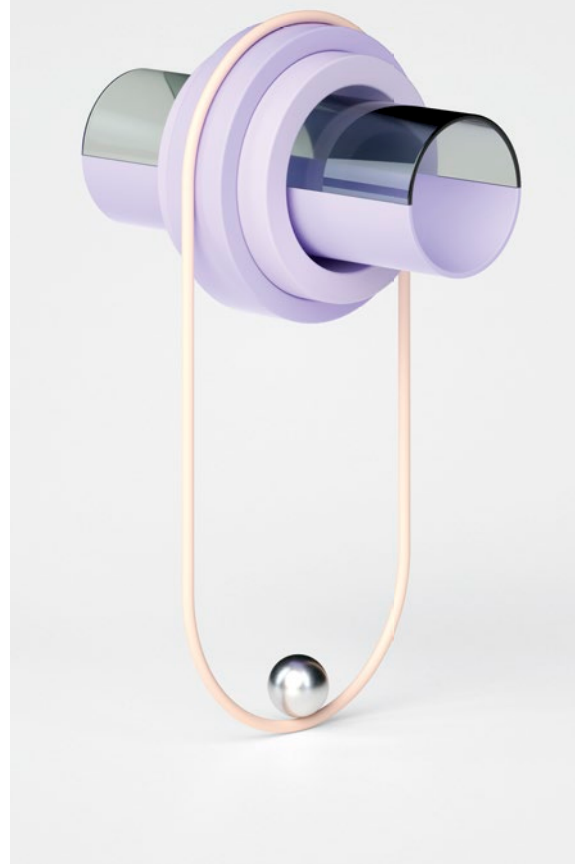


Being essential



2018 Integrated
• Annual Report •

Being
essential



to create value
08 — 09

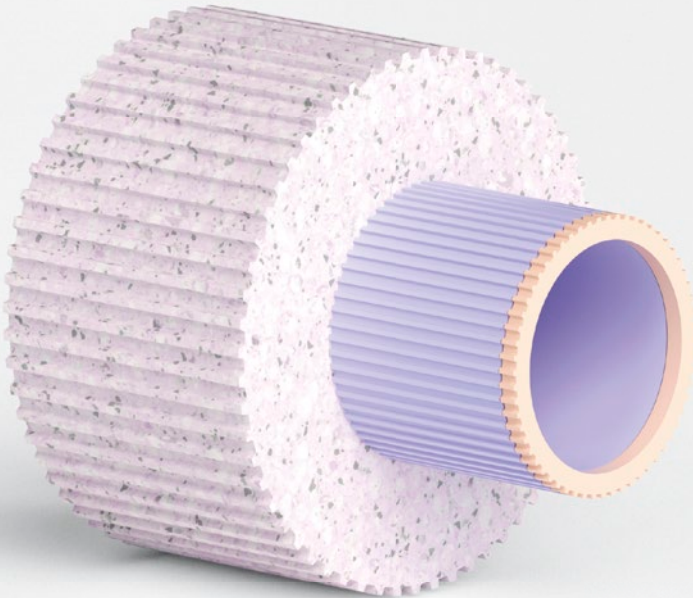


to foster
sustainable
innovation
12 — 13

to last
02 — 03



to grow
16 — 17





BEING ESSENTIAL •

Being essential is what inspired us when we designed our very first product, the BIC® Cristal® ballpoint pen. Being essential means designing a simple and high-quality tool; bringing innovation to an everyday task. Being essential means offering products at a fair price so that anyone can use them, wherever they are in the world. Being essential means being part of everyday life for millions of consumers, anticipating and adapting to their needs while staying useful and relevant. Being essential is about making sure we have a positive impact wherever we go, through our products and our business.

Being essential
to last

02 ——— 03



A story of success, innovation and commitment.

From the humble company of its beginnings to today’s iconic brand, BIC has made its mark on the daily lives of millions of consumers. A family business from the start, BIC relies on its unique industrial expertise and the know-how of its teams to offer simple products that are made to last.

