

Sustainable Development in actions

2016

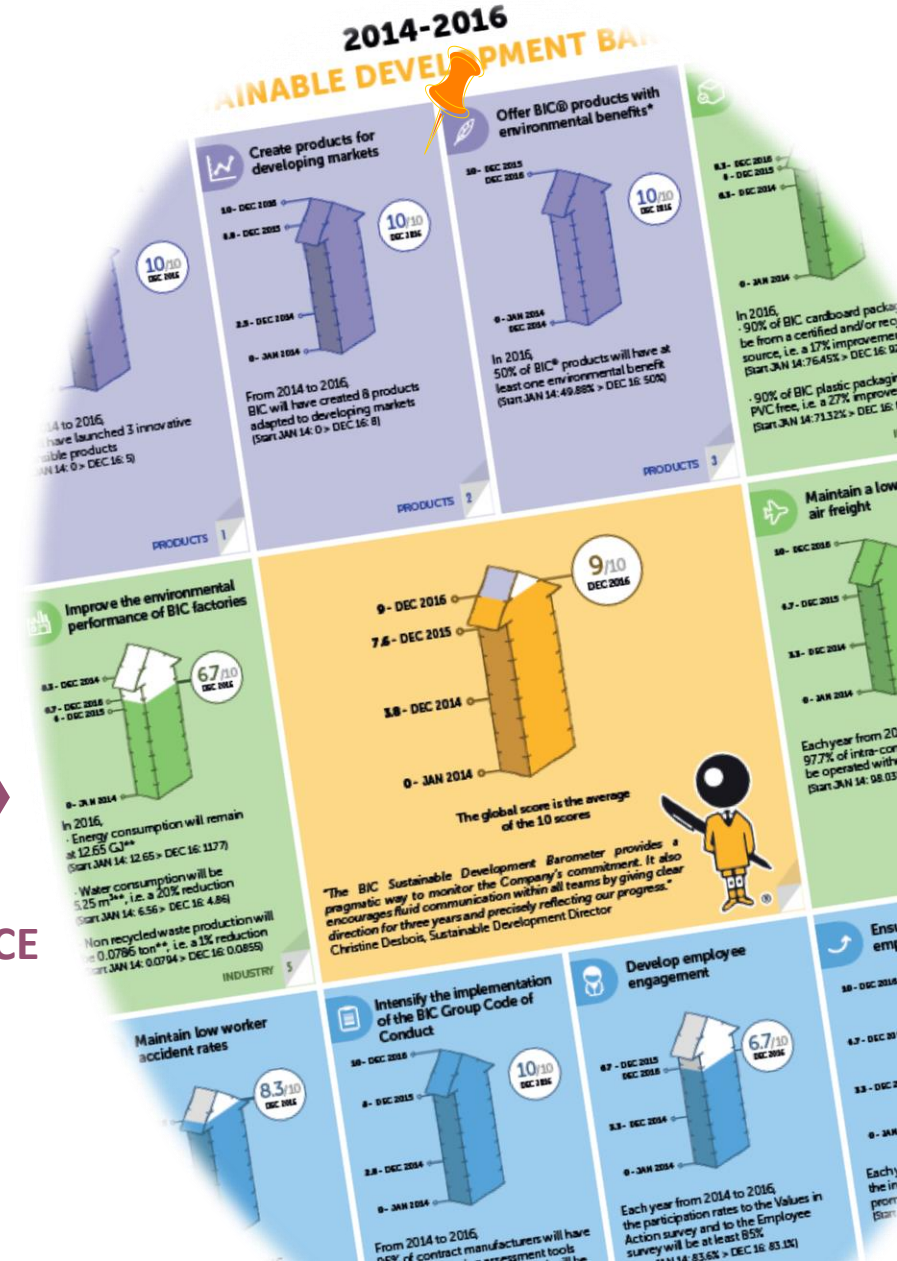
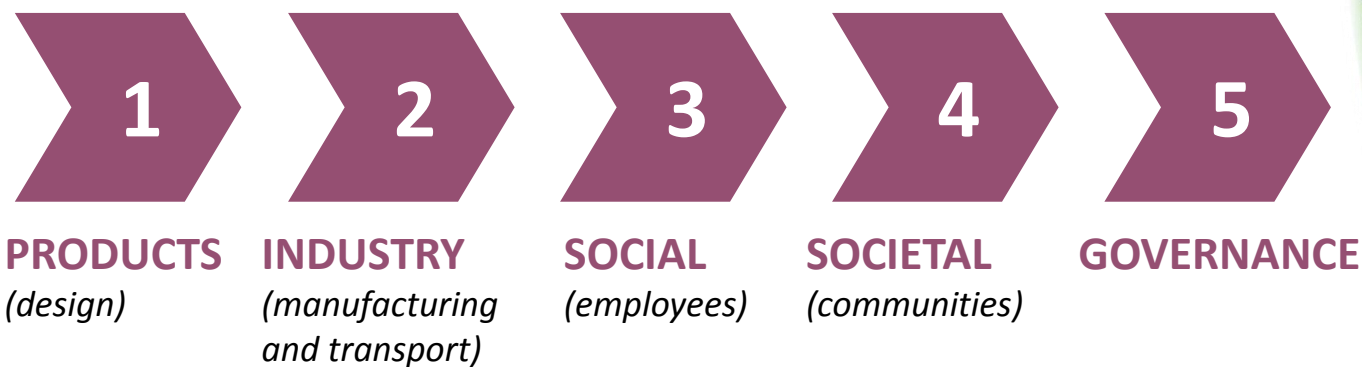


A responsible international company regarding Sustainable Development



The answer: the BIC Sustainable Development Program

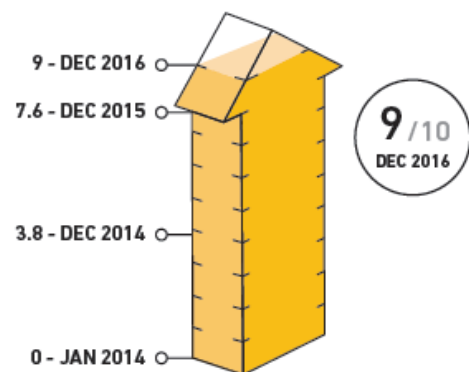
- Since 2004, refined and expended the BIC Sustainable Development Program to be comprehensive and to anticipate stakeholders expectations
- Our drivers:
 - A sustainable development team made up of 25 members chaired by our CEO
 - A management and communication tool : *The BIC Sustainable Development Barometer* sets the 10 priorities of the Group for a 3 year period
 - Coordinated by the Group Sustainable Development department
- Key issues:



The 2014-2016 BIC Sustainable Development Barometer



2014-2016 Barometer

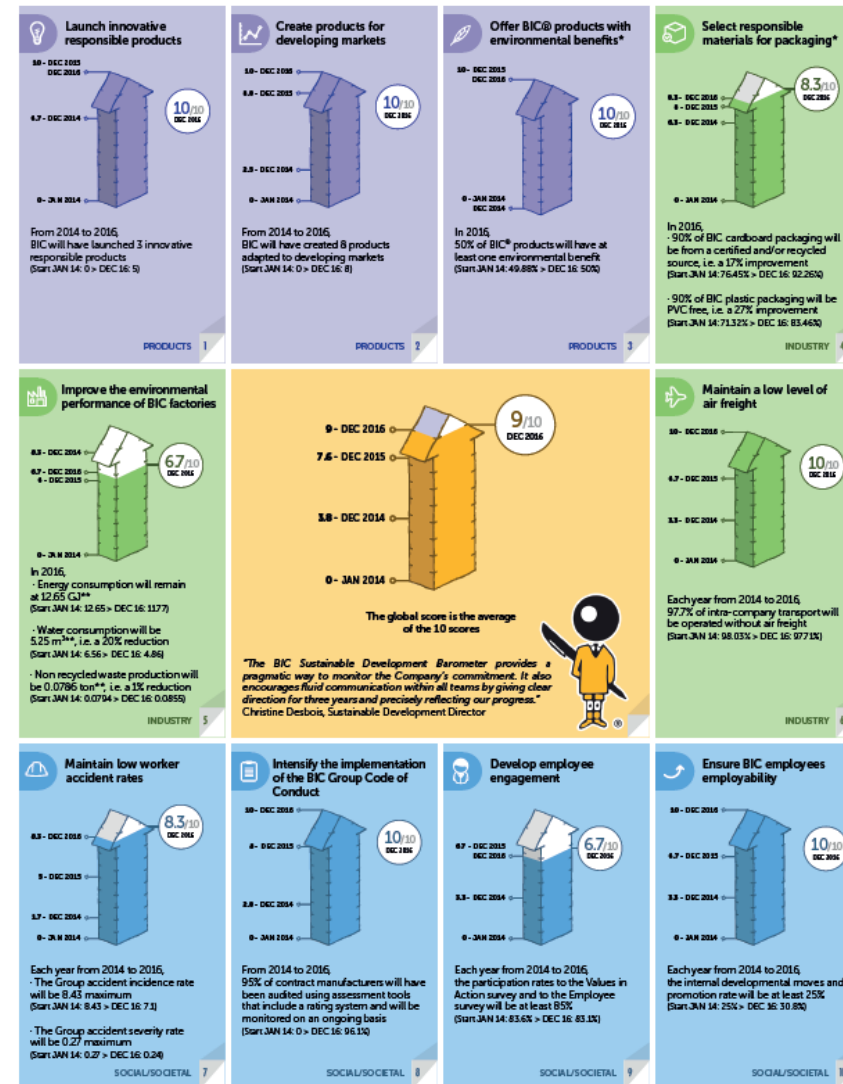


The global score is the average of the 10 scores

"The BIC Sustainable Development Barometer provides a pragmatic way to monitor the Company's commitment. It also encourages fluid communication within all teams by giving clear direction for three years and precisely reflecting our progress."

