# MADE

# TO LAST

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THE ESSENTIALS OF SUSTAINABLE DEVELOPMENT IN 2015

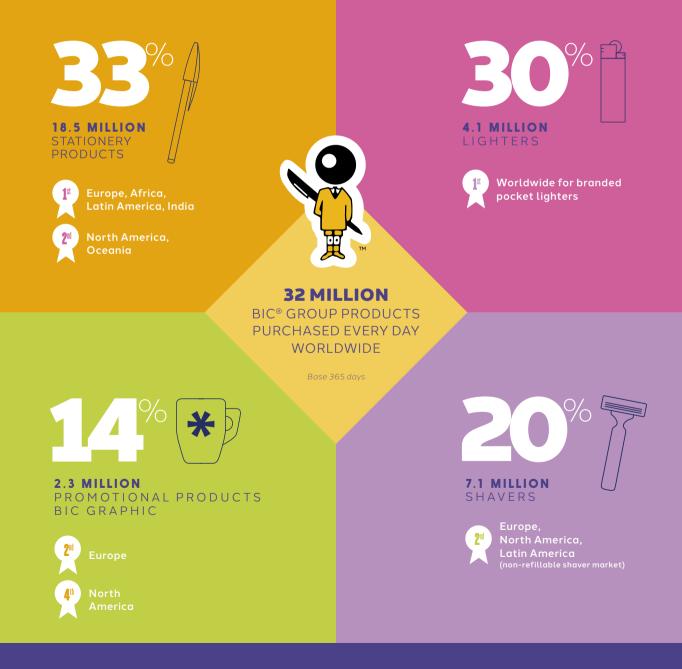


GROUP

## **KEY FIGURES**

2015 turnover and market positions





APPROACH

## SUSTAINABLE DEVELOPMENT: BIC FINE-TUNES ITS APPROACH

## A four-pronged program

The Group's sustainable development approach is based on 4 strategic directions, one for each area of responsibility:

## INNOVATE

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

#### IMPROVE

the environmental performance of BIC's factories and reduce the greenhouse gas emissions generated by its transport operations.



#### **BE A COMMITTED EMPLOYER**

by upholding the Group's values, ensuring safety in the workplace and employability for all employees.



#### FULFILL

its responsibility in its value chain in order to ensure respect for Human Rights in the worplace and environmental, social and corporate governance practices of its suppliers.

# The Barometer, the Group's sustainable development scorecard

The Sustainable Development Barometer measures the Group's progress according to 10 indicators. They reflect BIC's 10 commitments and the resulting actions undertaken in pursuit of the 4 strategic directions. The current Barometer measures the progress for 2014-2016. **BIC's goal is to achieve a score of 10/10 by the end of 2016. At the end of 2015, the score stood at 7.6/10, which is double the score from the end of 2014.** 

> To find out more: http://www.bicworld.com/barometer/en/



86%



OF BIC<sup>®</sup> PRODUCED IN ARE PRODUCED IN THE GROUP'S FACTORIES



OF PERMANENT EMPLOYEES WORK IN COUNTRIES WITH NO "HUMAN RIGHTS" RISKS



EMPLOYEE ENGAGEMENT



IN PRODUCT AND FINANCIAL DONATIONS AT THE LOCAL COMMUNITY LEVEL (INTERNAL VALORIZATION)



OF BIC'S CONSUMER PRODUCTS SOLD IN EUROPE ARE MANUFACTURED ON THE CONTINENT; IN THE AMERICAS, THE RATE IS 46% PRODUCTS

## IT'S AN OBSESSION: REDUCING BIC® PRODUCTS' ENVIRONMENTAL FOOTPRINT

From its very beginning, BIC has always made its products with "just what's necessary" in terms of raw materials, leaving out anything superfluous. The Group has never changed its priorities: to save materials, innovate, and seize opportunities offered by the circular economy.



PRODUCTS



## Save materials and innovate

BIC's expertise in the high-precision processing of plastics allows it to make economical. efficient use of this material and to incorporate the use of recycled materials. It also allows a good usage of recycled materials in some products.



#### **BIC SD BAROMETER**

**COMMITMENT #3** As of 2015, more than 50% of all BIC<sup>®</sup> products have at least one environmental benefit, in keeping with the goal.