01

Our heritage

1944

Marcel Bich (1914-1994) buys a factory in Clichy (France) and sets up business with his partner Edouard Buffard (1908-1996), as a maker of writing instrument parts

1950

BIC® CRISTAL® is launched

1954-1960

Geographical expansion in Western Europe, the Americas, Middle East and Africa

1972

SOCIETE BIC is listed on the Paris Stock Exchange

1973

BIC® pocket lighter is launched

1975

BIC pioneers the "one-piece shaver"

1993

BIC introduces BIC® Evolution®, a graphite and coloring pencil made with recycled materials

1995

Further expansion in Eastern and Central Europe

1997

Tipp-Ex® acquisition

2001

The BIC® CRISTAL® pen is made part of the permanent collection of the Department of Architecture and Design of the Museum of Modern Art of New York (MoMA)

2004

BIC launches its sustainable development program

2009

BIC acquires 40% of Cello Pens, the leading brand and manufacturer of writing instruments in India

2013

BIC opens a writing instrument facility in Tunisia

2015

- October: BIC outlines a five-year investment plan to modernize its industrial stationery facilities in the Pas-de-Calais region (France)
- December: Cello group sells its remaining stake in Cello Pens to BIC, increasing BIC's stake in Cello Pens to 100%

2018

- On May 16, Gonzalve Bich is appointed Chief Executive Officer. Pierre Vareille is appointed Chairman of the Board of Directors
- December: BIC announces the transfer of HACO Industries Kenya Ltd manufacturing facilities and distribution of stationery, lighters and shavers in East Africa to BIC
- December: BIC sells its subsidiary BIC Sport and refocuses on its core activities: stationery, lighters and shavers

02

Our DNA

01

OUR COMMON VALUES

Ethics, Responsibility, Teamwork, Simplicity, Ingenuity

The BIC Group vision is firmly rooted in shared values: ethics, responsibility, teamwork, simplicity and ingenuity. Both in its own activities and through those of its sub-contractors,

the same driving principles define BIC's framework for action and are formalized in its Code of Conduct, its Ethical Charter and its Anti-Corruption Policy.

02

OUR HUMAN FOUNDATION

Men and women, the cornerstone of our philosophy

By making solid commitments to motivate our current and future team members to "unlock the best versions of themselves," BIC reaffirms that the success of the company is above all built by its people.

family shareholding which today owns 45% of the Group's share capital. This shareholding structure provides strong support for BIC's long-term vision.

03

OUR SHAREHOLDER BASE

Family shareholding, long-term vision

A listed family company since it was first created, BIC has always relied on a stable

04

OUR INDUSTRIAL FOUNDATION

Controlled manufacturing, international network

In-house production is one of the cornerstones of the universal quality of BIC® products. Through its 26 self-owned and self-operated factories, BIC ensures that it remains constantly in control of its manufacturing costs. Shared across the Group, the tools, machines and methods developed by BIC guarantee the high quality, reliability and safety of its products.

03

Our brands

8 recognized brands

04

Our vision

01/04

SIMPLE

When creating its first product, the BIC® Cristal® ball pen, BIC decided to focus on the essentials: creating a simple, high-quality tool, sold at the right price.

03/04

RELIABLE

The best way to create consumer loyalty is to offer the same high quality throughout the product's life.

02/04

INVENTIVE

Whenever BIC identifies a specific need or desire, its Research & Development teams come up with an ingenious solution to optimize performance.

04/04

FOR EVERYONE, EVERYWHERE

With BIC® products, everyone will find the best solution at the best price, with a guaranteed level of quality. BIC also positions itself close to its consumers.

A unique industrial expertise

Production sites

16

Stationery

5

Lighters

4

Shavers

1

Promotional Products

05

Our 3 categories

32 million BIC® products bought everyday worldwide

- A world leader in the consumer goods markets
- 160 countries, 4 million points of sale, 13,664 team members, 26 factories
- 92% of Net sales realized with products manufactured in our own factories

- North America**
39% of Net sales • 2 factories
740 team members
- Europe**
29% of Net sales • 10 factories
4,061 team members
- Developing Markets**
32% of Net sales • 14 factories
8,863 team members

STATIONERY

More than 2km of writing from one BIC® CRISTAL® ball pen

- 100% of pen balls are made through a highly controlled process. Perfectly spherical, they are almost harder than a diamond
- 40% of Net sales
- No 2 worldwide

LIGHTERS

Up to 3,000 ignitions from one BIC® Maxi pocket lighter

- Every BIC® lighter undergoes more than 50 automatic quality and safety checks before leaving the factory
- 35% of Net sales
- No 1 worldwide for branded pocket lighters