Christine Desbois, Sustainable Development Director

2014-2016 BIC SUSTAINABLE DEVELOPMENT BAROMETER



*BIC Graphic excluded **Per ton of production



®

®

Integrated into the decision systems

- Progress presented during the AGM, to the Board of Director and to the Leadership Team
- All the Leadership Team members attended the annual Sustainable Development Forum
- Integration of the Sustainable Development Report in the registration Document

The strategy 's four pillars

- 1 Innovate in order to continually reduce the environmental footprint of all products and their packaging, and to make them as affordable to all;
- 2 Improve the environmental performance of BIC's factories and reduce the Greenhouse Gas (GHG) emissions generated by its transport operations;
- 3 Be a committed employer by upholding the Group's values, ensuring safety in the workplace and employability for all personnel;
- 4 Fulfill its responsibility in its value chain in order to ensure respect for Human Rights in the workplace and expand Environmental, Social and Governance (ESG) practices among its suppliers.

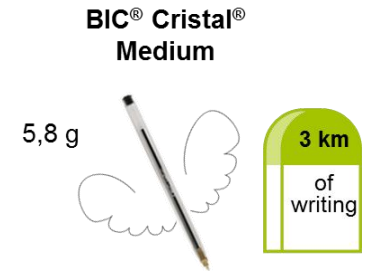
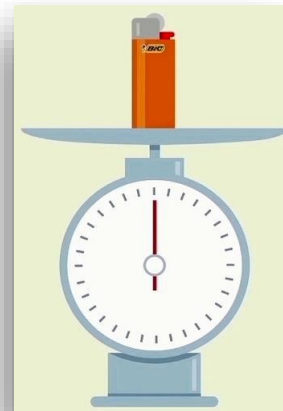
The strategy 's four pillars

1

Innovate in order to continually reduce the environmental footprint of all products and their packaging, and to make them as affordable to all;

BIC develops an eco-design approach base on 3 main axes :

- Reduce the raw material used in our product manufacturing while keeping an increased life duration (light and long lasting);
- Use alternative materials (recycled or from vegetable origin);
- Develop refillable products.



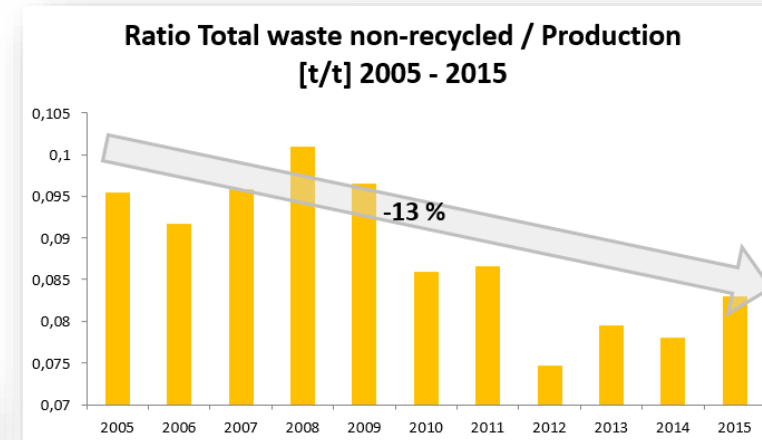
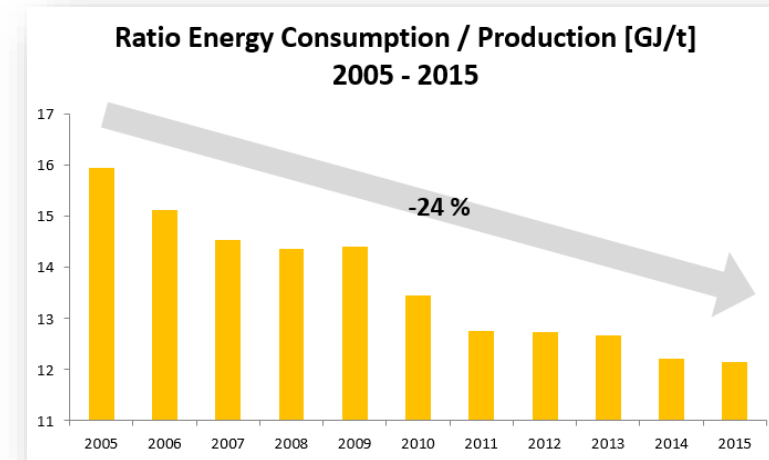
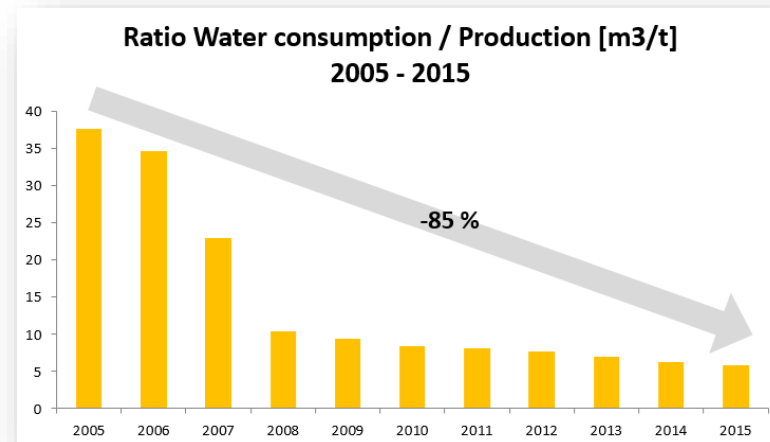
The strategy's four pillars

2

Improve the environmental performance of BIC's factories and reduce the Greenhouse Gas (GHG) emissions generated by its transport operations

In 10 years*, BIC manages to reduce by :

- 85% its water consumption,
- 24% its energy consumption,
- 13% its waste production.



* 2005 - 2015

The strategy 's four pillars

3

Be a committed employer by upholding the Group's values, ensuring safety in the workplace and employability for all personnel

The Engagement and Adherence to Values Survey:

➤ Participation rate: 83.1%

➤ Engagement rate: 83%

BIC's strongest points for increasing engagement and adherence to the Group's values were:

- a sense of pride in belonging to the Group: 85% of the employees would recommend BIC as a good place to work;
- 85% of the employees have a good understanding of the goals, at the Group level and within their own department;
- 86% of the employees consider that they have the independence they need to do their job well.

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### Sustainable Development survey 2016

➤ Participation rate: 49.1%

➤ 99% think that the BIC SD program is important for the Group;

➤ 94% think that SD adds value for the Group;

➤ 60% think Bic should be more ambitious with regard to Sustainable Development

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In 10 years*, in its factories, BIC has decreased by:

➤ 43% its lost time accidents (F.R.)



The strategy 's four pillars

4

Fulfill its responsibility in its value chain in order to ensure respect for Human Rights in the workplace and expand Environmental, Social and Governance (ESG) practices among its suppliers.

- Actions for a responsible supply chain
- 100 % of our contract manufacturers covered by social audits



Materiality matrix of sustainability issues

Presented to the Board of Directors, Shareholders and the Leadership Team



1

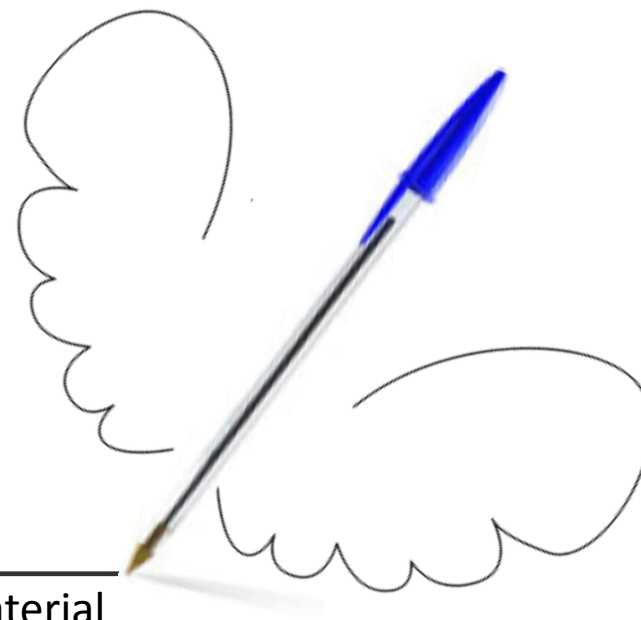
OUR PRODUCTS



A promising beginning ...

