevent any actions or conduct 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 2020, the internal control procedures did not detect any case of tax evasion linked to the activities of the Group.

BIC will continue to enhance its compliance strategy by monitoring potential risks, identifying ways to mitigate them in time and

outlining future courses of action. Programs, processes, and technologies have been implemented to identify, prioritize, investigate and address compliance violations and risks, and strong policies and processes are in place to mitigate these risks. There will be a strong focus on data privacy tools, third party due diligence, risk assessment mechanisms and training in 2021.

3.5.4 RESPONSIBLE LOBBYING AND PARTICIPATION IN SECTOR WORKING GROUPS

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.

3.5.4.1 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.



In 2020 the BIC Group continued to focus 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 both lighters and shavers (legislation in Spain's autonomous communities concerning product typologies and end-of-life management).

3.5.4.2 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 Conduct, which names the persons to be notified in case of violation.

3.5.4.3 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.

3.6. OUR SOCIETAL COMMITMENT

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.

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

3.6.1 MAKING OUR PRODUCTS AFFORDABLE TO ALL

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 2020, 25% of the Group's turnover came from these growth markets.

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 and appropriate distribution models, relying on local retailers : such as individual kiosks, micro-shops or service outlets near schools.

3.6.2 THE GROUP'S COMMITMENT TOWARD LOCAL COMMUNITIES

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

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 US⁽¹⁾ report shows that today:

- access remains a major problem: 258 million school-age children (6–17 years old) do not have access to primary or secondary education and recent projections show that without major changes, by 2030, one child in six will be outside the school system;
- the quality of the education provided is a critical issue: 55% of primary and lower secondary school children and adolescents do not acquire the minimum knowledge in reading and 60% in mathematics.

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 3.6.2.2);
- actions to help improve learning conditions, including awareness of the benefits of writing by hand in the learning 3.6.2 and memorization processes (detailed in section 3.6.2.3).

(1) UNESCO Institute for Statistics.



At the end 2020, 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 118 million since 2018.

“ **118 million children whose learning conditions have been improved between 2018 and 2020.** ”

Examples of projects backed by the BIC Corporate Foundation in each of its main fields of action in 2020:

Le Bal

The photo-documentary exhibition center Le Bal hosts a pedagogic program entitled *La Fabrique du Regard* that offers children the opportunity to learn through imagery and photography. The BIC Corporate Foundation sponsored the implementation of the program at a middle school in Clichy (France), in a class for non-French-speaking immigrant students. The children discovered the world of photography and learned how to use it to portray their view of the world and their life stories. The goal of these workshops is to help these children regain an interest in education and feel more at ease with the French educational system, and to give them the opportunity to express themselves and grow personally.

Enactus UK

The BIC Corporate Foundation sponsored the “BIC Inclusive and Equitable Education Challenge” based on the UN’s Sustainable Development Goal #4, Quality Education. This challenge consists of inviting Enactus groups of university students working on education-related social business plans to apply for mentorship and seed funding from BIC UK & Ireland. The initiative proved to be very rewarding and motivating for BIC team members, who offered their patronage to the students, and was also an opportunity for them to develop valuable soft skills. It was also the Foundation’s first immersion in skills-based sponsorship, a target for the future mandate.

Le Projeto Uerê

Projeto Uerê is a school that provides a complementary curriculum for children living in a violent favela in Rio de Janeiro (Brazil). The NGO has developed a unique pedagogy recognized by UNICEF as an effective methodology for helping children who live in violent contexts to overcome trauma and continue developing. Uerê is characterized by a holistic curriculum proposal focusing on the development of soft skills through music, dance, art and sports, but also including academic support courses.

3.6.2.2 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:

- the development of activity sheets and workshops for teachers on various themes such as motor development, coding and writing exercises;
- the assistance brought to parents, teachers and children in many countries during the closure of schools due to the health situation (Covid-19) thanks to the creation of activity manuals, organizational advice and donations of products;
- animation operations and workshops in schools such as awareness raising on the importance of education and writing, production of writings or thematic coloring contests for the youngest.

3.6.2.3 Philanthropic actions by BIC and its subsidiaries

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.

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.

BIC Oceania is a partner of the “Children’s Charity Network” (CCN), which aims to improve the literacy of children across Australia. The charity has two main focuses: providing writing and drawing workshops for children in underprivileged communities with the support of professional authors and illustrators who volunteer their time, and facilitating the Young Australian Art & Writers Awards, an annual competition open to any school-aged children. Works are published in a quarterly magazine and judged by a panel of volunteer experts, culminating in the presentation of category winners in November each year. BIC’s partnership provides financial support – approximately 15,000 euros in 2020 – that enables CCN’s volunteers to visit rural and remote communities. BIC also donates products to local communities that often cannot afford basic school supplies, in order to facilitate the writing and drawing workshops and enable the children to continue in-classroom and at-home learning.

BIC Italy and the BIC Foundation are now in their third year (2018–2020) of supporting the *Indifesa Radio Network*, a project by the NGO *Terre Des Hommes*. Its goal is to counteract bullying, cyberbullying and all forms of discrimination and stereotyping that too often cause children to drop out of school. The project also promotes education to reduce the gender gap in the Italian school system. In addition, during the Covid-19 lockdown, BIC Italy donated 60,000 writing instruments and marking products to hospitals in the Lombardy Region.

BIC Iberia sponsors the Red Cross educational and social project *Éxito Escolar* (“School Success”), which focuses on vulnerable children in Tarragona province. It addresses the needs of children ages 6 to 16 from difficult social environments, offering them support to improve their quality of life and help them in their studies, meals, habits and personal development. In 2020 BIC’s support totaled 14,000 euros plus the donation of nearly 3,000 writing instruments, benefiting more than 210 children.

BIC Amazonia sponsors the *Crescer* project, which promotes social, cultural and sports programs and community integration, as well as nutrition, providing breakfast, lunch and snacks for children. In education and culture, the project organizes workshops, lectures, holiday celebrations, tours and visits with psychologists and social workers. In 2020 BIC’s support amounted to 16,000 euros, benefiting 710 children and students.

In addition, during the Covid-19 lockdown BIC Amazonia donated 120,000 writing instruments to multiple NGOs.

In 2020 **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%. In 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 donated once again, bringing the overall total to 11.5 million pens in eight years. In 2020 **BIC Morocco** joined the project through the donation of no fewer than 400,000 units to various NGOs, including the renewed SOS Children’s Village program in Morocco.

In line with its actions undertaken with schools, **BIC Morocco** perpetuates the concept of “illustrated poems” about Values. An inter-school themed poetry competition was organized, conceived to spark children’s thinking, imagination and poetic creativity, and to make them aware of an important value: respect. The children learned the basics of this Value – respect for family, friends, and neighbors – thus contributing to the well-being of their community. The participating schools received free kits of BIC products for their students. In all, no fewer than 1,200 school kits containing pens, pencils, colored pencils, markers, etc., were offered to the young poets.

BIC Canada is a partner of the “Krinkle Project,” an initiative that distributes loot bags to children who are temporarily living in women’s shelters in the Greater Toronto Area. In 2020, BIC Inc. donated Stationery products to create more than 50 loot bags for needy children.

Since 2015 **BIC Cello** (India) has been sponsoring 55 learning centers in remote villages near its Haridwar factory in northern India. The centers are managed by the NGO IIMPACT. The main objective of the project is to provide access to education for underprivileged girls who are not able to attend government-run schools due to social practices in India. Some 2,000 children have benefited from this initiative.