SHAVERS

Up to 10 shaves from a BIC® Flex 3 razor

- 100% of all razor blades are visually inspected: dimensional statistics checks, sharpening angle measurements, perfect smoothness of the blade-edge assessments, etc.
- 22% of Net sales
- No 2 worldwide for one-piece shavers

* 2018 Figures



Invent --- the Future

Gonzalve Bich, BIC Chief Executive Officer

Product after product, satisfied consumer after satisfied consumer, BIC is a story of success, a story of innovations, relentless commitment to high-quality and affordable products driving our everyday actions. This is our DNA, our core strength and the basis of our roadmap for long-term growth.

In today’s fast-changing trading environment, now more than ever, ensuring continued growth requires us to become more agile, more integrated and more innovative. This is not about changing who we are; this is about accelerating what has made us successful by reinventing ourselves.

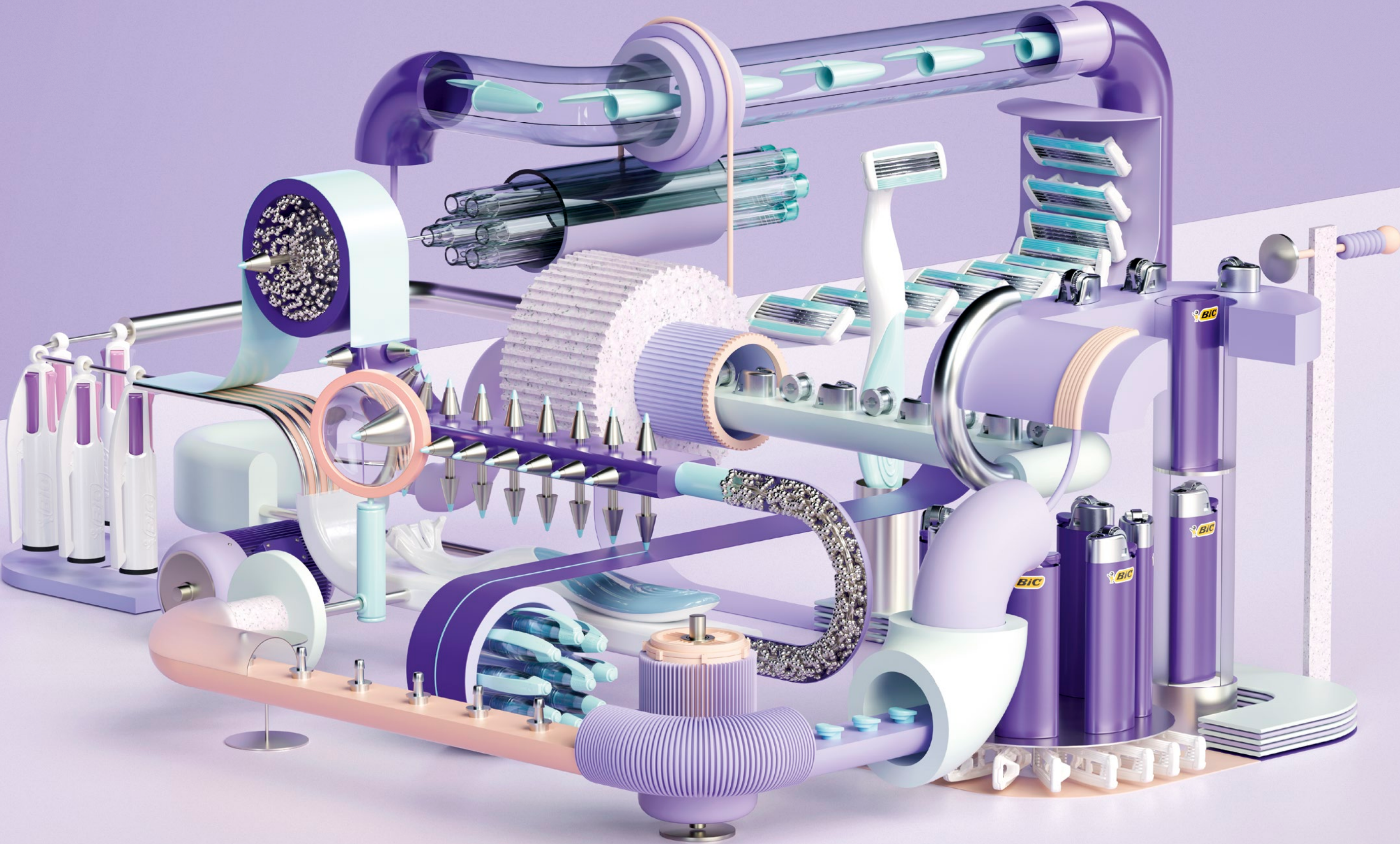
Reinvention is understanding who we are and building upon our strong fundamentals.

