



WE SUPPORT



COMMUNICATION ON PROGRESS

"BIC's participation in the Global Compact and continued commitment to the initiative and its ten principles is a true point of pride for the entire BIC team. Advocacy of human rights and the advancement of education for all is part of our DNA and will continue to be in the future".

Gonzalve Bich, BIC's Chief Executive Officer.

EXECUTIVE SUMMARY

With the following extract of our 2021 Non-financial Performance Statement, we present a description of the actions BIC has taken to implement the Global Compact principles in our daily operations. This document covers our 2021 activities and includes a reference table to the ten Global Compact principles.

NON-FINANCIAL PERFORMANCE STATEMENT: OUR ENVIRONMENTAL, SOCIAL AND SOCIETAL RESPONSIBILITY

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

BIC has decided to present the various items required by French executive order No. 2017-1265 of August 9, 2017 ⁽¹⁾ across different chapters of its management report:

Business Model	BIC's business model is presented in the excerpts from the Integrated Report.
Major Risks	Major risks for BIC are also discussed in Chapter 2.1.
CSR Risks	The CSR risks identified under the NFPS are listed and described in Section 3.8.1.
Chapter 3	<p>This chapter provides:</p> <ul style="list-style-type: none"> • a description of the sustainable development challenges in the introduction to each section; • the risks identified in the Non-Financial Performance Statement and the related opportunities in the "Risks and Opportunities" sections; • a description of the policies and actions in place under the "Policies, actions taken, results and outlook" sections. <p>These include due diligence work to identify, prevent and reduce the frequency of risks or to take the opportunities identified. Also included are the results of these policies, including key performance indicators and, where applicable, the relevant outlook.</p>

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

BIC identifies information expressly required in the Non-Financial Performance Statement with the initials [NFPS] and [NFPS Risk X]. The Group also decided to continue presenting all the action plans related to its Sustainable Development Program. This includes those that do not directly help prevent or reduce a major risk. The Group has, however, reorganized this chapter to prioritize the information directly relating to the Non-Financial Performance Statement.

A summary table of the Non-Financial Performance Statement can also be found in section 3.8.1.

Main CSR risks and opportunities [NFPS]

BIC has identified nine main non-financial risks resulting from its operations and the use of its goods and services:

1. Risks related to plastics: plastic waste and resource depletion [NFPS risk 1] (See section 3.2.1.1);
2. Risks related to climate change [NFPS risk 2] (See section 3.3.3.1);

3. Risks related to product safety and consumer health & safety [NFPS risk 3] (See section 3.2.4.1);
4. Risks related to health & safety of team members [NFPS risk 4] (See section 3.4.3.1);
5. Risks related to non-respect of human rights (child labor, international conventions, ILO) [NFPS risk 5] (See section 3.5.2.1);
6. Risks related to unfair practices (corruption) [NFPS risk 6] (See section 3.5.3.1);
7. Risks related to our operations and the environment [NFPS risk 7] (See section 3.3.1);
8. Risks related to reputation and brand [NFPS risk 8] (See section 3.2.5.1);
9. Risks related to experienced team members and skills [NFPS risk 9] (See section 3.4.4.1).

The 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 this Universal Registration Document.

The summary table of the Non-Financial Performance Statement in section 3.8.1. summarizes the information required by French executive order No. 2017-1265 dated August 9, 2017 ⁽¹⁾.

(1) For the purposes of applying Decree No. 2017-1180 dated July 19, 2017 on the disclosure of non-financial information by certain large companies and corporate groups.



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 close to 20 years, it has played a fundamental role in guiding BIC's strategy, 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, while making a meaningful contribution to the lives of its team members and the planet over the long-term.

In its "Writing the Future, Together" program, BIC seeks to build on its long-standing sustainable development efforts and to bolster its engagement by pledging to five commitments for the 2018 to 2025 period.

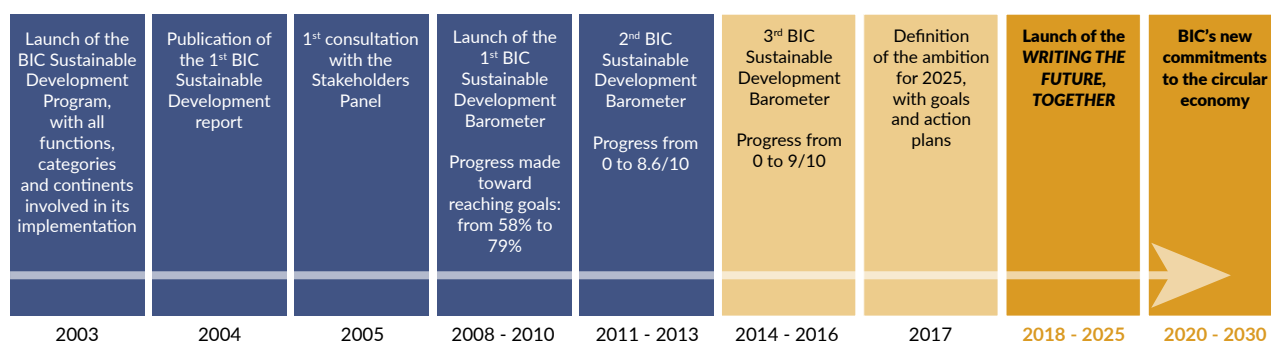
3.1.1 THE HISTORY OF BIC'S SUSTAINABLE DEVELOPMENT PROGRAM

Launched in 2003, BIC's Sustainable Development Program has continued to evolve and address major environmental and human issues as well as stakeholder expectations. It also benefits from advances in R&D, innovation, and evolutions in the Group's operations.

This exhaustive program encompasses all key sustainability issues as well as the related risks ⁽¹⁾ that BIC must address to fulfil its Corporate Responsibilities. A unique reporting system is used to

monitor the Group's performance for continual improvement. Since 2018, the Program has been guided by the five ambitious commitments that make up "Writing the Future, Together". In 2020, this program was reinforced with additional commitments that will fundamentally transform the way the Group uses plastic.

Through its Sustainable Development Program, the Group also contributes to the UN Sustainable Development Goals (see also Section 3.1.2.1).



(1) The main CSR risks related to the activities and use of BIC's goods and services are presented in the Chapter "Risks management" on page 48.

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 our employees and society over the long term, simply because it is the right thing to do.

To shape our business tomorrow and ensure we create a sustainable future for all we believe it is essential to:

- promote sustainable innovation in our products;
- act against climate change;
- provide our team members with a safe workplace;
- make our supply chain more responsible; and
- reinforce our commitment to education."

3

3.1.2 WRITING THE FUTURE, TOGETHER, A COMMITMENT FOR 2025

In 2017, BIC defined ambitious commitments that enable the Group to create value over the long-term for the benefit of all stakeholders. This effort is based on the principles of its Sustainable Development Program, namely assessing the materiality of the issues, incorporating the UN Sustainable Development Goals. It also takes into account regulatory requirements and consultations with stakeholders, as well as lessons drawn from regular benchmarking.

The vision thus defined is set out in "Writing the Future, Together," driven by BIC's ambition for sustainability (see Section 3.1.1.1) and comprising five commitments which are an integral part of the Group's strategy and *Horizon* plan.

→ 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 100% renewable electricity (SDG 7, 8, 9, 12, 13).

#3 Committing to a safe work environment: By 2025, BIC is aiming 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).



**FLAME FOR LIFE SUSTAINABILITY PROGRAM - SPEARHEADING CSR INNOVATION**

Fully aligned with "Writing the Future, Together", the Flame for Life division's Sustainable Development program is driven by innovation and exploration. Its approach is based on the following principles:




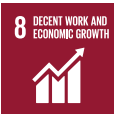



- adopting a science-based approach;
- exploring new avenues and questioning all options;
- improving practices through pilot projects;
- considering social and environmental impacts;
- promoting open dialogues and partnerships;
- transparency.

The transformation of internal practices is carried out at each stage of the life cycle. This approach makes it possible for BIC to address three major issues: climate change, resource depletion and decrease in plastic pollution. In addition, the Group has launched pilot projects to support some of its suppliers in improving their CSR approach.

The Flame for Life sustainability program was created through pilot projects. They evolve as feedback is received and, when satisfactory scalable results are obtained. One of the program key achievements is the design of the BIC® Maxi Ecolutions® lighter, whose components were reviewed to see which ones had the most impact and improved by using recycled or bio-based materials, and avoiding certain dyes. Like all BIC® lighters, this range is manufactured in a factory supplied with 100% renewable electricity.

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

WRITING THE FUTURE, TOGETHER

5 commitments	Progress as of Dec. 2021	Other factors: approach and performance	Section	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>EMA ^(c), the Group's sustainable scorecard for product evaluation and improvement, is employed in all innovation projects to evaluate products' environmental and societal impacts.</p> <p>12 products were improved in 2021.</p> <p>The tool for assessing and improving CSR packaging performance was finalized and integrated into the operational models. All new innovation programs are now evaluated.</p>	<ul style="list-style-type: none"> 4.0% of recycled or alternative materials in BIC® products (4.3% in 2020). 59.6% of reusable, recyclable or compostable plastic in consumer packaging. 52.1% recycled content of plastic packaging. 95.6% PVC-free packaging. 97.4% of BIC cardboard packaging comes from a certified and/or recycled source. 16 BIC® products with the NF Environnement ecolabel. At end-2021, over 64 million pens collected through TerraCycle in Europe, the United States, Australia and New Zealand. 18 alternative materials tested. 	3.2.1.2		<p>[NFPS Risk 3]: risks related to product safety and consumer health & 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) Environmentally & socially Measurable Advantage.





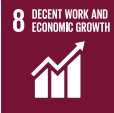
WRITING THE FUTURE, TOGETHER

5 commitments	Progress as of Dec. 2021	Other factors: approach and performance	Section	UN SDG ^(a)	Issues and risks addressed ^(b)
 <p>#2 Acting against climate change</p>	By 2025, BIC will use 100% renewable electricity.	<p>79% of electricity comes from renewable sources.</p> <p>BIC's use of renewable electricity is part of a comprehensive energy approach that also encompasses energy efficiency in operations.</p> <p>Fifteen energy efficiency projects were launched in 2021. The projects included light bulb replacement with LED bulbs, process optimization and installation of new and more energy efficient equipment.</p> <p>In terms of energy efficiency, the Group continues to progress. Over the last 10 years, energy consumption per ton of products has decreased by 5.9%.</p> <p>Slight decrease in renewable electricity due to an increase in electricity consumption from factories that have yet to employ renewable sources (Cello, Mexico, Bizerte).</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.








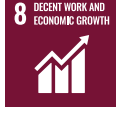

WRITING THE FUTURE, TOGETHER

5 commitments	Progress as of Dec. 2021	Other factors: approach and performance	Section	UN SDG ^(a)	Issues and risks addressed ^(b)
	By 2025, BIC aims for zero accidents across all operations.	<p>The Health-Safety approach roll-out continues within the whole Group.</p> <p>The Group belongs to "Vision 0", a program of the International Social Security Association.</p> <p>Every month, Plant managers and their EH&S managers participate in a conference call to assess progress made and share feedback.</p> <p>Roll-out of the safety culture to sales teams.</p> <p>Reinforcing with a health and safety dimension the due diligence processes in merger and acquisition procedures.</p> <p>Integration of HSE aspects into BIC's new employee onboarding process.</p> <ul style="list-style-type: none"> • 50 accidents for BIC paid employees and 8 accidents for external temporary workers. • 1.99 on-site accident incidence rate—BIC team members and temporary employees. • 0.11 severity rate of on-site accidents—per thousand hours worked—BIC team members. • 40 facilities with 0 accidents. 	3.4.3.2	 	[NFPS Risk 4]: Risks related to the health and safety of team members.

(a) UN Sustainable Development Goals.

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

WRITING THE FUTURE, TOGETHER

5 commitments	Progress as of Dec. 2021	Other factors: approach and performance	Section	UN SDG ^(a)	Issues and risks addressed ^(b)
 #4 Proactively involving suppliers	By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing.	<p>At end-2021, 52.3% of strategic suppliers have integrated the responsible purchasing program ^(d).</p> <p>ESG evaluations (EcoVadis tool) of strategic suppliers since 2011.</p> <p>Program for CSR auditing of global or local contract manufacturers.</p> <p>Training on the environmental and social impacts of supply chains and responsible purchasing practices for purchasing teams.</p> <p>Value chain analysis of 9 raw materials and 26 suppliers resulting in the identification of supply areas at risk for the production of lighters.</p> <p>Consultations with over 30 relevant stakeholders to identify actions to leverage a more responsible supply chain.</p> <p>Identification of risk reduction solutions for each material category (metal, gas and plastic).</p>	3.5.1.2	  	[NFPS Risk 5]: Risks related to non-respect of Human Rights (child labor, ILO's international conventions).
 #5 Improving lives through education	By 2025, BIC will improve learning conditions for 250 million children globally.	<p>Learning conditions for over 158 million children have been improved since 2018 through direct actions with children or with teachers and parents.</p> <p>Development of activity sheets and workshops for teachers such as motor development, coding, sustainable development and writing exercises.</p> <p>Promoting education among the communities in need by providing them material for the classrooms (stationery, learning supports, etc.) and support schools refurbishment.</p> <p>Activities and workshops in schools such as awareness raising on the importance of education and writing, creativity, production of texts or thematic coloring contests for younger children.</p> <p>73% of philanthropic contributions (product or financial donations, skills) by local entities for local communities or by the BIC Corporate Foundation promote education (77% in financial value) ^(c).</p>	3.6.2.1	     	

(a) UN Sustainable Development Goals.

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

(c) This indicator includes all educational sponsorship, even that done as part of commitment #5.

(d) Excluding Cello, BIC Graphic, new acquisition and certain OEMs



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



GOALS SUSTAINABLE DEVELOPMENT



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	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
#1 Fostering sustainable innovation in BIC® products By 2025, the environmental and/or societal footprint of BIC® products will be improved.			x			x		x				x			x	x	
#2 Acting against climate change By 2025, BIC will use 100% renewable electricity.								x	x	x		x	x				
#3 Committing to a safe work environment By 2025, BIC aims for zero accidents across all operations.			x					x									
#4 Proactively involving suppliers By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing.								x				x					x
#5 Improving lives through education By 2025, BIC will improve learning conditions for 250 million children, globally.	x			x	x	x		x					x				



The table shown above charts how “Writing the Future, Together” contributes to the UN SDGs. The Group primarily contributes to the two SDGs below, mainly through the products it manufactures and markets, and through its monitoring and compliance program, which ensures that its products are safe and comply with health and environmental standards (see Section 3.2).

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 Section 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.

Furthermore, the Group contributes to the following UN Sustainable Development Goals within the direct scope of its operations or its sphere of direct influence:

- 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.** Life below water;
- SDG 15.** Life on land;
- SDG 16.** Peace, justice and strong institutions.

The Group contributes 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 impact 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.

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

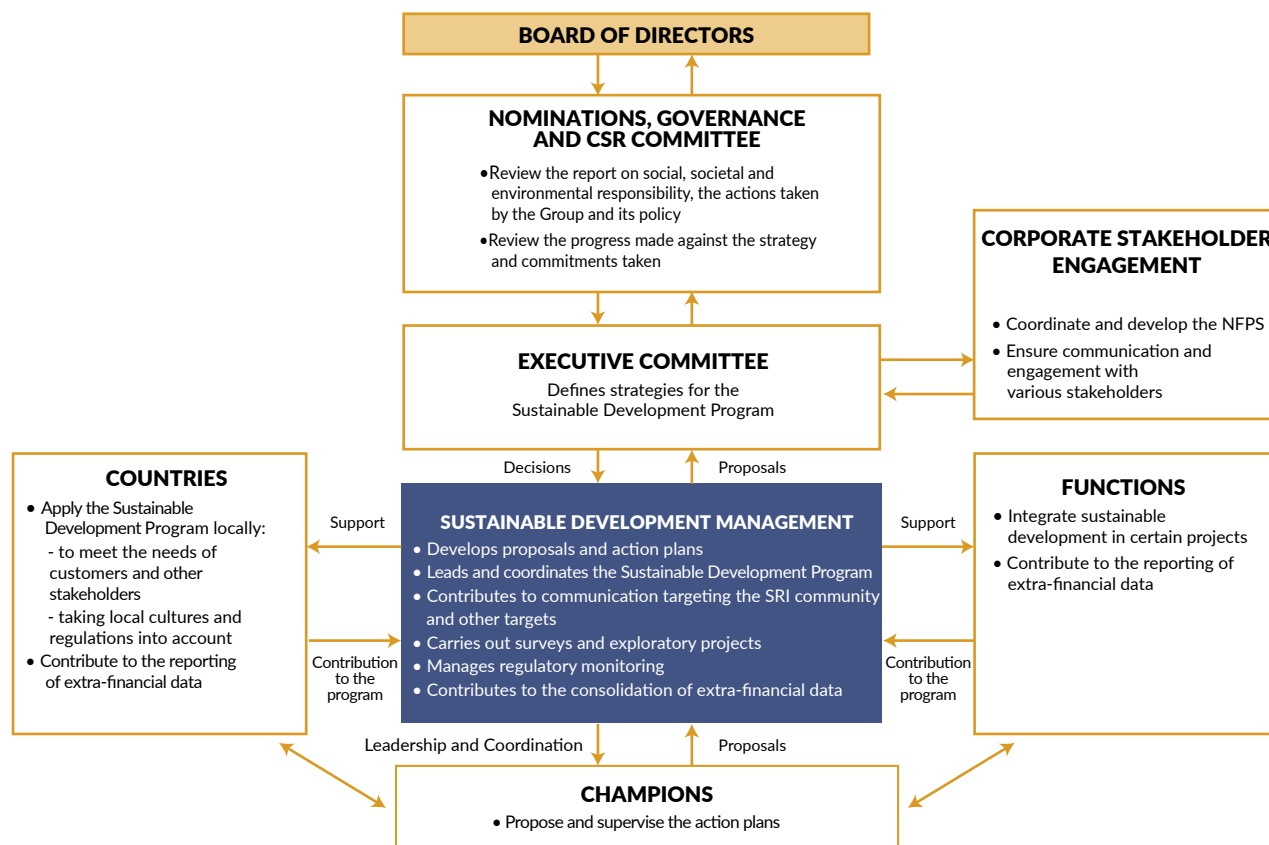
3.1.3.1 Sustainable development as a key factor in the decision-making process

Sustainable development is incorporated into the Company's decision-making process from the perspective of risks to be controlled and opportunities to be explored. Topics pertaining to sustainable development are regularly discussed at Executive Committee meetings. These in particular include:

- 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 to the Board of Directors at least once a year and at the Annual Shareholders' Meeting. In 2021, the Board reviewed the progress of "Writing the Future, Together" commitments. In addition, the Audit Committee is kept abreast of the policies and programs implemented.

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. It also monitors the implementation of the "Writing the Future, Together" strategy as well as the Group's progress on responsible innovation, circular economy and the development of new responsible products.



BIC's Sustainable Development Department is now part of the Group Insights & Innovation and Sustainability division. Its focus is on products and innovation. The Sustainable Development Department, while continuing to pursue transversal missions, also

works closely with the innovation and product design teams. This provides ongoing support to help facilitate responsible innovation and speed improvements in the carbon footprint and/or societal impact of products.



3.1.3.2 Listening to investors and Shareholders

BIC's stakeholders' engagement strategy is executed by the VP of Corporate stakeholder engagement and BIC's management. The strategy's objective is to establish and strengthen relationships with financial investors and multi-stakeholder initiatives by regularly participating in ESG conferences, roadshows and webinars. This strategy serves to anticipate stakeholders' expectations and identify future collaborations as well.

In 2021, the stakeholder engagement strategy's key milestones included:

- membership to the UN Global Compact;
- French Climate pledge renewal; and
- becoming a TCFD supporter.

In addition, year-on-year, BIC fulfils its commitment to answer questions from the following non-financial ratings agencies:

Vigéo - Sustainalytics - MSCI - GAIA - FTSE

2021 results include:

- AAA MSCI rating;
- an overall ESG risk reduction of 0.8 points in the Sustainalytics 2021 ESG Risk rating;
- a robust Vigéo score of 56; and
- a ISS ESG's Environmental Category "1" Quality Score.

3.1.3.3 Disclosure of BIC's activities with respect to the European Green Taxonomy

In this section, the Group discloses the information required by the European regulation 2020/852 of June 18, 2020.

The methodology employed by BIC to identify these eligible activities and related revenues is described in section 3.8.4.

Detail of eligible activities

Eligible Revenue

BIC is committed to the ecological transition. However, its activities do not directly correspond to those retained in the delegated act on climate, for which the most emitting activities on scopes 1 and 2 with a potential for transformation have been prioritized. Thus, the share of BIC's eligible revenue for the year 2021 is zero.

Capital expenditure (CapEx) and operating expenditure (OpEx)

BIC's eligible capital and operating expenditures relate primarily to expenditures associated with the following European green taxonomy activities:

- installation, maintenance and repair of energy efficiency equipment;
- construction of new buildings;
- installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings;
- close to market research, development and innovation.