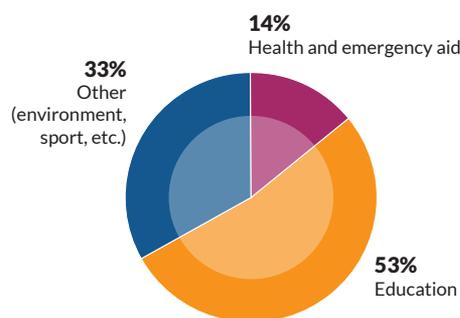
In 2020, product donations and financial aid worldwide represented 1.4 million euros (internal valuation), primarily in education⁽¹⁾, health and emergency aid. Finally, BIC donated pens, coloring products, other writing instruments and shavers, with a total value of 1.3 million euro, to help local communities, hospitals, children and the homeless in the fight against Covid-19.

“ 1.4 million euros in donations and financial aid worldwide in 2020 ”

“ 142 philanthropic projects involving volunteer work, product donations and financial aid carried out worldwide in 2020 (all fields combined). ”



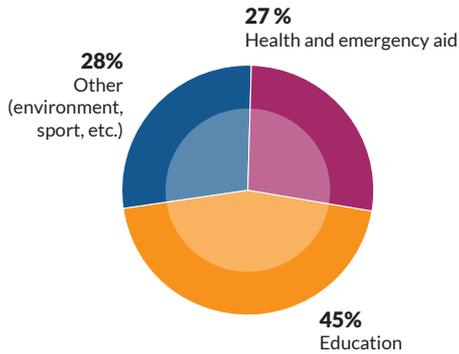
FINANCIAL BREAKDOWN OF ACTIONS – BIC GROUP – 2020



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



BREAKDOWN OF ACTIONS BY NUMBER – BIC GROUP – 2020



3.6.2.4 The BIC Corporate Foundation

The BIC Corporate Foundation was born out of the Group’s desire to go one step further in the support of education while bolstering BIC team members’ sense of pride and belonging. Its mission is to support access to quality education for all, following the approach of “give to create” – in other words, seeking to make children and youth more versatile and self-reliant by helping them develop skills and showing them a path forward: their own. 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. Over the long term, it also emphasizes the funding of social entrepreneurship and innovation in 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.

On October 1, 2020, Group CEO Gonzalve Bich assumed the presidency of the BIC Corporate Foundation, replacing Marie-Aimée Bich-Dufour, who retired from her position, and Alison James became the Foundation’s Executive Director. New members were also appointed to the Board of Directors:

- Claire Bottineau, Sustainable Development Director, Group Insights & Innovation;
- Mario Berra, SVP Global Manufacturing, Group Supply Chain;
- Ganesh Parameswaran, Counsel MEA, India & APAC, Group Legal.

Supporting a total of 43 projects in 20 countries, the BIC Corporate Foundation has a global reach. In 2020 it adapted to the public health crisis by backing projects that help prevent students from dropping out of school due to quarantine limitations, thus focusing mainly on its mission to reduce the school dropout rate. Upon employee request, the Foundation continued to provide 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.).

3.7. THE CLIMATE-RELATED PERFORMANCE REPORT

Anthropogenic climate change constitutes one of the main challenges facing humanity in the 21st century. The BIC Group recognizes that this is a collective challenge and strives to do what it can to reduce its own greenhouse gas emissions. In addition, BIC continues to assess the consequences of climate change on its operations and to implement the best possible adaptive measures.

For more than ten years, the BIC Group has been reporting on its response to climate issues by participating in the Carbon Disclosure Project (CDP). In keeping with the positive performances of previous years, in 2020 BIC received an A- rating on the CDP Climate questionnaire and attained Leadership Level, a distinction granted to companies that are taking the lead in the fight against climate change.

In 2020 BIC bolstered its policy of transparency and included a climate-related performance report in its NFPS, based on the guidelines proposed by the Task Force on Climate-related Financial Disclosure (TCFD).

3.7.1 GOVERNANCE

3.7.1.1 Board of Directors

One of the primary missions of the Nominations, Governance and Corporate Social Responsibility (CSR) Committee is to examine the Group's challenges concerning sustainable development, including those related to climate change, as well as its sustainable development strategy and the progress made in applying that strategy.

In addition, the BIC Group's Sustainable Development Program, encompassing all related challenges including those linked to climate change, is presented (goals and progress made) to the Board of Directors at least once per year and to the Shareholders at their Annual Meeting.

3.7.1.2 Management

The fight against climate change is an integral part of the BIC Sustainable Development Program. Issues concerning sustainable development and climate change are incorporated in the Group's decision-making processes and the related risks are included in the Group risk mapping prepared by the Risk Management Department.

Every year the Executive Committee reviews the implementation of the "Writing the Future, Together" program, which includes goals that contribute to the fight against climate change (commitments #1, #2 and #4).

In 2020 the CEO renewed the Group's signing of the French Business Climate Pledge, confirming BIC's commitment, alongside a hundred or so other French companies, to combat global warming.

3.7.2 STRATEGY

3.7.2.1 Risks and opportunities related to climate change and their impact ^[DPEF]

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

- 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 subcontractors;
- 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;
- increasing global regulation of carbon and energy directly or indirectly impacting BIC's operations or those of its suppliers and contract manufacturers.

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.

3.7.2.2 Strategy to address the risks and opportunities related to climate change

Using renewable energy at BIC sites

Electricity consumption at BIC sites accounts for 9% of the Group's total emissions. Through the commitment Writing the Future, Together - #2 Acting Against Climate Change, the BIC Group aims to use 80% renewable electricity by 2025, and in the longer term, 100%.



Building on the experience acquired in recent years at certain of its sites, BIC defined a roadmap for this goal. 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⁽¹⁾, green contracts and long-term Power Purchase Agreements, and is investigating the production potential of certain sites.

In 2020, the BIC Group has reached its target of 80% of electricity from renewable sources. In the coming years, the Group will work to consolidate this performance and investigate options for long-term contracts or on-site developments.

Specifically, in 2020:

- in France, BIC purchases renewable energy certificates (Guarantees of Origin, or GoO) for all of its factories plus the Clichy headquarters. This means that all BIC® products manufactured in France are produced using renewable electricity;
- in Greece, the purchase of GoO certificates has covered all of the BIC Violex site's electrical consumption since 2016;
- in Spain, the BIC Iberia and BIC Graphic Europe sites have been using renewable electricity through the purchase of certificates (GoO) since 2018;
- in the United States, the purchase of renewable wind energy certificates (U.S. RECs) covers the energy needs of most American sites;
- in Brazil, the Manaus site has been using wind energy since 2018 through the purchase of iREC certificates;
- in Mexico, the BIC Group has launched a tender for the purchase of long-term renewable energy (Power Purchase Agreements), thus specifically supporting the development of new infrastructures;
- in Daman (India) and Tarragona (Spain), solar panels have been installed.

In addition, since 2018, 100% of the lighters factories have been powered by green electrical energy, and research is underway to develop the sites' self-sufficiency (recovery of waste heat, development of photovoltaic and solar thermal energy, etc.).

Optimizing energy consumption

The BIC Group has been implementing energy efficiency programs in its factories for many years. As a result, the Group has improved its energy efficiency by 5.8% in ten years.

In 2020 BIC signed a partnership with Schneider Electric for the implementation of a system that will closely monitor energy consumption at all BIC sites, with the goal of optimizing consumption and the related costs while increasing the use of renewable electricity. Energy audits of the Group's sites are also planned. In 2021 the first audits will take place at the following sites: Mexico City, Marne-la-Vallée (France), Violex (Greece), Samer and Boulogne (France).

Seventeen energy reduction projects were launched in 2020. Three of these projects involved lighting (replacement of conventional light bulbs by LED bulbs and increased use of natural daylight). Eight projects were conceived to reduce electrical consumption and three to reduce gas consumption.

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:

- in 2020 a manager was assigned to oversee Green IT operations, including defining a strategy and implementing best practices;
- about 85% of the Group's internal and external servers are now virtualized. In 2020 BIC continued to install evermore efficient servers. In particular, they produce less heat, thus reducing the amount of energy needed to cool the data centers;
- as part of the implementation of teleworking due to the public health crisis, all employees in all regions are now equipped with remote coworking tools. An average of 28,000 meetings are organized every month.