It is also about remaining true to our mission: offering high-quality, inventive, reliable products and solutions, that are respectful of our environment and available to everyone, everywhere, while creating long-term value for all stakeholders.

As BIC’s new Chief Executive Officer, I am convinced that the best way to honor our Past is to build on it to reinvent our Future. Together with our teams around the world, and with the support of BIC’s Board of Directors and its Chairman, Pierre Vareille, I am confident that our strong business foundations and our entrepreneurial spirit will help turn today’s challenges into tomorrow’s opportunities and build a sustainable future for all of us.

Being essential
to create value

08 — 09



I
Our resources

And how we use them

6 A GLOBAL DISTRIBUTION NETWORK

- 4 million points of sale in 160 countries
- Distribution methods tailored to emerging markets (individual kiosks and micro-shops) as well as mature markets (e-commerce)

5 A CONTROLLED PRODUCTION LINE

- 28 factories on 4 continents
- 92% of Net Sales realized with products manufactured in our own factories
- 2,000 suppliers
- €998.7M in purchases of raw materials, consumables and services

2 A HEALTHY FINANCIAL SITUATION

- €1,638.1M Shareholders' Equity
- €149.8M cash generation
- €394.6M cash flow from operations

4 A CULTURE OF INNOVATION ROOTED IN THE GROUP

- 70 years of brand history
- 8 recognized brands: BIC®, Cello®, Conté®, BIC Kids®, Tipp-Ex®, Wite-Out®, BIC Soleil®, BIC Shave Club®
- €48.4M in brand and patent assets
- 1.8% of net sales invested in R&D
- 100% of new Stationery products subject to eco-measurement







3 A SUSTAINABLE PROCUREMENT STRATEGY

- €509.3M in purchases of raw materials*
- On-going long-term progress in all factories: reducing water and energy consumption and waste production
- Taking action to optimize the transportation of products
- Material-saving at the heart of our product design and manufacturing processes

II
Our assets

Products that provide easy answers to everyday needs

OUR SIMPLE, RESPONSIBLE, SUSTAINABLE AND VALUE-CREATING ECONOMIC MODEL

 Processes and unique industrial expertise	 Products made to last, designed using only the essentials	 High-quality products accessible to everyone, everywhere
 Strong commitment to corporate culture	 Recognized brands and ingenious teams	 Strong cash generation, solid balance sheet

1 OUR TEAM MEMBERS BUILDING OUR SUCCESS

- 13,664 worldwide
- 5 shared values: ethics, responsibility, teamwork, simplicity and ingenuity
- €506M in payroll costs
- 27,517 training days
- Development and internal promotion rate: 25%

III
Value created

By the Group for itself, its shareholders, its stakeholders and for the society as a whole

1 EMPLOYABILITY, WELL-BEING AND SAFETY AT WORK

- 84.3% team member commitment rate
- 2.09 rate of workplace accidents
- 1.4% rate of absenteeism

2 PRODUCTS DESIGNED WITH WHAT IS JUST NECESSARY

- Water consumption -2.6%**
- Energy consumption +1.3%**
- Waste production -1.9%**
- Greenhouse gas emissions -1.9%**

3 RELIABLE AND HIGH-QUALITY PRODUCTS AT THE RIGHT PRICE SIMPLIFYING EVERYDAY LIFE

- €1,949.8M in Net Sales
- 32 millions products bought every day worldwide

4 A LEADER IN EACH OF ITS MARKETS: No 2 IN STATIONERY, No 1 IN LIGHTERS, No 2 IN ONE-PIECE SHAVERS

- 15-20 products launched each year in Stationery and Shavers
- At least 50% of products have an environmental benefit
- 19 NF Environnement product references for Stationery

5 RESULTS DEDICATED TO LONG-TERM GROWTH

- €173.4M Net Income
- €125.4M Capital Expenditure
- €157.8M Ordinary Dividends
- €54.0M Share Repurchase

* Raw materials, consumables used and change in inventory
** Per tons of products - between 2017 and 2018



A never-ending story

Circular economy, noun: endless re-use of a source material. (Industry) Preservation of a limited resource through recycling and transformation. (BIC) Turning used pens into outdoor furniture.