1950, BIC® Cristal® is born to be very **long lasting**...

... with « **just what's necessary** » material



2010, BIC® Cristal® receives the French NF Environnement ecolabel

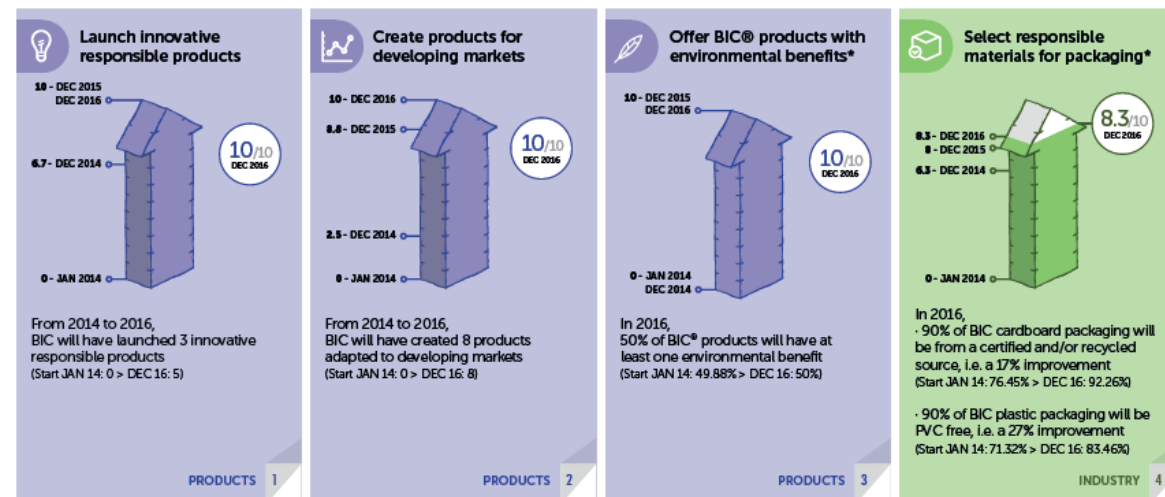
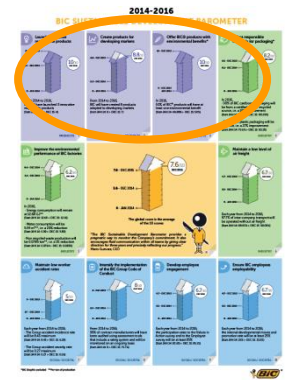
Our challenges, our answers

Our challenges

- To overcome the disposable/sustainable contradiction
- To minimize the consumption of raw material
- To market responsible and safe products for the consumer

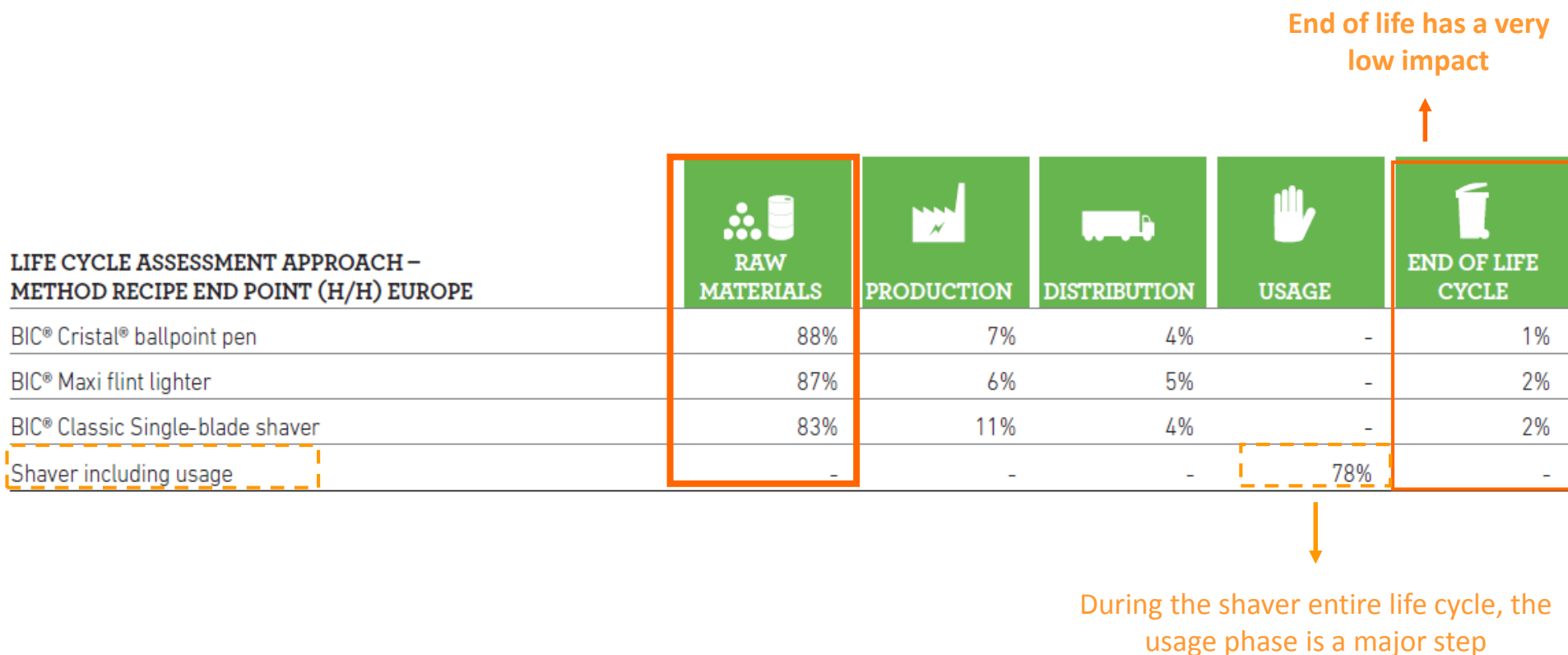
Our answers

- To measure and understand the impact of our products and to reduce it as much as possible
- To facilitate access to products with sustainable features
- To demonstrate potential for recycling our products
- A rigorous program to ensure safe products



Understand the impact of our products

The stage where the impact is significant for the three categories of BIC® products is the **consumption of non-renewable raw material**



1

Reduce as much as possible the impact of our products

BIC has developed 3 ecodesign rules for our products

1. Reduce usage of raw material



Light and long lasting products



2. Increase duration of use



Refillable products



3. Use new materials from alternative origin



Products with recycled material and/or renewable origin



NF 400 Writing Instruments

ENVIRONMENTAL
performance
+
QUALITY of use

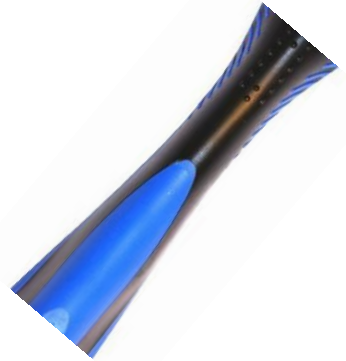
Caractéristiques certifiées :	
-	Résistance des instruments d'écriture à la chute
-	Longueur d'écriture et contenance
-	Résistance au séchage
-	Lavabilité
-	Débit des marqueurs et surligneurs
-	Taillabilité
-	Limitation des préparations dangereuses pour les encres
-	Limitation des substances dangereuses pour les encres
-	Limitation de métaux lourds dans les encres
-	Absence de COV dans les encres
-	Limitation des quantités de matière première / mètre d'écriture
-	Interdiction ou limitation de certains phthalates dans les instruments d'écriture et dans les gommes
-	Mise à disposition de recharges
-	Traitement de surface
-	Matière première pour les crayons en bois
-	Matières premières gommes
-	Parfums dans les gommes

By now, more than **22** products with an ecolabel !