Emissions related to purchases

The emissions in this category are mainly related to the Group's purchases of materials, especially plastics (74%).

In 2020 BIC announced two new ambitious goals as part of its "Writing the Future, Together" program. These two goals, which are also integrated in the Group's "Horizon" corporate strategy plan, will help significantly reduce its GAG emissions:

- by 2030, BIC aims for 50% non-virgin petroleum plastic for its products, with a goal of 20% by 2025;
- by 2025, 100% of BIC consumer plastic packaging will be reusable, recyclable, or compostable.

These goals will be attained through the implementation of the Group's "4 Rs" philosophy (described in § 3.2.2.1) and could help reduce its GAG emissions by about 10% (at constant perimeter).

The carbon footprint of our transport activities

The objective of BIC's shipping management system is to ensure the availability of its products while maximizing customer satisfaction, reducing the environmental impact of its transport activities, and optimizing costs. BIC Group has factories all over the world, which tends to limit the need for shipping its products. For example, more than 80% of the products sold in Europe are manufactured on that continent.

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





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 0.84% of the total tonnage shipped, air freight is the transport method that generates the most GHG: in 2020 it represented 49% of the Group’s total emissions from transport.

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 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.

The responsible shipping approach comprises three objectives, whose actions are described in the following table:

Objectives of the responsible shipping approach	Actions taken
Raising awareness and controlling emissions	<p>Since 2014 a steering working group has been tasked with identifying solutions to achieve significant and long-term reductions in air freight, uniting all the professional functions involved and working closely with teams from every category and from all over the world. Transport companies that are committed to sustainable development are also regularly consulted.</p> <p>The specific monitoring of air transport was introduced in 2014, with quarterly reports to the management teams in each zone. In 2020 a tool for overseeing airfreight was implemented Group-wide. This tool requires multiple justifications and approvals prior to the authorization of any shipment by air. Already in 2020, this new tool reduced BIC’s total annual air freight by 51%, for a savings of 8,600 tons of CO₂.</p> <p>In addition, in 2020, the BIC Group has launched a project to capture all of its downstream transportation flows and thus better track the associated emissions. The first results are expected in early 2021.</p>
Optimizing shipments and routes	<p>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.</p>
Selecting responsible carriers	<p>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.</p> <p>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.</p> <p>To encourage its transport service providers to adopt responsible practices, BIC has incorporated the reduction of GHG emissions in its criteria for selecting carriers.</p>

Emissions related to the use of products

The energy used to heat water when shavers are used is the most emitting station, with 38% of total emissions. BIC is exploring opportunities to reduce this position and hopes to launch concrete projects in the coming years.

potentially significant impact on the Group’s strategy, objectives, personnel, assets, environment and/or reputation. To enable a fluid approach, the risk identification and analysis process comprises two complementary components: a “bottom-up” free approach and a “top-down” structured approach. This two-fold approach makes it possible to identify redundancies and discrepancies.

3.7.3 RISK MANAGEMENT

3.7.3.1 Identifying and evaluating risks related to climate change

Climate-related risks are integrated in the Group-wide processes for risk identification, evaluation and management. The Risk Management Department is in charge of identifying and analyzing risks.

The identification process highlights risks arising from both external and internal sources. The key driver for identification is the

3.7.3.2 Management of risks related to climate change and integration of climate-related risks in the overall risk management system

The Executive Committee is in charge of managing the risks identified in the BIC Group’s major risk mapping. Updates on the progress of the action plans for addressing certain key risks are also reviewed at the Board of Directors Meetings.

The Executive Committee and the central departments, including the Legal Department and the Sustainable Development Department, monitor the risks on an ongoing basis.



3.7.4 MEASUREMENT METHOD, INDICATORS AND GOALS

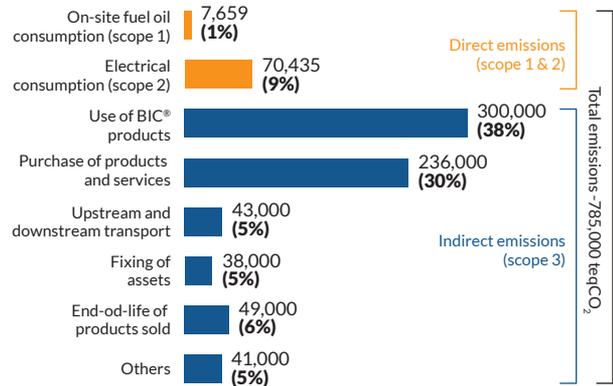
Measurement method

In 2020 the BIC Group reviewed its method for evaluating scope 3 emissions in order to provide an annual report on all types of emissions related to its operations, in addition to those on which the Group has communicated in previous years (purchasing of raw materials and intra-company transport). This effort was undertaken in compliance with the GHG Protocol.

The biggest emission sources for BIC are:

- the product use phase. The main impact is from the consumption of energy to heat water used in shaving;
- the impact of the raw materials purchased, in particular the impact of plastics used in the products;
- the impact related to the end-of-life of products after their use by the consumer.

DECLARATION OF GREENHOUSE GAS EMISSIONS (GHG) SCOPES 1, 2 AND 3 AND OTHER INDICATORS



GREENHOUSE GAS (GHG) EMISSIONS - IN TEQCO₂

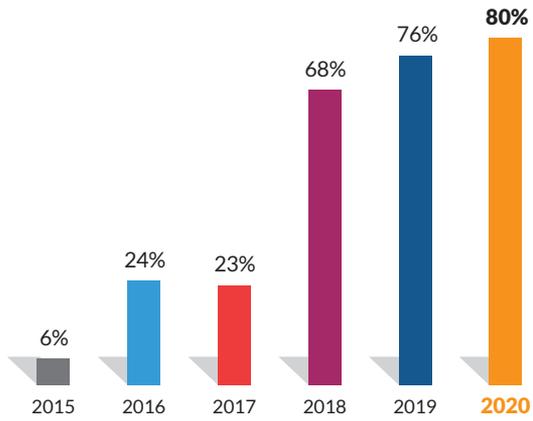
	2018	2019	2020	Variation 2020/2019
Direct GHG emissions (scope 1)	9,813	9,278	7,659	-17%
Indirect GHG emissions (scope 2 location based)	88,470	88,432	70,435	-20%
Indirect GHG emissions (scope 2 market-based)	48,829	36,549	25,277	-31%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED])	98,283	97,711	78,046	-20%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 MARKET-BASED)	58,646	45,827	33,097	-28%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED]) NORMALIZED TO PRODUCTION*	1.014	1.070	1.031	-4%
GHG emissions related to purchases of raw materials (scope 3)	316,000	347,000	232,000	-33%
GHG emissions related to intra-company transport ^(a) (scope 3)	37,000	34,000	18,000	-47%

* TeqCO₂/ton.

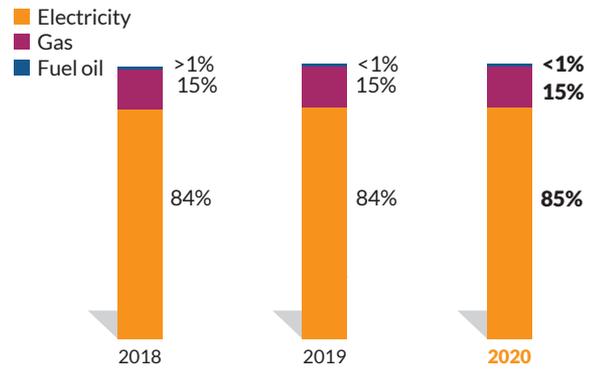
(a) Does not take into account road transport in sea and air fret.