What do you do when you’ve already made maximum durability and using the smallest amount of material possible the core of your manufacturing process? Many explorers and quasi-scientists have spent lifetimes searching for a fountain of eternal youth or trying to penetrate the veil of immortality. But BIC has made the choice to work on the product end-of-life and develop ways of turning this inevitability into an opportunity. As early as 2011, BIC partnered in Europe with TerraCycle, a pioneer firm in the then-tiny

and complex plastics recycling industry. Together, we created a vast program to collect all writing instruments, regardless of manufacturer, directly from where they are used, in schools, offices, etc.

But that was only the beginning! In 2017, BIC introduced Ubicuity™, a one-of-a-kind range of outdoor furniture made exclusively from these recycled plastics collected by French company Plas Eco. It is currently being marketed to public authorities and their schools. And it would hardly be a BIC initiative if we didn’t use this opportunity to also develop sustainability awareness programs for school staff and students.

Being essential
to foster sustainable
innovation





Writing the sustainable future together.

The Group’s “Writing the Future, Together” commitment, formulated in 2017, is the next step in a journey BIC started in 2004. This ambitious

program for sustainable and responsible growth naturally builds on the lessons learned from the Sustainable Development Barometer—a global program implemented by the Group until 2016. Integral to the company’s

strategy, this new stage commits BIC to a philosophy of action and transformation that impacts the whole company and its operations, everywhere in the world This approach is applied in five strategic areas.

FOR EDUCATION

The BIC Corporate Foundation was born out of the Group’s desire to promote its civic activities and structure its philanthropic approach while bolstering its team members’ sense of pride and belonging.

Its mission is to support access to education and good quality instruction, putting the emphasis, over the long term, on the funding of social entrepreneurship and innovation in education.

In 2018, the Foundation launched its second call for projects from its subsidiaries and sites to bring out innovative local initiatives.

2016

☺
BIC Corporate Foundation is launched

18

☺
projects supported by the Foundation in 13 countries

Pillars of action

- ☺
 - Reducing the school dropout rate
 - Equal access to education for girls and women
 - Environmental education

The BIC Corporate Foundation

#01 Fostering sustainable innovation in BIC® products

Simple, inventive designs, with less raw materials and long on life performance: sustainable development is coded into BIC® product at the design phase.



01 OUR COMMITMENT FOR 2025

By 2025, the environmental and/or societal footprint of all BIC® products will be improved.

02 WHERE ARE WE IN 2018?

This year, we defined eight categories of criteria used to improve the environmental and social footprint of BIC® products and helped address the plastics challenges through responsible chemistry.

QUICK FACTS

As part of its ecodesign strategy, BIC Group works closely with two French start-ups: Microfactory specialized in microfluids and PILI, in the manufacture of dyes from bacteria.

#02 Acting against climate change

The BIC Group deploys a global approach to energy consumption (energy efficiency, use of renewable energy, etc.) based on a Group roadmap and local choices that take into account opportunities. The use of renewable electricity will contribute to reduce BIC’s greenhouse gas emissions significantly by 2025.

#03 Committing to a safe work environment

The Group has always been committed to the safety, health and well-being of all team members working on a BIC site. Our aim is to provide a safe and nurturing workplace.



01 OUR COMMITMENT FOR 2025

By 2025, BIC will use 80% renewable electricity.

02 WHERE ARE WE IN 2018?

In 2018, the Group used 68% renewable electricity.

QUICK FACTS

French factories and the Clichy headquarters already use renewable electricity, so do the plants in Manaus (Brazil), Tarragona (Spain), Milford and the offices in Shelton (U.S.) since 2012 and the plant in Athens (Greece) since 2016.



01 OUR COMMITMENT FOR 2025

By 2025, BIC aims for zero accidents across all operations.

02 WHERE ARE WE IN 2018?

An international network of HSE (Health, Safety and Environment) experts from three continents was organized to share best practices and implement local roadmaps to aim at zero accidents.