Perf. end of 2015



#### WITH TERRACYCLE, BIC HAS LAUNCHED A EUROPEAN RECYCLING NETWORK

Used writing instruments are collected at their consumption sites (schools and offices) and recycled to make benches and pencil holders. 13 million writing instruments collected since 2011.

## **Preparing for** the circular economy

To lay the groundwork for it's commitment to the circular economy, the Group is identifying pertinent new economic models for its operations and developing partnerships and synergies with universities and other industrial groups. For example, the R&D Department is a member of the Chemical Materials and Green Chemistry Competitiveness Cluster based in Villeneuve d'Ascq. This research will contribute to the adoption of new materials.



#### ... **A COMPLETE RANGE MADE FROM RECYCLED MATERIALS**

BIC® Ecolutions® is a complete stationery range that incorporates recycled materials, mostly from yogurt pots or refrigerator interiors. For example, the BIC® Matic Ecolutions® is produced using 65% recycled materials.

#### **BIC SD BAROMETER**

#### COMMITMENT #1

Since early 2014, 4 innovative responsible products have been launched, surpassina the goal for 2016.



PACKAGING

## **BIC, A CHAMPION IN THE OPTIMIZATION OF PACKAGING**

Packaging serves multiple functions: protecting the product, facilitating shipping, optimizing storage, conveying information to the consumer... BIC's packaging consists mostly of plastic and recycled cardboard.

## **3** priorities have been defined for reducing their environmental footprint:



#### **ELIMINATE PACKAGING** WHENEVER POSSIBLE **AND INNOVATE TO REDUCE ITS USE**

BIC has always favored the sale of products with no consumer packaging or in value packs. In Europe, as of 2015, 79% of all BIC® lighters are sold without consumer packaging.

#### SELECT RESPONSIBLE MATERIALS

#### BIC SD BAROMETER

#### **COMMITMENT #4**

As of the end of 2015, 90.3% of cardboard packaging comes from certified and/or recycled sources, and 83.1% of plastic packaging is PVC-free. BIC's goal: to reach 90% for both indicators by the end of 2016.



waste, the Charlotte site in North Carolina (USA) has already reached this goal thanks to the efforts made in: packaging design, cooperation with suppliers, providing outlets for recycling cardboard and plastic at the site, and using non-recyclable wastes for energy recuperation.

**REDUCE AND RECYCLE PACKAGING WASTE IN** 

With zero landfill packaging

**THE FACTORIES** 



## PRODUCTS THAT ARE AFFORDABLE TO ALL

## Adapting products and production methods

**"To offer simple, inventive and reliable choices for everyone, everywhere, every time"**: this is the vision that guides the BIC Group. BIC distributes its products in more than 160 countries, with the goal, as always, of offering a very good quality/price ratio. Making products that everyone can afford means adapting them to the market characteristics and buying power of developing countries. There are several possible approaches for reaching this goal, for example:

#### SINGLE-UNIT SALES

The BIC® 1 and BIC® 1 Lady shavers are sold in single-unit or two-unit pouches in Nigeria, Kenya, Cameroon, Côte d'Ivoire, Mali, Madagascar, Pakistan and Bangladesh.



#### LOCAL PRODUCTION

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In 2015, the BIC<sup>®</sup> Cristal<sup>®</sup> Fine ball pen was launched in South Africa and Ghana relying on local production that enables a cost price adapted to local buying power.

#### BIC SD BAROMETER

#### **COMMITMENT #2**

As of the end of 2015, 7 products had been created to meet the needs of developing markets, in keeping with the goal for 2016.





# Finding the right distribution channels

In order to make products available to even the most impoverished consumers wherever they live, generally in remote rural areas or on the outskirts of large cities, the Group works with local retailers to develop appropriate distribution channels: kiosks, micro-shops, service outlets near schools, etc.

#### ZOOM ON

#### BIC CONTRIBUTES TO A "SOCIAL BUSINESS" INITIATIVE IN BANGLADESH

In 2011, BIC joined the JITA Rural Sales Program, which promotes entrepreneurship among the poorest women in Bangladesh. Based on door-to-door sales of simple products (like BIC® Body shavers), it offers these women the means to overcome poverty and social isolation while giving them a new role in their community, a sense of pride and increased self-esteem.