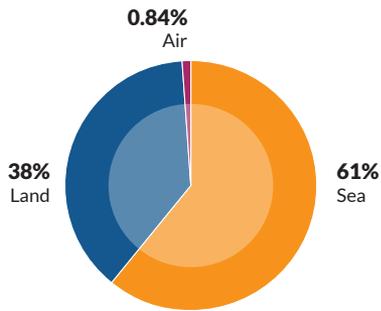
SHARE OF RENEWABLE ENERGY - AS OF TOTAL CONSUMPTION



BREAKDOWN OF BIC GROUP ENERGY CONSUMPTION



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

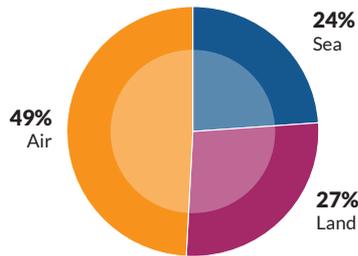


ANNUAL ENERGY CONSUMPTION NORMALIZED TO BIC GROUP PRODUCTION - IN GIGAJOULES/TON

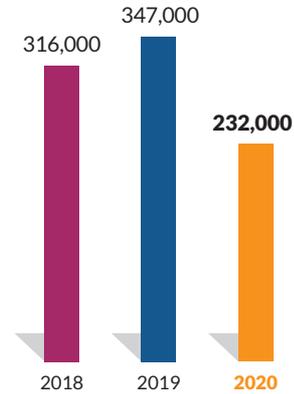
Year	2018	2019	2020	Variation 2020/2019
Normalized Consumption (GJ/Ton)	12.14	12.59	12.96	3%



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



GREENHOUSE GAS EMISSIONS FROM PURCHASES OF PRODUCTS AND MATERIALS - IN TEQCO₂ - BIC GROUP - 2020



GOALS AND RESULTS

Goal	Perimeter	Deadline	2018	2019	2020
80% electricity of renewal origin ^(a)	Sites	2025	68%	76%	80%
Keep airfreight below 2.3% for intra-company transport ^(b)	Transport	Annual	0.93%	0.75%	0.84%
BIC's goal is to use:	BIC® products				
• 20% recycled or alternative plastics in its products		2025	NA	3%	4.3%
• 50% recycled or alternative plastics in its products		2030	NA	3%	4.3%
100% of BIC plastic packaging will be reusable, recyclable or compostable ^(c)	Consumer packaging	2025	ND	ND	49.3%
100% of BIC paper and cardboard packaging will be from certified and/or recycled sources	Packaging	2025	94.2%	95.7%	97.3%
100% of BIC plastic packaging will be PVC-free	Packaging	2025	87.9%	92.1%	94.4%
75% of the materials used in BIC plastic packaging will be recycled ^(c)	Packaging	2025	ND	ND	48.9%

(a) In % of total consumption.

(b) In ton-kilometers -% of the total.

(c) Indicator calculated for the first time in 2020 following the Group's commitment in 2020.

3.8. MILESTONES ^[NFPS]

The present report follows the methodological recommendations of the Global reporting Initiative (GRI). The GRI indicators used herein are included in the cross-reference table of environmental and social information on page 340.

3.8.1 EXTRA-FINANCIAL RATINGS

In 2020, BIC was listed on the following socially responsible investment indexes:

- CDP Climat 2020: Leadership Level A- (see § 3.7);
- CDP Supplier Engagement Rating 2020: Management level: B.

In 2020, based on data published in 2019, the rating agency Gaia assigned BIC an ESG rating of 82 (+7 vs. 2019).

3.8.2 PERIMETER AND SELECTION OF INDICATORS

The reporting period covered by the present report is from January 1 to December 31, 2020.

3.8.2.1 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 ⁽¹⁾ 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.

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

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.

3.8.2.2 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.

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. BIC Nantong is excluded from the reporting scope because this plant produces less than 1% of the Group's total lighter volume.



In 2020, the East Africa (Kenya) 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 2020, Ecuador site and Cello Pentek Pen & Stationery, were removed from the environment-health-safety perimeter due to their closure.

Lucky STATIONARY NIG. Ltd entity is excluded from the perimeter for all indicators.

3.8.2.3 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.

Concerning the reporting of indirect emissions (scope 3), the BIC Group provides an annual report on its emissions. The underlying hypotheses and emission factors are reviewed regularly in order to confirm their relevance.

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 Cello Pens, Canada, APAC and recent sales and acquisitions).

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 ≤ 3 g per km; correction tape ≤ 1.8 g per m; lighter ≤ 8 g per 1,000 flames; shaver ≤ 1 g 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 and business-to-business sales are considered in the calculation.

Share of the BIC® product portfolio assessed using EMA

In 2020, 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.

Number of products improved

Each year, only products that are intended to be launched on the market or that are already marketed are included in the calculation of this indicator.

Percentage of non-virgin petroleum plastic for BIC® products

This indicator concerns the recycled or alternative plastics purchased for the manufacture of BIC® products. It is calculated on weight of plastic raw material and component purchased for products manufactured in the factories operated by BIC (excluding BIC Graphic, Nigeria and Djeeep).

Percentage of reusable, recyclable or compostable consumer plastic packaging

This indicator corresponds to the that of consumer packaging being either reusable, recyclable or compostable. It is calculated on material weight and concerns the consumer plastic packaging (pouch, blisters, etc.). The indicator reported for 2020 concerns the products of the three main categories (excluding Cello Pens, Canada, APAC and recent sales and acquisitions).

Percentages of responsibly sourced cellulose packaging, PVC free plastic packaging and recycled plastic 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 Cello Pens, Canada, APAC and recent sales and acquisitions).

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 #4 Proactively involving suppliers

The indicator "percentage of strategic suppliers who have integrated the sustainable purchasing program" is also calculated excluding Cello.

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.

Since 2019, the methodology for estimating the number of children affected by an action through teachers is the following: one teacher directly impacted is reported as 90 children (indirect impact). This corresponds to the impact of the action on a teacher for at least three years and to the worldwide average of a class of 30 children ($3 \times 30 = 90$ children per teacher).



3.8.3 INDICATORS TABLE

Environmental indicators	Unit	2018	2019	2020
Management systems of factories				
Factories with environmental and health & safety management systems (or with implementation under way)	%	83.0	83.0	87.5
Energy consumption				
Annual energy consumption	Gigajoules	1,176,465	1,149,930	981,437
Writing the Future, Together #2: Share of electricity of renewable origin	%	68	76	80
Annual energy consumption normalized to production	Gigajoules per ton	12.14	12.59	12.96
Greenhouse Gas (GHG) emissions				
Total amount of annual GHG emissions (location-based)	tCO ₂ eq	98,283	97,711	78,046
• Direct GHG emissions (Scope 1) (location-based)	tCO ₂ eq	9,813	9,278	7,659
• Indirect GHG emissions (Scope 2) (location-based)	tCO ₂ eq	88,470	88,432	70,387
Total amount of annual GHG emissions GES (market-based)	tCO ₂ eq	58,646	45,827	33,185
• Indirect GHG emissions (Scope 2) market-based	tCO ₂ eq	48,829	36,549	25,438
Total ratio of annual GHG emissions to production	tCO ₂ eq/ton	1,014	1,070	1,031
GHG emissions related to raw material purchase	tCO ₂ eq	316,000	347,000	232,000
GHG emissions related to intra-company transport ^(a)	tCO ₂ eq	37,000	34,000	18,000
Water consumption				
Annual water consumption	m ³	515,296	444,840	394,821
Ratio of annual water consumption to production	m ³ per ton	5.32	4.87	5.22
Waste production				
Annual waste production	Tons	20,515	20,049	17,453
• Non-hazardous industrial waste	Tons	16,908	16,526	14,931
• Hazardous industrial waste	Tons	3,607	3,522	2,522
Ratio of annual production of industrial waste to production	Tons/tons	0.212	0.220	0.230
Recycled waste	%	64	65	64.5
Recovered waste (recycled or incinerated with energy recovery)	%	78	81	82
Transportation				
GHG emissions related to intra-company transport ^(a)	tCO ₂ eq/ton	0.345	0.291	0.246
Intra-company transport operated without airfreight	%	99.07	99.25	99.16
Products				
Writing the Future, Together #1 Share of recycled or alternative materials in BIC [®] products	%	ND	3	4.3
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 ^(b)	%	>50.0	>50.0	>50.0
Packaging				
BIC cardboard packaging from a certified and/or recycled source	%	94.2	95.7	97.3
BIC plastic packaging PVC free	%	87.9	92.1	94.4
Writing the Future, Together #1 Reusable, recyclable or compostable plastic in consumers' packaging ^(c)	%	NA	NA	49.3
Writing the Future, Together #1 Recycled content of plastic packaging ^(c)	%	NA	NA	48.9
Other Indicators				
Provisions and guarantees for environmental risks ^(d)	Million euros	-	-	-
Compensation paid during the fiscal year under court order	Million euros	-	-	-

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

(b) Excluding Cello Pens.