Thus, BIC's share of eligible capital expenditures for the year 2021 amounts to 17% out of a total of 75 million euros (see Note 2 to the Consolidated Financial Statements, Chapter 6.1).

The share of eligible BIC operating expenses for the year 2021 amounts to 0.04% out of a total of 411 million euros (see Note 4 to the Consolidated Financial Statements, Chapter 6.1) hence insignificant.

It should be noted that in accordance with the European taxonomy, the operating expenses taken into account are defined as direct non-capitalizable costs and include research and development costs, building renovation costs, maintenance and repair costs, rents presented in the income statement and any other expenses related to the day-to-day upkeep of the assets.



3.2. OUR PRODUCTS ^[NFPS]

BIC produces and markets consumer products that are lightweight, long-lasting and affordable for all. From day one, BIC® products have been designed and made with the absolute minimum raw materials.

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

BIC also contributes to the development of the circular economy by establishing partnerships to use secondary raw materials. It is also involved in creating a pilot channel for the recycling of stationery products, shavers and lighters.

BIC® products are designed to meet and anticipate the expectations of all consumers in developed as well as developing countries. The Group also takes all necessary steps to uphold its brand image and preserve its reputation.

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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 waste. The goal is to transition from a society based on a linear extraction-production-waste model to a more circular economic model ⁽¹⁾.

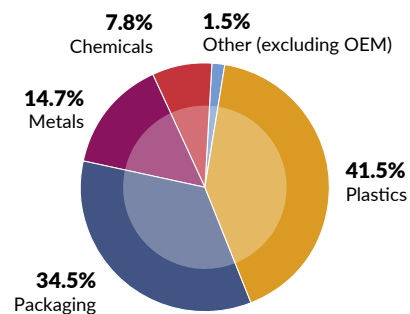
At BIC, the principles of the circular economy are embodied in the Group's “4 Rs” philosophy. This serves as a guide for all its “product” processes:

- **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.), natural resources (water and energy) and generates waste.

BREAKDOWN OF RAW MATERIAL PURCHASES IN 2021⁽²⁾



Product life cycle studies show that a product's environmental impact is primarily determined by the raw materials used and its service life. The challenge is thus to minimize raw materials and maximize the product's lifespan. In fact, the more lightweight a product and the longer it lasts, the better its environmental performance.

Starting in 1994, when BIC conducted its first life cycle studies, the Group set out its founding principle of “just what's necessary” ⁽³⁾. The idea is to offer fairly priced products with lower environmental impact.

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

(2) Spent in Euros

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



ENVIRONMENTAL PERFORMANCE MEASUREMENTS FOR THREE LEADING 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%

BIC has identified the following risks among its major CSR product-related risks:

- risks related to plastics *[NFPS risk 1]*, including:
 - upstream: the use of plastic in BIC® products. This contributes to the depletion of a non-renewable resource, which is therefore subject to scarcity and price volatility,
 - downstream: pollution 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]* resulting from the use of petroleum-derived raw materials (plastics). A plan to manage these risks includes an effort to reduce the use of petroleum-derived raw materials and to employ more recycled and alternative ones (also see Writing the Future, Together # 1 Section 3.2.1.2).

The challenges related to plastic waste and resource depletion also offer opportunities. These include:

- increasing the use of recycled and alternative materials in products to promote more responsible consumption;
- creating circular economy loops that enable the collection, recycling and reuse of the products;
- offering unique BIC® products that provide environmental and social benefits in its markets.

3.2.1.2 Ambitious goals for products and packaging, in keeping with the “4 Rs”

In 2020 aligned with its “4 Rs” philosophy, the Group made new commitments to:

- use more recycled and alternative materials in its products; and
- speed the transition toward reusable, recyclable or compostable packaging.

In practice this means that:

- 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 from 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 bringing together all the relevant Group entities (Insight & Innovation, Global Supply Chain, Lighter and Commercial). These are based on recommendations and expertise from outside the Group (in particular the Ellen MacArthur Foundation).

These goals have been incorporated 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 day-to-day operations.

(1) BIC analysis.

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

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

The “4 Rs” – Reduce the consumption of materials

BIC has always sought to optimize raw material use. An expert in plastic processing, BIC works above all to minimize usage and regularly updates its product designs to optimize and reduce its consumption of materials.

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

- it has a minimum writing length of over 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 Blade Excellence division, BIC 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 Flame for Life launched the EZ Reach™ Pocket Utility lighter, with an environmental footprint two-thirds less than the U140 Multi-purpose model.

The “4 Rs” – Use Recycled or alternative materials

Since 2014, BIC has been researching how to maximize recycled and alternative materials in BIC® products. The research teams have identified all BIC® products that could employ alternative/recycled materials without sacrificing quality. The challenge is:

- to ensure a perennial source of such materials that meet the specifications;
- to convert any products that lend themselves to such adaptation.

To identify recycled or alternative materials, 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 from industrial use is kept available. From this list, engineers select materials that satisfy industrial and economic requirements to conduct feasibility tests. Depending on product 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, woodchip, etc. Once a formulation is ready, it is tested to ensure that it meets industrial quality and safety specifications, sometimes going all the way to the finished product approval stage.

“

18 alternative materials tested in 2021 including: 15 recycled plastics and 3 hybrid materials.

”

Exemplifying this approach, the BIC® Ecolutions® range is a complete Stationery line that consists of products manufactured using recycled materials in compliance with ISO 14021. All Stationery lines now include at least one product made with alternative materials (in particular recycled).

A Velleda® whiteboard containing 50% pencil production residue was launched in France in 2019.

In 2021, BIC launched the BIC® ReVolution line in the United States. It includes ballpoint pens, mechanical pencils, permanent markers and correction tape made from alternative materials. The BIC® ReVolution retractable ballpoint pen is made from 73% recycled plastic, the stick ball pen contains 74% recycled plastic, and the mechanical pencil is made from 65% recycled materials.

In 2021, BIC has also launched a Shaver in alternative material, BIC Bamboo™, available to sales only in Sweden. This system shaver has a handle made from natural, renewable and responsibly sourced bamboo.

In the same year, BIC has also included recycled content in BIC Soleil® Click 3 and BIC Soleil® Click 4 (30% of recycled content in the handle) and in BIC® Hybrid 3 Comfort®, Hybrid 3 Flex® and Hybrid 3 Flex Sensitive® (90% of recycled content in the handle).

Finally, BIC will launch in 2022 the upgraded BIC Soleil® Click 5, following a partnership with the supplier Avient to incorporate recycled-content thermoplastic elastomer in its handle a first in the Blade Excellence division, reaching over 40% of recycled content in total.

The “4 Rs” – Design and manufacture Refillable products

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

In the Human Expression division, BIC continues to offer refillable pens: the BIC® Gel-ocity® line of gel ink pens and the 4-Color™ line are all refillable. As an example, in France and UK markets, pen refills are available on www.bic.com.

In 2021, the Group launched BIC® Cristal® Re'New®, a premium, refillable, and even more durable version of the emblematic BIC® Cristal® pen. It features a matte metal barrel and a push-button for easy refilling and is sold in cardboard packs containing one pen plus two refills.

3



In the Blade Excellence division, the BIC® Hybrid shaver has one handle and four-to-six razor cartridges. 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 conventional handles. Because it comes with four-to-six heads razor cartridges, the product's performance life is at least four times that of a standard non-refillable shaver. Over its life cycle and for one year of shaving, the environmental impact of the BIC® Hybrid shaver is 28% lower than a similar non-refillable BIC® model such as BIC® Comfort 3® Action®.

In 2020, BIC acquired Rocketbook®, the number one brand in the United States for reusable smart notebooks. Its products meet the needs of many consumers, allowing them to store and share handwritten notes quickly and efficiently in an environmentally-friendly way. The line of affordable, innovative products from Rocketbook® offers consumers a complete and sustainable ecosystem for writing and creativity.

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

In keeping with its "4 Rs" philosophy, BIC constantly strives to make its products more recyclable. This is achieved by improving their design and by exploring all available recycling channels to understand the product end-of-life phase.

Since 2011, BIC has been exploring channels for the recycling of its products. Working collaboratively with different stakeholders, BIC initiated an independent recycling industry, which offers a unique circular economy model in France. This circular economy sector is built on two key partnerships:

- **BIC's partnership with TerraCycle** for the collection of used writing instruments in Europe since 2011. A pioneer in this field, the program allows product users to organize the collection and recycling of all types of writing instruments, whether or not BIC® branded. For each instrument collected, one euro cent is donated to a charity or non-profit of the organizer's choice or, in the case of schools, directly to the school to fund educational projects. At end-2021, over 64 million pens had been collected and 750,000 euros in donations made. This program, funded entirely by BIC, enables the Group to:
 - gain a better understanding of the mechanisms of recycling systems,
 - encourage responsible consumption (using products up to the very end of their service life), and
 - promote waste sorting at the site of consumption.

Following its European success, the program has been rolled out in Australia in 2019 and in the United States in 2020 and tested in New Zealand between 2019-2021.

- **A partnership with Govaplast and Plas Eco** for the design, manufacture and distribution of "Ubiquity™, the 'write' kind of bench™" furniture. Used pens are collected, sorted and shredded by a recycler. The plastic is shipped to Govaplast, which converts it into recycled plastic boards. The boards are in turn used by Plas Eco, which designs, manufactures, distributes and markets the products in the Ubiquity™ line.

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 they are in keeping with the Values of BIC® products. They also have a smaller environmental footprint than outdoor furniture made from farmed wood.

BIC hopes that this product line and the circular economy channel that spawned it will grow rapidly in the coming years, as exemplified by the program's extension to other geographies in recent years.

In 2021, BIC has expanded its partnership with TerraCycle® launching its first free razor recycling program in Spain. BIC and TerraCycle® will collect razors across the country and recycle them into soap holders or other toiletries to support the development of the circular economy. The Spanish program accepts all disposable razors regardless of brand or type and provides a map of collection points on the TerraCycle® website. Once collected, the razor pieces will be separated and recycled into raw materials and manufactured into new products, helping manufacturers avoid the use of excess virgin raw materials.

For several years the Flame for Life division has been testing several collection and recycling loops. The goal is to understand consumer behavior with regard to collection and recycling. In 2021, collection and recycling loops were implemented in the Balearic Islands, in response to local authorities' requirements.

The "4 R's" in the product teams' everyday operations

BIC is making responsible innovation and the improvement of the environmental and societal footprint of products an integral part of everyday activities. To support this objective, the Group has developed a tool for evaluating its products: EMA (Environmentally & socially Measurable Advantage) Scorecard.

EMA uses eight criteria (service life, product weight, environmental impact of materials, the use of recycled and/or alternative materials, the materials' recyclability, etc.). Designed 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 by adopting an objective, scientific approach to design. Directly connected to the existing tools used for eco-design (Pulse LCA and SimaPro), EMA brings together all the R&D work around product improvement. The criteria defined for EMA are applied to all products (both new and updated existing products) and integrated into the innovation process.





TOOLS TO FACILITATE THE ECO-DESIGN PROCESS

Life Cycle Analysis

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

The product design teams are equipped with an array of tools such as Pulse LCA and SimaPro, which allow them to carry out comprehensive environmental assessments as well as rapid analyses to facilitate decision-making during design.

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

100% of the new products are subject to environmental and societal measurement thanks to the systematic usage of EMA.

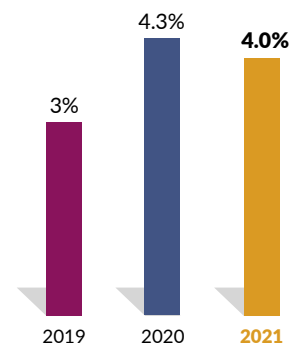
In 2021, EMA has been fully integrated into the development processes for stationery products, lighters and shavers and the teams have been informed and trained on the use of EMA. EMA is systematically presented to new employees during their onboarding into the BIC as well.

The requirement for a product launch is that its environmental or societal performance must be improved compared to its basic design. To achieve this, improvement plans are deployed in the three BIC® product categories. These are mostly based on the integration of recycled or alternative raw materials into the design.

A version of the EMA for packaging has been tested in 2021. This new version will allow the evaluation of new packaging, its optimization and the reduction of its footprint, thus supporting the day-to-day decision making of packaging by the development teams.

By the end-2021, 12 BIC® products have been improved compared to their baseline version.

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



In 2021 the use of recycled plastic materials was of 4.0%, slightly below expectations. This is mainly due to delays generated by the need to guarantee the highest quality in the recycled plastic employed in BIC® products.

3



The BIC ecosystem, promoting the circular economy

Over the past years BIC has joined forces with key players to facilitate its shift toward the circular economy:

- in 2019, BIC signed up to the Circular Economy 100 initiative by the **Ellen MacArthur Foundation**. Its various programs will enable BIC's teams to expand their knowledge and skills while networking and collaborating with key organizations on the circular economy;
- in 2020, BIC also joined the **Plug & Play** network, the world's largest innovation ecosystem. This gives the Group easy access to the right partners and best startups to speed up R&D on 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 to improve the state of the art;
- since 2019, the BIC Lighters division has supported the **Tara Ocean Foundation**. Its oceanographic research vessel sails the world's oceans, bringing scientists together in an effort to

understand the dynamics of plastic breakdown at sea. This research program also documents the impact of plastic waste on the oceans, with the long-term goal of identifying substitute materials;

- BIC has joined **Bio-speed**, a consortium looking to accelerate the emergence of a biomass economy. It brings together a number of groups, including Danone, Faurecia, Lego, Michelin and L'Oréal. Its goal is to reduce fossil fuel dependency and the environmental footprint of manufactured products by promoting the conversion of non-food biomass into polymers;
- in the research of alternative materials, BIC has developed over 100 strategic R&D partnerships with startups, cutting-edge companies, universities, research institutes and external laboratories over the past years;
- in 2021, BIC teamed up with the supplier Avient to incorporate their reSound™ recycled-content thermoplastic elastomer in BIC Soleil® Click 5 handle. This material utilizes 62% recycled content and when combined with the razor handle it reached over 40% recycled content in total. A consumer launch is planned in 2022.

3.2.3 APPLYING THE “4 RS” PHILOSOPHY TO PACKAGING

Packaging is needed at various stages of BIC® product life cycles: for their protection, shipping, storage and sale, and for promotional support. BIC's packaging primarily consists of boxes and cases made of plastic, paper and cardboard. This packaging has an environmental impact during its manufacturing, shipping and at 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 (91% in North America);
- 77% of lighters are sold in trays of at least 50 (66% in North America); and
- 80% of shavers are marketed in pack of five, 10 or more (75% in North America).

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

The “4 Rs” – Use Recycled or alternative materials

By 2021, the transition from virgin to 100% recycled plastic for the 50 lighter trays was completed.

In Europe, the “Classpack”, packaging designed for school use, has been upgraded from non-recycled plastic to recycled PET.

BIC estimates that at the end of 2021:

- 52.1% recycled materials are used in BIC plastic packaging;
- 97.4% of BIC paper and cardboard packaging comes from certified and/or recycled sources.

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

In 2020, the Group announced that by 2025, 100% of its plastic consumer packaging will be reusable, recyclable or compostable.

In 2021, BIC replaced the PET blister packaging for its BIC® Hybrid Flex® and BIC Soleil® Click shaver range by a 100% recyclable cardboard made from 80% recycled content. This product range was launched in North America and Europe in early 2021. To keep the razor inside the cardboard box, a recyclable cardboard insert made from 80% recycled content was developed as well. Furthermore, the replacement blades are sold in a cardboard box made of 80% recycled material. Overall, plastic consumption decreased by more than 150 tons in 2021.

Likewise in 2021, the BIC Bamboo™ shaver with a bamboo handle was launched in Sweden alongside its 100% recyclable cardboard packaging.

Two new stationery lines with cardboard packaging were launched in 2021:

- in North America, BIC launched the BIC® ReVolution range, whose products are made of at least 50% recycled content. The cardboard packaging for all products in this range is made up of 100% recycled content and are fully recyclable;
- in Europe, the BIC® Cristal® ReNew® refillable pen with a metal barrel launched in April is sold in a FSC certified cardboard packaging.



Some products have switched from plastic to cardboard packaging:

- In the United States, the plastic pouch for the BIC® Cristal® 10-pack has been replaced by a 100% recyclable cardboard case, for annual savings of 25 tons of plastic;
- in Europe, plastic pouch for markers were replaced by cardboard sleeves.

At the end of 2021, the total packaging used by BIC will be 82% cardboard packaging (including primary packaging, cardboard outer boxes and displays), and 18% of plastic packaging.

For the sale of several product ranges, BIC uses semi-permanent "refillable" plastic displays and recyclable cardboard displays.

By the end-2021, 59.6% of plastic used in consumer packaging was reusable, recyclable or compostable.

BIC is pursuing its commitment to eliminate the use of PVC in its packaging. The Group has already eliminated PVC at its factories in Europe, in the United States, in MEA and Mexico (more than 99% of the packaging is now PVC-free). In 2021, the Group's South American facilities stepped up efforts to use less PVC, reducing consumption by 83 tons in Mexico and 36 tons in Brazil.

At the end of 2021, 95.6% of BIC plastic packaging is PVC-free.

Results

IMPROVEMENT IN PACKAGING

	2019 ^(a)	2020 ^(a)	2021 ^(d)
Percentage of cardboard packaging from certified and/or recycled sources	95.7%	97.3%	97.4%
Percentage of plastic packaging that is PVC-free	92.1%	94.4%	95.6%
Percentage of reusable, recyclable or compostable plastic in consumer packaging ^{(b) (c)}	NA	42.5%	59.6%
Percentage of recycled content of plastic packaging ^(b)	NA	48.9%	52.1%

(a) Cello (India), Canada, Oceania, Kenya, Europe local copackers, Latin America local copackers, Asia OEM excluded in 2019 and 2020, included in 2021 (see scope in Section 3.8.3.2).

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

(c) The 2020 figure (49.3%) was revised following a test audit in 2021. BIC decided to publish the revised figure.

(d) Excluding BIC Graphic, new acquisitions and certain OEMs.

3.2.4 PRODUCT SAFETY ^[NFPS]

BIC seeks to offer safe products that meet consumer expectations and comply with all relevant safety requirements and standards. This means incorporating consumer health and safety into 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 them 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 product safety and the protection of consumer health and safety represent an opportunity for the Group, they include:

- establishing itself as a leader in terms of the quality and safety of its products, meeting or surpassing the regulatory requirements in each market;
- developing expertise in the evaluation of materials, especially for recycled and alternative materials.

3.2.4.2 Policy, actions taken, results and outlook

Product safety and the protection of consumer health are of strategic importance for the Group. BIC incorporates regulatory compliance and risk management concerning product safety into its strategy with the primary goal of offering products that comply with all relevant safety requirements and standards. This is achieved through:

- a body of documents defining its commitment; and
- strict processes designed to ensure that it only markets safe products compliant with safety requirements and standards.

As a result, BIC supplies millions of products every day while maintaining consistent quality, checked through a vast array of tests and in compliance with national and international safety requirements. As from its acquisition in 2020, Djeep 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 are as follows:

- 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 right from 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. This is done in close cooperation with industry associations that share their members' expertise with the appropriate authorities;
 - the incorporation of innovations into 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 or withdrawal 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 do not provide sufficient guarantees that a new product is harmless for consumers;
 - alternatives to animal testing are not recognized by regulation.
- In Brazil, the NBR 15236 testing standard was updated to allow alternatives to animal testing such as in vitro testing. In 2021, a toxicological evaluation of BIC's finished products in accordance with the InMetro certification required for school supplies was conducted by Duke University in the United States. This evaluation allowed BIC to reaffirm its global position on animal testing and to not resort to animal testing as a first solution.



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). This allows it to provide the latest and most reliable quality and safety information to its customers.
3. Each BIC® lighter undergoes over 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. It 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 close to 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 monitoring process. This comes on top of internal and external resources and 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 unofficial lists used by NGOs, future regulations and controversial substances that are not yet banned.

The Group always strives to anticipate the substitution of regulated substances. This Watch list is by its very nature open-ended. Since 2019, the Watch List has been factored into product ratings in EMA. The Product Safety team works closely with the product design teams to stay abreast of changes to the list and ensure its incorporation into product improvement.

BIC, as a member of numerous industry bodies ⁽¹⁾, actively participates in regulatory monitoring. This is important to stay abreast and take into consideration new requirements.

(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 Fédération des Entreprises de la Beauté in France.



In order to keep pace with future regulatory challenges, the Product Safety teams participate in various annual events in Europe and around the world. In 2021, most of these events were held remotely. The European team was able to participate in the working meetings of the European associations EWIMA and TIE, the AFNOR meetings (toy standardization committee), the Biocides

Congress in Lyon. As well as the Perfumes & Cosmetics Congress in Chartres on regulatory issues, and the webinars organized by the FEBEA. The American team participated in the working meetings of the American associations ACMI and WIMA and was trained to assess the risks of chemical impurities in the California Proposition 65.

