

NON-FINANCIAL PERFORMANCE STATEMENT: SUSTAINABLE RESPONSIBILITY

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BIC'S sustainability reporting general characteristics

For convenience please see below the items required by French executive order No. 2017-1265 of August 9, 2017⁽¹⁾ in the following chapters of BIC's management report:

Business Model	BIC's business model is presented in Section 3.1.1.6 Our Business model page 80-81
Major Risks	Major risks for BIC are also discussed in Chapter 2.1.
CSR Risks	The CSR risks identified under the Non-Financial Performance Statement (NFPS) are listed and described in Section 3.1.3
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 in keeping with the guidelines proposed by the Task Force on Climate-related Financial Disclosure (TCFD). This report is now part of Section 3.2.1. Consequently, this section follows the headings suggested by the TCFD.

BIC identifies information expressly required in the Non-Financial Performance Statement with the initials [NFPS] and [NFPS Risk X]. The Group also includes all the action plans related to its Sustainable Development Program including 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.

In 2022, BIC decided to adjust its current Non-Financial Performance Statement structure to meet the upcoming Corporate Sustainability Reporting Directive's (CSRD) Sustainability reporting standards.

A summary table of the Non-Financial Performance Statement can also be found in Section 3.5.1.

Main CSR risks and opportunities are outlined in Section 3.1.3.

(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. STRATEGY AND BUSINESS MODEL OVERVIEW [NFPS]

Sustainability is deeply rooted in BIC's Values and is an integral part of its day-to-day operations. For over 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 consumers and team members' lives as well as the long-term well being of our planet.

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 (see Section 3.1.1.3).

3.1.1 STRATEGY AND BUSINESS MODEL [NFPS]

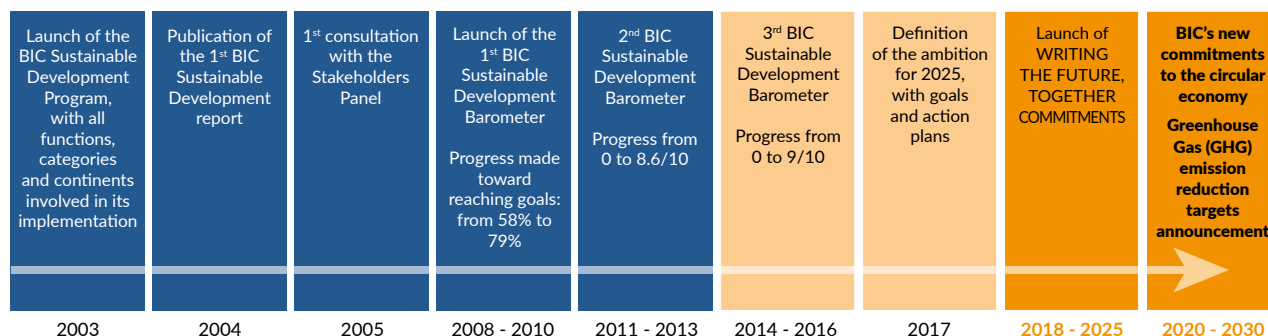
3.1.1.1 The history of BIC's Sustainable Development Program

Launched in 2003, BIC's Sustainable Development Program continues 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 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. Furthermore, in 2022, BIC announced its Greenhouse Gas (GHG) emission reduction targets, taking the Group a step further in its consumer-centric approach, grounded in Sustainable Innovation, to respond faster and more impactfully to consumer demands and the important topics of this generation.

Through its Sustainable Development Program, the Group also contributes to the United Nations (UN) Sustainable Development Goals (see Section 3.1.1.5).



(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 46.



3.1.1.2 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."

3.1.1.3 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 and 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 defined is set out in "Writing the Future, Together," driven by BIC's ambition for sustainability (see Section 3.1.1.2) and comprises five commitments which are an integral part of the Group's strategic *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% use of non-virgin petroleum plastic in its products, and 20% by 2025 (SDG 14, 15);
- by 2025, BIC will use 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 SUSTAINABLE 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.




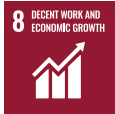



The transformation of internal practices is carried out at each stage of the life cycle. This approach allows BIC to address three major issues: climate change, resource depletion and a decrease in plastic pollution. In addition, the Group has launched pilot projects to support some of its suppliers 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. This range is manufactured in a factory supplied with 100% renewable electricity.



3.1.1.4 Writing the Future, Together – Progress chart [NFPS]

WRITING THE FUTURE, TOGETHER

	5 commitments	Progress as of Dec. 2022	Other factors: approach and performance	Section	UN SDG ^(a)	Issues and risks addressed ^(b)
	By 2025, the environmental and/or societal footprint of BIC® products will be improved.	100% of new products manufactured by BIC are subject to environmental and societal measurement thanks to the systematic usage of EMA ^(c) .	<ul style="list-style-type: none"> 5.7% of non-virgin petroleum plastic in BIC® products (4.0% in 2021). 70% of reusable, recyclable or compostable plastic in consumer packaging. 54.7% recycled content of plastic packaging. 96.2% PVC-free packaging. 97.7% of BIC cardboard packaging comes from a certified and/or recycled source. 16 BIC® products with the NF Environnement ecolabel. At end-2022, over 73,3 million pens collected through TerraCycle. 34 alternative materials tested. 	3.2.3		[NFPS Risk 3]: risks related to product safety and consumer health & safety. [NFPS Risk 1]: risks related to plastics. [NFPS Risk 2]: risks related to climate change.
	By 2030, BIC aims for 50% non-virgin petroleum plastic in its products, with a goal of 20% by 2025.	3 products were improved in 2022.				
	By 2025, 100% of BIC consumer plastic packaging will be reusable, recyclable, or compostable.	A version of EMA ^(c) for packaging is employed to have a complete performance of the final product.				
						
						
						


(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. 2022	Other factors: approach and performance	Section	UN SDG ^(a)	Issues and risks addressed ^(b)
	By 2025, BIC will use 100% renewable electricity.	76% of electricity comes from renewable sources.	<p>BIC's use of renewable electricity is part of a comprehensive energy approach that also encompasses energy efficiency in operations.</p> <p>21 energy efficiency projects were launched in 2022 of which 12 were completed during the year. The projects included light bulb replacement with LED bulbs, processes optimization, energy studies and new energy efficient equipment installation.</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 10.5%.</p> <p>Slight decrease in renewable electricity due to an increase in electricity consumption from factories that have yet to employ renewable sources (Cello, Kenya, Bizerte and Nigeria).</p>	3.2.1		[NFPS Risk 2]: risks related to climate change. [NFPS Risk 1]: risks related to plastics.
						
						
						
						

(a) UN Sustainable Development Goals.

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



WRITING THE FUTURE, TOGETHER


	5 commitments	Progress as of Dec. 2022	Other factors: approach and performance	Section	UN SDG ^(a)	Issues and risks addressed ^(b)
	By 2025, BIC aims for zero accidents across all operations.	The Health-Safety approach roll-out continues within the whole Group.	<p>Identification of two key focus areas to achieve the Zero Lost Time Incidents target by 2025:</p> <ul style="list-style-type: none"> • setting up machine safety level thresholds across all sites, and; • increasing the safety culture maturity among our team members. <p>Update of the Group's EH&S policy, signed by the CEO and shared to all facilities.</p> <p>Organization of safety days to engage and train team members on EH&S topics</p> <ul style="list-style-type: none"> • 60 lost time incidents for permanent and fixed-term employees and 10 lost time incidents for external temporary workers. • 2.09 on-site lost time incidence rate – BIC workforce. • 0.10 severity rate of on-site lost time incidents-per thousand hours worked – BIC permanent and fixed-term employees. • 50 facilities with 0 lost time incidents. 	3.3.1.3	 	[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. 2022	Other factors: approach and performance	Section	UN SDG ^(a)	Issues and risks addressed ^(b)
	By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing.	By the end of 2022, 65.5% of strategic suppliers integrated the responsible purchasing program ^(d) .	<p>ESG evaluations (EcoVadis tool) of strategic suppliers since 2011. Implementation of innovative new tools such as:</p> <ul style="list-style-type: none"> Buy4BIC global procurement platform; PowerBI for sustainable procurement activities and actions reporting; the design of a procurement digital ecosystem integrating sustainable procurement tools (ex. Ecovadis, CO₂ measuring tools) with Buy4BIC modules. <p>Mandatory responsible purchasing training program for buyers through a new training platform which will offer in 2023 a new training module on sustainable procurement.</p>	3.3.2	  	[NFPS Risk 5]: risks related to non-respect of Human Rights (child labor, ILO ^(e) 's international conventions).
	By 2025, BIC will improve learning conditions for 250 million children globally.	Learning conditions for over 187 million children have been improved since 2018 through direct actions with children or with teachers and parents.	<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 through the Global Education Week. This event has grown into one of the Group's largest corporate giving initiatives.</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>64% of philanthropic contributions (product or financial donations, skills) by local entities for local communities or by the BIC Corporate Foundation promote education (67% in financial value)^(c).</p>	3.3.3	     	

(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 BIC Graphic, new acquisition and certain Original Equipment Manufacturers (OEM).

(e) International Labour Organization



3.1.1.5 BIC contributes to the UN Sustainable Development Goals (SDGs) through its "Writing the Future, Together" commitments



GOALS SUSTAINABLE DEVELOPMENT



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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
		x				x	x				x		x	x		
							x	x	x		x	x				
		x					x									
							x				x				x	
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 3.3.4).

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 3.2.3.2).

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 the BIC Corporate Foundation.



● RESOURCES

Team members: the key to our success

To support growth and development, we continuously reinforce our teams' skills and capabilities by providing customized training programs and opportunities for career development. BIC has also developed a strong Diversity, Equity & Inclusion program.

15,898 workforce⁽¹⁾
547.5 million euros payroll costs
16,238 training days

State-of-the-art and responsible production

We use a state-of-the-art production line while reducing the environmental footprint of BIC factories and protecting our employees' health.

24 factories on 4 continents
92% of Net Sales from products
manufactured in BIC factories

Sustainable procurement strategy

Through our Responsible Procurement Strategy, we strive to minimize the environmental impact of BIC® products.

1,236.5 million euros purchases of raw
materials, consumables and services
330 strategic suppliers

Solid financial foundation

Through sound cash management and a strong balance sheet, we ensure access to the capital needed to finance innovation, operations, and enhance growth.

1,876.3 million euros Shareholder Equity
300.0 million euros Net Cash
from Operating Activities
359.9 million euros of Net Cash Position

Innovation

True to our culture of innovation, we maintain a sharp focus on developing new, innovative, environmentally-friendly products.

311 patents granted at the end of 2022
1.1% of Net Sales invested in R&D

⁽¹⁾ BIC workforce includes permanent employees, fixed-term contracts and agency temporary staff.

Sustainability

Acting on our "just what's necessary" philosophy to reduce our environmental impact

● HORIZON STRATEGY to ensure long-term profitable growth

**Expand total addressable
markets in fast growing
segments, and apply
enhanced commercial
execution**

**Leverage innovation
capabilities and
global manufacturing
excellence**

**Capitalize on BIC's
consumer-centric
brands and market reach**

Consumer Trends

**Desire for authenticity,
individuality and
creative expression**



Committed to a safe work environment, and promoting diversity, equity and inclusion

Create long-term value for all stakeholders

● VALUE CREATION

Well-being and security at work

We strive to ensure that everyday tasks are fulfilling and safe.