(c) Indicator measured for the first time in 2020 as part of the BIC Group's 2020 commitment.

(d) 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	2018	2019	2020
Group workforce				
Total workforce		16,955	16,794	13,752
• Permanent employees	number of employees ⁽¹⁾	13,664	12,777	11,246
• Fixed term contracts	number of employees	incl. in temporary workers	incl. in temporary workers	587
• Temporary workers	FTE	3,291	4,017	1,919
Voluntary turnover	%	14	13	14
Permanent workforce by region				
Percentage of permanent workforce by region				
• Europe	%	30.0	31.0	35.8
• North America	%	5.0	6.0	6.6
• Developing countries	%	65.0	63.0	NA
• Latin America	%	NA	NA	19.2
• Middle East & Africa	%	NA	NA	6.1
• India	%	NA	NA	31.3
• Asia Pacific	%	NA	NA	0.99
Permanent workforce by activity				
Percentage of permanent workforce by activity				
• Manufacturing and R&D	%	75	74	NA
• Distribution, marketing and G&A	%	13	13	NA
• Sales force and customer service	%	12	13	NA
• Group Commercial	%	NA	NA	18
• Graphic	%	NA	NA	2.5
• Group Supply Chain	%	NA	NA	66.3
• Lighters	%	NA	NA	8.4
• Group Insights & Innovation	%	NA	NA	1.7
• Group BIC Services	%	NA	NA	0.92
• BIC Group	%	NA	NA	0.01
• BIC Foundation	%	NA	NA	0.01
• Corporate Stakeholder Engagement	%	NA	NA	0.05
• Group Communications	%	NA	NA	0.12
• Group Finance	%	NA	NA	0.52
• Group HR	%	NA	NA	0.3
• Group IT	%	NA	NA	0.8
• Group Legal	%	NA	NA	0.3
• Strategy & Business Development	%	NA	NA	0.03

(1) In FTEs for 2018 and 2019, in number of employees for 2020.



Social indicators	Unit	2018	2019	2020
Training, career management and engagement				
Percentage of employees that have received training	%	68	60	70
Number of training days	Days	19,511	16,629	24,202
Number of training days per employee	Days	2.0	2.2	3.1
Number of training hours per theme	Hours	220,042	133,035	193,614
• Technical training	Hours	154,564	100,725	124,634
• Leadership skills	Hours	27,827	5,607	NA
• BIC culture	Hours	23,738	11,814	NA
• Health & Wellbeing	Hours	13,905	14,889	22,960
• Personal Effectiveness	Hours	NA	NA	33,508
• Management Skills	Hours	NA	NA	4,009
• Crisis Management	Hours	NA	NA	4,095
• Business Skills for Tomorrow	Hours	NA	NA	4,408
Internal promotion rates among managers (highest levels: 3 to 6)				
• External recruitment	%	38	41	NA
• Internal recruitment	%	62	59	NA
Internal development moves and promotion rate	%	25	25	NA
Number of Total Promotions (Superior Level)	Number	NA	NA	270
Diversity				
Percentage of women in management and workforce	%	49	48	46
• Board of Directors	%	40	50	46
• Executive Committee	%	14	25	22
• Managers (highest levels: 3 to 6)	%	32	32	NA
• Level 4 and above (Executives & Excom)	%	NA	24	26
• Level 3 (Senior Managers)	%	NA	37	39
• Level 1 and 2 (Managers & Professionals)	%	NA	38	39
• Non-managers	%	NA	51	49
• Europe	%	NA	33	38
• North America	%	NA	42	44
• Latin America	%	NA	49	49
• Middle East & Africa	%	NA	47	38
• India	%	NA	60	56
• Asia Pacific	%	NA	40	47
Safety				
Writing the Future, Together #3: Lost time injuries	Number	84	74	50
Sites without lost time injuries	Number	61	55	62
Incidence rate of workers' accidents - BIC workforce (accidents with temporary or permanent incapacity)	Number/million hours worked	2.09	1.85	1.85
Incidence rate of workers' accidents - BIC workforce and temporary workers		2.14	1.87	1.63
Severity rate of workers' accidents - BIC workforce (days of temporary incapacity)	Number/thousand hours worked	0.08	0.06	0.07
Absenteeism				
Absenteeism rate (excluding on-site accidents and maternity)	%	0.8	0.9	1.4

Societal indicators	Unit	2018	2019	2020
Suppliers' relationships				
Writing the Future, Together #4: of strategic suppliers integrated in the responsible purchasing program	%	NA	NA	25.8
Respect for Human Right in the workplace				
Net sales from BIC [®] products manufactured in its own factories	%	92	92	92
BIC permanent employees working in countries with no Human Rights risk ^(a)	%	87	87	85
BIC factories located in countries with no Human Rights risk ^(a)	%	87	83	84
Net sales in countries with no Human Rights risk ^(a)	%	84	83	80
Sponsorship				
Contribution to communities (percentage of the Group's pretax profit)	%	>0.5	>0.7	0.9
Improving lives through education				
Writing the Future, Together #5: Children with improved learning conditions (cumulated)	million	15	61	118

(a) Source: Freedom House.



3.8.4 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 Auditor's 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.

For the year ended December 31, 2020

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), we hereby report to you on the consolidated non financial statement for the year ended December 31, 2020 (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 requirements 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."

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.

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, as well as in the second paragraph of Article L. 22-10-36 regarding 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⁽¹⁾ - work 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.

(1) **Qualitative information:** Product safety, Social Dialogue, Business conduct and the fight against corruption



- We carried out, for the key performance indicators and other quantitative outcomes⁽¹⁾ 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⁽²⁾ and covered between 21% 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.

Means and resources

Our work engaged the skills of six people between September 2020 and March 2021.

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.

Paris-La Défense, March 29, 2021

One of the statutory auditors,

Deloitte & Associés

Jean-Pierre Agazzi
Partner

Julien Rivals
Partner, Sustainability Services

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.

Comment

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 strategic suppliers reached by a responsible purchasing action and to the products that have at least one environmental benefit that do not cover Cello Pens).