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.

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. Following the 2018 deadline for products representing 1 to 100 tons per year, the authorities are now evaluating the compliance of the registrations received. BIC remains on the lookout for potential impact.

Many countries are adopting regulations similar to the EU REACH regulation. Since 2020, the Group is compliant to the regulations in the countries where it operates including: Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Turkey. Following Brexit, in 2021 BIC notified more than 100 substances in the UK.

3

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

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

This solid, long-standing organization is constantly adapting and expanding to reflect changing regulations. The Executive Committee and management teams are systematically kept abreast of new developments in product safety and regulations.

Systematic testing and evaluation programs

Before being released onto the market, all BIC® products, both new or modified, must undergo a comprehensive program of safety tests and qualification evaluations. These are designed to assess potential hazards, identify the chemical substances present, evaluate their risk level, verify their compliance with standards; and identify any adaptations to 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 by independent accredited laboratories, over three quarters of the lighter models in the European market fail to meet standards. The Group has taken steps to raise awareness among the various parties involved.

The European Commission is in the process of revising its General Product Safety Directive. BIC based on its market knowledge and long experience of the system's shortcomings, in particular as a result of the infringement proceedings against the Netherlands put forward constructive proposals to fundamentally improve the European product safety oversight framework.

Training

In 2021, approximately 130 team members from the Legal, Group Insights & Innovation, Marketing Europe and Sales France Departments were trained on product safety ⁽¹⁾. The Product safety Team is also involved in the training course for new employees.

Outlook

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 monitoring activities to remain ready to adapt its processes, products and formulas to ever more demanding regulatory expectations. BIC also plans to offer its teams training on the main principles of its product safety policy. This training will emphasize the importance of ensuring maximum safety for all BIC products and for all markets worldwide. This is particularly important given the challenges posed by e-commerce.

(1) Excluding Flame for Life division.



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

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

BIC distinguishes between “customers” (i.e., companies, public authorities and office supply distributors plus major mass-market retailers) and “consumers” (the end users of its products). Customers are becoming increasingly demanding in terms of the environmental and social performance of products. They submit many questionnaires on increasingly specific and diverse topics. Retailers and wholesalers also want their partners to show how they are helping reduce the overall environmental and societal impact of their operations. They are also imposing increasingly strict requirements in terms of the packaging of products they carry.

3.2.5.1 Risks and opportunities ^[NFPS]

[NFPS risk 8] BIC has identified reputational and brand risks among its main CSR risks. Against the background of increasing environmental awareness, the BIC brand could be associated with so-called disposable single-use products, leading to customer and consumer disaffection with BIC® products. BIC seeks to improve its communications, in particular on the environmental and social performance of its products, to ensure the Group can retain the confidence of stakeholders.

Meeting consumer expectations is also a source of opportunity for BIC. These include:

- positioning BIC as a responsible brand that delivers quality and safety through its long-term commitments and ambitious programs;
- launch BIC® products with social and environmental advantages.

➔ OVERCOMING THE DISPOSABLE/SUSTAINABLE DUALITY

BIC® products are very often stigmatized as being “disposable”. Although not all of them are refillable, neither are they single use. Most of them offer long-lasting performance: over two-km of writing for most ball pens; up to 3,000 flames produced by 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. Each of BIC®’s various products, whether refillable or not, meets a specific consumer need.

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

Since its founding, BIC has striven to develop and offer simple, affordable products that meet consumer expectations, particularly in terms of environmental and social performance. To that end, the Group has put in place a range of programs and policies:

- “Writing the Future, Together” #1 Fostering sustainable innovation in BIC® products (see Section 3.2.1.2);
- the “4 Rs” philosophy (see Section 3.2.2);
- communication regarding the environmental benefits of products to encourage more responsible consumption (see below);
- the Responsible Communication Charter, drawn up in 2013, formalizes BIC’s inclusion of the Value of Responsibility in its communication. This Charter expresses BIC’s intention to share reliable information and release clear, accurate messages. This applies to all communication by the Group worldwide to any stakeholder;
- annual participation of BIC USA in Walmart’s sustainability performance assessments, such as Project Gigaton, as well as specific reporting for the Supply Chain section in the CDP questionnaire;

- in addition to responding to specific customer questionnaires on its CSR approach, BIC discusses all relevant topics with them, including sustainable development issues, as part of its commercial relations. Some of these 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 for all.

Encouraging consumers to consume more responsibly

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. Others supply information on their environmental and social qualities (eco-values) to help consumers choose products that match their expectations. The most appropriate approach is chosen for each continent or category. For example, communications in Europe emphasize the *NF Environnement* ecolabel certification of a given product, where it was manufactured, the amount of recycled materials used or its writing length. In the Flame for Life division, 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.



Since 2015, in compliance with French law, BIC offered consumers recycling instructions for its packaging on the Group's Website. However, with the new Triman guidelines, starting in 2022, BIC will add the new consumer recycling instructions to all packaging sold in France.

Since 2019, BIC in North America is 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.

➔ 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 environmental impact. To obtain this ecolabel, a product must comply with certain functional and environmental guidelines designed to reduce its environmental impact over 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. Now, a full range of 16 BIC® products has been granted this ecolabel, including long-standing products like the BIC® Cristal® and the BIC® 4-Color™ ballpoint pen, as well as the pens in the BIC® Ecolutions® line.

3

Results

All the environmental claims that appear on the packaging, in the catalogs and on the websites for BIC® products are approved by the Legal Department.

16 BIC® writing instruments received the French ecolabel *NF Environnement* (NF 400).

Outlook

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



3.3. OUR INDUSTRIAL FACILITIES AND OFFICES ^[NFPS]

BIC is committed to ensuring that its facilities, including both factories and offices, operate in an environmentally responsible way. BIC strives to reduce the impact of its manufacturing operations and optimize product shipping.

BIC exerts strong environmental control over its entire supply chain and favors in-house production over contract manufacturing: 91% 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 activities and is committed to minimizing it. While demand for raw materials is mainly determined by product design (see Section 3.2.1 Our products), BIC's factories are tasked to optimize water and energy consumption, as well as reducing greenhouse gas (GHG) emissions and waste production.

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

Since 2018, all BIC facilities (factories, packaging or distribution centers, head offices and other offices and installations) have been equipped with a system for documenting and managing safety incidents. This is part of the implementation of commitment #3 "Writing the Future, Together" (see Section 3.4.3.2).

3.3.1 RISKS AND OPPORTUNITIES ^[NFPS]

[NFPS risk 7] BIC has identified risks related to its operations and the environment among its main CSR risks. The environmental impact of BIC's manufacturing operations primarily molding and assembly of plastic products remains relatively low.

Reducing the environmental footprint of its factories is also a source of opportunities for BIC. These include:

- optimizing production costs by limiting resource consumption (water, energy, etc.) and the production of factory waste;
- facilitating the integration of factories into their local surroundings by reducing their environmental footprint, adopting best practice and reaching out to local communities;
- study processes to reduce carbon emissions in the coming decades.

3.3.2 POLICIES AND MANAGEMENT SYSTEMS ^[NFPS]

Defined in 2005, the **Environment, Health & Safety (EH&S) Policy**, codifies the Group's commitment to minimizing the environmental and safety impact of all its operations to better protect the environment. The Policy specifies BIC's dedication to:

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

3.3.2.1 At the industrial facilities

The EH&S Policy 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 rolling out these management systems. Furthermore, the Group employs a central EH&S manager who guides and coordinates the network of EH&S managers. This person ensures that all facilities comply with the Group's Policy and objectives, and monitors facility performance by consolidating, analyzing and communicating the results achieved.

The environmental management system helps ensure compliance with applicable environmental laws and regulations. This may include daily or periodic checks to comply with local regulations. These may be done internally or with the assistance of an independent outside company. An action plan is drawn up to correct any compliance issues identified.

Within the framework of the management systems, an in-depth review is done of all aspects of the facility's activities and environmental impact (water, air, soil, noise, etc.). Action plans are then drawn up to limit this environmental impact. 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 rolled out at the Group's industrial facilities 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 (BJ 75 and BIMA) 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 also have a Safety Management System.

Outside France, notably in the U.S, some factories have equivalent emergency plans that address risks with potential off-site consequences.

Management Systems and Certification

In 2021, the implementation of BIC management systems at Group industrial facilities was 79% complete for the environment and 85% for health and safety.

Beyond the implementation of management systems, BIC also continually invests in obtaining and renewing certification. In 2021, the following certification was obtained or renewed:

ISO 14001: BIC Écriture 2000, BIC South Africa, BIC CORP – Milford, BIC Rasoirs, BIC Shavers Mexico – Industrial de Cuautitlan;

ISO 45001: BIC Rasoir;

ISO 50001: BIC Violex, BIC Amazonia.

3.3.2.2 In the offices

To ensure best practices, BIC's sustainable development approach covers all its operations, including its offices, although they represent a non-significant part of the Group's environmental impact. The environmental performance of the Group's three main offices (Clichy in France, Shelton in the United States and Cajamar in Brazil) is presented together with the performance of the Group's industrial facilities.

Initiatives have been taken at these facilities to reduce their environmental footprint. The offices in Shelton, United States, were granted LEED (Leadership in Energy and Environmental Design) certification in 2009 and are powered by renewable electricity. The Clichy facility (France) also purchases renewable electricity.

3.3.2.3 In the supply chain

Beyond accounting for its own environmental impact, BIC also looks at the impact of its supply chain. Since 2014, the Workplace Conditions Assessment (WCA) platform for auditing the working conditions of subcontractors (see Section 3.5.2.2) has included a comprehensive questionnaire on environmental performance, accounting for 6% of questions. In 2021, 34 subcontractors (47%) were audited.

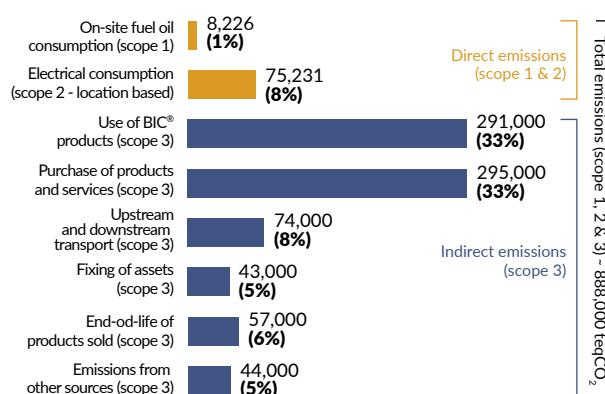
3.3.3 ACTIONS TAKEN TO CONTROL ENVIRONMENTAL IMPACT, RESULTS AND OUTLOOK ^[NFPS]

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

BREAKDOWN OF GREENHOUSE GAS EMISSIONS – IN TEQCO₂ – BIC – 2021



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

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

- 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. These include:

- developing production centers closer to the Group's markets, supporting local economic development and know-how in the countries where the Group has operations. At the same time limiting the environmental footprint of products and the physical risks linked to climate change;
- standing out in its markets by offering BIC® products with a reduced carbon footprint. This is particularly through the use of recycled and alternative materials and the implementation of circular economy loops;
- innovating in order to make the Group's materials and products more responsible;
- reducing production costs by optimizing energy consumption.

A roadmap consistent with the Paris Climate Agreement objectives

BIC is developing a roadmap to reduce its carbon emissions in line with the 2015 Paris Agreement, which aims to limit global warming to well below 2 °C compared to pre-industrial levels. As well as with the Science Base Targets initiative (SBTi) 1.5 °C scenario objectives.



Using renewable energy at BIC facilities

Electricity consumption at BIC facilities accounts for 8%⁽¹⁾ of the Group's total emissions. Through the commitment "Writing the Future, Together" – #2 Acting Against Climate Change, BIC aims to use 100% ⁽²⁾ renewable electricity by 2025.

Building on its experience, BIC established a roadmap for this goal. This roadmap reflects a strategy in which each country or facility reviews its opportunities for sourcing renewable electricity, consistent with their regulatory and operational constraints. In keeping pace with the frequent market and regulatory changes affecting this sector, BIC is focusing on renewable energy certificates ⁽³⁾, green contracts and long-term Power Purchase Agreements as well as electricity production potential of certain facilities.

More specifically, in 2021:

- in France, BIC purchased renewable energy certificates (Guarantees of Origin - GoO) for all its factories plus the Clichy headquarters. This means that all BIC® products manufactured in France were produced using renewable electricity;
- in Greece, GoO certificates have been purchased for all the BIC Violex facility's electricity consumption since 2016;
- in Spain, the BIC Iberia and BIC Graphic Europe facilities have been using renewable electricity through the purchase of certificates (GoO) since 2018;
- in the United States, the purchase of renewable wind energy certificates (US RECs) covers the energy needs of most American facilities;
- in Brazil, the Manaus facility has been using wind energy since 2018 through the purchase of iREC certificates;
- in Mexico, BIC launched a tender for the purchase of long-term renewable energy (Power Purchase Agreements), thereby specifically supporting the development of new infrastructure;
- in Manaus (Brazil), solar panels have been installed;
- in South Africa, the purchase of GoO certificate covers all the factory's consumption;
- since 2018, 100% of the lighter factories have been powered by renewable electricity, and research is underway to develop the self-sufficiency of the facilities (recovery of waste heat, development of photovoltaic and solar thermal energy, etc.);
- the Cello Stationery Products site has installed solar panels since 2019.

GREENHOUSE GAS (GHG) EMISSIONS – IN TEQCO₂

	2019	2020	2021	Change 2021/2020
Direct GHG emissions (scope 1)	9,278	7,659	8,226	7.4%
Indirect GHG emissions (scope 2 location-based)	88,432	70,435	75,231	6.8%
Indirect GHG emissions (scope 2 market-based)	36,549	25,277	27,086	7.2%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED])	97,711	78,046	83,456	6.9%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 MARKET-BASED)	45,827	33,097	35,311	6.6%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED]) NORMALIZED TO PRODUCTION*	1.07	1.03	0.91	-11.7%
GHG emissions from use of BIC® products (scope 3)	327,000	300,000	291,000	-3%
GHG from upstream and downstream transport (scope 3)	71,000	43,000	74,000	75%
<i>GHG emissions from to intra-company transport ^(a) (scope 3)</i>	34,000	18,000	49,000	172%
GHG emissions from fixed assets (scope 3)	63,000	38,000	43,000	13%
GHG emissions from end of life of products sold (scope 3)	61,000	49,000	57,000	16%
GHG emissions from purchase of products and services (scope 3)	289,000	236,000	295,000	25%
<i>GHG emissions from purchases of raw materials (scope 3)</i>	254,000	232,000	292,000	26%
GHG emissions from other sources (scope 3)	49,000	41,000	44,000	7%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 3)	862,000	710,000	805,000	13%

* TeqCO₂/ton.

(a) Excluding road transport in sea and air freight.

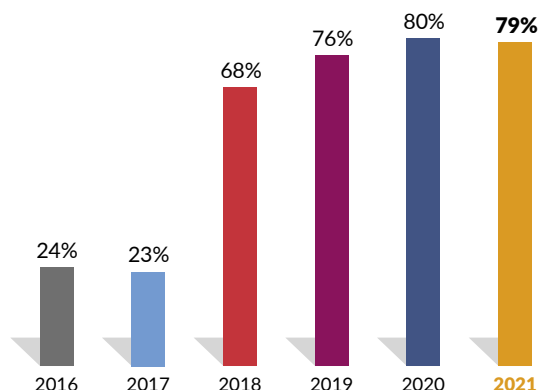
(1) Location-based.

(2) Initial Writing the Future, Together – #2 Acting Against Climate Change commitment of 80% renewable energy was achieved in 2020 therefore a new target of 100% was established.

(3) Electricity generated from biomass (including biogas), geothermal, solar, water (including hydro) and wind power is considered renewable.



SHARE OF RENEWABLE ENERGY – AS OF TOTAL CONSUMPTION



The reduction of renewable energy percentage is due to the increase of production volumes in 2021, leading to increased energy consumption at the sites that are still not using green energy (PPA, GoOs, green contracts, etc.).

Optimizing energy consumption

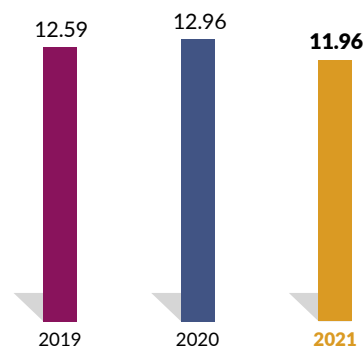
BIC implemented energy efficiency programs in its factories for many years. As a result, the Group has improved its energy efficiency by 5.9% in ten years.

Fifteen energy efficiency projects were launched in 2021. The projects included light bulbs replacement with LED bulbs, processes optimization and installation of new and more energy efficient equipment.

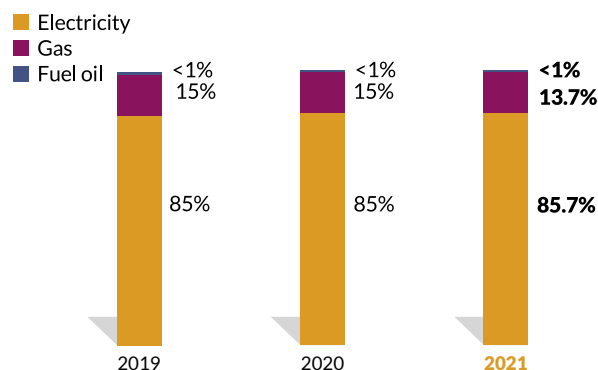
Since the main BIC offices are equipped with servers, the sustainable development approach adopted by the IT support departments has a direct impact on the environmental footprint of the facilities. In 2021 this approach included the following actions:

- participation by BIC Services in the 6th edition of the Green IT Benchmark:
 - the Group demonstrated lower than average environmental impact on all four key indicators: Biodiversity Depletion potential, Global Warming Potential, Water Depletion, Primary Energy Depletion,
 - amongst BIC strengths are the low equipment rate, longevity of the material used and good management of end of life, as well as the energy consumption and moderate printing (usage 30% below average);
- creation of an IT purchase assessment grid (for material, software, services, etc.) used in all tenders;
- partnership with Web-contractors to develop eco-design practices.

ANNUAL ENERGY CONSUMPTION NORMALIZED TO BIC PRODUCTION – IN GIGAJOULES/TON



BREAKDOWN OF BIC ENERGY CONSUMPTION



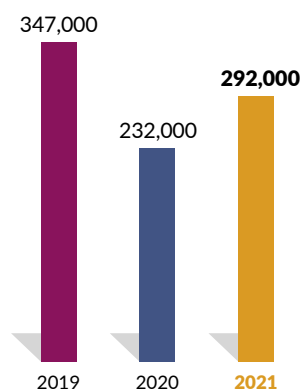
Emissions related to purchases

The emissions in this category are mainly related to the Group's purchases of materials, especially plastics (72%).

In 2020, BIC announced two new ambitious goals as part of its "Writing the Future, Together" program. These two goals, which are also part of the Group's *Horizon* corporate strategy plan, will help significantly reduce its GHG 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 worked on through the implementation of the Group's "4 Rs" philosophy (described in Section 3.2.2.1) and could help reduce its GHG emissions by about 10% (at constant perimeter).

GHG EMISSIONS FROM PURCHASES OF PRODUCTS AND MATERIALS – IN TEQCO₂ – BIC**The carbon footprint of our transport operations**

The goal of BIC's shipping management system is to ensure product availability while:

- maximizing customer satisfaction;
- reducing the environmental impact of its transport operations; and
- optimizing costs.

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 significantly reduce air freight over the long-term. This involves bringing together all relevant functions and working closely with teams across categories and worldwide. Transport companies that are committed to sustainable development are also regularly consulted.</p> <p>Specific monitoring of air transport began in 2014, with quarterly reports to the management teams in each region. In 2020, a system to oversee air freight was rolled out Group-wide. This system requires multiple explanations and approvals prior to authorization of any air shipment. Furthermore, in 2020 and 2021, BIC launched and carried out a project to capture all its downstream transportation flows and thereby better track the associated emissions. Initial results are expected in early 2022.</p>
Optimizing shipments and routes	<p>The main leverage points in shipping to reduce emissions are cutting the distances travelled, the shipping mode used and load optimization. BIC's logistical teams work on all three points in cooperation with other Group departments (such as Production and Sales) and service providers.</p>
Selecting responsible carriers	<p>Logistical operations are carried out by transport companies selected by BIC. Their equipment, methods and management systems are thus determining factors in the level of GHG emissions. These include:</p> <ul style="list-style-type: none"> • the age of the vehicles; • eco-driving training; • the use of speed governors; • tire technology; • emission measurement capacities, etc. <p>In conjunction with the Group's responsible purchasing policy, BIC selects carriers that can reduce the environmental footprint of its shipping operations. For example, in the United States and Canada, the Group only works with carriers that have received SmartWay® certification, a program designed by the Environmental Protection Agency in the United States.</p> <p>To encourage its transport service providers to adopt responsible practices, BIC has incorporated the reduction of GHG emissions as a criteria for selecting carriers.</p>

BIC has factories worldwide, which tends to limit the need for product shipping. For example, over 78% of the products sold in Europe are manufactured there.