70 ⁽¹⁾ work accidents
1.52% rate of absenteeism

Reduced environmental footprint

We reduced our footprint from a product's creation through to the end of its lifecycle, including a recycling strategy and controlling emissions from BIC's factories and headquarters.

-19.1% water consumption ⁽²⁾
-4.7% energy consumption ⁽²⁾
-2.2% waste production ⁽²⁾
-18.1% greenhouse gas emissions (scope 1 & 2 location based) ⁽²⁾
-0.6% greenhouse gas emissions (scope 3) ⁽²⁾ per ton of production between 2021 and 2022.

Long-lasting products

We innovate to respond to consumer needs and create high-quality, safe, affordable, essential products trusted by everyone.

More than 2 km of writing for a BIC® Cristal®
3,000 constant flames for a BIC® Maxi Lighter
Up to 17 days of shaving with the BIC® Flex 3

Long-term profitable growth

We remain committed to ensuring financial value creation and sustainable returns to shareholders.

2,233.9 million euros Net Sales
208.9 million euros Net Income
96.3 million euros Capital Expenditure
134 million euros of return to shareholders
203.7 million euros Free Cash Flow

Education as a priority

We are committed to improving learning conditions for children around the world.

90 philanthropic projects supported
187 million children have benefited from improved learning conditions since 2018
900,000 euros invested in philanthropic projects

HUMAN EXPRESSION

OUR VISION

Bring simplicity and joy to everyday life

BLADE EXCELLENCE

FLAME FOR LIFE

Acceleration of online consumption

Demand for eco-responsible products



3.1.1.7 Stakeholders' views, interests and expectations

Listening to investors and Shareholders

BIC's stakeholders' engagement strategy is executed by the Head of Investors Relations 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 2022, the stakeholder engagement strategy's key milestones included:

- UN Global Compact Communication on Progress submission;
- French Climate pledge renewal;
- ranking fifth in the Labrador Transparency Awards which reward the Company's communications in terms of transparency and quality; and
- inclusion in Axylia's 2022 Vérité40⁽¹⁾ (Truth Index 40), affirming the Company's ability to cover its "CO₂ bill".

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

Vigeo, Sustainalytics, MSCI, GAIA, FTSE, ISS ESG.

2022 results include ⁽²⁾:

- AAA MSCI rating;
- achieving the "Prime" ISS ESG Corporate rating; and
- ISS ESG 1 Quality in the Environmental Category.

Double materiality assessment

In 2022, BIC continued its materiality matrix update by incorporating the double materiality aspect to this assessment. The results from this double materiality matrix will inform the Group's sustainability disclosures in the years to come in compliance with the upcoming Corporate Sustainability Reporting Directive.

(1) The Axylia Carbon® Score assesses a company's ability to pay its theoretical Carbon bill. The Carbon bill (CO₂ emissions x Carbon cost) is deducted from the company's EBITDA, leading to a "Carbon-adjusted" EBITDA, which measures the ability of the company to remain profitable (A, B, C) or not (D, E, F) once its theoretical Carbon bill is deducted. BIC was awarded a B score in 2022 and included into to the "2022 Verité 40" Carbon Score Index.

(2) Visit <https://investors.bic.com/en-us/esg/notation-extra-financiere> for more information.



3.1.2 GOVERNANCE [NFPS]

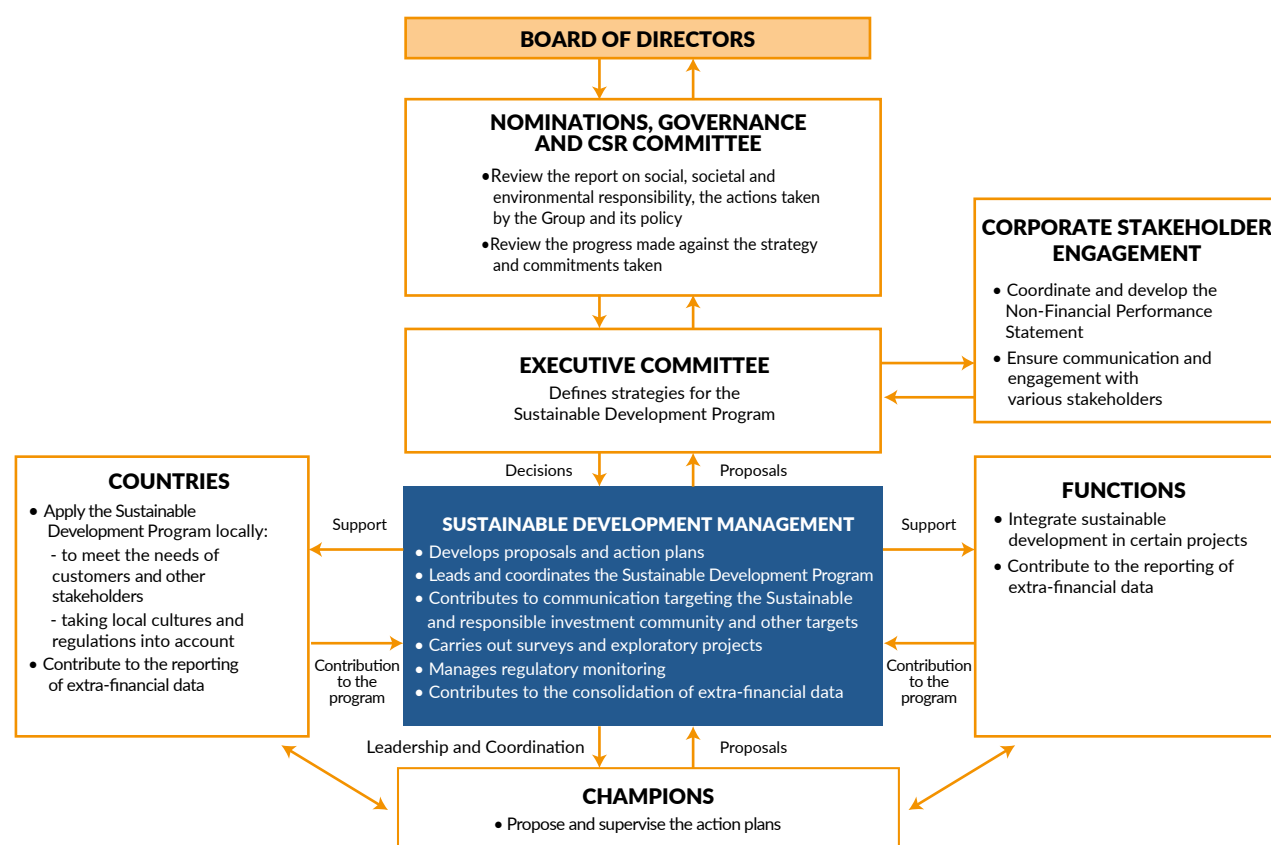
3.1.2.1 Sustainable development as a key factor in the decision-making process

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 related to sustainable development are regularly discussed and executed at Executive Committee meetings. These in particular include:

- issues concerning plastic;
- the "Writing the Future, Together" program;
- the development of responsible products (see Section 3.2.3); 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 2022, 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.



Sustainable Development organization

BIC's Sustainable Development Department is part of the Group Insights & Innovation (GI&I) 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.

In 2021, a Group Insight, Innovation & Sustainability Officer was nominated to the Executive Committee. This person leads Sustainability and Market & Consumer Insights, Research & Development, Brand & Portfolio Management, and Intellectual

Property (IP) Innovation teams, in addition to GI&I, HR, Finance and Innovation Program Management. This officer guides these teams to create new tools and ways of thinking to drive innovation and sustainability.

The Brand and Sustainable Development Director who oversees all Sustainable Development topics within the Company reports to the Group Insights, Innovation and Sustainability Officer who is a member of Executive Committee.

The integration of sustainability strategies and performance incentive schemes is detailed in Chapter 4: Corporate Governance (See section 4.2.2.).



3.1.3 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 3.2.3.1);
2. Risks related to climate change [NFPS risk 2] (see Section 3.2.1.1);
3. Risks related to product safety and consumer health & safety [NFPS risk 3] (see Section 3.3.4.2.1);
4. Risks related to health & safety of team members [NFPS risk 4] (see Section 3.3.1.3.1);
5. Risks related to non-respect of human rights (child labor, international conventions, ILO) [NFPS risk 5] (see Section 3.3.2.1);
6. Risks related to unfair practices (corruption) [NFPS risk 6] (See Section 3.4.1);
7. Risks related to our operations and the environment [NFPS risk 7] (see Section 3.2.2.1);
8. Risks related to reputation and brand [NFPS risk 8] (See Section 3.3.4.1.1);
9. Risks related to experienced team members and skills [NFPS risk 9] (see Section 3.3.1.4.1).

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 3.5.1. 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.



3.2. ENVIRONMENT [NFPS]

3.2.1 CLIMATE [NFPS]

3.2.1.1 Risks and opportunities [NFPS]

[NFPS risk 2] In 2022, BIC completed a physical and transitional climate change risk analysis of its value chain. The Company identified the following upstream and downstream transitional and physical risks related to climate change among its main CSR risks:

Location in value chain, risk type & primary climate-related risk driver	Climate-related risk	Potential Financial impacts	Time horizon & Likelihood
Upstream Transitioning to lower emissions technology and : Increased cost of raw materials	As suppliers are driven to decarbonize, BIC expects an increase in raw material costs. Energy efficiency programs, carbon capture and other measures by suppliers might increase raw material production costs.	Increased indirect (operating) costs	Medium-term (3 to 8 years) & very likely
	Increase in the cost of alternative plastic sourcing due to growing competition. Because plastic represents 72% of BIC's raw materials this increase could impact productions costs.	Increased indirect (operating) costs	Medium-term (3 to 8 years) & likely
Direct operations Emerging regulation Increase of carbon price	Increased cost of operations linked to the increase of carbon prices.	Increased indirect (operating) costs	Medium-term (3 to 8 years) & likely

The challenge related to global warming is also a source of opportunities for BIC. These include:

Location in value chain, opportunity type & primary climate-related opportunity driver	Climate-related opportunity	Potential Financial impacts	Time horizon & Likelihood
Upstream 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 and obtaining voluntary labels awarded to products according to environmental criteria.	Increased revenues through access to new and emerging markets	Medium-term (3 to 8 years) & about as likely than not
Downstream 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	Medium-term (3 to 8 years) & about as likely as not



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

3.2.1.2.1 Policies and management systems implemented to manage climate change mitigation and adaptation ^[NFPS]

Anthropogenic climate change constitutes one of humanities main challenges in the 21st century.

BIC's longstanding commitment to sustainability started well ahead of the Paris Agreement, with its 1st Life Cycle Product Analysis in 1994. BIC has been working to reduce its environmental impact for more than 20 years and integrated climate change into its business strategy through risk and mitigation plans, tracking of Greenhouse gas (GHG) emissions for all Scopes, and publicly disclosing its annual GHG emissions. These actions to increase environmental performance transparency were rewarded by a confirmed A- leadership 2022 CDP score on Climate Change. BIC continues its commitment to the French Business Climate Pledge.