(1) **Progress of the Writing the Future, Together program in 2020:** Share of electricity of renewable origin (commitment #2), Incidence rates of workers' accidents for BIC workforce and temporary workers (commitment #3), % of strategic suppliers have integrated the responsible purchasing program (commitment #4), 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 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), Evaluation of indirect greenhouse gas emissions (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

(2) BIC Viorex (Greece), BIC Amazonia (Brazil), BIC Conté (France), BIC Stationery Mexico (Mexico), BIC Milford (USA), BIC South Africa



CROSS REFERENCE TABLE FOR ENVIRONMENTAL AND SOCIAL INDICATORS

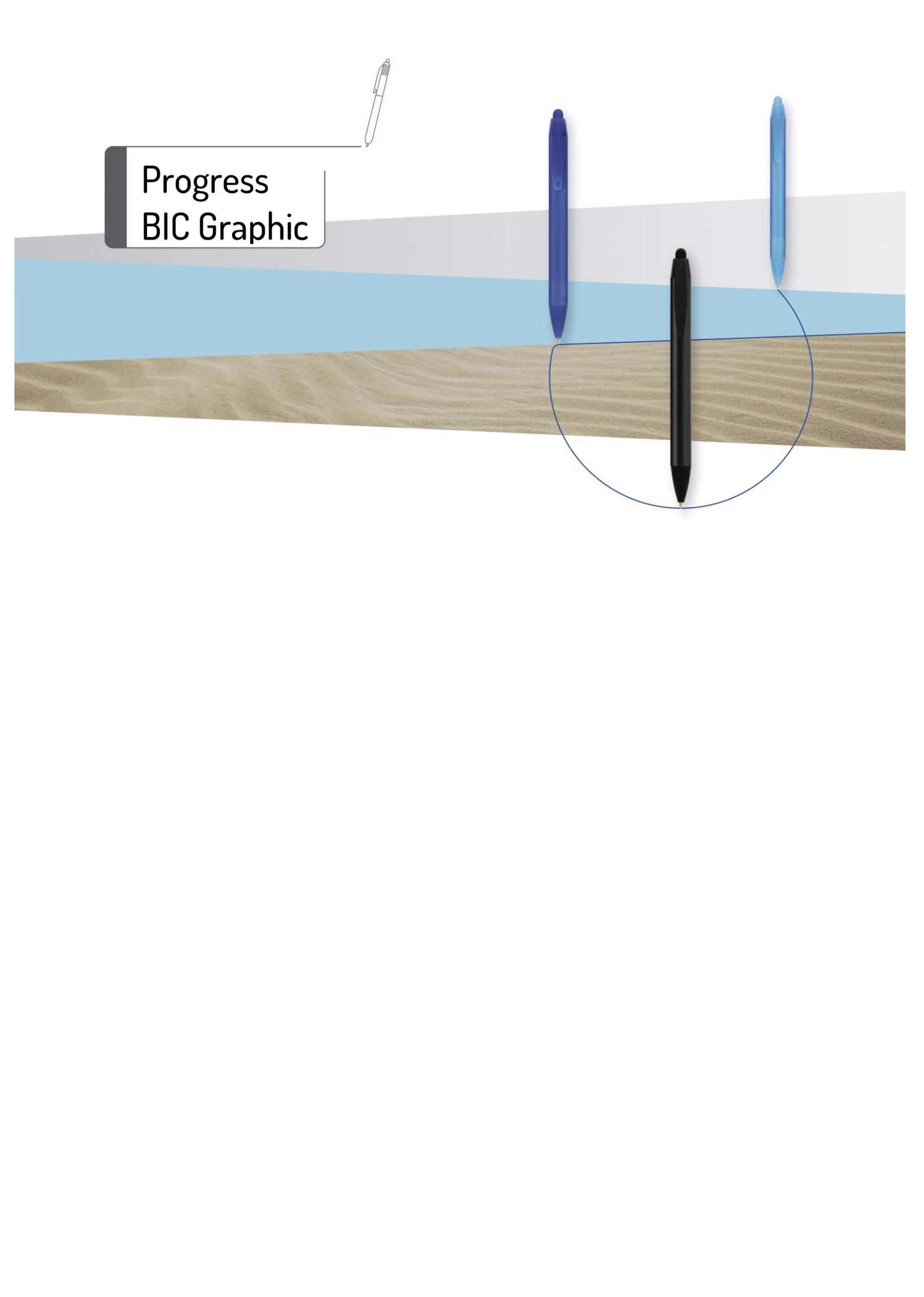
For each section of the registration document, the following table gives the corresponding GRI^(a) indicators, the principles of the United Nations Global Compact and the general policies of the OECD Guidelines^(b).

Contents of the registration document	GRI ^(a)	Principles of the Global Compact	OECD ^(b) general principles	Pages
1. Group presentation, perspectives, and strategy	102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-8, 102-9, 102-45, 102-49, 103-1	-	6, 10	23-45
2. Risks management	102-15, 103-1	-	-	47-68
3.1 Sustainable Development Program	102-14, 102-27, 102-43, 102-44, 103-2	1 to 10	1, 5, 10, 11, 12, 14	77-85
3.2 Our products	102-43, 416-1, 417-1	7, 8, 9	1, 8, 10, 12, 13	86-98
3.3 Our industrial sites and offices	102-43, 201-2, 301-1, 301-2, 302-1, 302-2, 302-3, 302-4, 303-1, 305-1, 305-2, 305-5, 306-2, 307-1	7, 8, 9	10, 11, 12	99-107
3.4 Our social responsibility to our team members	102-8, 102-43, 401-1, 403-2, 403-4, 404-1, 404-2, 404-3, 405-1	1, 3, 4, 6	2, 4, 8, 9	108-120
3.5 Ethic and business conduct across the value chain	102-8, 102-09, 102-13, 102-16, 102-17, 102-43, 205-1, 205-2, 408-1, 409-1, 412-1, 414-1	1, 2, 5, 10	2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 15	121-126
3.6 Our social commitment	203-1, 203-2	1	1, 3, 14	127-130
3.7 The climate-related performance report	302-1, 302-2, 302-3, 302-4, 305-1, 305-2, 305-5	7, 8, 9	10, 11, 12	131-136
3.8 Milestones	102-10, 102-44, 102-49, 102-50, 102-56, 103-1	-	1, 2, 3, 9, 13	137-145
4. Corporate governance	102-18, 102-22, 102-25, 102-35	-	6	147-194

(a) GRI: Global Reporting Initiative, version G4.

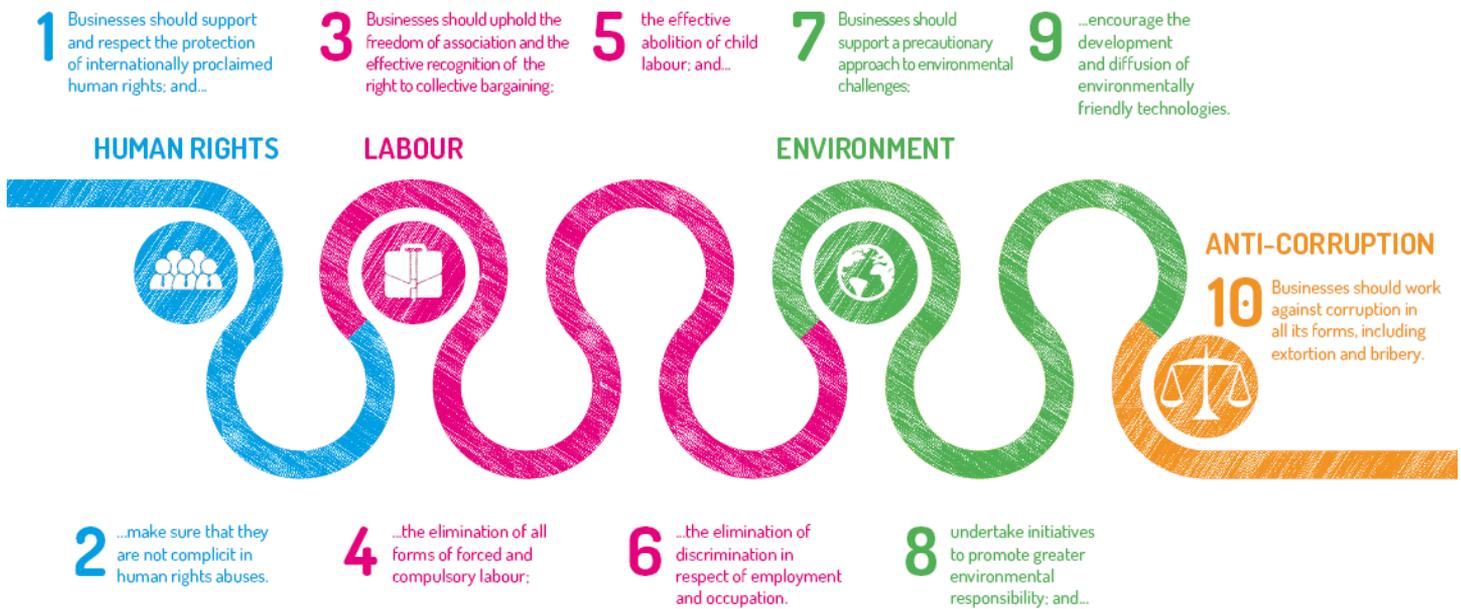
(b) OECD: Organization for Economic Co-operation and Development





Progress
BIC Graphic

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



BIC Graphic Europe selected several Sustainable development goals to concentrate on in 2020.