QUICK FACTS

In the Stationery category, all the Plant Directors were gathered for two days and each defined a security strategy for their respective plant. These strategies were communicated to employees and their implementation started during 2018.

#04 Proactively involving suppliers

Being a responsible company requires control of its entire value chain. To do this, our Purchasing team analyze all the risks, select and collaborate with our most strategic suppliers following a responsible approach.



01 OUR COMMITMENT FOR 2025

By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing.

02 WHERE ARE WE IN 2018?

At the end of 2018, strategic suppliers and associated risks and opportunities were identified. The BIC Group has mapped the risks related to its purchases (100% of the amounts purchased) and the existing management systems.

QUICK FACTS

In 2018, the Group’s purchasers and the Procurement Managers were mobilized for a complete review of the entire supplier database in order to identify—out of the 15,000 suppliers—the 346 strategic ones for the BIC Group

#05 Improving lives through education

Because education has the power to change the world, it has always been at the heart of the Group’s concerns.



01 OUR COMMITMENT FOR 2025

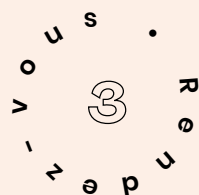
By 2025, BIC will improve learning conditions for 250 million children, globally.

02 WHERE ARE WE IN 2018?

The learning conditions of about 15 million children were improved for the period 2017–2018.

QUICK FACTS

To reinforce our commitment in promoting education, BIC created a position for an “Education Engagement Director” in charge of strengthening BIC’s actions in this area.



Learning to change the world

Improving learning conditions for 250 million children around the world is the BIC goal for 2025. To achieve it, the Group is leaving no stone unturned: 2016 saw the creation of the BIC Corporation Foundation for Education, 2017 the new position of Education Engagement Director, and 2018 was the year BIC launched its very first Global Education Week.

Between October 1 and 5, team members worldwide were given the opportunity to volunteer for one day’s work with local schools and non-profit organizations involved in empowering children and teenagers by improving their learning conditions. This global movement with a local impact was a major commitment for BIC and its team members,

and a practical and effective way of benefiting all our communities.

Throughout the year, BIC kept pushing its commitment further with many ongoing initiatives, such as product donations, awareness campaigns and training sessions in several countries on the ‘benefits of handwriting’ for parents, teachers and students.

Half of the world’s two billion children under the age of 14 still leave school without the minimum levels of knowledge required for today’s world. The BIC commitment to education is about giving each and every child the tools they need to grow to their full potential. And in doing so it is changing the world one child at a time.

Being essential
to grow

16 — 17





Regular growth that creates value.

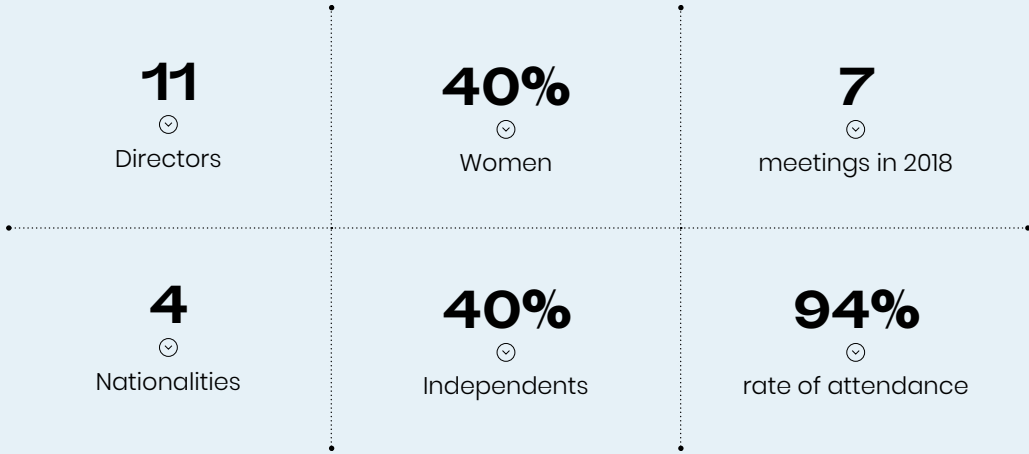
Our ability to offer innovative products

adapted to the needs of millions of consumers around the world has enabled the Group to generate regular growth in all its business

lines. Our operational model is the root of global value creation—economic but also social, societal and environmental.