Throughout the years, BIC's sustainable development efforts resulted in the "Writing the Future, Together" Sustainable Development program launched in 2018, which established five major environmental, social and societal commitments with additional commitments to transform the Group's plastic use defined in 2020. This program supports BIC's innovation process and increased the use of renewable electricity.

In 2022, BIC announced ambitious Greenhouse gas (GHG) emission reduction targets. Building on the Company's "Writing the Future, Together" Sustainable Development program and years of innovation resulting in long-lasting products with a light environmental footprint, these targets reinforce BIC's contribution to creating a sustainable future for all.

Governance

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. Examples include working to embed CO₂ mitigation thresholds into EMA ⁽¹⁾ (BIC's product development and circular design tool) and the role of the "Writing the Future, Together" steering committee who is responsible in overseeing the global sustainable development commitments across the Company (products, packaging and GHG emission reduction roadmap) each quarter.

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.

Risk management

Identifying and evaluating risks related to climate change

Direct operations, upstream and downstream 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.

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

The Executive Committee is responsible for 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 Group departments, including the Legal Department and the Sustainable Development Department, monitor the risks on an ongoing basis.

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: 92% of the Group's net sales are generated by products manufactured in its own factories.

To manufacture its products, BIC uses raw materials (plastics, inks, paperboard, metals, etc.), consumes resources (water, energy) and produces waste. The Group is aware of the environmental impact of its production activities and is committed to minimizing it. While demand for raw materials is mainly determined by product design (see Section 3.2.3 Circular economy and waste), BIC's factories are tasked with optimizing water and energy consumption, as well as reducing greenhouse gas (GHG) emissions and waste production.

In 2022, Sustainable Development, Risk and Corporate Stakeholder Engagement departments performed a study on the physical and transitional risks due to climate change to better understand these risks in BIC's value chain. Each team member is involved in the internal control processes and risk management activities in accordance with his/her respective knowledge and has access to the information used to design, operate, and monitor the internal control system. For example, BIC's capital expenditures (CAPEX) planning process can include climate change impacts for specific investments needed based on past events such as flooding.

(1) Environmentally & Socially Measurable Advantage scorecard.

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

In 2022, BIC employed the RCP 2.6 and SSP2 to build a bespoke transition scenario as well as the RCP 6 and SSP3 and SSP4 to build a bespoke physical scenario to evaluate physical and transitional risks. 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, the assumptions of the selected scenarios can serve in the identification of policies specific to BIC's sector to be implemented at the national or 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 the environmental labeling regulation on consumer products in France or Europe.

3.2.1.2.2 GHG Emission reduction targets

In 2022, BIC committed to reducing 50% of Scope 1 GHG emissions and 100% of Scope 2 GHG emissions by 2030. These objectives are in line with the Paris Agreement target requirements and backed by the near completion of the 100% purchase of renewable electricity objective on all sites by 2025 (76% in 2022). Scope 3 objectives pledge an overall 5% reduction by 2030, of which -30% for the Flame for Life division.

	Reference year	Absolute target 2030	Main drivers
Scope 1	2019	-50%	<ul style="list-style-type: none"> • Use of alternative heat sources • Switch to low impact refrigerants
Scope 2	2019	-100%	<ul style="list-style-type: none"> • Renewable sourcing for all electricity consumption
Scope 3 ^(a) (Group)	2019	-5%	<ul style="list-style-type: none"> • Upgrade EMA ^(b) with relevant CO₂ reduction criteria and threshold • Strengthen strategic partnerships with its main plastic and metal suppliers • Implement innovation and renovation programs to improve product design and integrate more sustainable materials
o/w Flame for Life	2019	-30%	<ul style="list-style-type: none"> • Work with the suppliers to obtain low carbon impact raw materials • Use biofuel in local transport • Implement circularity through the collection and recycling of lighters

(a) Scope 3 reduction targets cover at least 66% of the total Scope 3 emissions, in line with current target-setting best practices.

(b) Environmentally & Socially Measurable Advantage scorecard, co-developed with a specialist in 2020.

Scope 1 and 2 targets were defined employing the Paris Climate Protocol principles under the 1.5°C pathway methodology. The Group's Scope 1 and 2 engagement exceed established recommendations. The Scope 3 target weighted a 2.0°C pathway methodology and will be reviewed every year by the sustainable development teams.

3.2.1.2.3 Climate change mitigation and adaptation action plans

The implementation of innovative and scalable action plans to achieve BIC's GHG emission reduction targets will require investments which are fully embedded into BIC's operational strategy. These action plans presented in the following sections describe BIC's ongoing efforts in several key areas as well as their progress.

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.

(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.



Key actions taken throughout the years and in 2022:

- in France, BIC purchased renewable energy certificates (Guarantees of Origin – GoO) for all its factories and 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 and in 2022, a Power Purchase Agreement (PPA) for renewable energy was signed;
- in Spain, the BIC Iberia and BIC Graphic Europe facilities have been using renewable electricity through the purchase of certificates (GoO) since 2018 as well as renewable electricity produced from site owned solar panels;
- in the United States, the purchase of renewable wind energy certificates (U.S. RECs) covers the energy needs of most American facilities;
- in Brazil, the Manaus facility has been using wind energy or hydrolic since 2018 through the purchase of iREC certificates and solar panels have been installed in 2021;
- in Mexico, BIC has completed a Power Purchase Agreement (PPA) tender for renewable electricity. The Tlalepantla facility is expected to install solar panels by the end of the year;
- 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.

Action plan to reduce 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 80% 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 2022, due to global supply chain challenges and to mitigate business risk and support our customer service levels, 1.84% of total tonnage was shipped *by air* which accounted for 56% of the 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. Bic believes that specific effort focused on each transport flow is the best way to provide high-quality, competitive shipping while reducing 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 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.</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 purchases

The emissions in this category are mainly related to the Group's purchases of materials, especially plastics (69%).

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 3.2.3.2) and could help reduce its GHG emissions by about 10% (at constant perimeter).

Emissions related to product use

The energy used to heat water when using shavers is the largest source of emissions, accounting for 34% of the total. BIC is exploring how to reduce this and hopes to put forward concrete plans in the coming years.

3.2.1.2.4 Results

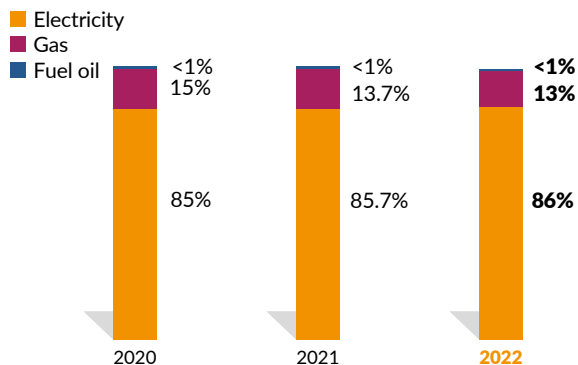
Energy

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.

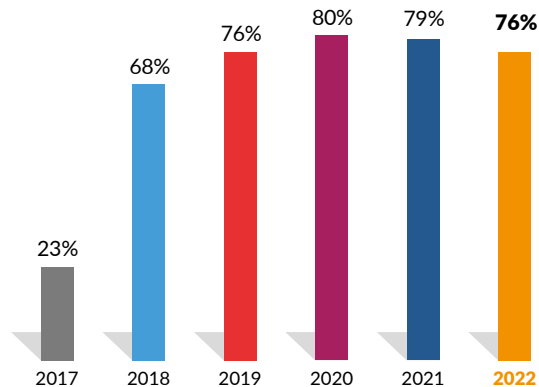


Energy consumption and mix

BREAKDOWN OF BIC ENERGY CONSUMPTION



SHARE OF RENEWABLE ENERGY – AS OF TOTAL CONSUMPTION



The reduction of renewable energy percentage is due to the increase of production volumes in 2022, leading to increased energy consumption at the sites that are still not using green energy (PPA, GoOs, green contracts, etc.) as well as the introduction of BIC Nigeria into the environmental reporting scope.

Optimizing energy consumption

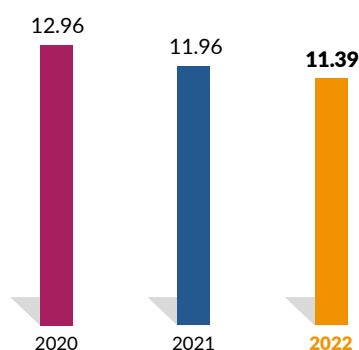
BIC implemented energy efficiency programs in its factories for many years. As a result, the Group has improved its energy efficiency by 10.5% in ten years.

Twenty-one energy efficiency projects were launched in 2022 of which 12 were completed during the year. The projects included light bulbs replacement with LED bulbs, processes optimization, energy studies and new and more energy efficient equipment installation.

IT support departments have a direct impact on the environmental footprint of the facilities. In 2022 this approach included the following actions:

- encouraging online meeting tools to reduce business travel;
- electricity consumption reduction due to the French data center's new location in the new Group's headquarters;
- switch from physical phones to virtual phones in Shelton headquarter;
- sharing Green IT best practices to BIC employees.

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



Greenhouse Gas Emissions

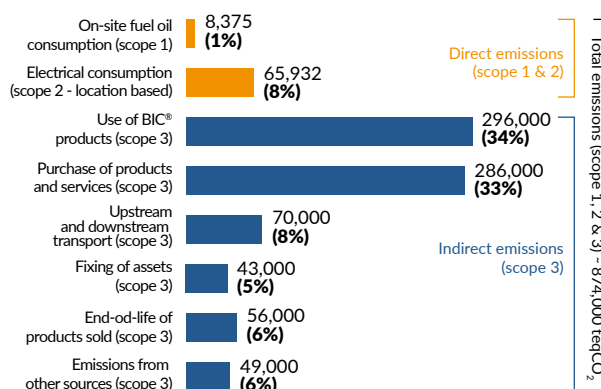
In 2020, BIC reviewed its method for evaluating scope 3 emissions. This was to provide an annual report on all types of emissions related to its operations in addition to those on which the Group has communicated in previous years (purchasing of raw materials and intra-Company transport). This effort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

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

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



GREENHOUSE GAS (GHG) EMISSIONS⁽¹⁾ - IN TEQCO₂

Sources and scope	2020	2021	2022	Change 2022/2021
Direct GHG emissions (scope 1)	7,659	8,226	8,375	2%
Indirect GHG emissions (scope 2 location-based)	70,435	75,231	65,932	-12%
Indirect GHG emissions (scope 2 market-based)	25,277	27,086	31,870	18%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED])	78,046	83,456	74,309	-11%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 MARKET-BASED)	33,097	35,311	40,244	14%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED]) NORMALIZED TO PRODUCTION*	1.031	0.91	0.74	-18%
GHG emissions from use of BIC® products (scope 3)	300,000	291,000	296,000	2%
GHG from upstream and downstream transport (scope 3)	43,000	74,000	70,000	-5%
Of which GHG emissions from to intra-Company transport ^(a) (scope 3)	18,000	49,000	42,000	-16%
GHG emissions from fixed assets (scope 3)	38,000	43,000	43,000	0%
GHG emissions from end of life of products sold (scope 3)	49,000	57,000	56,000	-2%
GHG emissions from purchase of products and services (scope 3)	236,000	295,000	286,000	-3%
Of which GHG emissions from purchases of raw materials (scope 3)	232,000	292,000	282,000	-3%
GHG emissions from other sources (scope 3)	41,000	44,000	49,000	11%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 3)	710,000	805,000	800,000	-1%

* TeqCO₂/ton.