BIC uses two types of transport for its products:

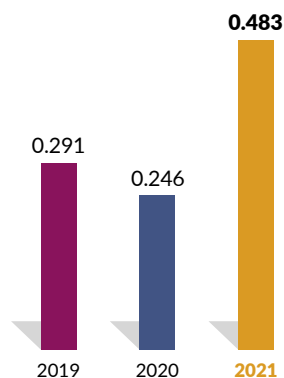
- "inter-site shipping" which refers to factory-factory and factory-warehouse shipments (inter- and intra-continental);
- "distribution shipping" which refers to shipments from factories or warehouses to the end customer.

Due to the environmental and financial impact of air freight, the Group is striving to minimize its use. In 2021, due to global supply chain challenges and to mitigate business risks and support our customer service levels, 2.82% of total tonnage was shipped via air transport which accounted for 70% of Group's total emission from the transport of the year.

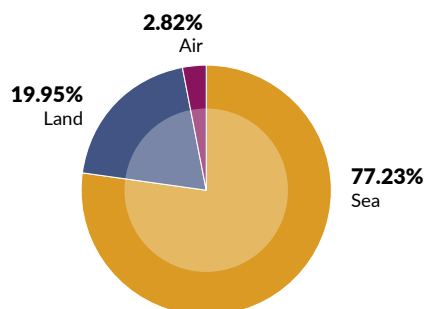
BIC pays close attention to air freight, with the goal of continuing to keep it under 2.3% for intra-company transport.

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.

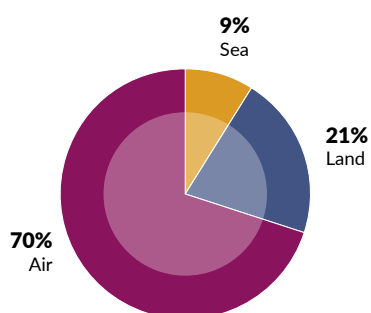
GHG EMISSIONS FROM INTRA-COMPANY TRANSPORT ⁽¹⁾ - TEQCO₂/TON OF PRODUCTS



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



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



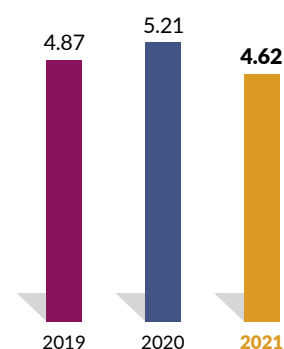
Emissions related to product use

The energy used to heat water when using shavers is the largest source of emissions, accounting for 33% of the total. BIC is exploring how to reduce this and hopes to put forward concrete plans in the coming years.

3.3.3.2 Water ^[NFPS]

BIC consumed 423,679 m³ of water worldwide in 2021.

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



There was a 11.5% reduction in water consumption per ton of production between 2020 and 2021. BIC production is not water intensive and most of the consumption is due to domestic use. 2020 was an exceptional year, due to the pandemic which increased water demand from personnel for hygiene reason.

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. The uneven distribution of water across the planet, and limited access to it, may give rise to severe political and social tensions.

Eight facilities show a moderate risk of water stress (in Europe, the United States, India, Africa, Mexico and Brazil). This is according to a global risk assessment on water and its future availability conducted by BIC in 2018. The Group will continue to seek to improve its water consumption ratios, factoring in the scarcity of this resource when prioritizing its action plans for the reduction of water consumption.

BIC East Africa (Kenya) has finished the project of water recycling in the closed-loops cooling systems, achieving a water consumption reduction of 1.28% via water reuse.

(1) Excluding transport by road, as part of sea and air travel.



3.3.3.3 Waste ^[NFPS]

Total waste production

As part of its operations, BIC generates both Hazardous and Non-Hazardous waste. Non-Hazardous waste accounts for 85% of the total (in tons) and includes, for example:

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

Hazardous waste, which accounts for 15% of total waste (in tons), 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 waste is suitably recovered.

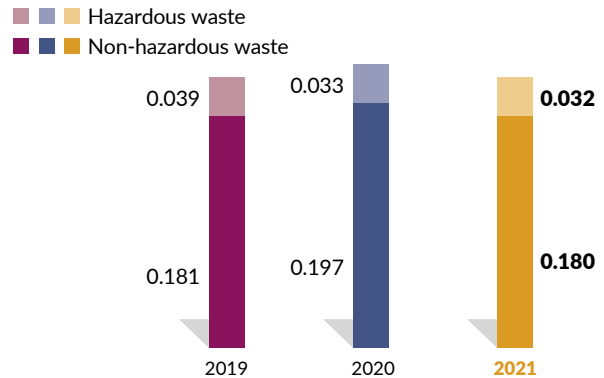
In 2021, various projects were undertaken at BIC plants and in particular at:

- the Graphic Europe facility (Spain), changed the type of cleaning material at the workshop from paper to reusable washable rags;
- the Conte site in France, in partnership with their waste contractor, identified better ways of waste treatment to minimize the landfilled waste;
- the BIC East Africa (Kenya) site reduced the number of purchased cartons for component storage as well as the number of polythene bags for industrial packaging by replacing them with reusable crates.

BIC's achievements in 2021 in terms of waste production and management were as follows:

- a 7.8% decrease in the quantity of waste generated per ton of production between 2020 and 2021; due to waste reduction initiatives such as in BIC East Africa (Kenya) (which led to a 35.6% waste decrease) as well as the increase of the production volumes compared to 2020;
- a stable rate of recovered waste generated per ton of production;
- the percentage of recycled waste remained stable between 64.5% in 2020 and 65.4% in 2021;
- a decrease of 20.5% in the quantity of landfill waste disposal normalized to the total quantity of generated between 2020 and 2021.

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

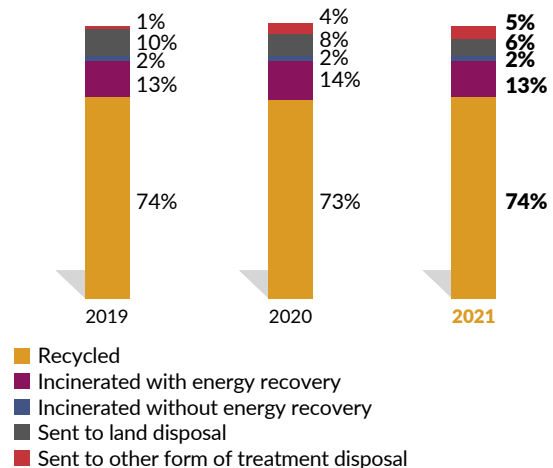


Non-hazardous waste

BIC's achievements in 2021 regarding the production and management of non-hazardous waste were as follows:

- a 8.6% reduction in the quantity of non-hazardous waste per ton of production;
- in the main offices, waste production totaled 104 tons, up 30% in 2021 due to the elimination of archived documents in preparation for the migration of the Clichy office in spring 2022.

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



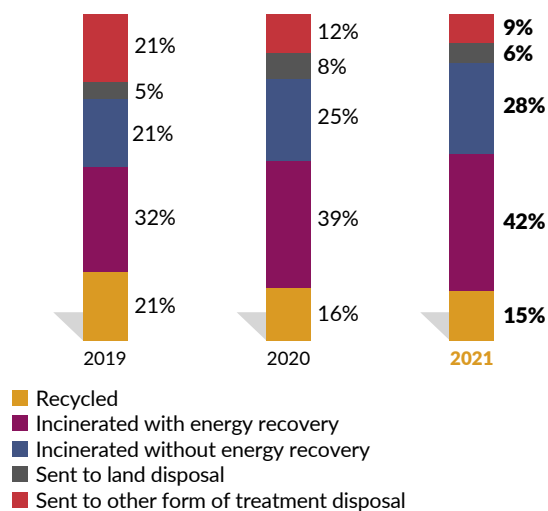
Hazardous waste

Some factories are equipped with wastewater treatment plants to treat hazardous waste. This is the case of water from surface treatment workshops, which is transformed into metal hydroxide sludge that can be processed to eliminate almost all environmental risks.

BIC's achievements in 2021 regarding the production and management of hazardous waste were as follows:

- a 3.8% decrease in the quantity of hazardous waste per ton of production between 2020 and 2021, mainly due to the Group's optimization of industrial processes and equipment.

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



3



3.4. OUR SOCIAL RESPONSIBILITY ^[NFPS]

The women and men who make up BIC have been the key to its success from the very beginning. With a global manufacturing footprint, distribution teams in 57 countries and approximately 4 million sales outlets worldwide, BIC thrives on a shared corporate culture. The Human Resources team, along with our senior leaders, seeks to continue to nurture this common culture, founded on BIC's Values and Philosophy, while encouraging local initiatives. Protecting and improving the health, safety and well-being of our team members remains the number one priority. BIC remains committed to developing the skills of our team members and creating opportunities for professional advancement, as these are foundational inputs to the achievement of our industrial and commercial goals.

3.4.1 THE WORKFORCE

For the year ended December 31, 2021, BIC had 10,471 permanent team members, 706 fixed-term contracts (FTC) and an average of 2,935 temporary staff.

The following sections describe BIC's workforce in 2021 and its evolution.

3.4.1.1 Breakdown of workforce by region and activity

Aligned with the Invent The Future strategy, BIC's 2021 focus was on the continued transformation of the business and ensuring the right organization is in place to support our growth ambitions. While overall permanent headcount declined, headcount stayed consistent in the two biggest markets, North America and Europe, as BIC focus on driving effective operations and delivering

sustained business performance. The increased headcount in Latin America and Middle East and Africa reflects a continued investment in these regions given their importance in delivering against our growth ambitions, from both an industrial and commercial perspective.

The increase in temporary staff reflects the strategy to more effectively meet business needs in an on-demand manner, partnering with external agencies to ensure access to the appropriate talent pools when business needs arise.

From a business unit perspective, the increase in BIC Services headcount reflects the increased capacity of the team in Sofia (Bulgaria) to deliver steady state support in the areas of customer service and finance. Additionally, this headcount reflects the staffing of HR positions to support HR shared services that will centralize transactional processes in the United States, Mexico, Brazil, Spain, Greece, and France.

Changes in staff numbers by region are shown below:

WORKFORCE BY REGION – AS OF DECEMBER 31*

Workforce by region	2019	2020	2021	Change 2021/2020
Europe	3,939	4,025	4,022	-0.07%
North America	750	740	729	-1.49%
Latin America	2,435	2,163	2,297	6.2%
Middle East and Africa	664	683	725	6.15%
India	4,806	3,524	2,606	-26.05%
Asia-Pacific	183	111	92	-17.12%
TOTAL PERMANENT STAFF	12,777	11,246	10,471	-6.89%
Temporary staff plus FTC*	4,017	2,506	3,641	45.29%
Average FTE Temps through Agency	NA	1,919	2,935	52.94%
Total Fixed-Term Contracts 31-DEC	NA	587	706	20.27%
TOTAL	16,794	13,752	14,112	2.62%

* Headcount no longer being reported as Full Time Equivalent.

PERMANENT TEAM MEMBERS – BIC BUSINESS UNIT

Business unit	2020	2021
Group Commercial	2,030	1,931
Graphic	280	230
Group Supply Chain	7,453	6,725
Lighters	941	931
Group Insights & Innovation	194	191
Group BIC Services	104	216
BIC Group	1	1
BIC Foundation	1	1
Corporate Stakeholder Engagement	6	4
Group Communications	13	15
Group Finance	58	41
Group HR	34	41
Group IT	91	98
Group Legal	37	36
Strategy & Business Development	3	10

3.4.1.2 Breakdown of the workforce by age**BREAKDOWN OF THE WORKFORCE BY AGE GROUP**

	2020	2021
Under 20 years	0.1%	0.5%
20 to 29 years	12.6%	13.1%
30 to 39 years	33.1%	32.1%
40 to 49 years	33.7%	32.4%
50 to 59 years	17.8%	19.1%
Over 60 years	2.8%	2.7%

3.4.1.3 Recruitment and termination

In recent years, the Group has continued to expand and upskill the recruitment center of excellence (COE) with experienced global team members. This team continues to reinforce recruitment techniques and has developed a more efficient attraction, selection, and tracking process. Specifically, a global applicant tracking system, SmartRecruiters, is used to manage recruitment activity, and implement interview processes shown to decrease bias in the selection process by focusing solely on skills and experiences needed to perform the job. In addition, global assessments, administered by the company SHL, are utilized in the interview process to assess candidates on the skills needed for success in the job, and their alignment with BIC's core competencies.

Global training sessions with managers and interview team members have been facilitated with a focus on the connection between structuring interviews, enhancing candidate experience and reducing unconscious bias in the hiring process.

BIC continues to enhance awareness of BIC in the international employment market using global recruitment attraction tools such as LinkedIn, Glassdoor and Indeed. As part of our recruitment sourcing initiatives within LinkedIn, the Group has chosen to have names and pictures of potential candidates hidden when sourcing the site. This method of sourcing has proven to mitigate bias when searching the professional network for talent.

The Group also partners with internationally known specialized recruitment companies and job aggregators where our jobs are posted externally. In addition, the Group is engaged with an external partner agency helping to curate an employment value proposition that will resonate with global candidates.

The Group has also implemented internal training webinars to educate the 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 the human resources community to share ideas on global best practices.

To measure the impact of the improvements the Group has made in its recruitment process, recruitment experience surveys have been implemented at several points in the process. The experience surveys primarily measure the Net Promoter Score (NPS). NPS tracks employee and external candidate satisfaction with their BIC experience and helps to gauge loyalty to the BIC brand. The Group has used the results to improve service, support, delivery, and candidate loyalty. Through NPS scores and survey feedback, BIC can understand what it is doing well and where it could be improving the Company's 'experience'. BIC can track and quantify the scores over time and create internal benchmarks for success. The score can improve service, support, delivery and candidate loyalty. The three main scores tracked are:

- active team members: measures team member's desire to recommend BIC as a great place to work to others. Will require implementation of either a global survey or a pulse survey;
- hiring managers and candidates: measures the willingness of our talent acquisition team 'clients' to recommend the BIC recruitment experience to others. Surveys are initiated by Talent Acquisition;
- new hires: measures the new team member's willingness to recommend the BIC onboarding experience to others. Surveys are initiated by Talent Acquisition.



The Group has consistently received high NPS scores, indicating a healthy relationship with employees/candidates who are likely to act as advocates for the brand and fuel business growth.

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

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 with access to a high quality, everyday item offering 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 the daily lives of consumers 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 created a foundation for 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 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 worldwide 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.

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.

Communication

We continue to reinforce our Vision and Values as well as our *Horizon* Strategy through a series of virtual townhalls. These live and recorded Town Halls provide our team members with business and market updates.

Reward and Recognition

As part of our continued commitment to our team members, Vision and Values, BIC brought back its “BIC Team Member Recognition Awards.” The awards fall into two categories: Group Excellence Awards and Functional Capability Excellence Awards.

- **Marcel Bich Award:** celebrates an individual with breakthrough ideas that move our business forward. This person delivers tangible and exceptional results that help propel the Company toward achieving the *Horizon* Plan.
- **OneBIC Team Award:** recognizes outstanding cross-functional, cross-business unit partnership and quantifiable impact on the organization, with a clear link to progress on the *Horizon* Plan.

The leadership nominates and selects the Group Excellence Awards based on each award’s respective criteria.

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

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

For BIC, the health and well-being of team members also means 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, programs to promote well-being at work are coordinated Group-wide and rolled out locally as required by each facility.

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

[NFPS Risk 4] BIC has identified “health-safety in the workplace” as one of the major CSR risks resulting from its operations. BIC’s

operations, both industrial and commercial, expose workers to various occupational risks (physical, chemical, psychosocial, biological, ergonomic) that differ from function to function (headquarters, factories, sales force). Managing this risk is an opportunity to position BIC as a desirable employer through an ambitious health and safety policy.

For the Group, a commitment to improving safety in the workplace is key to team member engagement. This helps build loyalty.

The information on health and safety in the workplace presented in this chapter covers all the Group’s operations.

TEAM MEMBER SECURITY IN TERMS OF GEOPOLITICAL RISKS

For many years, BIC has relied on its world-recognized partner International SOS to help its employees plan business travel in optimum health and safety conditions. This involves providing them with all necessary information and assistance prior to departure and during the completion of travel formalities.

Employees are apprised of all potential health and safety risks as well as political and climatic conditions prior to arrival. International SOS also provides immediate logistical assistance in the case of an unforeseen development affecting international travelers and the health and safety of expatriates. An emergency service is also available to inform BIC of any serious event that may impact its employees.

In 2020 and 2021, as part of BIC’s health procedures, employees were instructed to check their travel conditions via the International SOS platform prior to departure.

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 that uses safety and assistance as bywords.

3

3.4.3.2 Policies, action taken, results and outlook ^[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 embodies this commitment by targeting zero accidents at all BIC facilities by 2025.

The Group uses all available means:

- health and safety management;
- ongoing improvement of working environments;
- working time arrangements;
- raising 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 incorporates health, safety and well-being at work, at every level. The goal is to achieve zero sick leave days due to on-site accidents for everyone who works for BIC.

This is based on the ISSA’s Seven Golden Rules:

1. take leadership – demonstrate commitment;
2. identify hazards – control risk;
3. define targets – develop programs;

4. ensure a safe and healthy system – be well-organized;
5. ensure safety and health in machines, equipment and workplaces;
6. improve qualifications – develop competence;
7. invest in people – motivate by participation.

This “zero accidents” goal requires extra effort on the Group’s safety culture and policies across all operations, and includes the implementation of specific local actions.

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

BIC adopts a Health & Safety program that allows it to guarantee a working environment that protects the physical integrity of team members. 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 those living or working near its production facilities.

The Group rolls out safety management systems at its production facilities. Each facility has an EH&S manager in charge of the roll-out of the EH&S Policy and following up efforts to reduce health and safety risks faced by team members. They report to the industrial directors.

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



Within the Global Supply Chain business unit, the Group's health-safety program is built around a number of tools that continue to evolve in line with the organization's needs:

- the **"e-EHS Suite" platform**, which monitors and manages workplace 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 facilities (factories and headquarters);
- an **Environment, Health & Safety reference system**, also called the EH&S maturity reference system;
- **safety watch** (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;
- **Global Safety Call**, a monthly conference call with the factory directors, their EH&S managers and the management team.

Roll out of the health and safety culture ^[NFPS]

In 2021, the plan to raise awareness on BIC's safety culture was shared with the Group's sales teams and merger and implemented in the merger and acquisition procedures:

- for the sales teams, the role of safety focal point was established in each continent. This role is held by the HR managers. A procedure for managing and recording accidents was shared with these safety focal points. As well as a road risk prevention program, alongside an e-learning training available on BIC University;
- due diligence for mergers and acquisitions was reinforced and updated to include an HSE aspect. Now, newly acquired entities are accompanied from the outset so they can adopt BIC's HSE requirements;
- delayed health-safety roadmaps for several entities because the health crisis of 2020, were reactivated;
- after the construction of a centralized health-safety management system in 2020, the Group Supply Chain division worked on the implementation of the "Building HSE Capacity" program in 2021 which includes:
 - a skills self-assessment 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;

- a crisis management protocol was distributed to all factories, which are responsible for deploying it;
- an HSE aspect was integrated into BIC's new employee onboarding process;
- finally, in 2021, the BIC continued to distribute free personal protective masks in response to the Covid-19 pandemic. More than 4.6 million masks were distributed within the Group.

Across all BIC facilities, accidents resulting in lost work time for BIC team members are mainly caused by same-level falls and the handling of materials and machines. In 2021, BIC recorded 50 lost-time injuries for BIC paid employees and 8 more for external temporary workers, while 40 facilities had 0 accidents. These results show no decrease in the number of incidents for BIC employees this year and a significant increase of the incidents where external temporary workers are involved.

The incident rate for BIC employees and temporary workers was 1.99, while the severity rate climbed to 0.11 from 0.07 one year ago.

The development and implementation of actions plans will continue in 2022 with a view to an increased safety culture and a decrease in this rate. A Safety Focus Action Plan for the Top 5 Factories is expected for 2022. Sites will further specify the actions to be applied per site but the main actions considered are:

- analyze the incidents in 2021, especially those with high number of lost workdays, and seek patterns;
- based on the findings of the incidents' analysis, decide on focused actions, prioritizing those that eliminate the risk;
- set targets, monitor, and act upon the leading indicators (first aid cases, near misses, behavior based safety);
- communicate strongly the importance to the teams and urge leadership teams to drive by example.