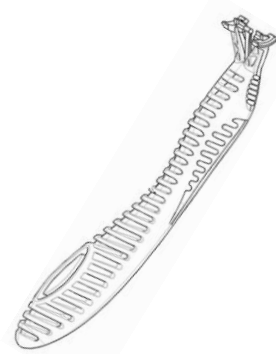


TO REDUCE

The quantity of material



BIC® C3® Advance™ handle



BIC® Easy handle

- Less material
- same characteristics
- same quality for consumer

- 20 %

LONGER

To have a

DURATION of use

For a service of 60 days of shaving



BIC® EASY 1 : one light handle sold with 6 refills

- 59 % of environmental impact on life cycle

1

Reduce as much as possible the impact of packaging

BIC applies the logic of «just what's necessary » for the packaging of its products

1. Package in value packs

In North America,
78%
of writing products
sold in boxes, trays
or bags of at least
ten products



In North America,
72%
of lighters sold in
trays of at least
50 products



In North America,
50%
of shavers sold in
pouches of five, ten
or more



Zero consumer
packaging !

2. Reduce/simplify the
packaging for a logistic
optimization



After

OUTER CASE	
Dimension (External)	
39.8 X 23.7 X 17.1	
Box (O)	0.261
Net	5.759
Gross	6.020
Volume dm3	16.1297
Ballast	10
Layer	9
Total	90
PALLET	
height (prod +pallet)	169.0
PBR (O)	33
weight	
Net	518.310
Gross	574.800
GAIN	Cases per pallet
-14	weight
	9.400

↗ 800 units of product
↘ 14 boxes /pallet

Facilitate the access to our responsible range

BIC strives every year to develop its range of responsible products and to improve the clarity and reliability of the communication and codification used

> BIC ecovalues, simple and educational



> A brand dedicated to alternative materials

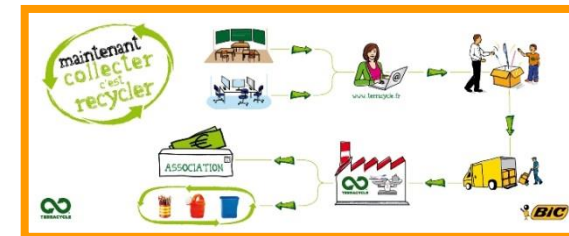


> A unique ecolabel approach



Prepare for the circular economy

- **With products that integrate recycled materials**
The BIC® Ecolutions® range and NF Environnement certified products under the Group ecodesign rules
- **An active R&D on new materials and innovative exploratory projects**
- **With recycling tests**
 - TerraCycle, recycling stream from pens: since 2011, 20 million products collected
 - The first product made with collected pens: a bench made from 100% recycled material included 40% of pens
 - 350 000 € donation



A stringent program for the safety of our products

- A global qualification program
- Health: a high expectation from customers and consumers
- An increase of regulations worldwide

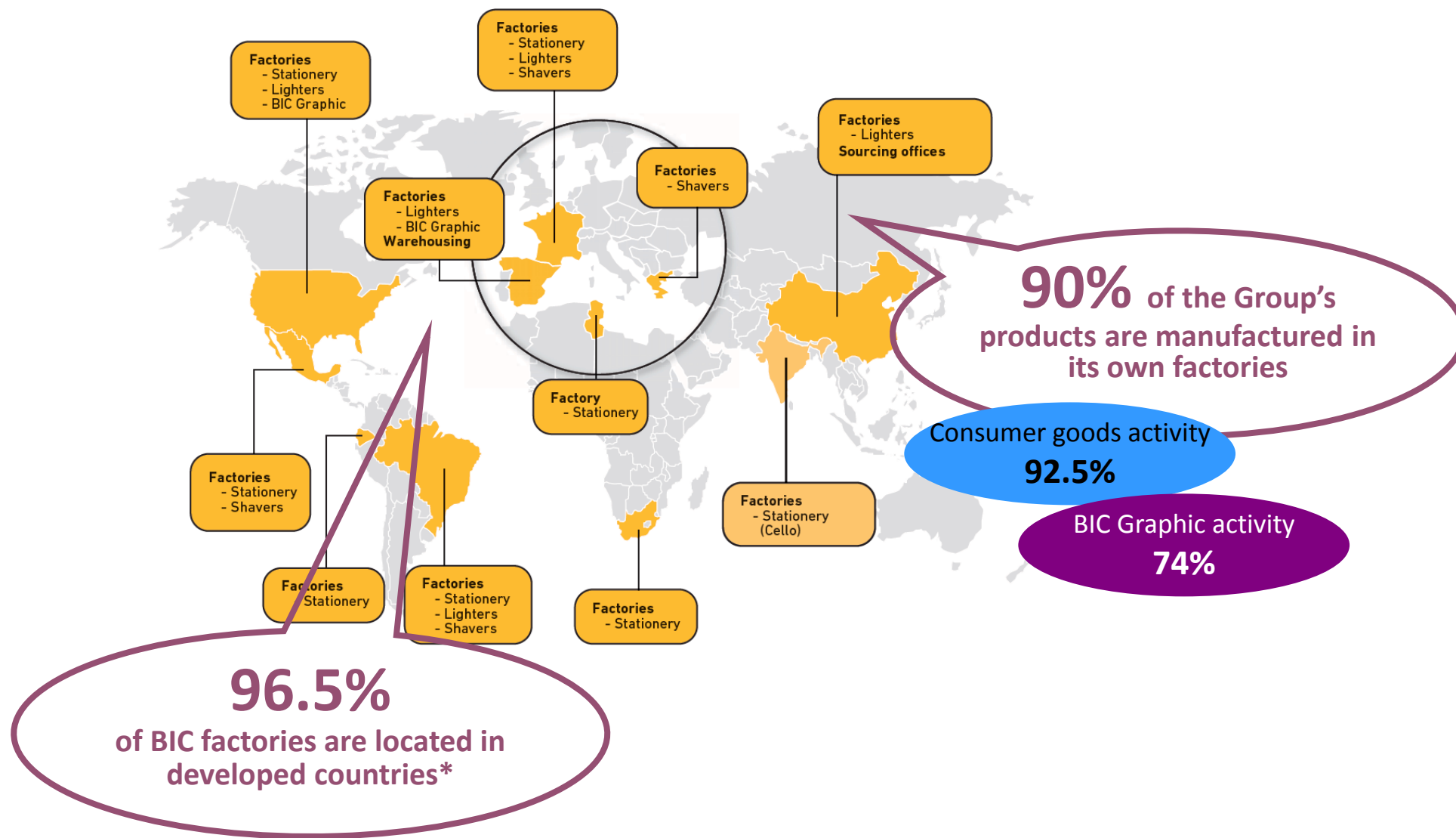
“Consumer safety is of the utmost priority, and we must have a global approach to ensure that all BIC® products meet the highest international standards for product safety and regulatory compliance.”

Quote from Chairman Bruno Bich announcing the launch of a Global Product Safety Team in 2001



2

INDUSTRY



*:source : HDI – Human Development Index

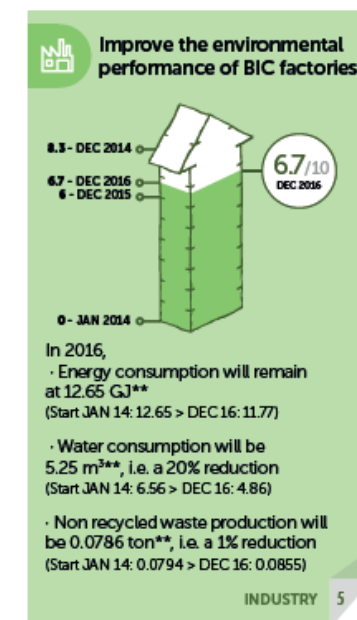
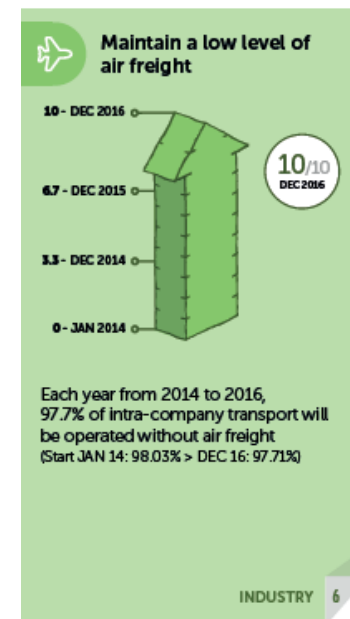
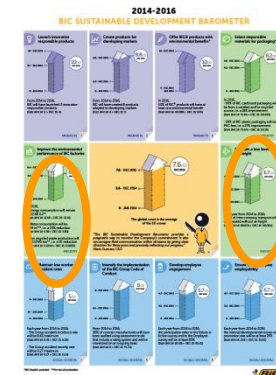
Our challenges, our answers

Our challenges

- To ensure excellence in the environmental performance of our factories
- To participate of the fight against climate change
- To ensure a safe workplace for employees

Our answers

- To establish drivers to ensure continuous improvement (management systems)
- To regularly measure and evaluate environmental performance
- To take action on greenhouse gas emissions
- The ensure health & safety of our employees remains a high priority in our factories