EDUCATION

## PROMOTING ACCESS TO EDUCATION

With its affordable products, BIC is part of the global effort to promote access to education. This is no small consideration: in this way, the Group is contributing, at its level, to goal number 4 of the 17 Sustainable Development Goals defined by the United Nations in September 2015, **concerning quality education for all.** 

## The 4<sup>th</sup> Sustainable Development Goal of the United Nations:

"Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all"

# BIC promotes the pleasures and benefits of handwriting

Because handwriting is an indispensable skill for structuring the thought process, BIC has been making a specific effort over the past few years to encourage children to write:



The BIC® Kids range in Europe and the U.S., created with the help of psychomotor specialists, ergonomists and educators. The BIC® Kids (Europe) website, offering creative and learning activities for children and teachers.





"Fight for Your Write" in the United States, a campaign to raise awareness of the importance of writing in the development of cognitive and motor skills.





# BIC and its employees take action to promote access to education

- Since 2008, BIC Citizens in Action provides an opportunity for BIC employees to gather around local or international projects concerning social and environmental issues. Every two years, employees are mobilized through a fundraising action in all subsidiaries. The Group matches the amount collected before being donated to an association. Since 2012, these donations benefit to initiatives that promote access to education in Haiti.
- In South Africa, the charity products campaign "Choose BIC and Change a Future" provides pens for underprivileged children: for each product purchased, a pen is donated to the NGO Read Educational Trust. In five years, 5 million pens were given.
- BIC is a partner of the "Kit Scolaire 2015" operations of the French NGO Dons Solidaires. In 2015, 140 associations received school supply kits that were distributed to 20,000 underprivileged children.



DONATIONS TO PROMOTE EDUCATION FOR A TOTAL OF MORE THAN €1.8 MILLION OPERATIONS

## MAKING THE OPERATIONS CHAMPIONS OF ENVIRONMENTAL PERFORMANCE

The BIC Group is constantly striving to reduce the environmental footprint of its production tool, taking action on every front: environmental management systems, optimization of water and energy consumption, reduction and recycling of wastes, reducing greenhouse gas emissions, etc.

Annual water consumption in BIC factories between 2005 and 2015\*

## ISO 14001 certified factories







OF BIC EMPLOYEES WORK IN FACTORIES THAT ARE ISO 14001 CERTIFIED OR ENGAGED IN THE CERTIFICATION PROCESS

#### BIC'S THREE SHAVER FACTORIES HAVE BEEN TRIPLE-CERTIFIED: ISO 9001, ISO 14001 AND OHSAS 18001.

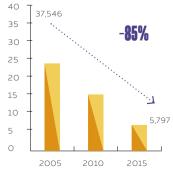
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# Reducing water consumption in factories

In 2015, the Group's water consumption per ton of production was reduced by 7% in relation to 2014 due to improvements in the technical equipment: closed water circuit cooling towers, recovery tanks or the gas scrubbers, etc.



#### IN WATER CONSUMPTION PER TON OF PRODUCTION IN THE PAST 10 YEARS.



\* normalized to production – in m³/ton



# Optimizing energy consumption in the factories

Energy consumption per ton of production decreased between 2014 and 2015: 0.5%. In 2015, BIC's factories initiated or finalized a total of 38 projects specifically dedicated to saving energy, and 13 of them improved their ratio of energy consumption normalized to production.

## 2 factories certified for energy; 2 for the design of their buildings:

- 2 factories are LEED certified (Leadership in Energy and Environmental Design): BIC Bizerte (Tunisia) since 2013 and BIC (Nantong) Plastic Products (China) since 2015.
- As of 2015, 2 factories, Conté-Samer (France) and Violex (Greece), are ISO 50001 certified for energy management.





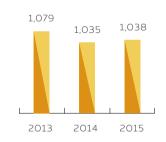
# Reducing GHG emissions in the factories

- The Group's total direct and indirect greenhouse gas emissions for 2015 are estimated at 98,855 teqCO<sub>2</sub>, the equivalent of 6,000 French households.
- Since 2012, BIC has purchased Renewable Energy Certificates covering 100% of its grid electricity needs for the three sites in Connecticut (USA), which lowers the total by 9,800 teqCO<sub>2</sub>.