Further to the plan for the Top 5 factories, the actions below for all sites will be prioritized:

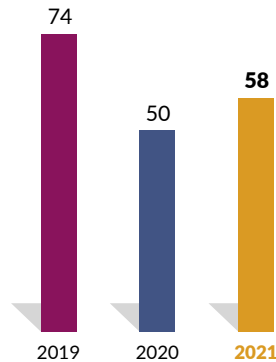
- simplify the incidents reporting process;
- improve sharing of knowledge, best practices and lessons learnt among sites.

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

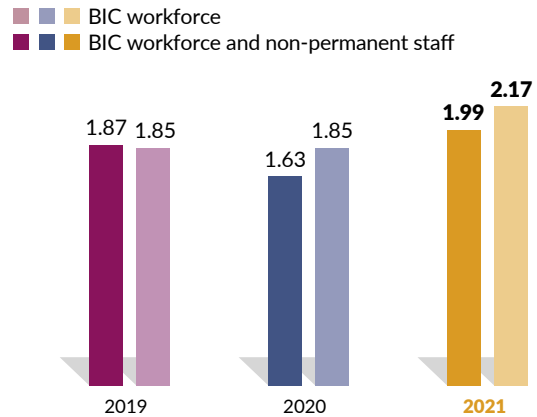
“ 50 lost-time injuries for BIC paid employees and 8 lost-time injuries for external temporary workers and 40 facilities without injuries. ”



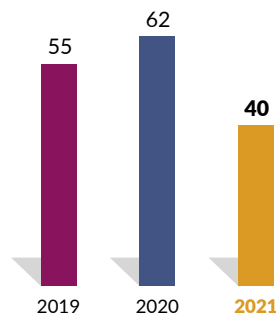
NUMBER OF ACCIDENTS RESULTING IN LOST-TIME – BIC WORKFORCE AND TEMPORARY WORKERS



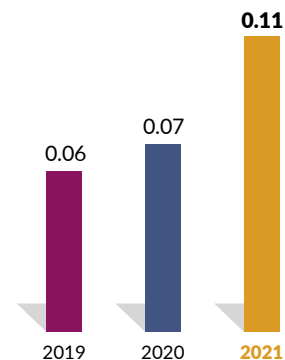
INCIDENT RATE: NUMBER OF ACCIDENTS RESULTING IN LOST-TIME – PER MILLION HOURS WORKED – BIC WORKFORCE AND TEMPORARY WORKERS



NUMBER OF FACILITIES WITHOUT LOST-TIME INJURIES



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



Employee wellness campaigns and services

Prevention, screening and awareness campaigns are carried out in all countries in which BIC operates.

In the United States, health and well-being continue to be a large component of the benefits package for team members. 80% of team members are enrolled in a Health Savings Account (HSA), which provides them with the opportunity to set aside money for future health care costs.

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.

In **Kenya**, several different initiatives were conducted throughout the year such as stress management trainings to all machine operators in the plant as well as a personal finance management training to all team members. In addition, an employee assistance program was offered geared towards counseling service for team members. Medical insurance coverage was implemented to cover Covid-19 medical support.

In the **Asia-Pacific region**, several initiatives were implemented such as:

- supporting team members by delivering healthy meals to their home for one week during lockdown;
- four online webinars on mindfulness techniques, which can be used to reduce stress and improve personal performance;
- BIC covered all team members registrations to participate in the StepTember challenge, which raised money for cerebral palsy research. The challenge promoted team members to be physically active and reach 10,000 steps each day. Small teams were created to maintain motivation levels and share encouragement.

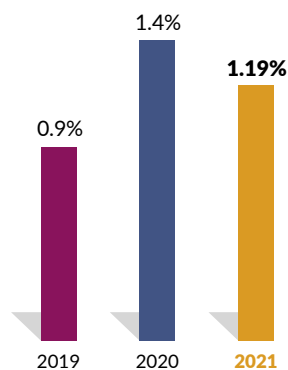


The **South America region** offered several different wellness initiatives such as:

- providing a day off for a team member's birthday, and flexible working hours;
- in Brazil: short Friday on summer, activities during the health and safety week, a virtual gym and mindfulness virtual sessions;
- in Argentina: activities during the health and safety week, additional paternity days, snack machine with healthy offers and a recreation room;
- in Mexico, the implementation two key projects to improve workspaces. The Cuautitlan plant reconfigured its offices to take better advantage of open spaces and natural lighting. The site renewed its desks and office furniture to improve workstation ergonomics. The Saltillo plant, as part of the expansion project, improved the offices and common areas such as the cafeteria and locker room.

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 region 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.

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



The slight decrease in the absenteeism rate from 2020, not including occupational accidents and maternity leave, is primarily the result of a decrease in Covid-19 cases.

3.4.4 TEAM MEMBER DEVELOPMENT ^[NFPS]

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

[NFPS Risk 9] BIC has identified risks related to the skills of its team members among its primary CSR risks. This was especially true of the most experienced. 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 Group's development plans and prevent the Group from implementing its strategy. For BIC managing these risks is an opportunity to develop programs that favor the employability of our team members within and outside the Company.

In 2021, although the ongoing Covid-19 pandemic continued to be a significant disruption to the learning offerings as well as a limited number of internal trainers, learning experiences were designed and delivered across the organization. This did necessitate a review of the training catalogue and validate alignment to business priorities and team member development needs.

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

The People & Culture team took on an initiative to assess and evolve the learning strategy driven by the transformation of the organization and team member expectations of development opportunities. A study was launched that included external industrial insights of L&D best practices as well as internal discussions. The findings included:

- redesign of existing offerings to be more agile and more fully integrated;
- prioritization of eLearning A+ content that is customized based on individual team member development priorities;
- align instructor led training offerings to business priorities and internal subject matter expertise;
- transition from one-time live sessions to more robust learning paths incorporating both eLearning, live sessions, assessments and learning activation. The build of these learning paths is now underway and a number of them expected to go live in 2022.

As a result of this study, the LEAD Program was launched in March 2021. 20 high potential team members were chosen to participate in this immersive 12-month program on an accelerated leadership journey. Developed in partnership with ExecOnline and their extensive network of elite business schools in the United States.

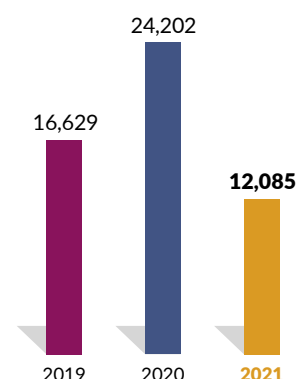
Furthermore, 2021 saw the launch of 2nd cohort of the Global Mentoring Program, where leaders of the organization were partnered with high potential team members in a mentorship relationship for a semester. This has become a staple program, driving capability growth and peer to peer feedback.

Finally, a project to design a new Learning Management System (LMS) has been launched for deployment in 2022. The Group invested in a Learning Experience Platform (LXP), which will be available in 2022 as well. It will provide each employee with personalized content and an expanded library of training courses.

The LXP will make possible custom content to be provided per team member with a library that covers multiple providers and publishers across the learning landscape.

With that in mind, the focus of 2021 was the continued rollout of the core curriculum for key audiences, Diversity, Equity and Inclusion (DE&I) awareness initiatives as well as several functional training courses launched across the organization designed by internal and external subject matter experts mapped to the *Horizon* Plan that including Revenue Growth Management, finance eLearning and marketing capability growth.

NUMBER OF TRAINING DAYS – BIC – PERMANENT WORKFORCE



The decrease in total number of training hours is due to limited offerings during the 2021-2022 learning strategy redesign project.

NUMBER OF TRAINING HOURS (PER THEME) – BIC – 2021 – PERMANENT WORKFORCE

Technical Training	Personal Effectiveness	Management Skills	Crisis Management	Business Skills for Tomorrow	Health and well-being training
46,405	6,498	5,472	2,356	7,298	28,650

Mobility and succession plans

The “Open Positions Review” sessions facilitated by the Group Talent Development team are designed to facilitate the mobility process. Open positions are discussed at these meetings 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 available talent. 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

Recruitment	2020	2021
External Recruitment	825	1,473
Inter-Company Move	16	95
Promotions	270	223

3.4.5 THE COMPENSATION SYSTEM

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

BIC's compensation policy is determined annually 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.

BIC guarantees a level of remuneration that respects minimum salaries determined by local laws and which is regularly measured against both local and international companies. The difference in pay between team members reflects responsibilities, experience, performance and potential and considers the characteristics of local markets.



To recognize the critical role that each BIC team member plays in the success of the Company, October 2021 saw the launch of the Sharing *Horizon* free share plan. Under this plan, the Company granted five shares to each of our more than 11,000 team members around the world, making every team member a shareholder of the Company and a partner in our future success.

The acknowledgement of the performance of individuals and teams is a key component of BIC's compensation policy. Salary increases for managers are based on individual merit (except in certain countries where legal obligations require general increases).

BIC has two forms of short-term variable compensation:

- periodic (monthly or quarterly) variable compensation 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 performance goals combined with an individual performance element. This policy applies to all BIC managers across the Company, up to and including the CEO and is designed to encourage a profitable growth year-on-year.

Key managers may also benefit from the BIC long term incentive plans, based on shares in the Company (stock options, performance share plan, granted shares), with a vesting period over several years.

3.4.6 PROMOTING DIVERSITY, EQUITY, AND INCLUSION

As stated in the BIC Code of Conduct, the Group values diversity, equity and inclusion (DE&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;
- 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 part of team culture.

Furthermore, the recent events of racial inequality and social injustice that have garnered a global reaction has made Diversity, Equity and Inclusion 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 Diversity, Equity & Inclusion Credo, which was signed by the CEO and the CHRO in May 2019, reinforces BIC's commitment to Diversity, Equity, and Inclusion by appreciating that the blending of different backgrounds, experiences and perspectives 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 the Group's entities worldwide and has been translated into the main languages used in the Group.

As part of its Diversity, Equity & 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" ⁽¹⁾;
- social media posts from the CEO and CHRO to recognize Global Pride Month 2021 and International Women's Day;
- in January 2021, Gonzalve Bich, BIC's CEO, joined the "CEO Action for Diversity and Inclusion" TM ⁽²⁾, 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 DE&I.

The global DE&I strategy has set a series of strategic objectives and KPIs to measure progress in the areas of belonging, attraction, promotion and influence:

Belong: create a culture where all team members feel comfortable that they can bring their full selves to work. The objective is to determine a baseline for the inclusion metric as measured through quarterly pulse surveys. Notable achievements in 2021 include:

- launch of two pulse surveys measuring engagement, inclusion, trust, and manager effectiveness. All business units have developed action plans to address key areas and improve participants sense of belonging, engagement, etc.;

(1) <https://www.unfe.org/wp-content/uploads/2017/09/UN-Standards-of-Conduct-Summary.pdf>

(2) <https://www.ceoaction.com/pledge/ceo-pledge/>



- the 100 team members from the Allyship Program participated in the deployment of the Group's DE&I strategy, by organizing local events to celebrate Regional and International Diversity days such as International Women's Day and Pride Month, and many others. In total, 7 external speakers, 4 social media movements, and 19 regional events/awareness campaigns took place;
- launch of mandatory Inclusive Leader learning journey for our allies, general managers, plant managers, directors and above. There will be two more courses launched in 2022 on Being an Inclusive Leader and Building an Inclusive Culture.

Attract: increase representation of women and other underrepresented minorities (as defined by country leadership teams) beginning at entry level through external recruitment and internal promotions. Notable achievements in 2021 include:

- design and launch the new employment brand that highlights key attributes that will attract and retain female talent;
- partner with a women owned consultancy firm called WRK/360 to facilitate a series of listening sessions with 70 level 3 and below women in 22 countries. Feedback has been leveraged to inform the leadership and development of the new leadership signature series to be launched throughout the year in 2022.

Promote: increase diversity in Director and above roles to better represent the workforce focusing on female representation in

level 4 and above positions to 40% in 2027. Notable achievements in 2021 include:

- design Human Capital Management System – SuccessFactor – to improve its talent identification and management process and the data to support these processes;
- deliver gender balanced slate of candidates in lever four and above positions with 44% of all hires being female;
- participate in 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”, designed for targeted managers,
 - the “Management Accelerator” that targets leaders at the beginning or middle of their careers.

Influence: improve visibility, demonstration and celebration of BIC's commitment DE&I externally. Notable achievements in 2021 include:

- continued participation in the “Break the Ceiling Touch the Sky Summit” in New York (U.S.) and Dubai which offered companies an opportunity to learn DEI best practices and connect with women leaders from around the world;
- senior Leader involvement and speaking engagements in Network of Executive Women, Break the Ceiling Touch the Sky and Enactus.

PERCENTAGE OF WOMEN IN THE PERMANENT WORKFORCE BY LEVEL – BIC

	2019	2020	2021
Board of Directors	50%	45%	50%
Level 4 and above (Executives, including Executive Committee)	24%	26%	29%
Level 3 (Senior Managers)	37%	39%	40%
Level 1 and 2 (Managers & Professionals)	38%	39%	40%
Non-managers	51%	49%	46%

PERCENTAGE OF WOMEN IN THE PERMANENT WORKFORCE BY REGION – BIC

	2019	2020	2021
Europe	33%	38%	38%
North America	42%	44%	47%
Latin America	49%	49%	51%
Middle East and Africa	47%	38%	37%
India	60%	56%	48%
Asia-Pacific	40%	47%	43%



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 in section 3.4.6. 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;
- through investments to improve the working environment.

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 and new working conditions like remote work have been initiated through social dialogue.

The following table gives a few examples of such agreements.

Perimeter	Topics
Clichy (France)	On September 29, 2021, several agreements were signed between the Representative Trade Unions and Management in order to improve existing employee savings schemes, including the introduction of a Collective Company Retirement Savings Plan (PACTE Act) with more favorable employer contribution conditions.
Saltillo and Cuautitlán (Mexico)	<p>The good relationship and constant dialogue with the Union in Mexico allowed a good negotiation for the salary review, with a negotiation completely aligned to the global and business situation.</p> <p>During 2021 there was a labor reform in Mexico that implied making some modifications to the workers' contracts. Thanks to constant dialogue and communication with the Union it was possible to sign these documents for ~1,000 people in just two days, ensuring the legal/labor compliance of the Company.</p> <p>The expansion in Saltillo has been well-supported by the union showing the flexibility required to support Manufacturing & Packaging operations.</p> <p>In Cuautitlán, weekly meetings were resumed between the Union - Operations - Security, to have a dialogue and address concerns or opportunities for improvement for all workers.</p> <p>Face-to-face meetings of the "Open Channel" committee were reactivated with the necessary contingency measures, answering questions or proposals from the factory workers.</p>

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

The challenges faced by BIC include maintaining control over its entire value chain, recognizing the importance of its suppliers and subcontractors involvement in meeting its corporate responsibility to uphold ethics and Human Rights in the workplace and to combat corruption. To meet these challenges, the Group's operations and subcontracting activities incorporate its:

- new general Code of Conduct;
- Code of Ethics;
- 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 over 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:

- inventory levels;
- sourcing zones;
- single sourcing, etc.

3.5.1.1 The Supplier Code of Conduct

In 2020, BIC 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 incorporates the former Responsible Purchasing Charter, which codifies the Group's six basic Values:

Ethics, Responsibility, Teamwork, Simplicity, 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, BIC requires that its suppliers comply with the stricter standards and principles.

In a spirit of ongoing improvement, BIC 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 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 BIC 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 operate;
- single-source supply;
- a significant impact on BIC's growth.

In 2021, BIC identified 323 strategic suppliers from among the constantly evolving roster of 15,000 suppliers in its database. The strategic supplier list is updated every year.

In 2020, the Purchasing Department hit 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 original extraction sites. In 2021, the pilot campaign's phase two was launched with the implementation of transparency and risk assessments, policies and action plans to continue the evaluation and improvement of the Flame for Life division production value chain.

Following this strategic resilience study assessment, the purchasing teams established a roadmap to establish a responsible sourcing for each strategic material. They identified solutions and alternatives as well as conducted risk assessments, due diligence and mapped the value chain for each material.

In addition, in 2020 and 2021, BIC incorporated its existing tools into its responsible purchasing approach, and it continues incorporating a number of new tools such as:

- the guide for assessing and selecting suppliers based on CSR performance. Each purchasing family has its own guide;
- compliance with the Supplier Code of Conduct created in 2020;
- audit programs (see Section 3.5.2.2);
- the roll-out of the responsible purchasing training program. This is now incorporated into the required training curriculum for buyers;
- annual EcoVadis campaigns, launched in 2020 and 2021, cover about twenty strategic suppliers per purchasing family, for a total of some 150 suppliers (50% of strategic) evaluated according to CSR criteria;
- program launch to promote supplier diversity by working with suppliers and subcontractors who are representative of minorities: women, lesbian, gay, bisexual, and transgender (LGBT), veterans, people with disabilities and small business. Supplier identification began in late 2021 and the program roadmap will be finalized in 2022;
- development of a supplier management tool designed to create a program of interactions with suppliers and to monitor business relations, audits, etc. It will be operational in 2022;
- participation of the purchasing teams in the working group responsible for the CO₂ emissions reduction plan and contribute to the Group's climate objectives.

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 2021 the Purchasing Department kept a recurrent list of "responsible purchasing actions" for each purchasing family in relation to the goal of "ensuring the most secure, innovative and efficient sourcing." These actions include:

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

All these actions help BIC make progress toward its goals regarding products and energy (see Section 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 2021, 52.3% ⁽¹⁾ of strategic suppliers were involved in at least one responsible purchasing action⁽²⁾. BIC is aiming for 100% by 2025.

In 2022, BIC Purchasing Department plans to draft a responsible procurement policy.

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

Upholding and promoting Human Rights and preventing violations constitute an important aspect of corporate social responsibility. Respect for basic Human Rights is a key concern for BIC, as it is for all corporations and their entire value chain, from the parent company to subsidiaries and 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 employees.

3.5.2.1 Risks and opportunities ^[NFPS]

[NFPS risk 5] BIC has identified risks related to the non-respect of Human Rights (child labor, international conventions, ILO) among its main CSR risks. 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. These include:

- promoting a culture of quality control, cost and production management put in place by BIC since its origins. 91% of the Group's products are manufactured in its own factories;
- strengthening relations with strategic suppliers.

(1) Excluding Cello, BIC Graphic, new acquisition and certain OEMs.

(2) In 2021, these actions included conducting a strategic resilience study and the EcoVadis campaign.



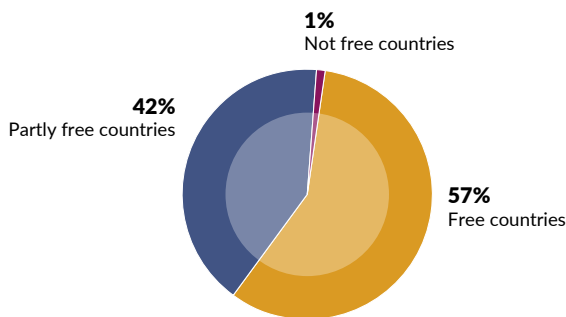
3.5.2.2 BIC's human rights in the workplace policy ^[NFPS]

Limiting contract manufacturing

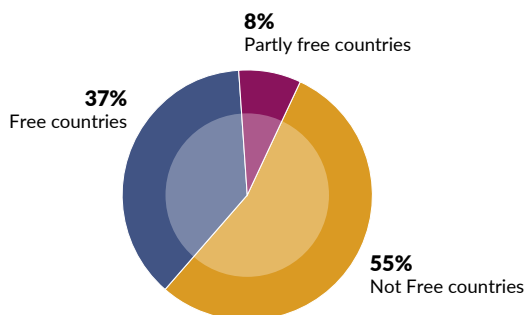
BIC's uses little contract manufacturing. Overall, 91% of the Group's net sales are generated by products made in its own factories. 65% ⁽¹⁾ of these factories are located in countries with no Human Rights risk according to Freedom House.

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

PERMANENT WORKFORCE BY CATEGORY OF COUNTRY IN RELATION TO HUMAN RIGHTS RISK ⁽²⁾ IN 2021 – BIC



CONTRACT MANUFACTURERS BY CATEGORY OF COUNTRY IN RELATION TO HUMAN RIGHTS RISK ⁽²⁾ IN 2021 – BIC



The Supplier Code of Conduct

See Section 3.5.1.1.

The social audit program ^[NFPS]

Compliance with the Supplier 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 over 15 years to ensure compliance with the Supplier Code of Conduct. The program applies to global contract manufacturers. It also applies to local contract manufacturers 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 kept at a satisfactory level.

Audits are carried out by third party Auditors. In 2014, BIC introduced the Workplace Condition Assessment (WCA) platform. This assessment tool is based on national laws, incorporating ILO standards and existing best practice. It is consistent with the Supplier Code of Conduct. The WCA comprises over 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;
- 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 for each indicator. Deficiencies in each evaluation criterion are rated as major, moderate or minor, thereby allowing the implementation of targeted corrective action plans. 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) Change in Freedom House score for India. This country was scored free in 2020.

(2) Source: Freedom House. Change in Freedom House score for India. This country was scored free in 2020.