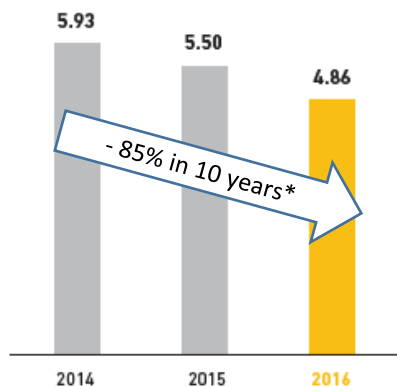


The environmental performances of our factories: to measure... for reducing

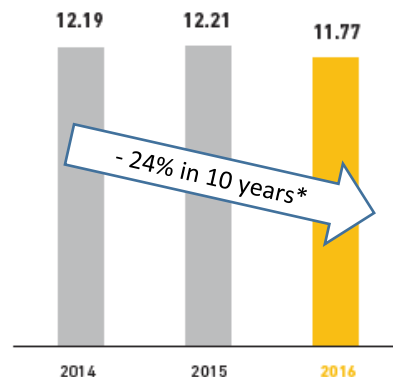
- Each year, a follow-up of the environmental programs implemented in our factories to achieve the objectives Energy / Water / Waste
- 83% of BIC employees work in factories that are certified or engaged in ISO 14001
- Triple certification in Safety, Quality and Environment for the 3 shavers factories
- An annual reporting** on an hundred quantified indicators with BIC factories

Energy and water consumption

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

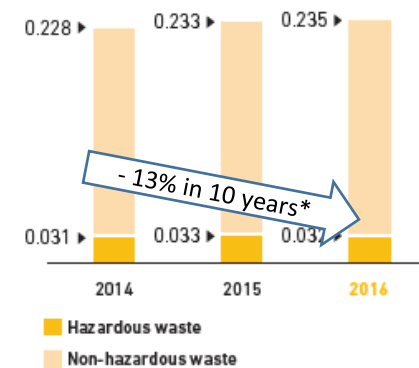


ANNUAL ENERGY CONSUMPTION NORMALIZED TO BIC FACTORIES
PRODUCTION - IN GIGAJOULES/TON



Waste management

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



* 2005 - 2015

To fight against climate change

1. Transportation operations

2 ways to reduce GHG emissions :

- > **Optimizing shipping operations**: mode of transportation, consolidation of shipments, advance orders...
- > **Selecting responsible carrier** : eco-driving, fleet renewal, ...

2. Factories

- > 2 factories certified ISO 50001
- > Measure of CO₂ direct emissions (8,689 tCO₂-e in 2016), as well as indirect (89,742 tCO₂-e)

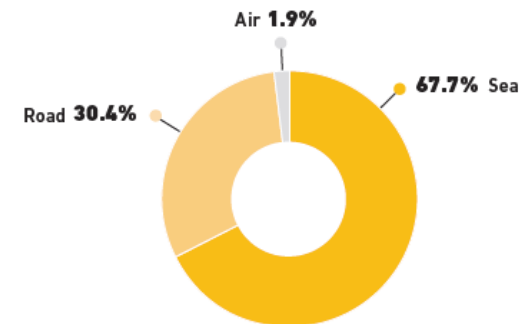
3. Buildings

- > BIC Corporation's USA Headquarters certified **LEED** in 2009
- > **LEED** Certification of the new factory in Tunisia in 2013
- > **LEED** Certification of the new factory in Nantong in 2015

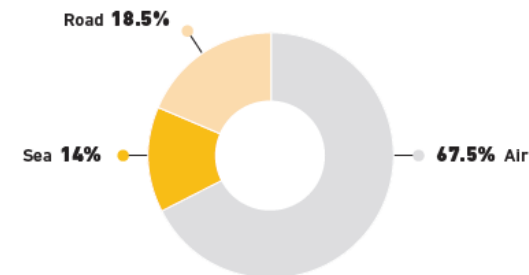
4. Renewable energy

In 2016, the BIC Violex factory (Greece) began using renewable electricity supplies, covering its entire energy consumption through the purchase of certificates; In making this choice, BIC Violex joined the three sites in Connecticut (USA), whose power has been provided 100% by renewable sources since 2012. All in all, this corresponds to 23% of the electricity consumed by the Group, and 37% of its indirect greenhouse gas emissions.

BREAKDOWN OF TONNAGE SHIPPED - AS % OF TOTAL



BREAKDOWN OF GHG EMISSIONS - AS % OF TOTAL

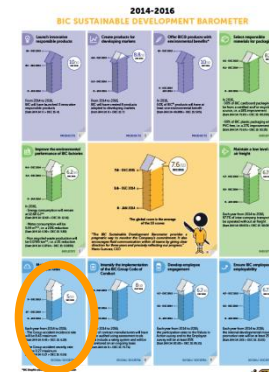


For the last nine years, BIC Group has been taking part in the assessment of the Carbon Disclosure Project (CDP). In 2016, BIC received an A* classification for its efforts throughout the years to limit the impact of its products and activities on climate change.

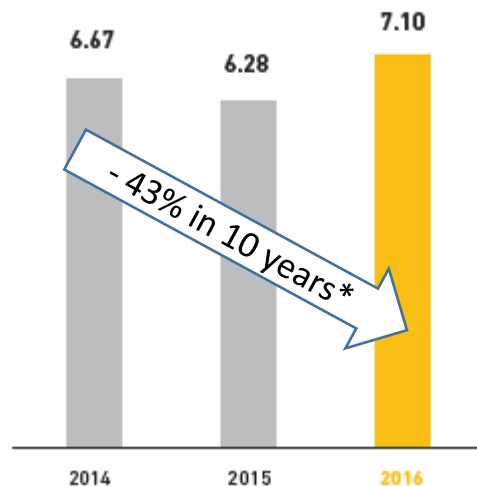


Each year,

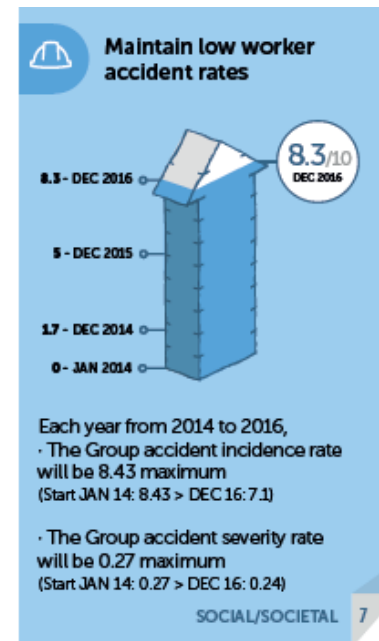
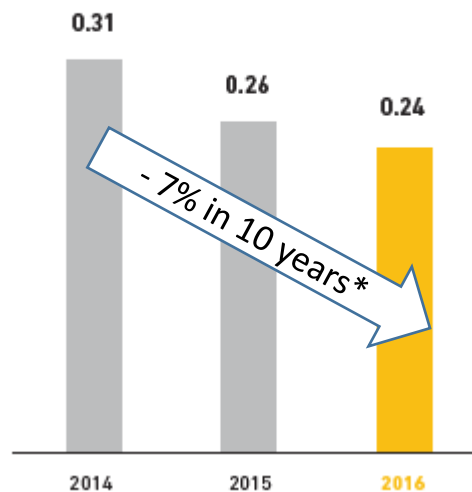
- a follow-up of safety programs
- a follow-up of incidence and frequency rates of workers' accident



INCIDENCE RATE: NUMBER OF ACCIDENTS LEADING TO LOSS OF WORKTIME - BIC PLANTS - PER MILLION HOURS WORKED - PERMANENT WORKFORCE



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



* 2005 - 2015

3

SOCIAL



4

SOCIETAL

3 4 Our challenges, our answers

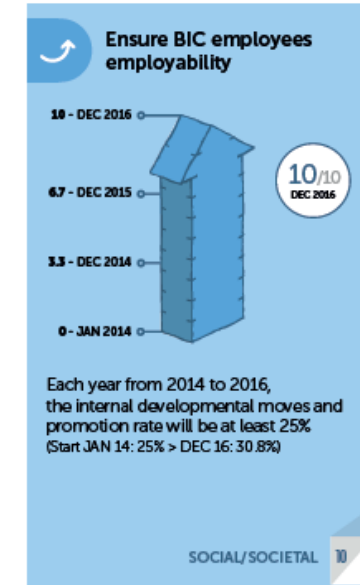
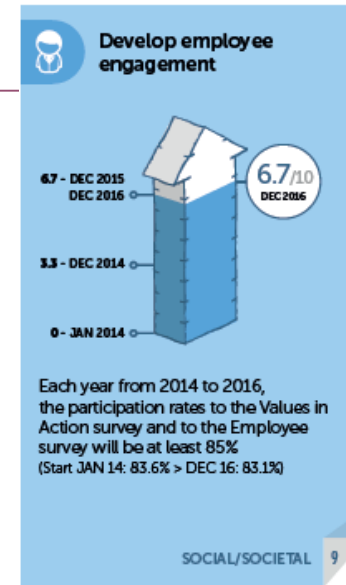
3 SOCIAL