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

(1) Historical methodology.



GREENHOUSE GAS EMISSIONS (GHG) SCOPES 1, 2 AND 3 REDUCTION TARGET PROGRESS

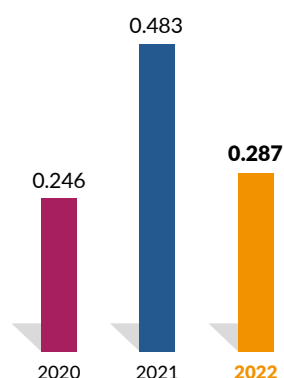
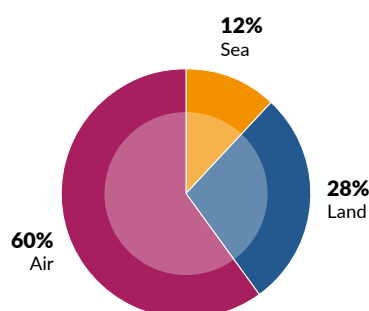
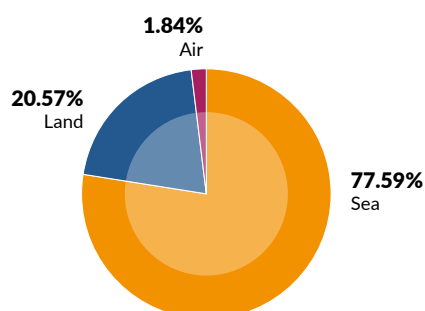
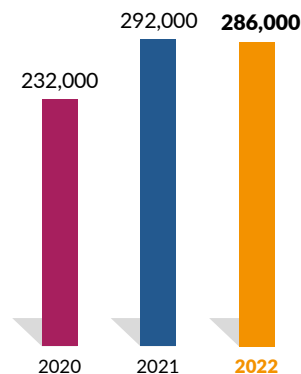
Sources and scope ^(a)	2019 ^(b)	2022	Progress
Direct GHG emissions (scope 1)	9,278	8,375	-10%
Indirect GHG emissions (scope 2 market-based)	36,549	31,870	-13%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 MARKET-BASED)	45,827	40,244	-12%
GHG from upstream and downstream transport (scope 3)	72,000	70,000	-3%
Of which GHG emissions from to intra-Company transport ^(c) (scope 3)	40,000	42,000	5%
GHG emissions from end of life of products sold (scope 3)	61,000	56,000	-8%
GHG emissions from purchase of products and services (scope 3)	289,000	286,000	-1%
Of which GHG emissions from purchases of raw materials (scope 3)	285,000	282,000	-1%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 3)	422,000	412,000	-2%

(a) GHG emission reduction targets exclude the following sources: Indirect GHG emissions (scope 2 location-based), Total annual GHG emissions (scope 1 + scope 2 [location-based]), Total annual GHG emissions (scope 1 + scope 2 [location-based]) normalized to production*, GHG emissions from use of BIC[®] products (scope 3), GHG emissions from fixed assets (scope 3), GHG emissions from other sources (scope 3).

(b) GHG emission reduction targets 2019 Baseline. This baseline may be subject to change in the next years.

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



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

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

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

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

Goals and results

Goal	Perimeter	Deadline	2020	2021	2022
100% electricity from renewable energy sources ^(a)	Facilities	2025	80%	79%	76%
Keep air freight below 2.3% for intra-Company transport ^(b)	Transport	Annual	0.84%	2.82%	1.84%
BIC's goal is to use:					
• 20% recycled or alternative plastics in its products	BIC® products	2025	4.3%	4.0%	5.70%
• 50% recycled or alternative plastics in its products	BIC® products	2030	4.3%	4.0%	5.70%
100% of BIC consumer plastic packaging will be reusable, recyclable or compostable ^{(c) (d) (e)}	Packaging	2025	42.5%	59.6%	70%
100% of BIC paper and cardboard packaging will be from certified and/or recycled sources ^(d)	Packaging	2025	97.3%	97.4%	97.7%
100% of BIC plastic packaging will be PVC-free ^(d)	Packaging	2025	94.4%	95.6%	96.2%
75% of the materials used in BIC plastic packaging will be recycled ^{(c) (d)}	Packaging	2025	48.9%	52.1%	54.7%

(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.

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



3.2.1.3 BIC's activities disclosure with respect to the European Green Taxonomy ^[NFPS]

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

Eligible but not environmentally sustainable (not Taxonomy-aligned activities) revenue

BIC is committed to the ecological transition. However, its core activities do not directly correspond to those retained in the delegated act on climate change adaptation and mitigation, for which the highest 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 2022 is zero.

BIC aspires to have a set of eligible and aligned revenue sources once the delegated acts with the technical criteria for the remainder of the EU environmental objectives are established, notably under the transition to a circular economy objective.

For detailed results please visit Annex I, II and III (Section 3.5.5).

Eligible but not environmentally sustainable (not Taxonomy-aligned activities) CapEx and OpEx

BIC's eligible but not environmentally sustainable (not Taxonomy-aligned activities) capital and operating expenditures relate primarily to expenditures associated with the following European green taxonomy activities (and their code) contributing to climate mitigation and adaptation:

- 3.6 Manufacture of other low carbon technologies;
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles;
- 7.7 Acquisition and ownership of buildings;
- 9.1 Close to market research, development and innovation;

These capital and operating expenditures include the following BIC projects ⁽¹⁾:

- Investments in technologies that mix virgin plastic material with recycled plastic material;
- Investments in electric industrial vehicles;
- Investments in office building leases;
- Operating expenditures in research and development programs to reduce the use of virgin plastic in our products as well as programs to reduce the environmental impact of the usage of BIC[®] products.

As a result, BIC's share of Taxonomy-eligible but not aligned capital expenditures for the year 2022 amounts to 18.95% out of a total of 136 million euros (see Note 9 to the Consolidated Financial Statements, Chapter 6.1). The slight increase in eligible capital expenditures in 2022 is due to a new lease for BIC's Headquarters in Clichy, France.

The share of Taxonomy-eligible but not aligned BIC operating expenses for the year 2022 amounts to 0.06% out of a total of 487 million euros (see Note 4 to the Consolidated Financial Statements, Chapter 6.1) hence insignificant.

Sustainable activities (Taxonomy-aligned activities) CapEx and OpEx

BIC's environmentally sustainable activities (Taxonomy-aligned) capital expenditures relate primarily to expenditures associated with the following enabling European green taxonomy activities (and their code) contributing to climate mitigation:

- 5.5 Collection and transport of non-hazardous waste in source segregated fractions;
- 7.3 Installation, maintenance and repair of energy efficiency equipment;
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings);
- 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings;
- 7.6 Installation, maintenance and repair of renewable energy technologies;
- 9.3 Professional services related to energy performance of buildings.

These capital expenditures include the following BIC projects ⁽²⁾:

- Investments in the installation of conveyors that enable the auto recycling of non-hazardous waste back to the manufacturing process;
- Investment in lighting system replacement as well as guardhouse boiler replacements;
- Investments in charging stations for electric vehicles;
- Investments in smart meters for gas, heat, cool and electricity;
- Investments in air renewal management;
- Investments in carbon and energy audits.

(1) Non-exhaustive list of eligible capital and operating expenses under the EU Taxonomy.

(2) Non-exhaustive list of aligned capital expenses under the EU Taxonomy.



The share of Taxonomy-aligned BIC capital expenditures for the year 2022 amounts to 0.15% out of a total of 136 million euros.

The share of Taxonomy-aligned BIC operating expenses for the year 2022 amounts to 0% out of a total of 487 million euros.

For detailed results please visit Annex I II and III (Section 3.5.5).

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.

Likewise, it should be noted that in 2022 BIC invested in key sustainable projects ineligible under the EU Taxonomy activities. These investments include the purchasing of new energy efficient machines as well as the development of the first-ever disassembling and recycling machines for lighters.

Scope and methodology

Scope

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

The financial data is taken from the accounts as of December 31, 2022 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 to determine the ratio of eligible and aligned activities

BIC's assessment of its business activities, eligible and aligned 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, have been carried out in the following manner.

In 2021 BIC compiled the NACE codes of its subsidiaries and compared them with those of the activities listed in the taxonomy's delegated climate acts and found no matching codes.

In 2022, each BIC business unit (GI&I⁽²⁾, Group Supply Chain and Lighters) proceeded to identify potential eligible capital and operating expenditures by employing existing internal sustainability criteria which included: energy reduction, decrease

in raw material use and an overall positive impact on the environment among others. This allowed the sustainable development teams to perform a preliminary selection of potential eligible capital and operating expenditures. Subsequently, the sustainable development teams scanned the EU Taxonomy compass to classify these potential eligible capital and operating expenditures. Once the eligibility was established, the internal teams proceeded with the alignment assessment of these capital and operating expenditures. The Group assessed the project compliance with the substantial criteria for each of the EU Taxonomy activity as well as the do no significantly harm criteria when applicable. The climate adaptation do not significantly harm criteria was assessed at a Group level as a result of a Group physical climate risk analysis carried out in 2022 (see Section 3.2.1.1). The minimum safeguards were screened at a Group level to ensure alignment with the four key topics: Human rights, bribery and corruption, taxation and fair competition.

The sustainable development teams in consultation with the Finance Department obtained the corresponding eligible and aligned Capital expenditures (CapEx) and Operating expenditures (OpEx). These results were verified by the EU Taxonomy project coordinator and discussed with the interested parties. Once approved, these amounts collected in local currency were uploaded onto the Group's financial consolidation system to guarantee a coherency with the Group's consolidated financial statements and published in the Non-Financial Performance Statement Taxonomy annex I, II and III (see Section 3.5.5).

3.2.2 POLLUTION AND WATER [NFPS]

BIC is committed to ensuring that its facilities, including both factories and offices, operate in an environmentally responsible way. BIC strives to reduce any 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: 92% of the Group's net sales are generated by products manufactured in its own factories.

To manufacture its products, BIC uses raw materials (plastics, inks, paperboard, metals, etc.), consumes resources (water, energy) and produces waste. The Group is aware of the environmental impact of its production activities and is committed to minimizing it.

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

(2) Group Insights and Innovation.



3.2.2.1 Risk 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 opportunity for BIC which 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.

3.2.2.2 Policies, actions taken, results and outlook [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.

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. An updated EH&S Policy was signed by the CEO in November 2022.

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 the "Writing the Future, Together" commitment #3 (see Section 3.3.1.3).

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 completed 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. In 2022 BIC Conté in France launched a project to study soil decontamination at the Boulogne site.

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

Supplementary pollution prevention projects in 2022 include the creation of a biodiversity park at the BIC Cello Facility (Cello Plastic Product PVT. Ltd).