THE SIX STEPS FOR EVALUATING CONTRACT MANUFACTURERS

1. The BIC contract manufacturer signs the BIC Supplier 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.

In 2021, 30 contract manufacturers (Consumer Products or BIC Graphic) were audited, representing 47% of active contract manufacturers.

3.5.3 BUSINESS CONDUCT AND COMBATTING CORRUPTION ^[NFPS]

BIC strongly believes that in order to succeed as a business, the Company must uphold the strongest standards and principles at all times – acting responsibly, with the planet, society and future generations in mind. Over the years, BIC has formalized its values and ethical business practices. Integrity, Responsibility, Teamwork, Simplicity, Sustainability and Ingenuity guide BIC's actions, with the goal of building and maintaining relationships with all stakeholders – team members, customers, suppliers, Shareholders and regulators – in a way that fosters a culture of business integrity and ensures the highest standards of conduct globally.

3.5.3.1 Risks ^[NFPS]

[NFPS risk 6] BIC has identified risks related to corruption among its main CSR risks. The risk of corruption and unfair practices can lead to legal actions against the Group and major consequences in terms of reputation and attractiveness. Managing this risk is an opportunity for BIC to further develop its culture of ethics within the Group.

3.5.3.2 Policy, actions taken, results and outlook ^[NFPS]

The BIC Code of Conduct

BIC continuously monitors compliance laws and ensures team members are updated on the BIC Code of Conduct through training and awareness campaigns on the following:

- expectations as to how BIC's business is 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. The same is true of all applicable laws, regulations and industry standards that relate to their individual work.

The BIC Code of Conduct covers the following topics:

- **protecting the integrity of BIC 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:** IT 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.

The Code of Conduct is distributed to all new employees as part of the onboarding process. It is 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.bic.com.

Training sessions on the Code of Conduct are launched with periodic cadence on a repetitive basis in line with regulatory guidance. All employees are invited to attend these training sessions to ensure a complete and comprehensive understanding of the Code. Additionally, an abridged version of the BIC Code of Conduct training was procured and launched for employees in the manufacturing plants globally. There are also micro-learning campaigns throughout the year to remind employees of the principles of the Code Business Conduct and such principles are well embedded in the BIC culture.

BIC Anti-Corruption Policy

Since 2016 and updated in October 2020, the Group Anti-Corruption Policy has defined the appropriate conduct mandatory for all BIC personnel. This includes team members, managers, Directors and all parties acting on the Group's behalf: subsidiaries, affiliate companies, partners under contract, wholesalers and consultants. The Policy describes how business should be conducted with third parties to protect against corrupt practice. BIC does not tolerate corruption or bribery and is committed to fighting them in all their 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 is 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.bic.com.

The training sessions on the Anti-Corruption Policy are launched with periodic cadence on a repetitive basis in line with regulatory guidance. All employees are invited to attend these training sessions to ensure a complete and comprehensive understanding of the Anti-Corruption Policy. BIC also released internal guidance on conducting business with countries/entities subject to United States sanctions.

"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. It is open 24 hours a day and is available in over 200 languages. "BIC Speak Up" was updated in 2021 to add additional features to enhance reporter options (e.g. inclusion of Covid-19 inquiries) and a framework for intake options for investigators (e.g. email, phone, walk-in, letter/mail, self-reported). Additionally, BIC updated and enhanced its investigations protocol procedures and processes to ensure that investigations are detailed, comprehensive, consistent and well-supported.

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.

The alert hotline is accessible to third parties and is featured on the BIC Intranet and www.bic.com. This alert mechanism aims to prevent any actions or conduct that would be contrary to integrity, honesty or equity. BIC continues its efforts to continuously monitor and improve compliance with the BIC Anti-Corruption Policy, the BIC Code of Conduct and other legal requirements, policies and guidelines. In 2021, BIC developed and deployed a third-party due diligence program to monitor, identify, mitigate and document any exposure to corruption and unfair practice risks. Such due diligence and mitigating actions are managed and documented through an integrity tool.

The program is a 6-step risk-based approach which categorizes & identifies suppliers, performs risk assessments, understands the risk, evaluates such risk, mitigates any risks and monitors and continuously reviews suppliers and notifies of any risks on an ongoing basis.

The first phase of the program focused on BIC's strategic suppliers and contract manufacturers. There are currently a total of 353 suppliers, representing 50 countries of which 25 countries are identified as high risk. Of the 353 suppliers 150 suppliers have been evaluated and approved as low risk/medium risk and remain continually monitored. The remaining suppliers are currently being evaluated.

It is the responsibility of the CFOs or equivalent Officers in the entities to assess their tax positions and manage all tax filings. The Group Tax Department provides broader support to all entities. In 2021, the internal control procedures did not detect any tax evasion linked to the Group's activities.

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. Strong policies and processes are also in place to mitigate these risks. There will be a strong focus on data privacy, anti-corruption, anti-trust, duty of care, sanctions/export controls, third party due diligence, risk assessment mechanisms and training in 2022.

3.5.4 RESPONSIBLE LOBBYING AND PARTICIPATION IN SECTOR WORKING GROUPS

BIC considers lobbying to be a positive action, making good use of its industrial expertise and market knowledge in its relationships with public authorities. For the Group, lobbying is quite simply communication, targeted at decision makers and important players, on key issues and the lessons learned from its experience to help establish the necessary balance. Its purpose is to help improve the effectiveness of regulatory action, to improve the safety of the products available on the market, thereby 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 affecting its operations.

3.5.4.1 Participation in sector dialogue

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

Although BIC has no tradition of making public statements on major industrial or societal topics, the Group does address the public when it feels necessary. It also participates in industry discussions and seeks to exert its influence in four key areas that are directly related to its commitments as a responsible corporation:

- product safety;
- combatting counterfeiting;



- combatting unfair competition; and
- environmental protection.

BIC lobbies primarily as a member of various organizations, participating as needed in their working groups and the development 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 relevant 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 2021, in addition to regulatory developments in the area of the circular economy and recycling, BIC has maintained its focus on monitoring ongoing regulatory and standardization issues concerning:

- all products:
 - EU directives and regulations (review),
 - REACH,
 - CLP,
 - e-commerce, DSA;

- stationery:
 - toy safety;
- lighters:
 - lighter standards and market watch.

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 activities on a regular basis.

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

BIC 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 people to be notified in case of breaches.

3.5.4.3 Team member awareness

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

3.6. OUR SOCIETAL COMMITMENT

In September 2015, the UN 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
- 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.

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

3.6.1 MAKING OUR PRODUCTS AFFORDABLE FOR ALL

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

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

- building close relations between its production units and their distribution 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 to reflect 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

UN Sustainable Development Goal No. 4 is to "ensure inclusive and equitable quality education and promote lifelong learning opportunities for all." It underlines the two key challenges for education:

- access to education; and
- equity in learning.

The 2019 UN ⁽¹⁾ report shows that:

- 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 forecasts show that without major changes, by 2030, one child in six will be outside the school system;
- the quality of education provided is critical: 55% of primary and lower secondary school children and adolescents do not acquire the minimum knowledge in reading. This rises to 60% in mathematics.

Through its activities of designing, manufacturing and distributing writing instruments, BIC has long been involved in the promotion of education. BIC is a firm believer that education is crucial for the development of free will and independence and for combatting poverty. It has in particular been an active advocate of writing by hand, even before its importance in structuring 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 works 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 (discussed in Section 3.6.2.3);

(1) UNESCO Institute for Statistics 2019.



- actions to help improve learning conditions, including awareness of the benefits of writing by hand in learning and memorization processes (discussed in Section 3.6.2.2).

At end-2021, BIC estimated that 158 million children have seen their learning conditions improved through direct initiatives either involving children, teachers or parents since 2018.

“ 158 million children saw their learning conditions improve between 2018 and 2021. ”

In North America on November 1, 2021, BIC announced the launch of the “BIC-CAUSE WE CARE” online community: a virtual gathering place for anyone who has a passion for improving the learning conditions for students worldwide. The “BIC-CAUSE WE CARE” community will support a multitude of efforts such as:

- monetary donations to educational causes and schools;
- information about local causes and events;
- facilitate discussions about education, and;
- sharing of tools and resources among teachers, parents, caregivers and students.

Members will also receive an invitation to join numerous welcome activities and missions designed to help spread the word of the community and kick-off engagement and participation in a meaningful way.

Examples of projects backed by the BIC Corporate Foundation in each of its main fields of action in 2021:

Play Africa

In South Africa and Sub-Saharan Africa, the Play Africa NGO offers design thinking workshops for children 7 to 12 years old from underserved backgrounds. These workshops allow the development of measurable creative skills in children by teaching them to understand social challenges and how to generate, prototype and test possible scalable solutions. The NGO works together with schools, municipalities and community-based organizations. Play Africa will train 120 facilitators throughout its collaboration with the BIC Corporate Foundation, empowering them to lead participative design thinking workshops. Every year, one solution proposal developed in the workshops will be funded for it to be built in the children's school or community.

Girls Write Now

In the United States, the Girls Write Now program matches underserved high school girls and gender expansive youth with women professional writers for a year-long one-to-one mentorship. Mentees create at the intersection of language, technology, and art, exploring sub-genres within poetry, fiction, memoir, journalism and screen/playwriting, and learning digital skills such as audio and video editing, coding and design. Mentees also participate in Girls Write Now's Writing Works programming, where they receive unique and personalized professional development, strengthening their writing and communication skills, and opening doors, on the pathway to college and career.

Junior Achievement

In South Africa, Spain and France, high-school students participate in this year-long entrepreneurship program. In teams, they develop a business plan, prototype and sell the product or service developed. These students structure their team like a company, having heads of commercial, finance, HR, marketing, production and more. This approach allows youngsters to get to know how a company works, discover professions and develop key soft skills such as: problem-solving, critical thinking, adaptability, entrepreneurial mindset, communication skills and creativity.

LP4Y

The Foundation funds the “professional training for entrepreneurs” program in the training and development center of Saragaon, Raipur. Young adults 17 to 25 years old receive hard and soft skills training as well as the opportunity to develop their own businesses, meet professionals and visit companies. Participants receive an allowance, food and shelter, enabling them to focus on their own personal development, autonomy and empowerment and to have a greater potential of success. After their training, they organize and give workshops to people from their communities. By helping the participants with job-searching as well, 75% are successfully inserted into the professional sector after their participation to the program.

3.6.2.2 Awareness and coaching actions

Writing by hand is a basic skill that helps structure the thought process. For this reason, writing instruments are indispensable tools for advancing learning conditions. In recent years, BIC teams have supported and facilitated handwriting and promoted its importance in children's development, especially through:

- development of activity sheets and workshops for teachers such as motor development, coding, sustainable development and writing exercises;
- promoting education among the communities in need by providing them material for the classrooms (stationery, learning supports, etc.) and support schools refurbishment;
- activities and workshops in schools such as awareness raising on the importance of education and writing, creativity, production of texts or thematic coloring contests for younger children.

3.6.2.3 Philanthropic actions by BIC and its subsidiaries

The philanthropic actions of BIC and its subsidiaries take three forms:

- donation of products;
- monetary gifts; and/or
- volunteer work/skills sponsorship.



BIC and its subsidiaries favor projects that benefit local populations around its facilities.

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 charitable donation, because part of the purchase price is given to a charity. 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 Australia is a partner of the "Children's Charity Network" (CCN), which aims to improve the literacy of children across Australia. BIC supports 2 main initiatives of the CCN:

- the OzKids Arts & Literacy Program which promotes and support children's literary and artistic talents and provides a vehicle for children to appreciate and develop their skills and encourage them to continue in the arts;
- Writing & Illustration School Workshops using leading Australian authors and illustrators to further interest in the arts. The focus of CCN is to provide experiences to rural and remote communities that do not otherwise have access to these types of events, which BIC supports with product donations for these disadvantaged schools as well.

BIC's partnership provides financial support – approximately 15,000 euros in 2021.

As part of the global Enactus partnership whose purpose is to help students transform communities and society through real life social action and environmentally responsible enterprises, **BIC UK** and **BIC Ireland** sponsored events, judged competitions, mentored students and supported student businesses throughout the year. Over 28 employees participated representing 336 volunteer hours.

BIC Amazonia (Brazil) sponsored *Associação Nacional de Desenvolvimento de Esporte Educação*, A sports and inclusion project for young people with Down syndrome and autism. The 70 participants benefited of clinical care, exams, psychologists, physiotherapists, physical education teachers, transport, food and cultural events. BIC's support amounted to 34,000 euros in 2021.

BIC South Africa Stationery partnered with Pick n Pay stores to support Pick n Pay School Club, South Africa's longest existing educational program for primary and high schools and the country's largest brand-funded educational program. The partnership focused on township schools and provided Easter treats and donated Stationery products to students. BIC's support amounted to over 10,000 writing instruments benefiting over 2,500 students.

In 2021, **BIC Morocco** donated of 300,000 units to various NGOs, including the renewed SOS Children's Village program in Morocco.

BIC France in partnership with the *Fédération Nationale des Sapeurs Pompiers de France* (FNSPF) produced an exclusive collection of 5 BIC® 4 color pens specially designed for firefighters. BIC contributed the FNSPF's endowment fund by donating 20 cents for each pen part of Firefighters Collection sold, totaling 9,500 euros in 2021.

During the Global Education Week, **BIC Romania** donated IT equipment to the *Scoala Gimnaziala* primary school in Bucharest. It included one video projector and a screen, one printer and cartridges, books as well as BIC products which benefited over 65 students.

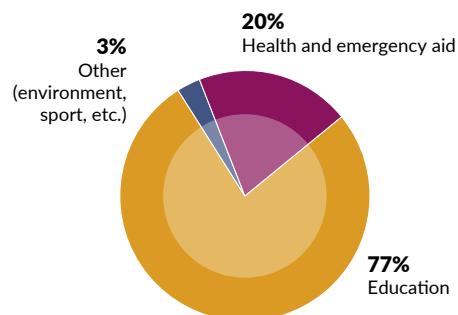
BIC Italy partnered with FAI (*Fondo Ambiente Italiano*) in its mission to enhance and protect Italy's historical, artistic and landscape heritage by developing a limited edition J26 lighter featuring Italian landscapes and natural heritage in its decoration.

In 2021, product donations and financial aid worldwide represented 1 million euros (internal valuation), primarily in education ⁽¹⁾, environment and health.

“ 1 million euros in donations and financial aid worldwide in 2021.

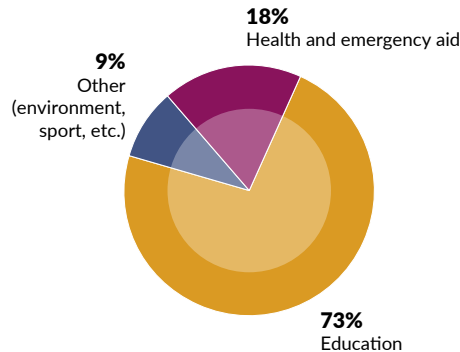
“ 82 philanthropic projects involving volunteer work, product donations and financial aid carried out worldwide in 2021 (all fields combined).

FINANCIAL BREAKDOWN OF ACTIONS – BIC – 2021



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



BREAKDOWN OF ACTIONS BY NUMBER – BIC – 2021**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 the sense of pride and belonging of BIC team members. The Foundation's new mission is: "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". The Foundation's actions target children and youth from underserved communities.

In a context of rapid transformation of society, economies and workforces, creativity is one of the key skills to cultivate the spirit of lifelong learning both in kids and during our adult life. Educational systems globally lack initiatives that foster creativity. They often don't encourage kids and adults to take risks, to believe in their capacity to change paradigms, and to do their part and take responsibility for building a better, more sustainable world.

This is why the BIC Corporate Foundation decided to focus on creative skills, as it believes in the power of creativity as the driver of change. The Foundation has prioritized six areas of focus that it considers essential for the development of creative skills among children and youth: art, music, body expression, entrepreneurship, creative writing and the spoken word.

Through a comprehensive grant process, the Foundation identifies partners, in alignment with its mission, and delivers funding to support the delivery of programs across the world. Each not-for-profit partner is carefully selected and funded following a detailed review process. In 2021, the Foundation signed 7 partnerships with NGOs focusing on the development of creativity in children and youth.

In order to build long-lasting and holistic partnerships, the Foundation is convinced that it's key to involve BIC team members with its partner NGOs. In that sense, the Foundation offered volunteering opportunities around mentorship, CV and interview preparation and painting to BIC team members.

The Foundation also seeks to be the bridge between BIC Group and the not-for-profit sector, contributing to the creation of purposeful collaborations with BIC® products, coordination of product donations and more. A great example of this is the limited collection of BIC® 4 Color™ pens launched in www.bic.com France together with the partner NGO *Rêv'Elles* for International Women's Day. This collection was designed by mentees of the *Rêv'Elles* Empowerment program and a portion of the sales were given back to the NGO.

Supporting a total of 43 projects in 19 countries, the BIC Corporate Foundation has global reach. The Foundation is governed by a Board of Directors comprised of nine members – six internal to BIC and three outside experts. The Board meets formally three times per year and votes to approve the application of the funds of the Foundation.

3.6.2.5 ESG Impact Share Buyback program

As part of its commitment to improving children's learning conditions globally, in late 2020, BIC launched an innovative 40 million euros ESG Impact Share Buyback program. Executed by Exane BNP Paribas and carried out during 2021, the outperformance over the program's execution is allocated in part to the BIC Corporate Foundation and in part to the Abdul Latif Jameel Poverty Action Lab's (J-PAL) tutoring and parental programs in Europe and the U.S. The funding support from BIC will help produce rigorous and scalable insights into effective education programming and policies to improve learning outcomes, particularly for students from disadvantaged backgrounds.



3.7. CLIMATE-RELATED PERFORMANCE REPORT

Anthropogenic climate change constitutes one of the main challenges facing humanity in the 21st century. BIC 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 over ten years, BIC has been reporting on its response to climate issues by participating in the Carbon Disclosure Project (CDP). In keeping with the positive performances in previous years, in 2021, BIC confirmed the 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).

BIC is developing an emissions roadmap to reduce its CO₂ emissions in line with the 2015 Paris Agreement, which aims to limit global warming to well below 2 °C compared to pre-industrial levels. As well as the Science Base Targets Initiative (SBTi) 1.5 °C scenario. BIC will unveil this roadmap at its 2022 Annual Shareholder Meeting.



3.7.1 GOVERNANCE

3.7.1.1 Board of Directors

One of the primary responsibilities of the Nominations, Governance and Corporate Social Responsibility (CSR) Committee is to examine the Group's challenges concerning sustainable development. This includes those related to:

- climate change;
- its sustainable development strategy; and
- progress on applying that strategy.

In addition, BIC'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 Annual Shareholders' 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 into the Group's decision-making processes and the related risks are included in the Group risk mapping 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 Group achieved its commitment #2 to use 80% renewable electricity for its plants and offices. As a result, a new target of 100% renewable electricity was set for 2025.

In 2021, 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. In 2021, a Chief Innovation & Sustainability Officer was officially nominated. They report directly to the CEO.



3.7.2 STRATEGY

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

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

Risk type & Primary climate-related risk driver	Climate-related risk	Potential Financial impacts	Time horizon & Likelihood
Emerging regulation: Carbon pricing mechanisms	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	Increased indirect (operating) costs	Short-term (0 to 3 years) & very Likely
	Increasing global regulation of carbon and energy directly or indirectly impacting BIC's operations or those of its suppliers and contract manufacturers	Increased indirect (operating) costs	Short-term (0 to 3 years) & likely
Acute physical: Increased severity and frequency of extreme weather events such as cyclones and floods	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	Decreased revenues due to reduced production capacity	Long-term (6 to 20 years) & more likely than not

The challenges to global warming are a source of opportunities for BIC as well. These include:

Opportunity type & Primary climate-related opportunity driver	Climate-related opportunity	Potential Financial impacts	Time horizon & Likelihood
Products and services: Development and/or expansion of low emission goods and services	Improving product environmental performance, in particular through "Writing the Future Together" commitment #1 Fostering sustainable innovation in BIC® products	Increased revenues through access to new and emerging markets	Medium-term (3 to 6 years) & more likely than not
	Standing out on the markets by offering products with a reduced carbon footprint	Increased revenues resulting from increased demand for products and services	Long-term (6 to 20 years) & more likely than not
Products and services: Shift in consumer preferences	Changing consumer behavior creates new market opportunities for products that consume less or use less impacting raw materials	Increased revenues through access to new and emerging market	Short-term (0 to 3 years) & more likely than not



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

Using renewable energy at BIC facilities

Electricity consumption at BIC facilities accounts for 8%⁽¹⁾ of the Group's total emissions. Through the commitment Writing the Future, Together – #2 Acting Against Climate Change, BIC aims to use 100%⁽²⁾ renewable electricity by 2025.

Building on its experience, BIC established a roadmap for this goal. This roadmap reflects a strategy in which each country or facility reviews its opportunities for sourcing renewable electricity, consistent with their regulatory and operational constraints. In keeping pace with the frequent market and regulatory changes affecting this sector, BIC is focusing on renewable energy certificates⁽³⁾, green contracts and long-term Power Purchase Agreements as well as electricity production potential of certain facilities.