Our challenges

- Being an Employer-Brand, fair and attractive
- Ensure respect for Human Rights at work, in the whole chain

Our answers

- Continuously develop the employability of our employees
- Developing a motivating remuneration system
- Promoting diversity in the workplace



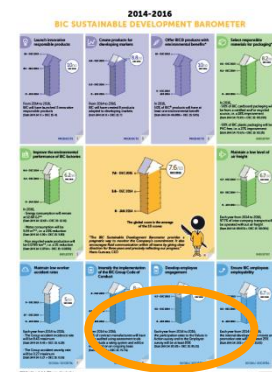
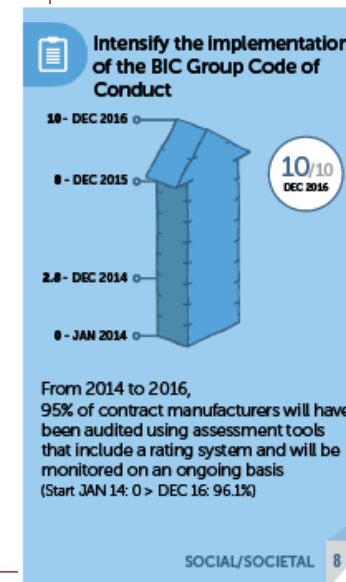
4 SOCIETAL

Our challenges


- Ensuring a Responsible supply chain
- Sharing the value with stakeholders


Our answers

- Having a strong policy in terms of social audit
- Managing responsible purchasing
- Commit toward our communities
- Launch a « Social Business » initiative




A corpus of values daily shared


 **Our philosophy**



Honor the past,
invent the future

 **Our vision**


We offer Simple,



Inventive and Reliable choices

for Everyone,

Everywhere, Every time.

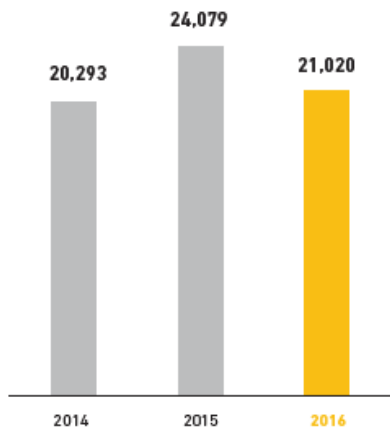
 **Our values**

Ethics	
Responsibility	
Simplicity	Ingenuity

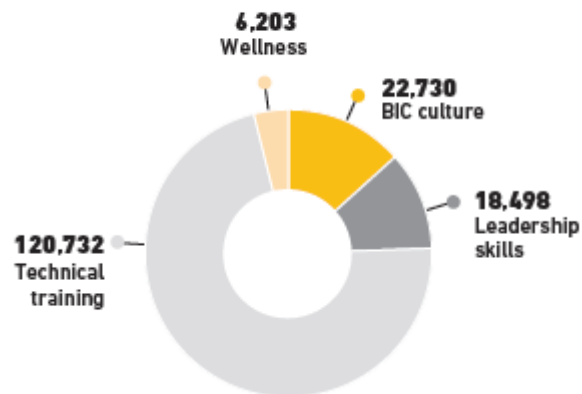
Continuously developing the employability of employees

- An individual development plan: a development plan for the Group's 2,400 managers
- An investment in training

NUMBER OF TRAINING DAYS - BIC GROUP - PERMANENT AND TEMPORARY WORKFORCE



NUMBER OF TRAINING HOURS (PER THEME) - BIC GROUP 2016 - PERMANENT AND TEMPORARY WORKFORCE



➤ The measure...

- The quality of training with Formetrix
- The internal promotion rate for managers: 65%
- The retention level (> market)
- The employees' engagement : 83%





Developing a motivating remuneration system

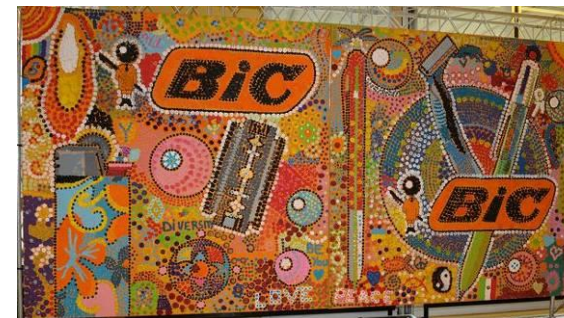
- The remuneration policy is based on 3 principles :
 - pay for individual or collective performance;
 - Internal equity;
 - External competitiveness.
- The average annual cost (including payroll) of each employee : 58,800 euros in 2016
- Comparison of managers' salary with the market : in average at their local market median for both men and women (57 pays – HayGroup)
- Variable remuneration relating to performance : an average of 11% of fixed remuneration salaries in 2016



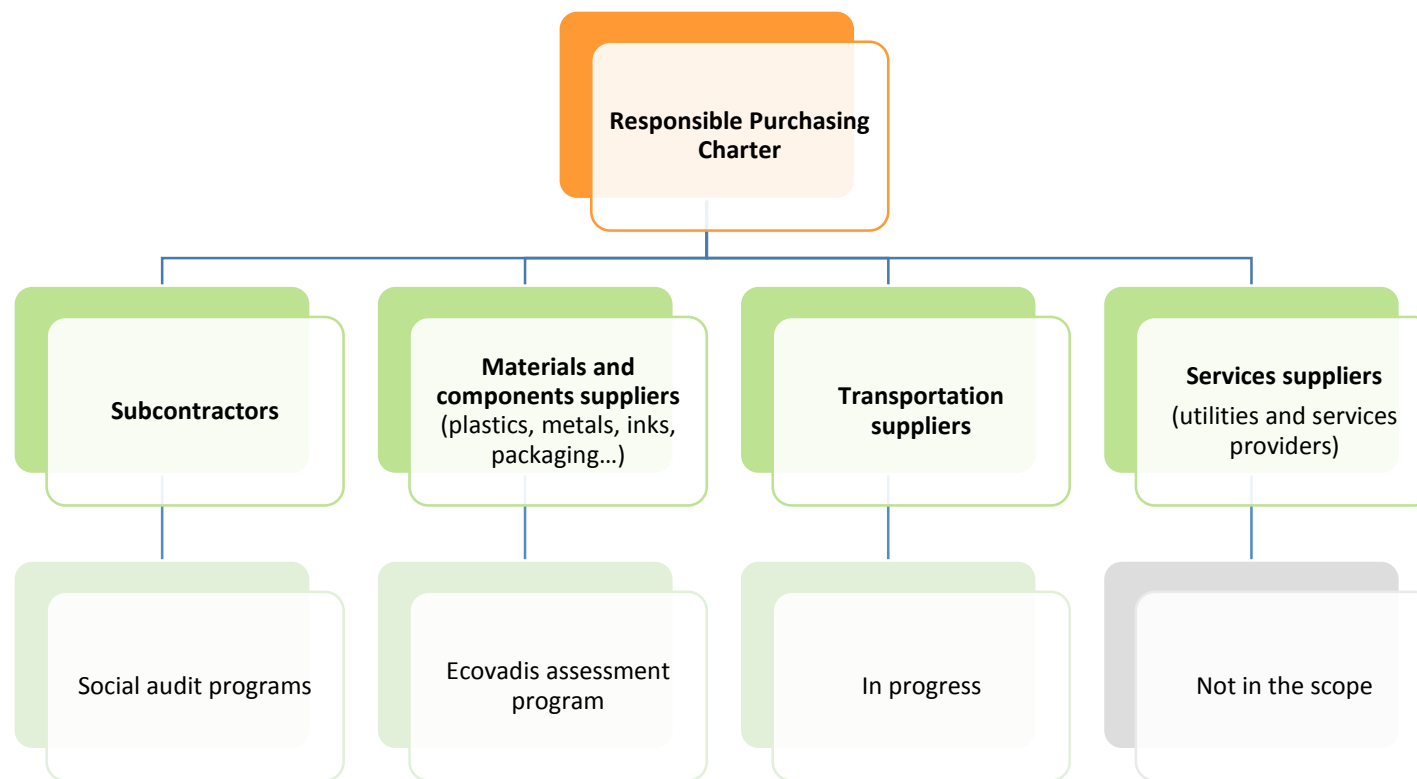
Promoting diversity at work

- BIC Charter of Diversity shared by all of the Group's entities worldwide
- A dedicated team helps local HR department
- Communication and awareness of BIC employees: Diversity month, local actions each year, evaluation in the engagement survey
- Training for managers
- Specific programs: Nos Quartiers ont des Talents
- Agreements signature