In April 2018, BIC Graphic Europe became a participant of the UN Global Compact Spanish red. We decided to dedicate the first year of membership to 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 and third year, in 2019 and 2020, 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. This COP is informing about the most important tools BIC Graphic Europe has in place or put in place during 2020. This COP focuses around the four groups of stakeholders selected by BIC Graphic Europe to report about after its first years of membership: multi-stakeholders, team members, providers, customers, environment and local communities.

The following progress is reported by BIC Graphic Europe:

Multi-Stakeholders

- Improvements of IT systems
- Improvements of Manufacturing Operation System
- Virtual factory set-up
- French recycling partnership

Team members:

- Data protection training
- Code of conduct and anti-corruption training
- Pandemic related trainings
- Equality Plan revision
- Gender gap analysis
- Christmas Social Gift
- Complementary health insurance & health service in factory

Providers:

- Supplier Mapping Project

Customers:

- Customer care tools
- Claims management project
- International customer service week

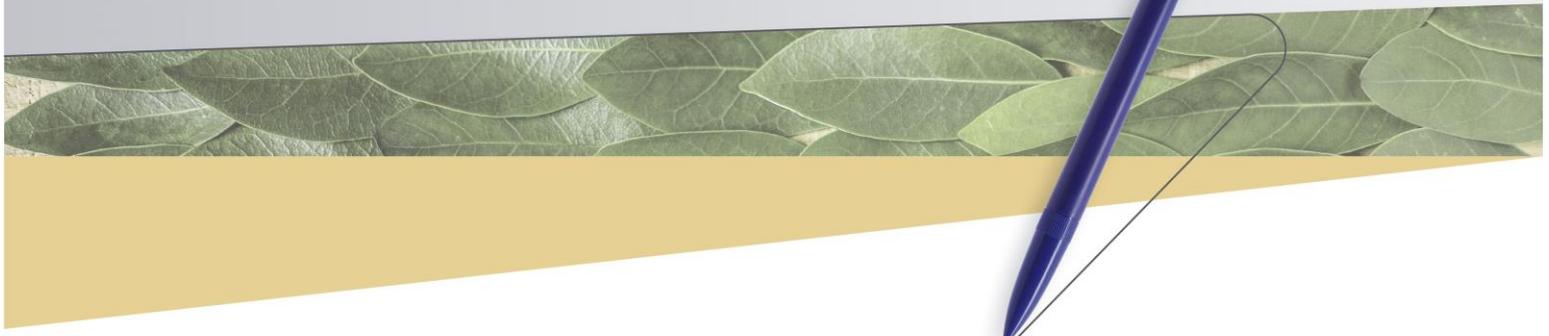
Environment:

- Imprim'vert label
- CO2 neutral website
- Scrap reduction project
- New water treatment installation
- Updated electric installations
- Wood pallets improved life-cycle

Local communities

- Treedom partnership
- Material donations

Multi-
Stakeholders



Improvements of IT systems

After a period of preparation, in 2019 BIC Graphic Europe implemented and kicked off 6 new IT systems that interact together in order to improve our operations for the benefit of customers, team members, providers and other stakeholders.

BIC Graphic already utilised an online ordering platform, its website. The following new 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

During 2020, the team focused on improvements to the systems to better answer our team members and customer needs.

For instance, our “Quote optimization project” helped to eliminate 30% of clicks by the customer care department and consisted of more than 200 screen modifications that in the end results in 23% of time saved during the process.

UN Global Principles:

1	2	3	4	5	6	7	8	9	10
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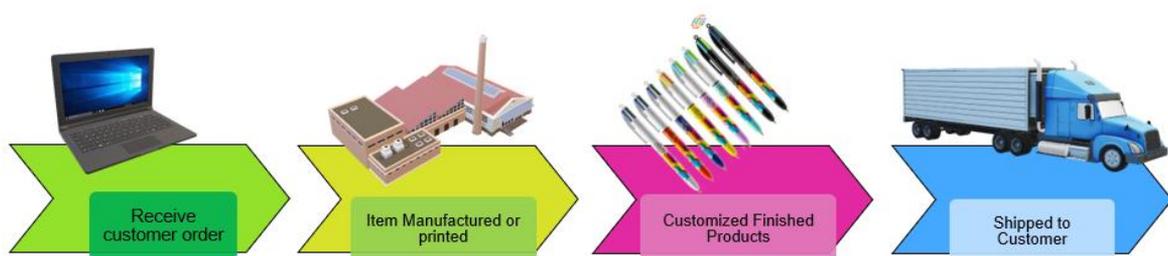
SDGs	1	2	3	4	5	6	7	8
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9	10	11	12	13	14	15	16	17
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Improvement of Manufacturing Operation System

After the implementation of IT systems for its MOS, Manufacturing Operation System, in 2020 BIC Graphic Europe focused on the improvement of our processes and operations for the benefit of customers, team members, providers and other stakeholders.

New and improved processes help BIC Graphic Europe better manage:

- Scheduling and optimization
- Work orders & execution
- Permanent and real-time monitoring of production & performance
- Quality control and management
- Analysis, reporting and KPIs



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
√			√					

Virtual factory set-up

BIC Graphic Europe decided to challenge its IT systems and processes by installing a virtual factory¹ for a period of several weeks. We virtually tested a full month of real orders to see where we missed processes, where we could improve from an IT perspective and what new services we could put in place to improve our operations and better serve our customers, team members, providers and other stakeholders' needs.



UN Global Principles:

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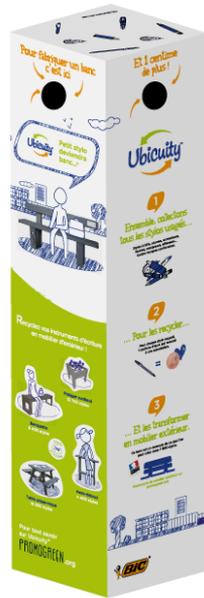
SDGs	1	2	3	4	5	6	7	8
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9	10	11	12	13	14	15	16	17
√								√

¹ Icons: www.flaticon.com, author Eucalypt

French recycling partnership

BIC Graphic organized, in association with top French distributors, a dedicated project where BIC® 4 Colours pens are printed with the logo of the project ambassador and with the logo of the project that promotes the recycling of writing instruments.

This action gives the visibility of an important BIC Group project regarding writing instrument recycling: our Terracycle®/ Ubiocity® project that transforms pens to urban outdoor furniture.



UN Global Principles:

1	2	3	4	5	6	7	8	9	10
						√	√	√	

SDGs	1	2	3	4	5	6	7	8
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9	10	11	12	13	14	15	16	17
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Team
Members



Pandemic related Trainings

2020 was a year affected by the Covid pandemic. BIC Graphic Europe used the situation to deliver various training in the field of homeworking and security.



UN Global Principles:

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√	√								

SDGs	1	2	3	4	5	6	7	8
			√					
9	10	11	12	13	14	15	16	17
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BIC Graphic Europe's Equality Plan

In 2018, BIC Graphic Europe and the Employees representation approved a new Equality plan. In order to establish such a plan, we realized an extended study and valorisation of the situation of women and men in our company.