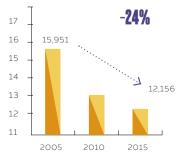




Direct and indirect GHG emissions normalized to production. In tons of CO<sub>2</sub> equivalent per ton – BIC factories



# Annual energy consumption in BIC factories between 2005 and 2015\*



\* normalized to production – in gigajoule/ton



**OPERATIONS** 



## waste production

#### Between 2014 and 2015, the total quantity of waste per ton of production rose slightly (by 2%). The increase is mostly due to work undertaken to expand or renovate buildings and installations. BIC continues to pursue its programs for the sorting, recycling and reuse of wastes.

# IN 10 YEARS

13% REDUCTION IN NON-RECYCLED WASTE **PRODUCTION PER TON** OF PRODUCTION

## The overall performance of BIC's factories

#### BIC SD BAROMETER

#### **COMMITMENT #5**

As of the end of 2015, the factories' environmental performance score had dropped by 2.2 points. In terms of water and energy, the performance is in line with the goal, but an increase in wastes affected the overall results.



## **Reducing GHG emissions** from transport

The challenge is to make BIC<sup>®</sup> products available at 3.2 million points of sale while minimizing the cost and environmental impact of their transport. For this, the Group deploys an approach in 3 parts: Raising awareness and controlling emissions, optimizing shipments and routes, selecting responsible carriers.

#### The development of multimodal transport shows good results in Mexico

In 2015, multimodal train/road transport represented:

- 76% of the shipments from the shaver packaging factory in Saltillo to the warehouse in Charlotte (USA), for a savings of 747 teq $CO_2$ .
- 20% of the imports to the stationery factory in Mexico City (-86 teqCO<sub>2</sub>).



#### BIC SD BAROMETER

#### **COMMITMENT #6**

In 2015, for the second year, the goal of keeping air transport to a minimum was reached.







## UNITING BIC EMPLOYEES AROUND KEY VALUES

"Honor the past, invent the future": that has been BIC's philosophy from the start. It expresses respect for its heritage: an entrepreneurial spirit, products that have become icons, constant quality, close attention to detail, and the way its employees, through their commitment and enthusiasm, build the future of the Group together.

## **The 5 BIC Values**

This philosophy is rooted in the five Values shared by all employees of the BIC Group.



## "Values in Action": living BIC's Values every day

#### ONGOING ADHERENCE

Since 2005, the Group has conducted a Values survey every two years, to measure the difference between the Values as they are defined and as they are actually experienced in the workplace.

## The 6<sup>th</sup> Values survey achieved a good participation rate with 85%.

The results were also good, with:

- 85% adherence to the value of Ethics
- 89% for Responsibility
- 81% for Teamwork

#### THE "VALUES IN ACTION" AWARDS

Every year, these awards are presented to employees whose performance exemplifies certain BIC values. Initiated in 2006, the program has honored more than 970 employees so far.





# Measuring employee engagement

The engagement survey, which is also conducted every two years, measures employee engagement and identifies the key drivers of their motivation: working conditions, individual recognition, independence, career opportunities, management effectiveness.

## The 2014 engagement survey achieved a 90% participation rate, covering more than 9,000 employees.

#### Results of the last engagement survey

The overall engagement level of **85%** places BIC in Towers Watson's High-Performance category.

#### The Group's strongest points are:

- Good understanding of the goals;
- The perception of BIC as a responsible company;
- A good balance between professional duties and personal life.



#### BIC SD BAROMETER

#### **COMMITMENT #9**

In 2015, for the second year, the Group's survey participation rate topped 85%, in keeping with the goal

/10

12

## Understanding how employees perceive the Sustainable Development Program

BIC also conducts a biannual survey to determine how its employees perceive the internal Sustainable Development Program and to measure the integration of sustainable development within the Group. The most recent survey was completed in late 2013, covering 5,800 employees. The next survey takes place in January, 2016

#### Key figures of the Sustainable Development Survey



40% participation rate



concerns them 94% are aware of the BIC Sustainable

Development Program

86% of the respondents feel

that sustainable development

2

99% feel that the Program is important for the Group

HEALTH

## HEALTH AND WELL-BEING IN THE WORKPLACE, A CONSTANT PRIORITY

## A worldwide program: "Quality of Life at Work"

Conceived to improve employee well-being, this program pursues a global strategy implemented in every country where BIC has operations, depending on local needs, cultures, past initiatives, etc. It is organized in four main sections:

## Health and well-being: .....



through numerous initiatives to promote physical exercise and good nutrition, health screening campaigns, etc.