Actions shared by all, locally adapted



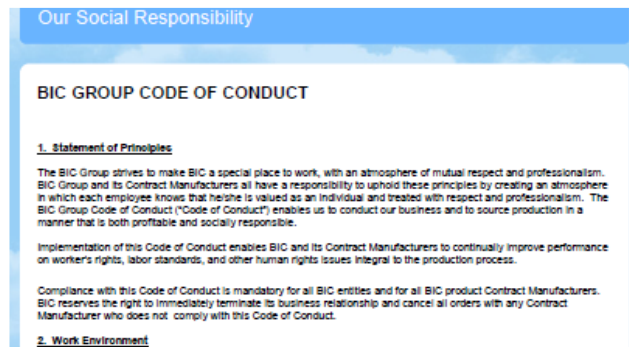
A commitment to Responsible purchasing



Mapping of BIC suppliers in 2013-2014: ensure that all are covered by a policy that addresses sustainable development in purchasing decisions

A demanding social audit program

1. Since 2000, the BIC Group Code of Conduct, derived from International Labor Organization: a unique framework document for our factories and contract manufacturers

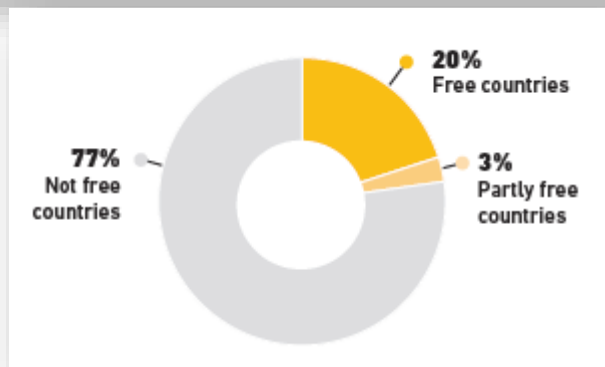


1. A safe and healthy work environment
2. Fair wages and reasonable working hours
3. No child labor
4. No forced labor
5. No discrimination
6. Freedom of association
7. Legal compliance
8. No animal testing
9. Environmental responsibility
10. Publication of the Code

2. Since 2000, an audit program, slightly adapted to each activity specificities

Example : issues, social audit program for contract manufacturers of the BIC Consumer activity

GLOBAL CONTRACT MANUFACTURERS BY COUNTRY IN RELATION TO HUMAN RIGHTS RISK ⁽¹⁾ IN 2016 - BIC GROUP



→ THE SIX STEPS FOR EVALUATING CONTRACT MANUFACTURERS

- 1 The BIC contract manufacturer signs the BIC Code of Conduct.
- 2 An independent external monitoring agency (or in the case of BIC Graphic a specially trained employee) conducts an initial assessment of the contract manufacturer.
- 3 The contract manufacturer presents a corrective action plan (CAP) to BIC.
- 4 The contract manufacturer implements the CAP within an agreed, reasonable time frame.
- 5 Follow-up assessment(s) to confirm implementation of the CAP.
- 6 Ongoing assessments (every two years).

The commitment...

• ...for our employees



Europe

Training programs have been deployed. Since 2012, in France, an employee assistance program call « **PASS** »
The purpose of this program is to help employees and/or their families through difficult periods, whether job-related or personal

United States

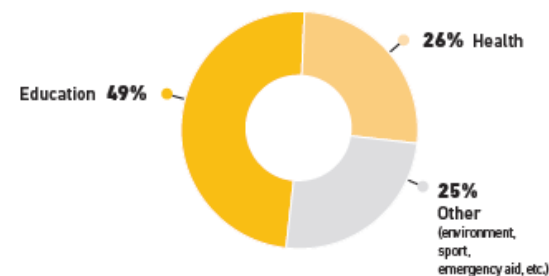
Since 2007, an approach to improve employee health **Wellness In action**
150 participants, a walking trail for employees, a competition organized in Shelton and Milford to encourage efforts on cholesterol, blood sugar, and blood pressure screening ...
An **Employee Assistance Program**, for employees and their family, offers a 24-hour helpline and face-to-face meeting with professionals

South Africa

Since 2000, **Fight against HIV and AIDS**, a program managed by the Company clinic:
Education program, voluntary counseling and testing for anyone, health program for HIV-positive employees.

• ...for our communities

BREAKDOWN OF ACTIONS BY FIELD - BIC GROUP - 2016



• ...from our employees



In 2014, project "Back to School, Haiti"

A project in partnership with the NGO *Planète Urgence*
Objective: **Encourage access to education** for children excluded from the school system, **Improve learning conditions** of children in difficulty by offering educational support and extra-curricular activities; **Build and equip study kiosks** where children can revise and do their homework.
BIC Group + employees donation: 120,000 €

A pilot Social Business initiative

Fighting against poverty by selling BIC® products

- > A program with JITA (CARE and Danone Communities)
- > Selling shavers door-to-door in remote and impoverished rural areas



Bata



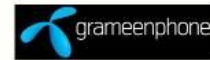
RENATA LIMITED



Rural enterprises

ACI Limited

SQUARE TOILETRIES LTD.



Social and business objectives:

- to fight poverty while selling products
- to promote entrepreneurial ventures
- to identify the needs and expectations of poor consumers
- to prepare for the Group's future in emerging countries



EDUCATION

Topic 1
Fight against school dropout

Topic 2
Support for women/girl's
education

Topic 3
Education to environment

Act worldwide



How strengthen the integration of Sustainable Development into the strategy?

1. Capitalize on the Barometer to further integrate the process
2. Extend BIC's commitment throughout its value chain
3. Align the Sustainable development vision and the strategic vision

“

Our responsibility is to contribute to the emergence of a business model, more respectful of the environment and the world in which we work.

Our commitment at BIC is to improve our environmental and social performance of our business, specifically ; while also satisfying consumers who demand affordable product choices; and the need to keep our company financially strong

”

Bruno BICH,
Chairman and CEO

Annexes

A recognized approach

BIC listed in sustainable development indexes:

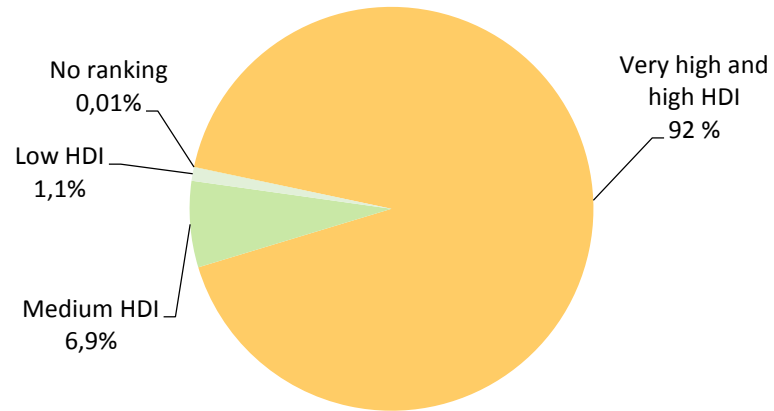
- The 2016 CDP A List ;
- The 2016 CDP Supplier A List;
- Member of the Supplier Engagement Leader Board of the CDP Supplier Engagement Rating;
- The FTSE4Good indexes;
- Ethibel Sustainability Index (ESI), Excellence Europe;
- Euronext Vigeo – Eurozone 120;
- Euronext Vigeo – Europe 120;
- Stoxx Global ESG Leaders Index.

BIC awarded by prizes:

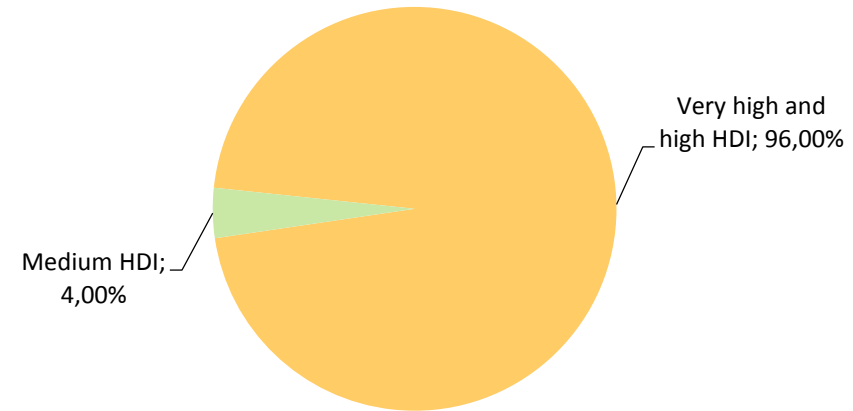
- BIC was awarded the prize for *Meilleur Document de Gestion 2015* (“Best management report of 2015”) as part of Labrador’s *Grands Prix de la Transparence Financière des Sociétés Cotées* (“Financial Transparency for Listed Companies Awards”).
- The BIC Boulogne factory (France) received an award from ADEME (*Agence De l’Environnement et de la Maîtrise de l’Énergie*) for its RecyBIC program, developed in response to the ORPLAST call for projects. The award honors BIC’s commitment to maximizing the integration of recycled plastics in its Ecolution® line.
- BIC Group Sustainable Development Director, Christine Desbois, was selected by the newspaper *La Parisienne* for the distinction of *Femme Parisienne d’Influence en Faveur de l’Environnement 2016* (“2016 Influential Parisian Woman Working for the Environment”).
- BIC Group was ranked by Vigeo-Eiris among the “Top Performers 2016: Responsible Management of the Supply Chain.”
- BIC was awarded the *Prix Spécial du Jury: Rapport Intégré* (“Special Judges’ Award for Integrated Reporting”) at the 16th *Trophées RSE* (CSR) awards ceremony co-hosted by the *Conseil Supérieur de l’Ordre des Experts-Comptables* (Executive Board of the Institute of Certified Accountants) and the *Compagnie Nationale des Commissaires aux Comptes* (National Institute of Statutory Auditors).