Management Systems and Certification

In 2022, the implementation of BIC management systems at Group industrial facilities was 80% complete for the environment and 86% for health and safety.

Beyond the implementation of management systems, BIC also continually invests in obtaining and renewing certification. In 2022, BIC Cello KBL obtained the ISO 9001 certification and since 2021, the following certification were 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.



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 four main offices (Clichy in France, Shelton in the United States, Barueri in Brazil and Sofia in Bulgaria) 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. BIC Clichy teams moved to a brand new BREEAM and HQE certified building in June 2022. This building is powered by 100% renewable electricity. This move allowed for a transformation to increase flexible working arrangements which significantly improved the local team member's working conditions. To encourage eco-responsibility in the building, the local teams organized a series of workshop to raise awareness on the impact of climate change (Climate Fresk) and BIC's sustainability progress.

In the supply chain

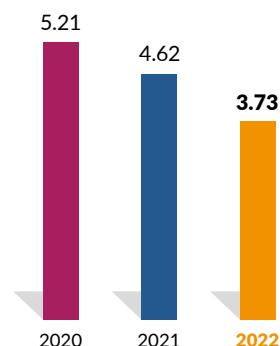
Beyond accounting for its own environmental impact, BIC also looks at the impact of its supply chain. Since 2014, the Workplace Conditions Assessment (WCA) platform for auditing the working conditions of subcontractors (see Section 3.3.1.3) has included a comprehensive questionnaire on environmental performance, accounting for 6% of questions. In 2022, 31% of subcontractors were audited.

Water [NFPS]

Seven facilities show a moderate risk of water stress (in Europe, India and Mexico). This is according to a global risk assessment on climate change risks including a water stress test completed by BIC in 2022. 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. In 2022, BIC Nigeria completed a new water treatment construction as well the installation of new toilet facilities that will improve local water management.

BIC consumed 372,349 m³ of water worldwide in 2022.

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



There was a 19% decrease in water consumption per ton of production between 2021 and 2022. BIC production is not water intensive and most of the consumption is due to domestic use. In 2022, water management, improvement in cooling process and overall maintenance contributed to this decrease in water consumption.

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.



3.2.3 CIRCULAR ECONOMY AND WASTE [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 minimum use of 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.

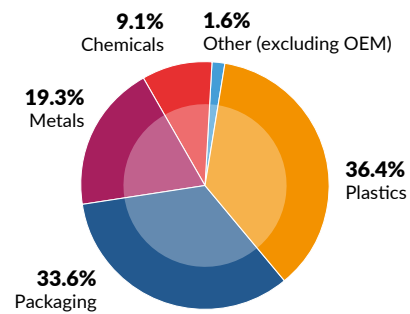
BIC also contributes to the development of the circular economy by establishing partnerships to use secondary raw materials. It is also involved in creating a pilot channel for the recycling of stationery products, shavers and lighters.

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.

3.2.3.1 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 2022 ⁽¹⁾



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 therefore 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” ⁽²⁾. The idea is to offer fairly priced products with lower environmental impact.

(1) Spent in Euros.

(2) “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 3.1.1.3).

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.

3.2.3.2 Policies, action taken, results and outlook [NFPS]

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⁽²⁾:

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.

3.2.3.2.1 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% use of non-virgin petroleum plastic in 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.

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.

3.2.3.2.2 Applying the “4 Rs” philosophy to products [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.

(1) BIC analysis.

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



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.

BIC's Flame for Life division is recognized as a champion in manufacturing safe, long-lasting high-performance lighters, using a minimum amount of materials while offering the best service to consumers. For example, the BIC® Maxi lighter (#1 bestseller) provides up to 3,000 lights with less than 24g of raw material.

An example of the Group's continuous improvements to reduce the quantity of raw material and packaging is the launch between 2020 and 2021 of the new BIC EZ Reach™ multi-purpose lighter using four times less plastic and 30% less packaging and reducing carbon emissions by 66% compared to the regular and larger multi-purpose lighters.

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 for 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 test for 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, wood chip, 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.



**34 alternative materials tested in 2022 including:
18 recycled plastics, 14 hybrid materials and
2 biobased plastics.**



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 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 launched 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.

In 2022, BIC launched the new BIC® Maxi Ecolutions, a new version of the BIC® Maxi Lighter using alternative materials such as bio-attributed plastic and 55% recycled metals

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® ReNew®, 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.

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 that of 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 scan, 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-2022, over 73,3 million pens had been collected and 854,000 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 "Ubicuity™, 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 Ubicuity™ 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® collects 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.

In 2022, the TerraCycle® French program experienced a significant acceleration in the number of collection points for used goods (400 additional terminals were installed compared to 2021) thanks, in particular:

- the renewal of the recycling operation for used writing instruments during the Back-to-school season at the main retail chains: Carrefour, Leclerc, Auchan;
- an acceleration in local networks, allowing collection throughout the year at Cultura, Bureau Vallée, & Furet du Nord⁽¹⁾.

For more than four 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. BIC has leveraged the new regulation in 2021 urging manufacturers to collect every product sold on the market. This allows for a full-scale observation of one possible collection model. BIC has in parallel designed several different models to test many options as well as better understand consumer behaviors when they return their used lighters. This has been done in partnership with local consumer association Consupal on the Balearic Islands and UQAM specialized laboratory (Responsible consumption). Consupal has been helping BIC with communicating and promoting the collection of lighters in the Balearic Islands. In the meantime, Plastic@Sea has been studying - in real life - plastic flows in the region to quantify the presence of plastics and understand where they come from, because of what conditions and other plastic pollution factors. By closely studying both lighter collection parameters, consumers' behaviors and real lighters flows, BIC intends to develop and test the most efficient way to drive effective collection loops and expand them at a much larger scale.

(1) Nearly 300 Bureau Vallée stores were equipped with recycling terminals for the start of the school year.



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 pioneer and investigate possibilities further;
- 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 was held in 2022;
- in 2022, BIC joined the ABSolEU project alongside research and industrial actors. The projects' purpose is to improve the knowledge on ABS⁽¹⁾ plastic recycling and pave the way for an ABS recycling revolution in the European Union.

Results

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 influence such as: raw material extraction, production and end of life.

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 Group insights and innovation employees during their on-boarding 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 100% of the new products manufactured by BIC are subject to environmental and societal measurement thanks to the systematic usage of EMA.

(1) Acrylonitrile, Butadiene, Styrene.



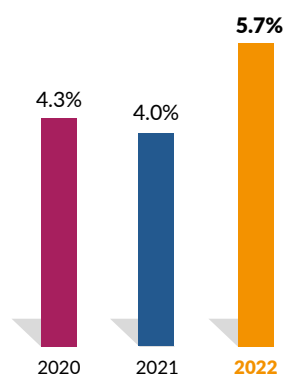
A version of the EMA for packaging has been tested in 2021. In 2022 this distinct version of EMA which relies on the same criteria as the product tool but is presented as a document, is employed to have a complete performance of the final product alongside the packaging, thus supporting the day-to-day decision-making of packaging by the development teams.

By the end-2022, three BIC® products have been improved compared to their baseline version. The decrease in 2022 is due to a reduction in the Blade Excellence and Human Expression innovations programs, compounded with a lower-than-expected societal performance of the Blade Excellence products.

In 2023, BIC will work to update EMA's methodology by reinforcing current criteria, integrating new criteria and adding specific GHG emissions indicators.

PERCENTAGE OF RECYCLED/ALTERNATIVE PLASTICS IN BIC® PRODUCTS

(% of volumes purchased)



In 2022 the use of non-virgin plastic was of 5.70%. This increase is due to the Blade Excellence programs to boost the use of recycled materials in their products.

3.2.3.2.3 Applying the “4 Rs” philosophy to packaging [NFPS]

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:

- 79% of writing products are packaged in boxes, trays or pouches of at least ten products (84% in North America);
- 76% of lighters are sold in trays of at least 50 (64% in North America); and
- 82% of shavers are marketed in pack of five, 10 or more (69% 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.

For example, in the USA, the 1pack Lighter size has been reduced, saving 12 tons of packaging material.

The “4 Rs” – Use Recycled or alternative materials

BIC estimates that at the end of 2022:

- 54.7% recycled materials are used in BIC plastic packaging; 2.6 point increase vs 2021 is mainly due to more recycled content used in PET blisters;
- 97.7% 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.

After BIC® Hybrid Flex® and BIC Soleil® Click shaver range moved in 2021 to a 100% recyclable cardboard, some products switched from plastic to cardboard packaging in 2022:

- In the United States, the plastic pouch for BIC® Mechanical Pencil 8-pack, 10-pack and 12-pack has been replaced by a 100% recyclable cardboard case with recycled content, for annual savings of 3.3 tons of plastic;
- in Europe, Maxi Lighter pack of 4 has been launched in Europe in fully recyclable cardboard packaging.

New launch of BIC Lighter Ecolutions has been achieved in pack of 2 and 4 in fully recyclable cardboard packaging.

In the USA, some Djeeplighters and Body Mark Beauty products were launched in paperboard packaging.

At the end of 2022, the total packaging used by BIC will be 81% cardboard packaging (including primary packaging, cardboard outer boxes and displays), and 19% of plastic packaging.

By the end-2022, 70% of plastic used in consumer packaging was reusable, recyclable or compostable. It is a 10.4 point increase vs last year mainly due to:

- the switch to cardboard on some products;
- the move from PETG to PET ARA for shaver factories;
- the commitment to eliminate the use of PVC in packaging. The Group has already eliminated PVC in Europe, in the United States, in MEA and Mexico. Remaining PVC in South America will be switched to RPET mostly in 2023. At the end of 2022, 96.2% of BIC plastic packaging is PVC-free.

For the sale of several product ranges in the three categories, BIC uses semi-permanent “refillable” plastic displays and recyclable cardboard displays.

The use of reusable wood pallets has increased in 2022 in our European copacking and Hub center in Slovakia (multiplied by 16 vs 21).

In Europe for products sold in France and Italy, BIC has updated packaging sorting texts and logos on all packaging for a better recycling rate in conformity with local regulation.

IMPROVEMENT IN PACKAGING

	2020 ^(a)	2021 ^(d)	2022 ^(d)
Percentage of cardboard packaging from certified and/or recycled sources	97.3%	97.4%	97.7%
Percentage of plastic packaging that is PVC-free	94.4%	95.6%	96.2%
Percentage of reusable, recyclable or compostable plastic in consumer packaging ^{(b) (c)}	42.5%	59.6%	70.0%
Percentage of recycled content of plastic packaging ^(b)	48.9%	52.1%	54.7%

(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 3.5.3.2).

(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.