Board of Directors

The history of our Group is deeply rooted in an entrepreneurial spirit: we consider entrepreneurship to be in our DNA. It is vitally important for the Board of Directors and the Chief Executive Officer to foster this spirit and keep it alive in our culture for future generations. BIC has the support of a competent Board of Directors committed to defining and implementing the Group's strategy and ensuring its success. Composed of eleven members, the Board of Directors is supported in its work by three specialized committees; the Audit Committee, the Compensation Committee and, since 2017, the Nominations, Governance and Corporate Social Responsibility (CSR) Committee.



02 Key Group indicators

Key figures 2017/2018



Net Sales • 2017* €2,041.4M 2018 €1,949.8M	Normalized income from operations • 2017* €399.6M 2018 €352.4M	Normalized income from operations margins • 2017* 19.6% 2018 18.1%
Net income group share • 2017* €287.3M 2018 €173.4M	Earnings per share group share • 2017* €6.18 2018 €3.80	Normalized earnings per share group share • 2017* €6.26 2018 €5.87

* Restated from IFRS 15



2018 Key figures by category

In € million	Net Sales	Normalized Income From Operations	Normalized Income From operations Margins
Stationery	771.9	62.8	8.1%
Lighters	685.8	247.0	36.0%
Shavers	438.0	45.4	10.4%
Other products	54.0	-2.8	NA

2018 Net sales by geography

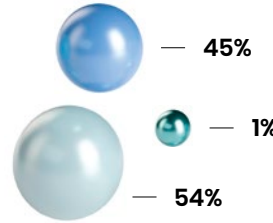
39% North America

29% Europe

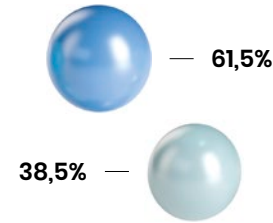
32% Developing markets



CAPITAL OWNERSHIP



VOTING RIGHTS



DIVIDEND

€3.45

The Board of Directors will propose 3.45 euros as an ordinary dividend per share, at the Annual Shareholders' Meeting on May 22, 2019.

● Bich Family (direct and indirect) ● Free Float ● Treasury shares

03 Our mission

PURPOSE AND ENGAGEMENT

- We believe in offering high quality, inventive and reliable products and solutions, respectful to our environment.
- Consistent with our values and faithful to our philosophy "Honor the Past, Invent the Future," we are committed to our stakeholders for the long term: consumers, employees, local communities, customers, and shareholders.
- We are convinced that facilitating fair access to education for all by improving learning conditions is a powerful way to build a sustainable planet-friendly future, for each and every one of us.

OUTLOOK 2019

We expect 2019 Group Net Sales to grow slightly on a comparative basis and Normalized Income from Operations margin to be between 16.5% and 18%.



LONG-TERM AMBITION

- Our long-term ambition is to focus on the following:
- Drive profitable growth
 - Continue Investments in people, R&D, new products and brands
 - Increase productivity
 - Maintain a strong cash generation
 - Sustain total shareholders remuneration



Creating sustainable value for everyone

The value companies create today isn’t solely measured on the financial scale anymore.

For an organization, leveraging every opportunity to benefit all its stakeholders, through its activities or its commitments, is the only way to ensure long-term stability and growth. The value we create takes as many forms as the parties we engage with: human, social, economic, environmental or intellectual, the concept of “sustainable value” depends on whom it is intended for. This goes beyond the idea of CSR: corporate responsibility is now one with performance. Whether you are a consumer, a team member, a community or a shareholder, the benefit you get from BIC needs to be unequivocal. It is a testimony to our purpose, and the promise of our future.