BIC in developed countries; Human Development Index – 2016

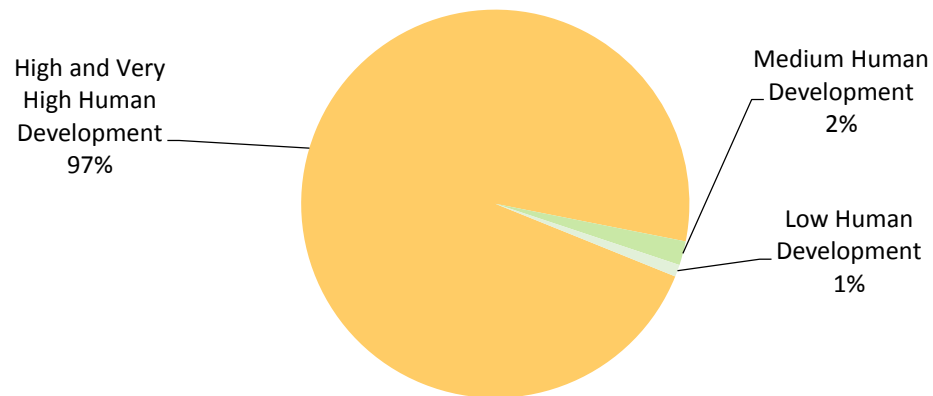
Turnover



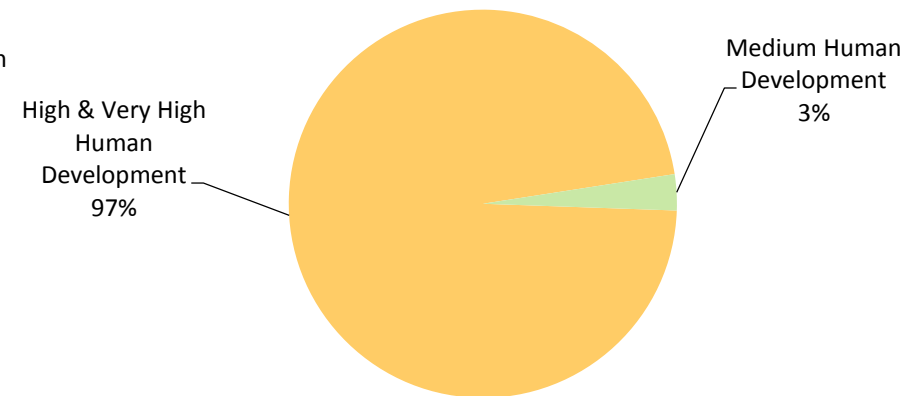
BIC factories



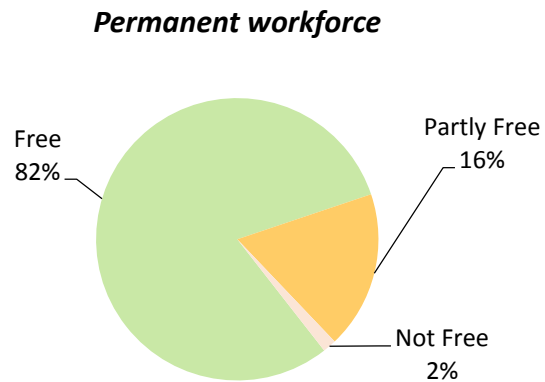
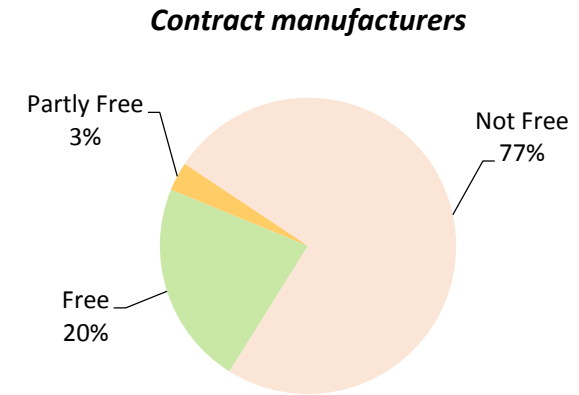
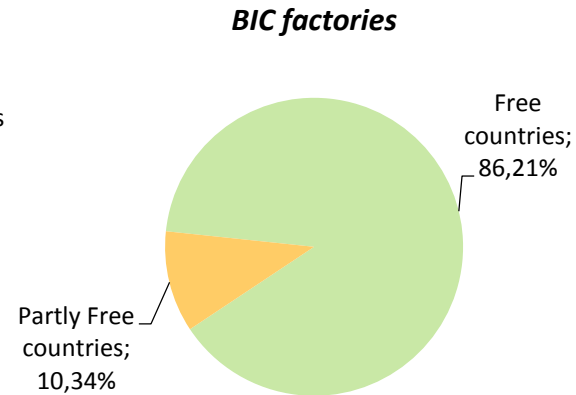
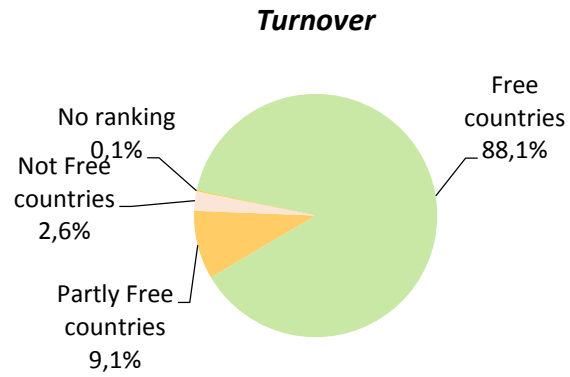
Contract manufacturers



Permanent workforce

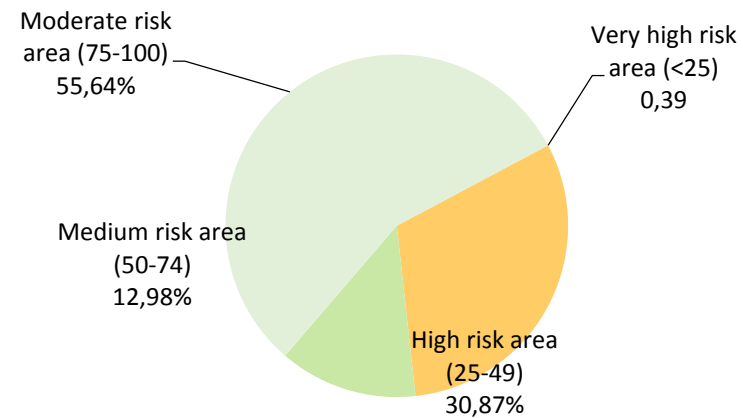


BIC in Human Rights risk countries; Freedom House 2016



BIC in corruption risk countries - 2016

Turnover 2016 according to Transparency International



Sharing the value

DISTRIBUTION TO STAKEHOLDERS IN 2016*

→ CUSTOMERS TURNOVER: 2,272.4 MILLION EUROS

Employees	Suppliers	Shareholders	Banks	Governments	Net investments	Communities
641.5 million euros. Corresponding to payroll, bonuses and other payments to employees.	1,119.7 million euros. Corresponding to purchasing of raw materials, consumables and bought-in services.	277.0 million euros in ordinary dividends and 81.6 million euros for the repurchase of shares.	5.6 million euros in net interest received.	151.8 million euros, including 134.8 million euros paid around the world as corporate income tax and 17.0 million euros in other taxes.	178.9 million euros. Including 180.8 million euros for the acquisition of tangible and intangible fixed assets and 1.9 million euros received from the disposal of assets.	2.4 million euros in donations of funds and products to local communities (internal valuation).

* The distribution of revenues to stakeholders does not include the change in net current working capital and is restated for discontinued operations.