More specifically, in 2021:

- in France, BIC purchased renewable energy certificates (Guarantees of Origin - GoO) for all its factories plus the Clichy headquarters. This means that all BIC® products manufactured in France were produced using renewable electricity;
- in Greece, GoO certificates have been purchased for all the BIC Violex facility's electricity consumption since 2016;
- in Spain, the BIC Iberia and BIC Graphic Europe facilities have been using renewable electricity through the purchase of certificates (GoO) since 2018;
- in the United States, the purchase of renewable wind energy certificates (US REC's) covers the energy needs of most American facilities;
- in Brazil, the Manaus facility has been using wind energy since 2018 through the purchase of iREC certificates;
- in Mexico, BIC launched a tender for the purchase of long-term renewable energy (Power Purchase Agreements), thereby specifically supporting the development of new infrastructure;
- in Manaus (Brazil), solar panels have been installed;
- in South Africa, the purchase of GoO certificate covers all the factory's consumption;
- since 2018, 100% of the lighter factories have been powered by renewable electricity, and research is underway to develop the self-sufficiency of the facilities (recovery of wasted heat, development of photovoltaic and solar thermal energy, etc.);
- the Cello Stationery Products site has installed solar panels since 2019.

Optimizing energy consumption

BIC implemented energy efficiency programs in its factories for many years. As a result, the Group has improved its energy efficiency by 5.9% in ten years.

Fifteen energy efficiency projects were launched in 2021. The projects included light bulbs replacement with LED bulbs, processes optimization and installation of new and more energy efficient equipment.

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 environmental footprint of the facilities. In 2021 this approach included the following actions:

- participation by BIC Services in the 6th edition of the Green IT Benchmark:
 - the Group demonstrated lower than average environmental impact on all four key indicators: Biodiversity Depletion potential, Global Warming Potential, Water Depletion, Primary Energy Depletion,
 - amongst BIC strengths are the low equipment rate, longevity of the material used and good management of end of life, as well as the energy consumption and moderate printing (usage 30% below average);
- creation of an IT purchase assessment grid (for material, software, services, etc.) used in all tenders;
- partnership with Web-contractors to develop eco-design practices.

Emissions related to purchases

The emissions in this category are mainly related to the Group's purchases of materials, especially plastics (72%).

In 2020, BIC announced two new ambitious goals as part of its "Writing the Future, Together" program. These two goals, which are also part of the Group's "Horizon" corporate strategy plan, will help significantly reduce its GHG 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 worked on through the implementation of the Group's "4 Rs" philosophy (described in Section 3.2.2.1) and could help reduce its GHG emissions by about 10% (at constant perimeter).

The carbon footprint of our transport operations

The goal of BIC's shipping management system is to ensure product availability while:

- maximizing customer satisfaction;
- reducing the environmental impact of its transport operations; and
- optimizing costs.

BIC has factories worldwide, which tends to limit the need for product shipping. For example, over 78% of the products sold in Europe are manufactured there.

(1) Location-based.

(2) Initial commitment of 80% renewable energy was achieved in 2020 therefore a new target of 100% was established in 2021.

(3) Electricity generated from biomass (including biogas), geothermal, solar, water (including hydro) and wind power is considered renewable.



BIC uses 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 factories or warehouses to the end customer.

Due to the environmental and financial impact of air freight, the Group is striving to minimize its use. In 2021, due to global supply chain challenges and to mitigate business risk and support our customer service levels, 2.82% of total tonnage was shipped via air transport which accounted for 70% of group’s total emission from the transport of the year.

BIC pays close attention to air freight, with the goal of continuing to keep it under 2.3% for intra-company transport.

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 significantly reduce air freight over the long-term. This involves bringing together all relevant functions and working closely with teams across categories and worldwide. Transport companies that are committed to sustainable development are also regularly consulted.</p> <p>Specific monitoring of air transport began in 2014, with quarterly reports to the management teams in each region. In 2020, a system to oversee air freight was rolled out Group-wide. This system requires multiple explanations and approvals prior to authorization of any air shipment. Furthermore, in 2020 and 2021, BIC launched and carried out a project to capture all its downstream transportation flows and thereby better track the associated emissions. Initial results are expected in early 2022.</p>
Optimizing shipments and routes	<p>The main leverage points in shipping to reduce emissions are cutting the distances traveled, the shipping mode used and load optimization. BIC’s logistical teams work on all three points in cooperation with other Group departments (such as Production and Sales) and service providers.</p>
Selecting responsible carriers	<p>Logistical operations are carried out by transport companies selected by BIC. Their equipment, methods and management systems are thus determining factors in the level of GHG emissions. These include:</p> <ul style="list-style-type: none"> • the age of the vehicles; • eco-driving training; • the use of speed governors; • tire technology; • emission measurement capacities, etc. <p>In conjunction with the Group’s responsible purchasing policy, BIC selects carriers that can reduce the environmental footprint of its shipping operations. For example, in the United States and Canada, the Group only works with carriers that have received SmartWay® certification, a program designed by the Environmental Protection Agency in the United States.</p> <p>To encourage its transport service providers to adopt responsible practices, BIC has incorporated the reduction of GHG emissions as a criteria for selecting carriers.</p>

Emissions related to product use

The energy used to heat water when using shavers is the largest source of emissions, accounting for 33% of the total. BIC is exploring how to reduce this and hopes to put forward concrete plans in the coming years.

The resilience of BIC’s strategy, taking into consideration different climate related scenarios, including a 2 °C or lower scenario

The RCP 8.5 scenario was used in a model among other sources such as risk statistics and the geographic locations of the sites to evaluate physical risks resulting from high temperatures, flooding, storms, hydric stress and rising sea levels. As a result, the level of risks was evaluated for each site and the hotspots were identified and analyzed. The results were communicated to relevant

leadership members. Consequently, for the sites most at risk, the Group plans to review any measures already implemented to counter the risk and define an action plan when appropriate.

Furthermore, BIC reviewed the IEA WEO 45 scenario to better understand the risks, opportunities and potential impact on the business strategy, and to confirm the trends that were anticipated. The assumptions of the selected scenario have been used with some adaptation, especially in the identification of policies specific to BIC’s sector that could be implemented at the national or more global level. This includes, for example, policies on plastics, marine litter and disposable products, like the European Strategy for Plastics in a Circular Economy, as well as environmental labeling on consumer products in France or Europe.

The results of this qualitative scenario analysis were used by the Sustainable Development Department to confirm the transitional risks and opportunities identified in the past.



3.7.3 RISK MANAGEMENT

3.7.3.1 Identifying and evaluating risks related to climate change

Climate-related risks are incorporated into 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 consideration for identification is the 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.

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

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

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

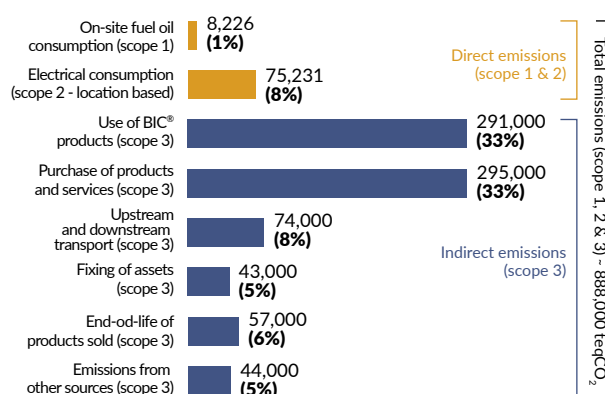
Measurement method

In 2020, BIC reviewed its method for evaluating scope 3 emissions. This was 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 line with the GHG Protocol.

The biggest sources of emissions 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



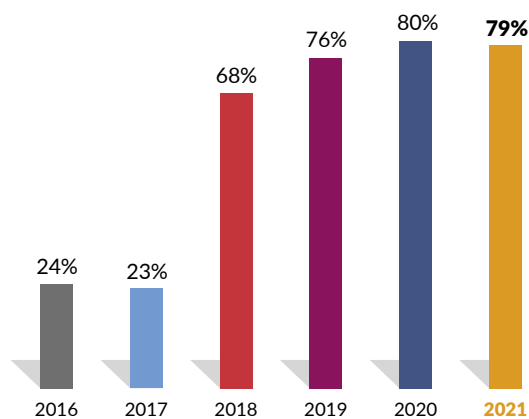
GREENHOUSE GAS (GHG) EMISSIONS – IN TEQCO₂

	2019	2020	2021	Change 2021/2020
Direct GHG emissions (scope 1)	9,278	7,659	8,226	7.4%
Indirect GHG emissions (scope 2 location-based)	88,432	70,435	75,231	6.8%
Indirect GHG emissions (scope 2 market-based)	36,549	25,277	27,086	7.2%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED])	97,711	78,046	83,456	6.93%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 MARKET-BASED)	45,827	33,097	35,311	6.6%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED]) NORMALIZED TO PRODUCTION*	1.070	1.031	0.91	-11.74%
GHG emissions from use of BIC® products (scope 3)	327,000	300,000	291,000	-3%
GHG from upstream and downstream transport (scope 3)	71,000	43,000	74,000	75%
<i>GHG emissions from to intra-company transport (a) (scope 3)</i>	34,000	18,000	49,000	172%
GHG emissions from fixed assets (scope 3)	63,000	38,000	43,000	13%
GHG emissions from end of life of products sold (scope 3)	61,000	49,000	57,000	16%
GHG emissions from purchase of products and services (scope 3)	289,000	236,000	295,000	25%
<i>GHG emissions from purchases of raw materials (scope 3)</i>	254,000	232,000	292,000	26%
GHG emissions from other sources (scope 3)	49,000	41,000	44,000	7%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 3)	862,000	710,000	805,000	13%

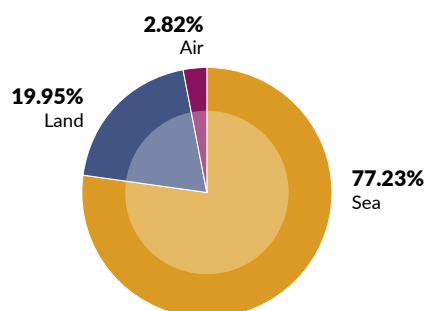
* TeqCO₂/ton.

(a) Excluding road transport in sea and air freight.

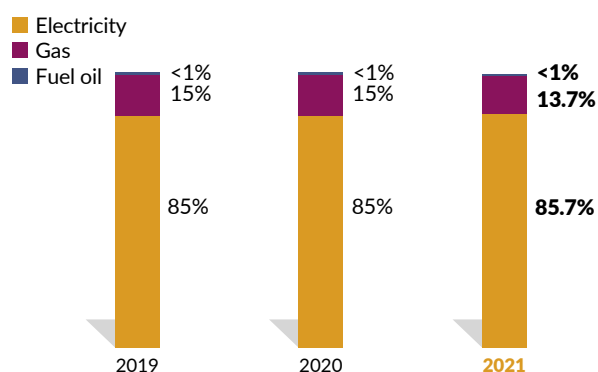
SHARE OF RENEWABLE ENERGY – AS OF TOTAL CONSUMPTION



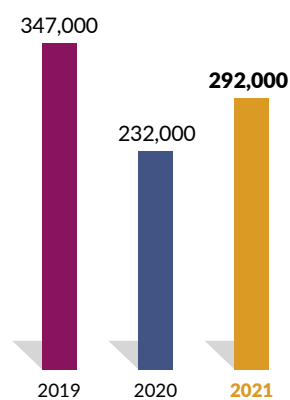
BREAKDOWN OF TONNAGE SHIPPED BY MODE OF TRANSPORT – AS % OF TOTAL



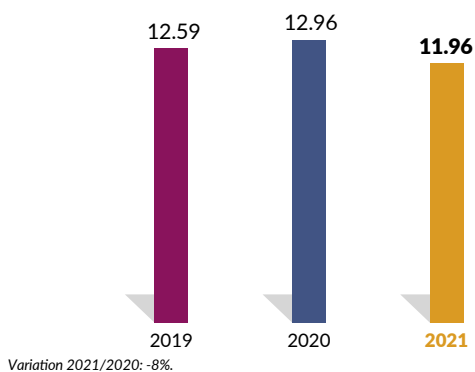
BREAKDOWN OF BIC ENERGY CONSUMPTION



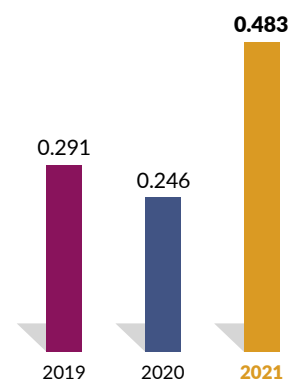
GHG EMISSIONS FROM PURCHASES OF PRODUCTS AND MATERIALS – IN TEQCO₂ – BIC



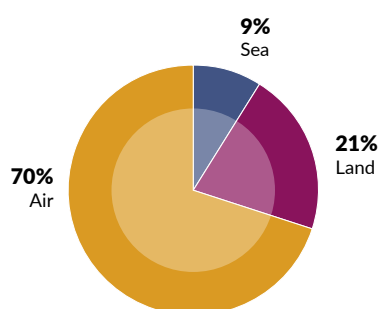
ANNUAL ENERGY CONSUMPTION NORMALIZED TO BIC PRODUCTION – IN GIGAJOULES/TON



GHG EMISSIONS FROM INTRA-COMPANY TRANSPORT ⁽¹⁾ – TEQCO₂/TON OF PRODUCTS



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



(1) Excluding transport by road, as part of sea and air travel.



GOALS AND RESULTS

Goal	Perimeter	Deadline	2019	2020	2021
100% electricity from renewal sources ^(a)	Facilities	2025	76%	80%	79%
Keep air freight below 2.3% for intra-company transport ^(b)	Transport	Annual	0.75%	0.84%	2.82%
BIC's goal is to use:					
• 20% recycled or alternative plastics in its products	BIC® products	2025	3%	4.3%	4.0%
• 50% recycled or alternative plastics in its products	BIC® products	2030	3%	4.3%	4.0%
100% of BIC plastic packaging will be reusable, recyclable or compostable ^{(c) (d) (e)}	Packaging	2025	ND	42.5%	59.6%
100% of BIC paper and cardboard packaging will be from certified and/or recycled sources ^(d)	Packaging	2025	95.7%	97.3%	97.4%
100% of BIC plastic packaging will be PVC-free ^(d)	Packaging	2025	92.1%	94.4%	95.6%
75% of the materials used in BIC plastic packaging will be recycled ^{(c) (d)}	Packaging	2025	ND	48.9%	52.1%

(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 that year.

(d) BIC Graphic, recent acquisitions and certain OEMs are excluded.

(e) The 2020 figure (49.3%) was revised following a test audit in 2021. BIC decided to publish the revised figure.



3.8. MILESTONES ^[NFPS]

This follows the methodological recommendations of the Global Reporting Initiative (GRI). The GRI indicators used herein are included in the cross-reference table of ESG information on page 331.

3.8.1 SUMMARY TABLE OF THE NON-FINANCIAL PERFORMANCE STATEMENT

Non-financial risks	Description of the risks and opportunities	Policies and actions taken	Main results/indicators [*]
R1 - Risks related to plastics: plastic waste and resource depletion.	Section 3.2.1.1	BIC's policies Writing the Future, Together #1 Fostering sustainable innovation in BIC® products. Writing the Future, Together: #2 Acting against climate change. BIC's approaches The "4 Rs" philosophy (Reduce, use Recycled and alternative materials, Refill, Recycle). An eco-design approach incorporating environmental and societal criteria. An approach to increase the use of recycled and alternative materials in all products. Systematic evaluation of all products based on environmental and societal criteria. Developing an innovative circular economy model. Partnerships for innovation approach.	<ul style="list-style-type: none"> 4.0% of recycled or alternative materials in BIC® products (4.3% in 2020). 59.6% of reusable, recyclable or compostable plastic in consumer packaging. 52.1% recycled content in plastic packaging. 95.6% PVC-free packaging. 97.4% of BIC cardboard packaging comes from a certified and/or recycled source. 12 products improved. 16 BIC® products have earned the NF <i>Environnement</i> label. At end-2021, over 64 million pens collected through TerraCycle in Europe, the United States, Australia and New Zealand. 18 alternative materials tested.
R2 - Risks related to climate change.	Section 3.3.3.1	BIC's Writing the Future, Together #1 Fostering sustainable innovation in BIC® products. Writing the Future, Together #2 Acting against climate change. Environment, Health & Safety Policy. BIC's approaches Purchasing electricity from renewable sources. Eco-design approach. Action plan with measures to mitigate climate-related risks at facilities. Environmental management systems at facilities. Energy efficiency approach.	<ul style="list-style-type: none"> 4.0% of recycled or alternative materials in BIC® products (4.3% in 2020). 79% share of renewable energy. 83,456 teqCO₂ (location-based) direct and indirect GHG emissions (scopes 1 and 2), i.e., +6.93% compared to 2020. 0.91 teqCO₂/ton of production (scopes 1 & 2). 11.96 gigajoules/ton of production, i.e., -8% compared to 2020. 2.82% share of air freight (in tons/kilometers) (vs. 0.84% in 2020).



Non-financial risks	Description of the risks and opportunities	Policies and actions taken	Main results/indicators ¹
R3 - Risks related to product safety and consumer health & safety.	Section 3.2.4.1	BIC's policies Writing the Future, Together #1 Fostering sustainable innovation in BIC® products. Product Safety Policy. The seven BIC commitments to ensure the quality and safety of its lighters. BIC's approaches Regulatory watch and compliance. Process for marketing safe products that comply with health and environmental standards. Process for evaluating recycled materials. Systematic testing and evaluation programs.	<ul style="list-style-type: none"> 130 team members from the Legal, Group Insights & Innovation, Marketing Europe and Sales France departments were trained on product safety ^(a).
R4 - Risks related to health and safety of team members.	Section 3.4.3.1	BIC's policies Writing the Future, Together #3 Committing to a safe work environment. Environment, Health and Safety (EH&S) Policy. BIC's approaches Roll-out of the EH&S Suite platform. Health-Safety reporting. Environment-Health-Safety guidelines. Safety watch. Safety certification (OHSAS 18,001) for four Stationery factories. "Quality of Life at Work" program.	<ul style="list-style-type: none"> 58 Lost-Time Injuries. 40 facilities without injuries. 1.99 on-site accident incidence rate—BIC team members and temporary employees. 0.11 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).	Section 3.5.2.1	BIC's policies Writing the Future, Together #4 Proactively involving suppliers. BIC's Code of Conduct. Supplier Code of Conduct BIC's approaches Social audit program. EcoVadis evaluation.	<ul style="list-style-type: none"> 57% of permanent employees work in "free countries" with respect to human rights. 91% of all BIC® products are produced in the Group's own factories.
R6 - Risks related to unfair practices (corruption).	Section 3.5.3.1	BIC's policies BIC Group Code of Conduct. BIC Group anti-corruption policy. BIC's approaches Anti-corruption training. Deployment of the Group's Code of Conduct. BIC Speak-up hotline.	<ul style="list-style-type: none"> 47% of contract manufacturers audited between 2020 and 2021. 65% of BIC factories are located in countries with no Human Rights risk.



Non-financial risks	Description of the risks and opportunities	Policies and actions taken	Main results/indicators [*]
R7 - Risks related to our operations and the environment.	Section 3.3.1	BIC's policies Environment, Health & Safety (EH&S) Policy. BIC's approaches Environmental management systems at the facilities (internal or ISO 14001). Various certifications for certain facilities: <ul style="list-style-type: none"> • ISO 50001; • European Water; • Stewardship Gold; • BREEAM; • LEED. Water consumption reduction approach. Waste reduction approach. See also Risk 2.	<ul style="list-style-type: none"> • 4.62 m³/ton annual water consumption. • 0.180 tons of non-hazardous waste/ton of production. • 0.032 tons of hazardous waste/ton of production. • 74% of non-hazardous waste recycled (in tons). • 42% of hazardous waste incinerated with energy recovery (in metric tons). • 82 volunteer operations, product donations and financial donations worldwide in 2021 (all areas combined). • 1 million euros in product donations and financial aid worldwide.
R8 - Risks related to reputation and brand.	Section 3.2.5.1	BIC's policies Writing the Future, Together #1 Fostering sustainable innovation in BIC® products. Responsible Communication Charter. BIC's approaches The "4 Rs" philosophy (Reduce, use Recycled and alternative materials, Refill, Recycle). An eco-design approach incorporating environmental and societal criteria. Increased use of recycled and alternative materials in all products. Systematic evaluation of all products based on environmental and societal criteria. Development of an innovative circular economy model. Partnerships for innovation.	<ul style="list-style-type: none"> • BIC® products' performance in use: <ul style="list-style-type: none"> • more than 2-km of writing for most ballpoint pens. • up to 3,000 flames for a lighter. • 17 shaves for a triple-blade shaver. • 16 BIC® products have earned the NF Environnement ecolabel. • 100% of the environmental claims for BIC® products on packaging, in catalogues and on websites are validated by the Legal Department. • 4.0% of recycled or alternative materials in BIC products (4.3% in 2020). • 59.6% of reusable, recyclable or compostable plastic in consumers' packaging. • 52.1% recycled content of plastic packaging.
R9 - Risks related to experienced team members and skills.	Section 3.4.4.1	BIC's approaches Succession Plans. Team member training.	<ul style="list-style-type: none"> • 12,085 training days – permanent employees.