The workspace and workstations: ..

## 2) The manazer's role: .



to help team leaders play a positive role in the prevention and management of stress and psychosocial risks.

to improve awareness of ergonomics and the optimal configuration of workspaces and common areas.

## A Employee services:



to make everyday life easier and help employees deal with personal and professional difficulties.

#### "YOU FIRST BY BIC", A GLOBAL APPROACH TO HEALTH AND WELL-BEING FOR EMPLOYEES IN THE UNITED STATES

This program puts the emphasis on building employees' personal responsibility, making them active participants in their own physical, psychological and financial well-being. A series of events is offered, including health screening, a telemedicine service, health and lifestyle coaching, and financial counseling during "Wealthcare Week." In the next phase, an ambitious project is planned for 2016: the establishment of well-being committees at every American site.



## Safety at work, an essential priority

The frequency of worker accidents in BIC factories has been falling steadily since 2005: in ten years the incidence rate has dropped by 43.5%. This is the result of constant effort and the mobilization of all available means for preventing accidents: health and safety management systems. ongoing improvement of working environments and the organization of working hours, employee awareness, evaluation of compliance with the BIC Code of Conduct in the factories, etc.



FREQUENCY RATE IN BIC FACTORIES

**COMMITMENT #7** Proaress was made in 2015. with the worker accident incidence and severity rate maintained at an even lower level. Perf. end of 2015



#### **COMMITMENT #10**

In 2015, for the second year in a row, the Group reached the goal of keeping the internal promotion and development rate at 25% or more.







## **BIC GROUP IN 2015**

Board of Directors	30%
Leadership Team	20%
Managers	39%
Non managers	<b>48%</b>
Group	<b>46%</b>

## Increasing BIC's co-workers' employability

Regardless of their function, level of responsibility or type and length of contract, all employees are given opportunities to optimize their internal and external employability. In order to fulfill this commitment, the BIC Group strives to offer its employees a continuous learning environment **based** on the 70/20/10 model.

## Learning from new experiences

By encouraging project-by-project management, the BIC Group offers employees opportunities to work in multi-functional teams.

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# Learning from contact with others

With the Group's feedback culture, all employees receive constructive feedback, helping them build on their strong points and strengthen their developmental points.

## Learning from training

The Group is gradually increasing access to the **BIC University programs** while developing local training programs.



# Respect for Human Rights in the workplace

#### THE CORNERSTONE: THE BIC CODE OF CONDUCT

To ensure respect for Human Rights in the workplace, BIC has adopted a Code of Conduct: 10 professional and social principles based on the standards of the International Labor Organization (ILO). The Group is committed to upholding these principles in all of its operations. The Code of Conduct applies to all factories that make BIC products, whether owned by the Group or by a contract manufacturer.

# 100%

OF THE GROUP'S CONTRACT MANUFACTURERS ARE AUDITED AT LEAST ONCE EVERY THREE YEARS



OF THE GROUP'S TURNOVER COME FROM PRODUCTS MADE IN ITS OWN FACTORIES.

#### **BIC SD BAROMETER**

#### **COMMITMENT #8**

In 2015, the pace of the audits was stepped up. By the end of 2016, the goal is expected to be reached: 95% of all contract manufacturers audited using assessment tools that include a rating system and monitored on an ongoing basis.



## The Code in action: the social audit program

	Audit methods
BIC factories	Self-assessments conducted by the factories and reviewed by external auditors.
Contract manufacturers for Consumer Products	Audits conducted by external auditors using Workplace Condition Assessment (a tool that includes scoring on more than 180 criteria).
Contract manufacturers for BIC Graphic	External audits combined with audits conducted by BIC internal auditors.

All audits are subject to a regular follow-up of corrective action plans

## **Ethics and the fight** against corruption

IC GROUP CODE OF ETH

The BIC Group Code of Ethics formalizes the basic ethical principles followed by the Group and all of its employees under all circumstances, everywhere in the world. Available in 15 languages, the Code of Ethics and the accompanying Guide, conceived to help employees ask themselves the right questions, can be accessed by all employees on the BIC Intranet.