3.2.3.2.4 Waste ^[NFPS]

Total waste production

As part of its operations, BIC generates both Hazardous and Non-Hazardous waste. Non-Hazardous waste accounts for 86% 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 14% 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 ⁽¹⁾ (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 2022, various projects were undertaken at BIC facilities:

- The BIC Conté Samer facility completed a hazardous waste reduction project. This project transformed 50% of the rinsing ink process water into non-hazardous discharge. This facility implemented another waste reduction project to decrease fine lead waste by reintroducing this waste in the graphite compound process.
- BIC Bizerte devised a plastic scrap reintegration process with the goal to reduce 5% of the total scraps in 2023. Likewise, this facility introduced a program to reuse wooden pallets.
- BIC Cello initiated two new waste reduction projects. The first one with the objective to reduce hazardous waste and chemical consumption in refill cleaning process by employing less hazardous chemicals. The second project aims to reduce ink pad consumption by 20% in the printing machines.
- BIC Nigeria (Sagamu), in compliance with local environmental regulations, improved its waste collection process to identify recyclable waste and to implement waste reduction plans.
- BIC Rasoirs is looking into innovative solutions to prevent plastic pellet waste.
- BIC Violex, launched a new research and development project with the purpose to reduce the PERC & White spirit waste in two degreasing production processes in the near future.
- BIC Shavers Mexico (Saltillo), is collaborating with its waste management service provider to reduce non-recyclable waste sent to land disposals.

BIC's achievements in 2022 in terms of waste production and management were as follows:

- a 2.2% decrease in the quantity of waste generated per ton of production between 2021 and 2022 due to waste reduction initiatives in BIC Rasoirs (35.2% waste decrease) as well as the increase of the production volumes compared to 2021;
- a stable rate of recovered waste generated per total waste and a slight decrease in the rate of recovered waste generated per ton of production (-2.4% vs 2021);
- the percentage of recycled waste remained stable between 65.4% in 2021 and 65.6% in 2022;
- although hazardous waste sent to land disposal normalized to total quantity of hazardous waste decreased by 5.4%, total landfill wasted disposal increase by 8.7% normalized to the total quantity of waste generated between 2021 and 2022.

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



(1) Electrical and electronic waste equipment

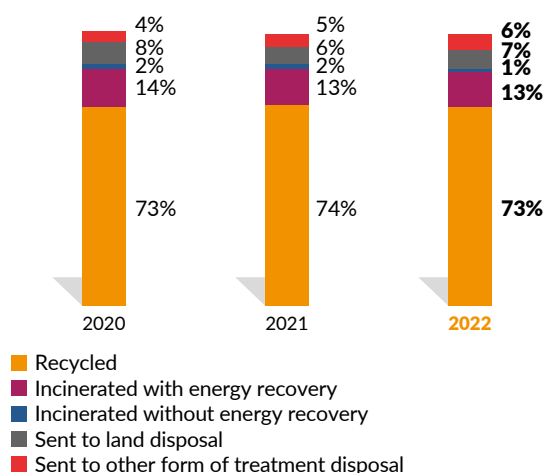


Non-hazardous waste

BIC's achievements in 2022 regarding the production and management of non-hazardous waste were as follows:

- the quantity of non-hazardous waste per ton of production remained stable (-0.57% vs 2021);
- in the main offices, waste production totaled 245 tons, up 136% in 2022.

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



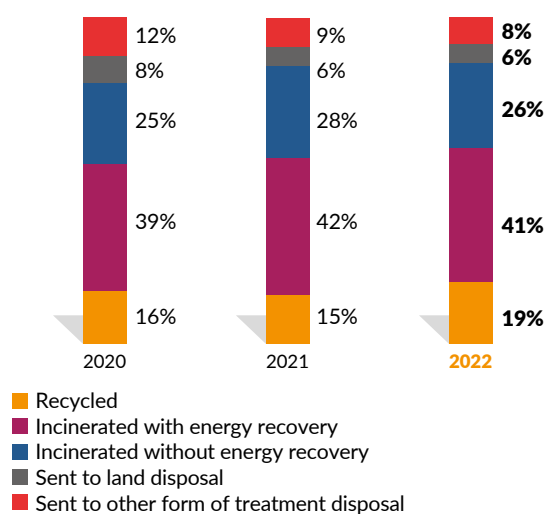
Hazardous waste

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 2022 regarding the production and management of hazardous waste were as follows:

- a 11.3% decrease in the quantity of hazardous waste per ton of production between 2021 and 2022, 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. SOCIAL [NFPS]

For over 75 years, BIC has been creating ingeniously simple and joyful products that are a part of every heart and home. The hard work and dedication of the Group's team members from across the globe has been key to the success as a business.

The Group's workforce of 15,000 people supports operations in more than 160 countries, with approximately 4 million sales outlets worldwide. This makes BIC a truly global business, reflecting the diverse backgrounds and experiences of the communities where BIC's products are available globally.

As the Group perpetuates its vision of bringing simplicity and joy to everyday life for consumers in collaborative, sustainable and responsible ways, the BIC Human Resources team, along with senior leaders, continues to foster a shared corporate culture that is deeply rooted in our BIC Values, philosophy and rich history. All team members clearly understand how their work directly influences the Group's organizational success as the team guide BIC into the future.

In 2022, BIC prioritized several key initiatives to help align its organization with the *Invent The Future* strategy and *Horizon Plan*, including:

Talent
Management

Team Member
Engagement

Learning
and Development

Total
Rewards

Diversity, Equity
and Inclusion

3

3.3.1 OUR WORKFORCE

As BIC continues to re-imagine everyday essentials, BIC recognizes the importance of building highly skilled, capable teams. At BIC, self-starters, problem solvers and innovative thinkers come together to reach our consumers in new, sustainable and responsible ways.

3.3.1.1 The workforce

For the year ended December 31, 2022 BIC had 10,580 permanent team members, 781 fixed-term contracts (FTC) and an average of 4,441 temporary staff in 45 countries.

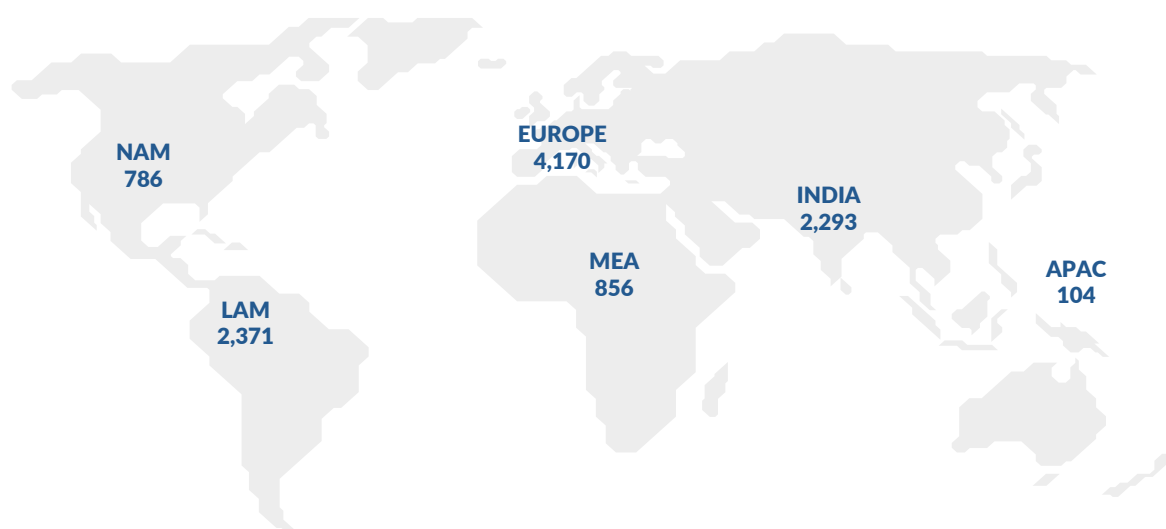
Learn more about how BIC has built diverse, collaborative and results-driven teams in 2022 and continues to evolve its people-focused approach to business, below.

3.3.1.1.1 Breakdown of workforce by region, activity and age

Aligned with the *Invent The Future* strategy, BIC continued to focus on the continued transformation of the business and ensuring the right organization is in place to support the growth ambitions outlined in the *Horizon Plan*.

To achieve these goals, the Group's global workforce will need to adapt to evolving business processes and meet consumer needs. Now, more than ever, it is critical that BIC's team members come together to bring their unique perspectives, experiences, and ideas. In 2022, the workforce increased globally, further reflecting the communities where our products are available worldwide.

PERMANENT WORKFORCE BY REGION



WORKFORCE PER REGION - AT DECEMBER 31

Workforce per region	2020	2021	2022	Change 2022/2021
Europe	4,025	4,022	4,170	3.7%
North America	740	729	786	7.8%
Latin America	2,163	2,297	2,371	3.2%
Middle East and Africa	683	725	856	18.1%
India	3,524	2,606	2,293	-12.0%
Asia-Pacific	111	92	104	13.0%
TOTAL PERMANENT STAFF	11,246	10,464	10,580	1.0%
Temporary Staff, Including Fixed Term Contracts, Interns & Apprenticeships	2,506	3,641	5,318	46.1%
• Average FTE Temps through Agency	1,919	2,935	4,441	51.3%
• Interns & Apprenticeships ^(a)	-	-	96	-
• Fixed-Term Contracts	587	716	781	9%
TOTAL ^(b)	13,752	14,115	15,898	12.7%

(a) Interns & Apprentices were reported within Fixed term Contract data prior to 2022.

(b) A minor adjustment of + 3 has been noted on the FY2021 headcount data (-7 permanent and +10 Fixed Term Contracts).

PERMANENT TEAM MEMBERS – BIC BUSINESS UNIT

Business unit	2021	2022
Group Commercial	1,931	2,004
Graphic	230	271
Group Supply Chain	6,725	6,594
Lighters	931	973
Group Insights & Innovation	191	193
Group BIC Services	216	232
BIC Group	1	1
BIC Foundation	1	1
Corporate Stakeholder Engagement	4	3
Group Communications	15	16
Group Finance	41	50
Group HR	41	58
Group IT	98	108
Group Legal	36	33
Strategy & Business Development	10	15
Group Partnerships & New Business	-	28

PERMANENT TEAM MEMBERS - AGE GROUP

	2021	2022
Under 20 years	0.5%	0.3%
20 to 29 years	13.1%	12.7%
30 to 39 years	32.1%	31.5%
40 to 49 years	32.4%	32.5%
50 to 59 years	19.1%	20.2%
Over 60 years	2.7%	2.8%



3.3.1.1.2 Recruitment and Talent Attraction

Now, more than ever, bringing the best and brightest minds to BIC has become mission critical. As the Group continues its business transformation, the Recruitment Center of Excellence (COE) works to support the expansion of its teams worldwide.

With team members sitting across the globe, the Talent Acquisition team continues to reinforce best-in-class recruitment techniques/processes and has expanded the breadth and depth of their work with the key initiatives outlined below, in 2022:

- Crafted and launched Employee Value Proposition (EVP) both internally and externally *via* the Group's careers website and blog, after conducting leadership and recruiter interviews and solicited employee feedback globally *via* surveys, to provide messaging framework to position BIC as an employer of choice with candidates and further engage current team members.
- Launched a new, global Applicant Tracking System (ATS) and Candidate Relationship Management (CRM) software (SuccessFactors), to manage recruitment activity, streamline application and screening processes, feedback solicitation and increase pipelining capabilities. In addition to process improvement, this new system offers increased visibility into data and key metrics.
- To continue to position BIC as an engaged employer, the HR teams continue to post content and respond to reviews on Glassdoor. BIC's overall score averaged at 4.1 out of 5 for the year, a 2.5% increase from 2021.
- In the spirit of continuously improving upon the recruitment process, HR teams measure satisfaction and effectiveness through several team member surveys, specifically focusing on the experiences of candidates, new hires and hiring managers. They received an average net promoter score of 56, falling into the "Great" category for satisfaction.
- BIC continued to support the development of the next generation entering the workforce through university recruiting efforts for internship in the United States and Latin America and apprenticeship programs in Europe. The Group provides students with real-world world experience and bolsters interest in full-time career opportunities with BIC post-graduation.
- To bolster team comradery and focus on continuous improvement, Talent Acquisition leadership recognizes team members quarterly with "Recruiter of the Quarter" and "Recruiting Team of the Quarter" awards. Team members use these sessions to share best practices and key learnings from their peers.