In 2019, the equality plan was reviewed by BIC Graphic Europe and the Employees representation with the aim of updating the quantitative analysis of the diagnosis, as well as the measures implemented and introducing new actions to be developed from 2020.

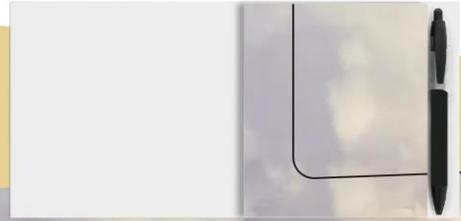
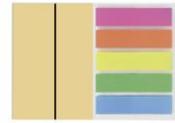
In 2020, we continued to look into the possibilities of how to detect discrimination and inequality and the actions that can be programmed in order to eliminate them. We also included a specific protocol to avoid moral or sexual harassment.

The characteristics of this plan are as follows:

- It is designed for all team members and not directed exclusively to women
- It adopts the transversal presence of gender as one of its principles and a strategy to effectively put in place equality between women and men with the implication of gender perspective within the management of our company



Providers



Customers



Customer care tools

During 2020, the Customer Care department used the opportunity of homeworking to create 11 new manuals and update four of them to better serve our customers.

A dedicated team of “CSR ambassadors” developed factsheets, videos and other tools for the team to be able to answer our customers’ questions quicker and with more precise information in four different languages.

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
								√

Claims project

As part of our continuous improvement, the team decided to focus on our claims management to improve our customer satisfaction.

After internal and external surveys, a new claim guide was developed and published that permits us to pick up and track samples more efficiently and improve the communication with customers.

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
√			√					√

Environment



Imprim'vert label

During the summer of 2019, BIC Graphic Europe decided to challenge its printing facilities. We decided to obtain the Imprim'vert label. Such a label, obtained after a documental review and on-premises audit, proves our engagement in sustainable management of our printing methods.

The Imprim'Vert label is dedicated only to printing plants. The objective is a pragmatic method to reduce the environmental impact of the printing industry.

The following parameters 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 renewed the right to use the label in 2020 and has firm intention to renew it regularly.



UN Global Principles:

1	2	3	4	5	6	7	8	9	10
					√	√	√	√	

SDGs	1	2	3	4	5	6	7	8
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9	10	11	12	13	14	15	16	17
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CO2 neutral website

BIC Graphic Europe realized 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.

We renewed our commitment in 2020 as part of our sustainable development program.



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
√			√	√				√

Scrap reduction project

With our improved IT systems and team dedication, a project to reduce production scrap was born. We focused on quality of data in our systems versus real data calculated physically on scrap material. Thanks to the analysis, we put in place new methodology, training for team members and have clear KPIs on scrap reduction.

The optimization of prime material for our Sticky Notes, which is now 100% certified or recycled material, made us drastically reduce the production scrap in this area.

The optimization for our digital orders is another area where thanks to analysis and action plan, our scrap decreased significantly.

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
√			√					√

New water treatment point

In 2020, BIC Graphic Europe and its mother company installed a new water treatment point for our factory. This updated technology helps us to sustainably manage our water use.

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
√		√	√	√		√		√

Updated electric installations

For several years, BIC Graphic Europe has used renewable electricity to power our Tarragona site. In 2020, we decided to proceed with some improvements in our electric installation.

For instance, we installed electric switches to automatically switch of lights during hours with no personnel in offices. We also installed links between lights and the air-conditioning system to ensure air-conditioning is switched off when no lights are also being used.

UN Global Principles:

1	2	3	4	5	6	7	8	9	10
						√	√	√	

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

Wood pallets improved lifecycle

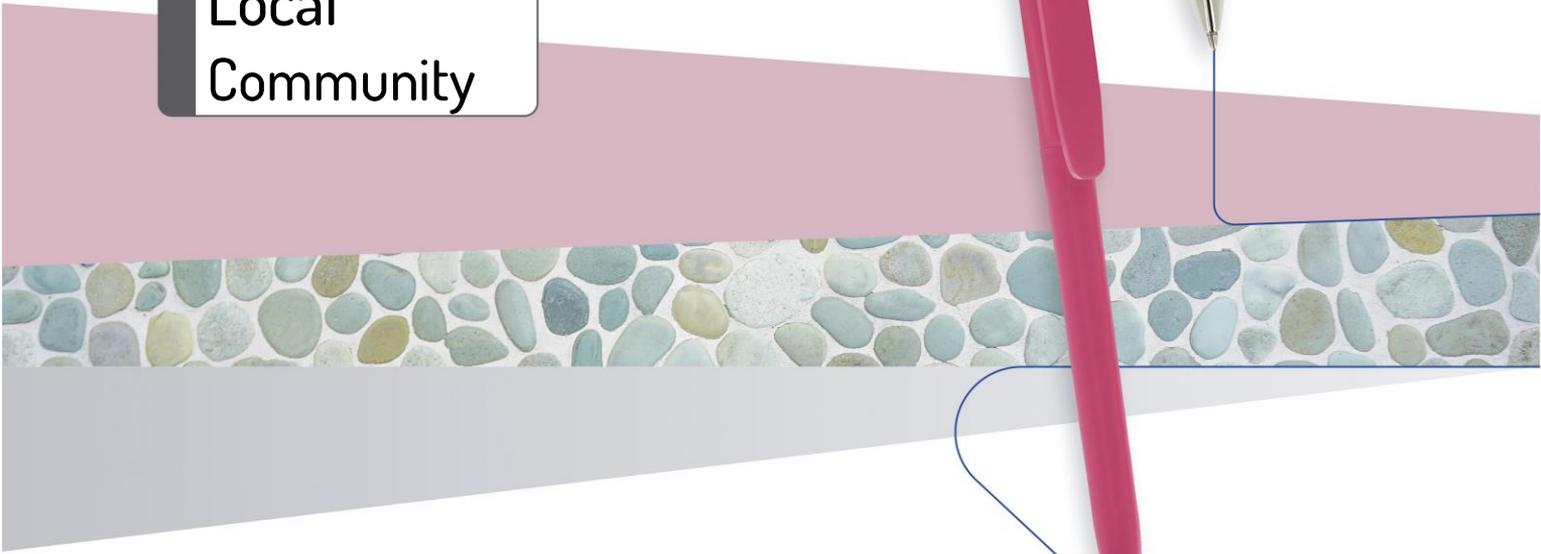
After evaluation of our impact regarding recycling of broken or unused wood pallets, BIC Graphic Europe decided to improve the lifecycle by stopping using an external provider to come with a truck and recover such pallets. We decided to eliminate the need for transport by reusing all pallets internally.

UN Global Principles:

1	2	3	4	5	6	7	8	9	10
						√	√	√	

SDGs	1	2	3	4	5	6	7	8
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9	10	11	12	13	14	15	16	17
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Local
Community



Treedom partnership

In 2019, BIC Graphic Europe launched several sustainable packaging options. To go further, we decided to partner with Treedom, an Italian organization member of UN Global Compact, who is helping local communities in several countries by planting forests.

We decided to go for a durable project. We did not put in place a one-time action such as discount. We decided to give a gift that will last for many years. The forest we are planting in Kenya will last for a long time and has the possibility to grow.

This project is highly sustainable as planting trees reduces the CO2 emissions by producing oxygen. But the trees we planted are not any trees. We also integrated a social action in this project. The trees are fruit trees that promote small agro-projects in local areas, gender equality plans and responsible local consumption.

In 2020, our 501 trees grew nicely, and we regularly shared news about this success story with team members and other stakeholders.



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
√	√	√	√	√	√	√		√

Material donations

For many years, BIC Graphic Europe has donated its unused or returned material to NGOs. In 2020, we donated lots of small quantities of pens or stationary products, with the three largest donations for the following projects:

- 41800 pens donated to an association acting in the field of education (Guinea Bisseau)
- 5000 pens donated to association helping vulnerable families (Spain)
- 5000 pens donated to an association acting in the field of education (Spain)

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
			√	√				√