VALUE SHARING

Communities €2.2M

Donations of funds and products (internal valuation)

Governments €97.6M

Including €82.4M paid around the world as corporate income tax and €15.2M in other taxes

Net investments €123.7M

Shareholders €157.8M

Ordinary dividends and €54.0M shares repurchased

Share the benefits of growth

Customer - 2018 turnover
€1,949.8M

Invest to ensure sustainable growth

Banks €2.1M

Net interest received

Suppliers €998.7M

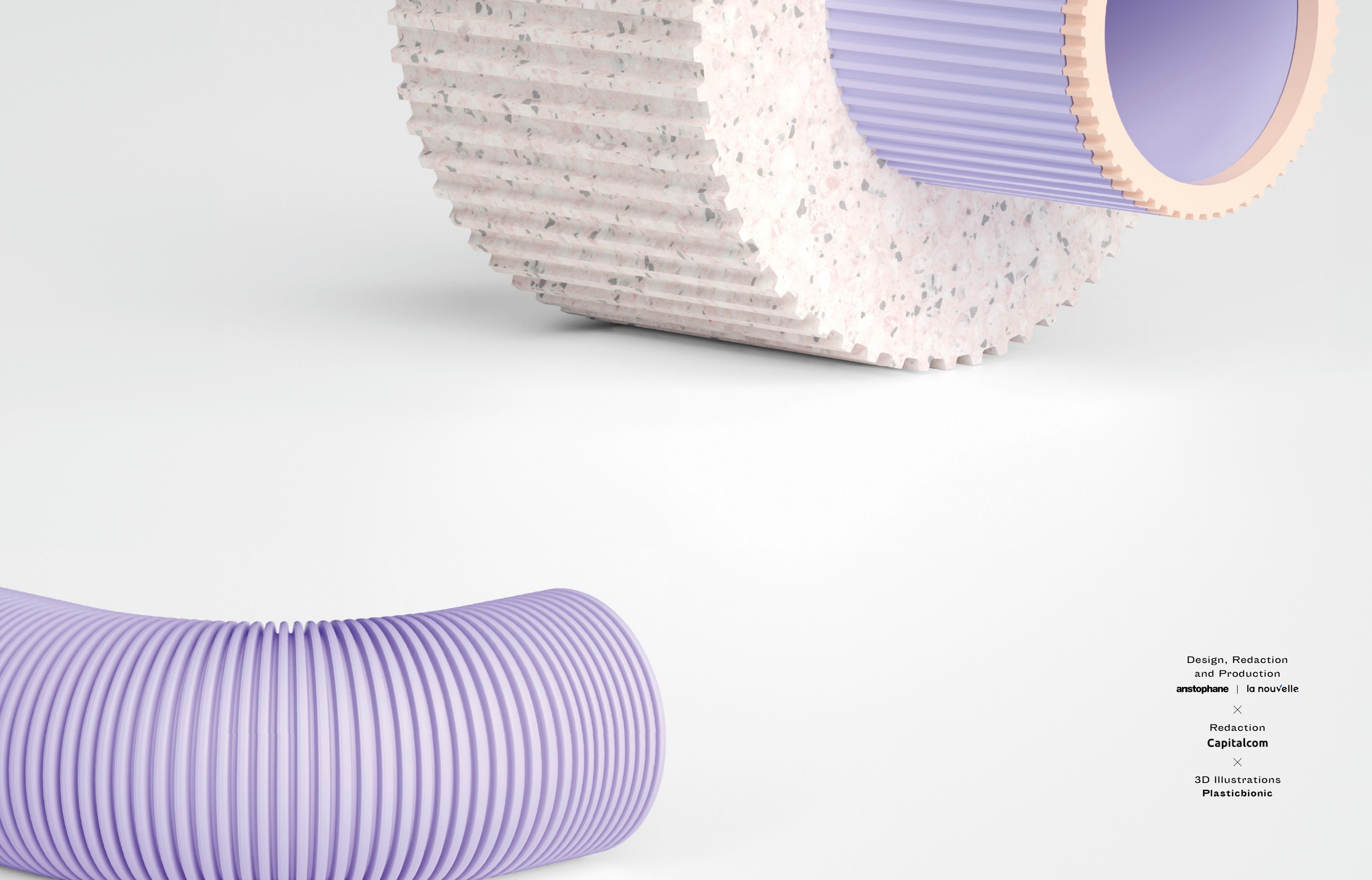
Purchases of raw materials, consumables and bought-in services

Team members* €505.7M

* Payroll, bonuses & profit-sharing payments

 Distribution to Stakeholders**   Investments

** Distribution to Stakeholders does not take into account the change in working capital requirements.



Design, Redaction
and Production
anstophane | la nouvelle



Redaction
Capitalcom



3D Illustrations
Plasticbionic



SOCIÉTÉ BIC

92611 CLICHY

CEDEX (FRANCE)

www.bicworld.com