4.1
GLASSDOOR
RATING

3.3.1.2 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.

The **entrepreneurial family heritage** has created a foundation for team members to re-imagine 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

BIC's 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 the team members each day.

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

BIC 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

BIC creates high quality, safe, affordable, essential products, trusted by everyone.



Values

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

BIC continues to reinforce its Vision and Values as well as the Horizon Strategy through a variety of communications channels. Live and virtually recorded Town Hall meetings as well as our intranet platform provide team members with business and market updates on a timely basis. In April 2022, the Horizon Leadership Summit, hosted in Barcelona, provided 100 leaders from around the world with the tools and resources needed to fully understand their role in the successful execution of the strategy, creating a true OneBIC feeling after two years of limited in-person exchanges due to the pandemic. The leaders present in Barcelona have taken the materials from the summit and deployed the learnings and the knowledge throughout the organization, with regional and local summits being held around the world.

Reward and Recognition

As part of the continued commitment to the team members, Vision and Values, BIC reintroduced the "BIC Team Member Recognition Awards." This new annual recognition program was launched in 2021 to shine the spotlight on the incredible achievements and successes from our teams around the world.

Award categories were inspired by objectives associated with the Horizon Plan, putting strategy and the team members who are executing against it front and center. The awards fall into two categories:

1. Group Excellence Awards:

- team members around the Globe nominated over 300 of their colleagues for leadership consideration across the following awards: BIC Leader Award, Rising Star Award, Global Citizen Award, and Business Partner Award.
- leadership nominated and selected winners for the OneBIC Team Award;

2. Functional Capability Excellence Awards: Leadership across the Company selected the winners for the Country of the Year: E-commerce, Country of the Year: RGM, Customer-driven Supply Chain, Procurement, Plant Safety, Plant Efficiency, Free Cash Flow, M&A/New Business Partnership**3.3.1.3 Working conditions [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 psycho social 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.



3.3.1.3.1 Risks and opportunities ^[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

3.3.1.3.2 Policies, actions 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.

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;

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



- **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 2022, the Group identified two key focus areas to achieve the Zero Lost Time Incidents target by 2025:

- setting up a machine safety level threshold across all sites, and;
- increasing the safety culture maturity among our team members.

Based on these key focus areas, the Group launched several initiatives in 2022, including:

- performing internal audits by the central Environmental Health and Safety (EH&S) team in the vast majority of the facilities. The audit topics were specific per site, based on checklists communicated in advance. Detailed reports were shared with all stakeholders at the end of the audit. The action plan progress is monitored on monthly basis;
- updating the Group's EH&S policy, signed by the CEO and shared to all facilities;
- launching a key performance indicator campaign to encourage team members to dynamically report unsafe events. Thanks to this campaign which began in July 2022 and lasted until September the Group saw a decrease of 33%⁽¹⁾ in incidents recorded *versus* the same period last year;
- reestablishing ISSA's Seven Golden Rules, which are customized to each facility's major hazards and risks and woven into management responsibilities;
- organizing safety days to engage and train team members on EH&S topics;
- reviewing critical standards such as incidents investigation, reporting and change management;
- sharing lessons and best practices in the EH&S SharePoint which is open to all internal stakeholders;
- choosing certain reported incidents as examples to be shared among all facilities to promote knowledge sharing and implementation of key measures when required;
- organizing safety stand downs to raise team members' awareness about serious incidents;

- instituting monthly training sessions for EH&S teams on advance technical subjects;
- inviting external stakeholders to train EH&S team members on machine safety as well as to discuss relevant EH&S topics;
- implementing machine safety assessments at all facilities;
- prioritizing action plans to improve machine safety across all facilities.

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 2022, BIC recorded 60 lost-time injuries for BIC paid employees and 10 more for external temporary workers, while 50 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 2.09, while the severity rate remained stable at 0.10 from 0.11 one year ago.

The development and implementation of actions plans continued 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 was executed in 2022 which included:

- analyzing the incidents in 2022, 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.

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

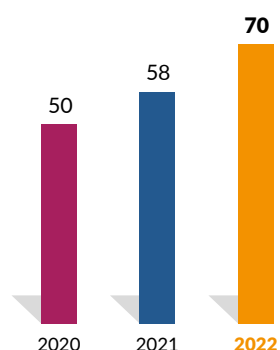


60 lost-time injuries for BIC permanent and fixed-term employees and 10 lost-time injuries for external temporary workers and 50 facilities without injuries.

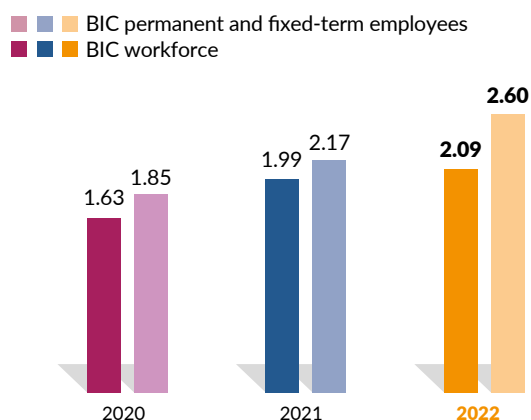


(1) For the Global Supply Chain business unit

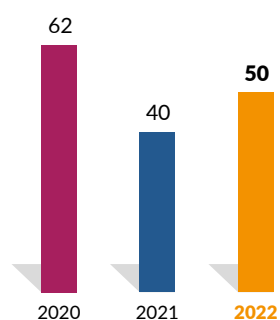
NUMBER OF ACCIDENTS RESULTING IN LOST-TIME – BIC WORKFORCE



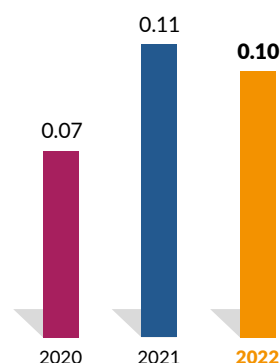
NUMBER OF FACILITIES WITHOUT LOST-TIME INJURIES – BIC WORKFORCE



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



SEVERITY RATE: NUMBER OF CALENDAR DAYS LOST DUE TO AN ACCIDENT – PER THOUSAND HOURS WORKED – BIC PERMANENT AND FIXED TERM EMPLOYEES



3

Team member well-being campaigns and services

Well-being at work is defined by the World Health Organization (WHO) as “a state of mind characterized by a satisfactory harmony between the skills, needs and aspirations of the worker on the one hand and the constraints and possibilities of the work environment on the other”.

The Group strives to build a collaborative, performance-oriented environment while preserving the health and well-being of team members in the workplace.

This has led, in particular, to the development in some countries of agreements with trade unions based on principles such as work-life balance.

The Group is actively involved in preventive actions in terms of safety, occupational health and well-being such as preventing and monitoring occupational diseases, psychosocial risks, etc., and relays public health prevention campaigns (Pink October, World Mental Health Day, etc.).

For example, during the month of October for “Pink October” in France, actions, webinars, video Yoga classes took place to raise women’s awareness of breast cancer screening.

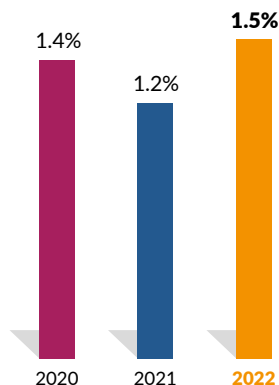
On October 10, 2022, for World Mental Health Day, great initiatives were set up in some countries. In Australia and New Zealand, with their partner for two years, Smiling mile, employees were invited to take a break to imagine and create using our product “BIC Intensity”. In Kenya, boxes with anti-stress products were distributed to employees.

BIC East Africa, conducted medical checkups for all team members as well as provided a toll-free counselling line linked to the local medical insurance. This facility is subscribed to ICAS, an international counselling service provider. This facility offers medical insurance to team members and their dependents. They established a benevolent fund that is run by team members to support them in the event of the loss of a loved one, in addition to a benefit geared to ease the financial burden on team members when they lose a dependent or a parent.



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) – PERMANENT EMPLOYEES



BIC's absenteeism rate remains low, and we continue to actively monitor data across all sites in order to adapt action plans to local situations.

3.3.1.4 Team member development and equal opportunities [NFPS]

At BIC, development goes beyond just training. The team members are empowered to take ownership of their career paths and have access to the opportunities and resources they need to grow.

3.3.1.4.1 Risks and opportunities [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 team members. 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 2022, BIC implemented a new approach to learning at BIC. The Group is delivering focused capability growth by creating simple, engaging and personalized experiences for its team members through a variety of mediums (i.e., e-learning, virtual instructor-led training, programmatic learning and learning journeys). All offerings are aligned with business priorities and team member development needs. The development programs strive to help team members build community on a global scale, put their learnings into practice and empower participants to share their unique experiences and perspectives with one another.

3.3.1.4.2 Policies, actions taken, results and outlook [NFPS]

The People & Culture team continued to re imagine learning at BIC. The new learning strategy is driven by the transformation of the organization and team member expectations of development opportunities. Several of the key initiatives for 2022 are highlighted below:

- designed and launched BIC's new learning ecosystem for all team members. The launch of a new learning experience platform (Degreed) in combination with a new learning management system (SuccessFactors), provides team members the opportunity to build the right skills with a skills profile that they own, learning opportunities tailored to their goals and interests, and content curated (from millions of resources) to boost learning in the flow of work;
- designed and launched our new Signature Series:

Illuminate Program for People Managers

The Illuminate Program is a 14-week experiential program for people managers leading individual contributors. We have partnered with the Ken Blanchard companies to create an innovative and modern learning experience leveraging assessments, coaching, e-learning, virtual sessions, and leadership debriefs. Grounded in our new Core Competency model and Leadership Framework, the program's goal is to develop the essential capabilities required to be a successful leader at BIC. This includes: Building Trust, Situational Leadership, Giving and Receiving Feedback and Using Conversational Capacity. The first pilot was launched in June, with 20 team members in the learning cohort.

Ignite Program for Leaders of Leaders

The Ignite Program is a 17-week experiential program for leaders of other leaders. This program is the second in the series designed in partnership with Ken Blanchard companies. The program includes skill building in the following areas: Situational Leadership, Servant Leadership, Coaching, Team Leadership and Leading People through Change. The first pilot was launched in July, with 20 team members in the learning cohort.