## Responsible purchasing

In 2014, BIC adopted a Responsible Purchasing Charter that defines the Group's relations with its suppliers based on its five Values: Ethics, Responsibility, Teamwork, Simplicity, Ingenuity.

This charter applies to relations with subcontractors and suppliers and involved in the production or transport of BIC<sup>®</sup> products.

## **Evaluation of strategic** suppliers' sustainable development performance



Since 2011. BIC has used the EcoVadis scoring system to assess the environmental, social and governance (ESG) performance of its raw materials suppliers. The most recent campaign focused on the four categories of strategic raw materials: Plastics, Metals, Inks and certain categories of Packaging.



## Sustainable collaborations with suppliers and service providers

Since 2013, the BIC Group's Code of Conduct has been extended to logistics service providers. The BIC "Transport Community" teams work closely with their service providers toward sustainable development, for example in Brazil, where a guide was created explaining the application of the BIC Code of Conduct.



## TAKING ACTION AS A PHILANTHROPIC COMPANY

In 2015, the Group and its subsidiaries initiated 206 philanthropic operations involving volunteer work, product donations and financial donations, representing a total of €2.7 million\*.

## Combining all solidarities

The subsidiaries oversee local projects that can be initiated by the subsidiary itself, its employees or various stakeholders who become aware of a specific need. In keeping with the Group's professional activities, these operations focus primarily on education and health, but they can also concern the environment, sports, humanitarian aid, etc.



For 6 years, BIC participates in the "Kit Scolaire" operation with the association Dons Solidaires through product donations and for 2 years by the participation of employees who volunteered to help assemble the kits.



"Pink Day" at the Milford and Shelton sites to benefit Susan G. Komen for the Cure®, an association dedicated to the fight against breast cancer (USA).

\*Internal valorization

#### Financial breakdown of activities BIC Group – 2015



## Education

67% Health

14%

Education 42% Health 19%

39%

Other (environment, sport, emergency aid, etc.) **19%** 

Other (environment, sport, emergency aid, etc.)

#### Breakdown of actions by fields BIC Group – 2015



BIC sponsors the month of September on the calendar of the Talita foundation for children suffering from mental disorders (Spain).





Sponsorship of a sale to raise funds for the Singapore Children's Society, which protects children and youth of all races and religions (Singapore).



Donations of stationery products and volunteer work by employees for the renovation of libraries and three schools (Brazil). 2015 FACTS

## FOR THE BIC GROUP, 2015 WAS ALSO THE YEAR OF...



## Greater visibility for the sustainable development approach

Since the beginning of 2015, the BIC Sustainable Development Barometer has been visible online at a dedicated website: <u>http://www.bicworld.com/barometer/en/</u> And, to raise awareness among employees and the general public, BIC has created an educational video entitled "Two Minutes to Understand Sustainable Development", available on the Group's YouTube broadcast.



## A closely involved Leadership Team

On June 11 and 12, 2015, all of the members of the Group's Leadership Team participated in the annual Sustainable Development Forum. Prospective workshops were conducted on topics like recycling, the circular economy and the role of sustainable development in value creation and employee engagement

# BIC, an official partner of the COP21

## BIC marked its support for the Paris Climate Conference held in December 2015:

- At Le Bourget: in the official negotiations zone, BIC donated 60,000 products for the delegations' welcome kit: 30,000 BIC® 4 Colours™ pens and 30,000 BIC® Evolution™ Ecolutions™ pencils; both products are certified by the ecolabel NF environment.
- At the Grand Palais: as part of the "Solutions COP21" exhibition, which drew 42,000 visitors, the Group's totem integrated a display on the environmental advantages of the BIC® products that contribute to reducing mankind's impact on the climate.



## A BIC Corporate Foundation for education

The articles of association of the BIC Corporate Foundation were registered in December 2015. Its purpose is to support access to education.

It takes action in two main fields: education for girls and fight against school underperformance. The Foundation also promotes environmental education. SOCIÉTÉ BIC Limited company with share capital of euros 183 108 384,24 Divided into 47 934 132 actions of euros 3.82 Quoted: Eurolist d'Euronext Paris ISIN: FR0000120966 Mnémonic: BB Continuous quotation 552.008.443 RCS Nanterre, France

Design and Writing BIC Group's Sustainable Development Department & Elsa Boniface

Design and Production agence **aristophane**.

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