* See also Section 3.8.5 Indicator table.

(a) Excluding Flame for division.

3.8.2 NON-FINANCIAL RATINGS

In 2021, BIC was listed on the following socially responsible investment indexes:

- CDP Climate 2021: Leadership Level A- (see §Section 3.7);
- CDP Supplier Engagement Rating 2021: Management level: B.

In 2021, the rating agency Sustainalytics assigned BIC an ESG risk rating of 24.2 (-0.8 vs. 2020).

3.8.3 PERIMETER AND SELECTION OF INDICATORS

The reporting period covered by this report is from January 1 to December 31, 2021.

3.8.3.1 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 impact on biodiversity is primarily through its land use (industrial, logistical and administrative facilities). To evaluate this impact, BIC relies on a "facility approach". A cartographic analysis of the physical surroundings of each BIC 22 factory was done in 2011⁽¹⁾. The majority of BIC's factories are in non-sensitive (in most cases industrial) zones, and neither their land use nor their operations pose any evident risk to their surroundings. In places where there are specific obligations, the management systems address the problem and enable follow-up.

Air, water and soil releases that seriously affect the environment

The nature of the 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 facility to measure, evaluate and reduce any significant environmental impact.

Conditions for use of soil

In Europe and the United States, where most of the Group's facilities are located, whenever an industrial facility is closed, BIC ensures it is decommissioned in accordance with local laws and best environmental practice. When appropriate or when required by law, BIC studies the soil and subsoil although this is not required for most facilities. Pollution studies at European plants in operation for many years show 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.

As regards noise impact, measures are taken within the property limits to meet local administrative limits. If any noise pollution is brought to the Group's attention in the future, studies will be conducted and appropriate corrective action taken.

Combatting food waste and 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.

3.8.3.2 Reporting perimeter of indicators

Regarding indicators that refer to HR, the reporting perimeter encompasses all permanent employees at all French and foreign operational units within the Group.

The environment indicators concern 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. They also apply to its engineering units and packaging operations with over 50 employees or where operations are subject to government regulations such as SEVESO (EU), PSM or RMP (United States). Group headquarters with over 200 permanent employees are also included in the reporting. Any new site meeting the perimeter thresholds established above should aim to meet program requirements within five years following its first financial consolidation.

BIC Nantong is excluded from the reporting perimeter because this plant produces less than 1% of the Group's total lighter volume. Djep and BIC Bulgaria is excluded as well.

For health and safety indicators, all Group facilities (offices or industrial facilities) are included in the perimeter except the SBJNET site.

In 2021, Cello Writing Instruments & Containers and Pimaco, were removed from the environment-health-safety perimeter due to their closure.

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

3.8.3.3 Indicators

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

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

Financial indicators, those referring to HR, occupational accidents and the environment are compiled using multiple data collection systems that give favor the 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.

(1) Excluding Cello Pens

The environmental indicators are normalized to production so that their measurements are less affected by changing 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. The classification of such waste treatment is based on the channels to which they are directed.

In addition, for BIC, the term “water consumption” is understood to mean total water inputs, regardless of any subsequent treatment or wastewater discharge.

Concerning the reporting of GHG 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), BIC provides an annual report on its emissions. The underlying assumptions and emission factors are reviewed regularly to ensure they continue to be relevant.

In addition, to ensure transparency, further information is provided on some indicators below.

GHG emissions related to raw material purchases

This indicator includes the main raw materials used in the products of the three main categories. That includes Cello (since 2018).

It also uses raw materials used in packaging reported under the indicators: percentage of reusable, recyclable or compostable consumer plastic packaging, percentage of responsibly sourced cellulose packaging, PVC free plastic packaging and recycled plastic packaging.

Share of the BIC® product portfolio assessed using EMA

In 2021, the perimeter of application for this indicator is as follows:

- Human Expression: all writing, marking, coloring and correction products excluding:
 - Cello® products,
 - Sheaffer® products,
 - products under licence,
 - unbranded writing instruments,
 - sticky notes,

- certain specific writing products (Stypen® EasyClic®, Fountain Xpen®, Gilbert® products, Velleda® whiteboards),
- some coloring products (paints, gouache, glitter pens);
- Blade Excellence: one-piece products, hybrid products excluding products in the System family;
- Flame for Life: pocket lighters, and excluding products from the Utility family;
- And the exclusion of the following entities: BIC Graphic, BIC Nigeria, OEM/Trading products, and by-products.

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 consumer packaging that is either reusable, recyclable or compostable. It is calculated on material weight and concerns the consumer plastic packaging (pouch, blisters, etc.). The indicator reported for 2021 concerns the products in the three main categories (excluding BIC Graphic and recent sales and acquisitions and certain OEMs).

Percentages of responsibly sourced⁽¹⁾ cellulose packaging, PVC free plastic packaging and recycled plastic packaging

This indicator includes all packaging for packaged BIC® products delivered to the Group's customers worldwide (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 BIC Graphic and recent sales and acquisitions, and certain OEMs).

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(1) A cellulose package is considered to be responsibly sourced if at least 50% mass of the cellulose is certified or recycled.



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 (excluding recent sales and acquisitions). In 2018, the activities of Cello Pens were included in the reporting perimeter for this indicator. This indicator does not take into account road transport in sea and air freight.

Emission factors were updated in 2019: the relevant emission factors are 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 in 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 that have joined the sustainable purchasing program" is also calculated excluding Cello, BIC Kenya, Nigeria, Djeeep, BIC Graphic, and certain OEMs.

Writing the Future, Together #5 Improving lives through education

The number of children whose learning conditions have been improved by BIC is an estimate of children impacted by direct actions and/or programs targeting teachers, deans or parents.

This number is a minimum because some of BIC's efforts may not be reported.

Since 2019, the methodology for estimating the number of children impacted by an action *via* teachers is as follows: 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).

3.8.4 EUROPEAN TAXONOMY: SCOPE AND METHODOLOGY**Scope**

The revenue, capital expenditures and operating expenses considered cover all of BIC's activities corresponding to the financial consolidation scope.

The financial data is taken from the accounts as of December 31, 2021 and the revenue and capital expenditures can therefore be reconciled with the financial statements.

Companies in which the Group exercises joint control or significant influence are excluded from the calculation of the ratios defined by the delegated act known as "Article 8" of the taxonomy regulation ⁽¹⁾.

Methodology used to determine the ratio of eligible activities

BIC's assessment of its business activities and eligible costs and investments and the determination and allocation of revenue, Capital expenditure (CapEx) and operating expenditure (OpEx) with reference to the climate delegated acts of the taxonomy, has been carried out in the following manner.

BIC compiled the NACE codes of its subsidiaries and compared them with those of the activities listed in the taxonomy's delegated climate acts. Finding no matching codes, BIC decided to proceed with a detailed analysis of each activity presented in the taxonomy in order to identify the categories for which BIC activities might be eligible.

Then, the environmental coordinators, using the structure and data from existing non-financial reporting, R&D and sustainability initiatives, identified "potential" eligible BIC activities in these categories. Verification work was done to confirm the eligibility of the BIC activities in these categories.

In consultation with the Finance Department, these eligible BIC activities were classified by taxonomy objective (adaptation or mitigation), along with their revenue, Capital expenditure (CapEx) and operating expenditure (OpEx).

After identifying the eligible activities and their revenue, Capital expenditure (CapEx) and operating expenditure (OpEx), BIC calculated the share of eligible activities in 2021.

(1) Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021.



3.8.5 INDICATOR TABLE

Environmental indicators	Unit	2019	2020	2021
Management systems of factories				
Factories with environmental and health & safety management systems (or being implemented)	%	83.0	87.5	82.2
Energy consumption				
Annual energy consumption	Gigajoules	1,149,930	981,437	1,097,484
Writing the Future, Together #2 Share of renewable electricity	%	76	80	79
Annual energy consumption normalized to production	Gigajoules per ton	12.59	12.96	11.96
Greenhouse Gas (GHG) emissions				
Total amount of annual GHG emissions (location-based)	tCO ₂ eq	97,711	78,046	83,456
• Direct GHG emissions (Scope 1) (location-based)	tCO ₂ eq	9,278	7,659	8,226
• Indirect GHG emissions (Scope 2) (location-based)	tCO ₂ eq	88,432	70,387	75,231
Total amount of annual GHG emissions GES (market-based)	tCO ₂ eq	45,827	33,185	35,311
• Indirect GHG emissions (Scope 2) market-based	tCO ₂ eq	36,549	25,438	27,086
Total ratio of annual GHG emissions to production (Scope 1 & 2)	tCO ₂ eq/ton	1.07	1.03	0.91
GHG emissions related to raw material purchases (Scope 3)	tCO ₂ eq	347,000	232,000	292,000
GHG emissions related to intra-company transport ^(a) (Scope 3)	tCO ₂ eq	34,000	18,000	49,000
Water consumption				
Annual water consumption	m ³	444,840	394,821	423,679
Ratio of annual water consumption to production	m ³ per ton	4.87	5.22	4.62
Waste production				
Annual waste production	Tons	20,049	17,453	19,487
• Non-hazardous waste	Tons	16,526	14,931	16,548
• Hazardous waste	Tons	3,522	2,522	2,939
Ratio of annual production of waste to production	Tons/tons	0.220	0.230	0.212
Recycled waste	%	65	64.5	65.4
Recovered waste (recycled or incinerated with energy recovery)	%	81	82	82.4
Transportation				
GHG emissions related to intra-company transport ^(a)	tCO ₂ eq/ton	0.291	0.246	0.483
Intra-company transport without air freight	%	99.25	99.16	97.18
Products				
Writing the Future, Together #1 Share of recycled or alternative materials in BIC® products	%	3	4.3	4.0
Number of products certified with the French NF <i>Environnement</i> ecolabel	Number	19	19	16
Number of products whose environmental and/or societal footprint improved.	Number	ND	9	12
Packaging ^(b)				
BIC cardboard packaging from a certified and/or recycled source	%	95.7	97.3	97.4
BIC plastic packaging PVC free	%	92.1	94.4	95.6
Writing the Future, Together #1 Reusable, recyclable or compostable plastic in consumer packaging ^{(c) (e)}	%	NA	42.5	59.6
Writing the Future, Together #1 Recycled content of plastic packaging ^(c)	%	NA	48.9	52.1
Other Indicators				
Provisions and guarantees for environmental risks ^(d)	Million euros	-	-	-
Compensation paid during the fiscal year under court order	Million euros	-	-	-

(a) Excluding transport by road in sea and air travel.

(b) 2021 figures excludes BIC Graphic, recent acquisitions and certain OEMs.

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

(d) Environmental guarantees are listed in Note 26 "Off-balance sheet commitments: sureties, deposits and guarantees" to the consolidated financial statements for the year.

(e) The 2020 figure (49.3%) was revised following a test audit in 2021. BIC decided to publish the revised figure.



Social indicators	Unit	2019	2020	2021
Group workforce				
Total workforce		16,794	13,752	14,113
• Permanent employees	Number of employees ^(a)	12,777	11,246	10,471
• Fixed-term contracts	Number of employees incl. in temporary workers		587	706
• Temporary workers	FTE	4,017	1,919	2,936
Voluntary turnover	%	13	14	16
Permanent workforce by region				
Percentage of permanent workforce by region				
• Europe	%	31.0	35.8	38.4
• North America	%	6.0	6.6	7
• Latin America	%	NA	19.2	22
• Middle East & Africa	%	NA	6.1	6.9
• India	%	NA	31.3	24.9
• Asia-Pacific	%	NA	0.99	0.88
Permanent workforce by activity				
Percentage of permanent workforce by activity				
Group Commercial	%	NA	18	18.44
• Graphic	%	NA	2.5	2.2
• Group Supply Chain	%	NA	66.3	64.2
• Lighters	%	NA	8.4	8.89
• Group Insights & Innovation	%	NA	1.7	1.82
• Group BIC Services	%	NA	0.92	2.06
• BIC Group	%	NA	0.01	0.08
• BIC Foundation	%	NA	0.01	0.01
• Corporate Stakeholder Engagement	%	NA	0.05	0.04
• Group Communications	%	NA	0.12	0.14
• Group Finance	%	NA	0.52	0.39
• Group HR	%	NA	0.3	0.39
• Group IT	%	NA	0.8	0.94
• Group Legal	%	NA	0.3	0.34
• Strategy & Business Development	%	NA	0.03	0.10
Training, career management and engagement				
• Percentage of employees that have received training	%	60	70	71
• Number of training days ^(b)	Days	16,629	24,202	12,085
• Number of training days per employee ^(b)	Days	2.2	3.1	1.6
Number of training hours per theme ^(b)	Hours	133,035	193,614	96,680
• Technical training	Hours	100,725	124,634	46,405
• Leadership skills	Hours	5,607	NA	NA
• BIC culture	Hours	11,814	NA	NA
• Health & Wellbeing	Hours	14,889	22,960	28,650
• Personal Effectiveness	Hours	NA	33,508	6,498
• Management Skills	Hours	NA	4,009	5,472
• Crisis Management	Hours	NA	4,095	2,356
• Business Skills for Tomorrow	Hours	NA	4,408	7,298
Internal Development				
• External Recruitment	%	41	NA	NA
• Inter-Company Move	%	59	NA	NA



Social indicators	Unit	2019	2020	2021
Number of Total Promotions (Superior Level)	Number	NA	270	223
Diversity				
Percentage of women in management and workforce	%	48	46	44
• Board of Directors	%	50	46	50
• Executive Committee	%	25	22	30
• Managers (highest levels: 3 to 6)	%	32	NA	NA
• Level 4 and above (Executives & ExCom)	%	24	26	29
• Level 3 (Senior Managers)	%	37	39	40
• Level 1 and 2 (Managers & Professionals)	%	38	39	40
• Non-managers	%	51	49	46
• Europe	%	33	38	38
• North America	%	42	44	47
• Latin America	%	49	49	51
• Middle East & Africa	%	47	38	37
• India	%	60	56	48
• Asia-Pacific	%	40	47	43
Safety				
Writing the Future, Together #3 Lost-time injuries	Number	74	50	58
Sites without lost-time injuries	Number	55	62	40
Incidence rate of workers' accidents - BIC workforce (accidents with temporary or permanent incapacity)	Number/million hours worked	1.85	1.85	2.17
Incidence rate of workers' accidents - BIC workforce and temporary workers	Number/million hours worked	1.87	1.63	1.99
Severity rate of workers' accidents - BIC workforce (days of temporary incapacity)	Number/thousand hours worked	0.06	0.07	0.1
Absenteeism				
Absenteeism rate (excluding on-site accidents and maternity)	%	0.9	1.4	1.19

(a) In FTEs for 2019, in number of employees for 2020 and 2021.

(b) The decrease in total number of training hours in 2021 is due to limited offerings during the 2021-2022 learning strategy redesign project.

Societal indicators	Unit	2019	2020	2021
Supplier relationships				
Writing the Future, Together #4 Percentage of strategic suppliers integrated in the responsible purchasing program	%	NA	25.8	52.3
Respect for Human Rights in the workplace				
BIC permanent employees working in countries with no Human Rights risk ^(a)	%	87	85	58
BIC factories located in countries with no Human Rights risk ^(a)	%	83	84	65
Sponsorship				
Contribution to communities (percentage of the Group's pretax profit)	%	>0.7	0.9	0.7
Improving lives through education				
Writing the Future, Together #5 Children with improved learning conditions (cumulative)	Million	61	118	158

(a) Source: Freedom House.



3.8.6 REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

This is a free translation into English of the Statutory Auditor's report issued in French. It is solely provided 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 fiscal year ended December 31, 2021

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of BIC SA (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1048 (Cofrac Inspection Accreditation, no. 3-1048, scope available at www.cofrac.fr) and currently adapting our management system as required by the Cofrac for this accreditation (from ISO17020 to ISO 17029), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2021 (hereinafter the "Information" and the "Statement", respectively), 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).

Conclusion

Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Comments

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

- as mentioned in the methodological milestones of the non-financial statement, the reporting perimeter is limited for some indicators (including those related to the strategic suppliers reached by a responsible purchasing action and to the products that have been improved compared to their baseline version) that do not cover Cello Pens.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on the Company's website or on request from its headquarters.

Limits inherent in the preparation of the information relating to the Statement

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Company's responsibility

The Board of Directors is responsible for:

- selecting or determining the appropriate criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

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."



As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the duty of vigilance and the fight against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement and acting as the verification programme and with the international standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and 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 aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of 5 people between September 2021 and March 2022 and took a total of 20 weeks.

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.

Nature and scope of procedures

We planned and performed our work taking account of the risk of material misstatement of the Information. We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- 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, 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 the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their 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⁾, for certain information, our work was carried out on the consolidating entity, while for other risks, our work was carried out on the consolidating entity and on a selection of entities.
- 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 implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.

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(1) *Business conduct and the fight against corruption ; Respect for Human Rights ; Promoting Diversity, Equity and Inclusion ; Products designed to meet and anticipate consumers' expectations.*



- For the key performance indicators and other quantitative outcomes⁽¹⁾ that we considered to be the most important, we implemented:
 - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
 - substantive tests, on a sample basis and using other selection methods, 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 19% and all the consolidated data selected for these tests.

- We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, March 24, 2022

One of the Statutory Auditors,

Deloitte & Associés

Jean-Pierre Agazzi
Partner

Julien Rivals
Partner, Sustainability Services

- (1) **Progress of the Writing the Future, Together program in 2021:** 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:** Number of BIC products that have been improved compared to their baseline version, Percentage of recycled/alternative plastics in BIC® products, Percentage of cardboard packaging from a certified and/or recycled source, Percentage of plastic packaging PVC free, Reusable, recyclable or compostable in consumer plastic, Recycled content in plastic packaging. **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 Cello (India), BIC Milford (USA), BIC Rasoirs (France), BIC BJ75 (France), BIC Bizerte (Tunisia).



REFERENCE TABLE

UN Global Compact Principles	Reference to Non-Financial Performance Statement	Reference to other BIC policies (Code of Conduct, Anti-Corruption Policy and Supplier Code of Conduct)
Human Rights		
<i>Principle 1</i> Businesses should support and respect the protection of internationally proclaimed human rights; and	3.5.2: Ensuring respect for Human Rights in the workplace 3.5.3: Business conduct and combatting corruption	Code of conduct (pg. 19) Supplier Code of Conduct (pg. 7)
<i>Principle 2</i> make sure that they are not complicit in human rights abuses.	3.5.2: Ensuring respect for Human Rights in the workplace 3.5.3: Business conduct and combatting corruption	Code of conduct (pg. 19) Supplier Code of Conduct (pg. 7-8)
Labour		
<i>Principle 3</i> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	3.4.7: Social dialogue	Code of conduct (pg. 18) Supplier Code of Conduct (pg. 8)
<i>Principle 4</i> the elimination of all forms of forced and compulsory labour;	3.5.2: Ensuring respect for Human Rights in the workplace	Code of conduct (pg. 19) Supplier Code of Conduct (pg. 7)
<i>Principle 5</i> the effective abolition of child labour; and	3.5.2: Ensuring respect for Human Rights in the workplace	Code of conduct (pg. 19) Supplier Code of Conduct (pg. 7)
<i>Principle 6</i> the elimination of discrimination in respect of employment and occupation.	3.4.3: Health, Safety and Well-Being in the workplace 3.4.6: Promoting diversity, equity, and inclusion	Code of conduct (pg. 18) Supplier Code of Conduct (pg. 8)
Environment		
<i>Principle 7</i> Businesses should support a precautionary approach to environmental challenges;	3.2 Our Products 3.3 Our Industrial Facilities and Offices	Code of conduct (pg. 26) Supplier Code of Conduct (pg. 10)
<i>Principle 8</i> undertake initiatives to promote greater environmental responsibility; and	3.2 Our Products 3.3 Our Industrial Facilities and Offices	Code of conduct (pg. 26) Supplier Code of Conduct (pg. 10)
<i>Principle 9</i> encourage the development and diffusion of environmentally friendly technologies.	3.2 Our Products 3.3 Our Industrial Facilities and Offices	Code of conduct (pg. 26) Supplier Code of Conduct (pg. 10)
Anti-Corruption		
<i>Principle 10</i> Businesses should work against corruption in all its forms, including extortion and bribery.	3.5.3: Business conduct and combatting corruption	Code of conduct (pg. 11) Supplier Code of Conduct (pg. 6) Anti-Corruption Policy