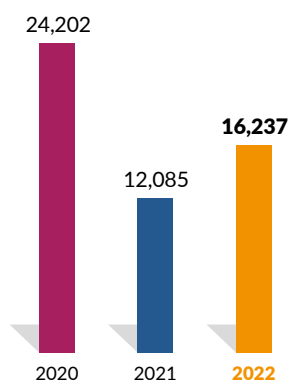
LEAD Program for HIPO executives (High Potentials)

The LEAD (Lead, Elevate, Accelerate, Develop) program is an immersive 12-month experience for a diverse cross-functional group of Director High Potential Team Members. The program was developed in partnership with award-winning organizations including ExecOnline and their extensive network of elite business schools in the United States, with additional support from executive learning institutions. The LEAD program's goal is to deliver extensive business knowledge, research, expertise, and skill-building experiences to the participants. We are pleased to have just celebrated the graduation of our first cohort in early 2022, with high levels of satisfaction from participants as well as our sponsors. Our second cohort began their journey in April.



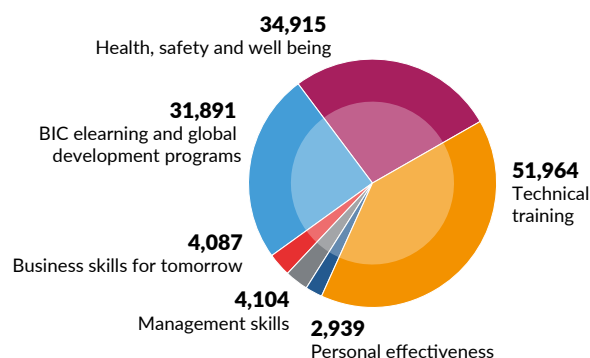
- continued the launch of several functional training courses designed by internal and external subject-matter experts to develop *Horizon* capabilities. Several interactive courses were delivered in the areas of e-Commerce, Revenue Growth Management, Negotiation, Finance and Marketing;
- continued the Group's Global Mentoring Program. This program is intended to accelerate team member growth through a structured Mentor-Mentee development experience, train and prepare key talent on effective ways to be a successful mentor and provide a structured Mentor-Mentee relationship. This continues to be a staple program, driving capability growth and peer to peer feedback;
- the Group Commercial Capabilities CoE designed and launched the Commercial Academy in 2022. The pilot program provided 140 plus members of our salesforce (all levels) with the best-in-class tools and resources they will need to effectively contribute to our *Horizon* Strategy, specifically focused on growth insights, selling tailored solutions and executing with excellence;
- continued to implement several upskilling programs to meet the development needs of our manufacturing population. Programs focused on four main priorities: reinforcing the importance of Environment, Health & Safety (EHS) with preventative measures and training, deploying lean methods (value stream mapping/six sigma) to increase efficiency and engagement, supporting the digital transformation of our processes, and launching processes and tools to increase workforce flexibility and to better manage production activity.

NUMBER OF TRAINING DAYS 2022 - PERMANENT EMPLOYEES



The total number of training days increased from 2021 due to the addition of several programs aligned to our continued commitment to the professional development of our team members globally.

NUMBER OF TRAINING HOURS PER THEME 2022 - PERMANENT EMPLOYEES



Mobility and succession plans

Talent Review sessions were facilitated by the People and Culture Team in partnership with Human Resource Business Partners (HRBP) in every business unit across every function. The sessions focus on effective and consistent identification of critical roles and High Potential team members and ultimately

stronger emphasis on aligning talent to the roles that are most critical for business success. Analysis of the Group's bench strength and development needs for BIC's High Potential team members are key outputs that directly impact the priorities of the Group's learning and development strategy. This visibility of BIC's High Potentials has fostered movement of the best talent in roles that drive the most value.

INTERNAL DEVELOPMENT 2022

Recruitment	2021	2022
External Recruitment	1,473	1,750
Inter-Company Move	95	379
Promotions	223	234

3.3.1.5 The compensation system

The remuneration policy at BIC is designed to recognize performance, rewarding team members with fair and competitive remuneration, in line with market conditions.

BIC proposes a coherent compensation and benefits policy that is designed to attract, motivate and retain our talent by being:

- **Competitive and equitable**

The Company deploys a policy across all team members that combines both market competitiveness and internal equity. Internal equity is measured using a global classification system.

Comprehensive salary survey data from specialized consultancy

firms is used so that our team members receive a total remuneration package in line with the market in which they work.

BIC ensures that all entities respect local legislation with regard to minimum salary levels as defined either by law or by collective bargaining agreements.

Gender pay equity is considered a priority across the Company, and specific attention is paid to establishing pay equity in areas of the organization where a gap is identified. During the annual salary review process, the regional and business management teams are encouraged to pay particular attention to the topic, and a portion of the budget is dedicated to promoting diversity and ensuring equitable pay for a same level of responsibility.

Focus: Gender pay gap

In France and Italy, in accordance with national laws, BIC Group entities publish their gender equality index. Actions are taken each year to improve these indexes. Some of these ongoing actions are included in the equality programs or agreements, particularly in France.

- **Short-term and long-term incentives**

Recognizing both individual and the collective performance of the teams is an essential part of our total remuneration policy.

Short-term incentives exist in two forms:

- monthly or quarterly incentives for the sales force, based on both financial and non-financial criteria, helping to drive profitable growth in all areas of the world with a motivated sales team;
- an annual short-term incentive plan for all non-sales, management level (cadre) team members across the world. Payout is based on collective financial criteria and individual performance objectives, designed to drive the realization of the *Horizon* strategy. The financial objectives defined at Group level, and cascaded into the regions, are identical to those used to calculate the annual short-term incentive of the Chief Executive Officer, and the Executive Committee.

The long-term incentive plans to which all senior managers are eligible are designed with a 3-year vesting period and ambitious objectives, driving the long-term success of the Company by focusing on Free Cash Flow, Innovation and Sustainability.

Recognizing the contribution of all team members to the success of our *Horizon* transformation journey, the Board of Directors, based on the recommendation of the Management Team, granted in October 2021 five free shares to over

11,000 team members worldwide, giving them the opportunity to share in the value that will be created by the future success of the Company (Plan Sharing Horizon).

The free shares will be delivered in October 2023, at the end of the two-year vesting period decided at the time of grant.

- **Benefits**

- *Health care and life insurance*

At BIC, health care and the protection that we provide our team members and their families is a priority. For this reason, in 2022 a worldwide audit of existing plans and coverage was undertaken. The audit allowed the identification of areas of improvement on these topics, and in 2023 the action plans will be quantified for implementation over the period 2023-2025.

- *Wellbeing in the workplace*

The Company seeks to provide a collaborative workspace for its team members, turned towards performance yet contributing to the overall well-being of our team members in the workplace.

This orientation has led, in certain countries, to the signing of agreements with the employee representatives, covering topics such as work-life balance, remote working and other related topics.

Around the world, the Company actively engages in preventive action plans around health and safety and

well-being., including workshops on the prevention of work-related illness, managing stress and ensures that any government campaigns are actively relayed to our team members. In France, for example, Pink October saw team members being offered a month of webinars on the prevention of breast cancer, alongside on-line yoga classes and other on-site sporting activities. World Health Day, celebrated on October 10, saw local initiatives in several sites around the world. In Romania, awareness workshops were held, Australia and New Zealand continued their 2 year partnership with Smiling Mile and invited team member to take some time out to imagine and be creative with our BIC Intensity products. Our Kenyan team distributed a goodies box with anti-stress products to team members.

These initiatives and more will be relayed at a global level in 2023, with the intention of creating a regular calendar and enhanced visibility around well-being for all our team members.

3.3.1.6 Promoting diversity, equity, and inclusion

BIC is a truly global business, with a workforce reflecting the diverse backgrounds and experiences of the communities where its products are available worldwide.

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. As an organization, BIC looks to be a positive change

agent throughout the many communities it operates in across the globe.

At BIC, cultural and individual diversity is considered an essential part of team culture, which is why the Group strives to foster an inclusive environment for all. In its continued commitment to diversity, equity and inclusion, BIC seeks to:

- take action to ensure that BIC teams reflect as closely as possible the diversity of the Group's customers and consumers around the world;
- welcome our team members, giving them a sense of responsibility through a culture of inclusion founded on practices of responsible leadership and management;
- encourage 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 2022 and International Women's Day;
- in January 2021, Gonzalve Bich, BIC's CEO, joined the "CEO Action for Diversity and InclusionTM" (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. Notable achievements in 2022 include:

- launch of full engagement survey 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/>



- launched and promoted a new Employee Resource Group toolkit to encourage the formation of networks of team members that share common characteristics and backgrounds. These groups advocate for themselves, and in addition to fostering their own professional development, are a valuable resource to BIC, providing information about their

identities, undertaking community outreach, opening new networks for recruiting, and serving as a visible sign of BIC's commitment to a diverse, equitable and inclusive workplace. As a result 5 new employee-led resource groups (ERGs) have been formed to promote local DEI initiatives in North America:

Black Leaders Influencing Sustainable Success (BLISS)	Women Empowerment at BIC (WEB)	Asian and Pacific Islander Alliance (APIA)	Hispanic/Latino Organization for Leadership and Advancement at BIC (HOLA BIC)	Supporting Wellness and Improving Mental Health (SWIM)
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- 150 plus team members from the Allyship Program/ERGs participated in the deployment of the Group's DE&I strategy, by organizing local events to celebrate several diversity days such as Black History Month, International Women's Day, Pride Month, Veterans Day and many others. Team members across the globe had the opportunity to participate in local and global events, such as speakers series, panels, training, etc.;
- conclusion of the three-part Inclusive Leadership Series for all level 4 and above team members that launched in 2021. In the first workshop, "Conscious Inclusion", the participants built a shared understanding of inclusive leadership, explored ways to lead teams toward conscious inclusion and to develop a greater sense of belonging and trust at BIC. The second workshop explored the role leaders play to effectively influence and establish an inclusive culture at BIC. The third and final workshop, focused on further building resilience as leaders, boosting optimism in teams and encouraging activism at BIC and beyond.

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 2022 include:

- design and launch the new employment brand that highlights key attributes that will attract and retain female talent;
- to mitigate bias when searching LinkedIn for recruitment sourcing initiatives, the Group has chosen to hide the names and pictures of potential candidates when sourcing the site;
- talent acquisition team members participated in an Unconscious Bias/Stereotype training to reinforce key learnings from 2021 trainings on eliminating bias from hiring processes.

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 2022 include:

- launch of Human Capital Management System – SuccessFactors – to improve its talent identification and management process and the data to support these processes;
- 57% of all hires in 2022 were female;
- delivered gender balanced slate of candidates in level four and above positions;
- reached 32% female representation in level 4 and above leadership roles by continuing to attract and retain female talent.

Influence: improve visibility, demonstration and celebration of BIC's commitment DE&I externally. Notable achievements in 2022 include:

- continued participation in the "Break the Ceiling Touch the Sky Summit" in New York (U.S.), India and Dubai which offered companies an opportunity to learn DE&I best practices and connect with women leaders from around the world;
- our Human Resources Director for India, our Senior Manager of Marketing for West Africa & Nigeria, and our Human Resources Director for MEA were recognized by the House of Rose Professional as the "Most Inspirational Women in Leadership" across Asia, Africa and the Middle East;
- additionally, our General Manager for Cello, General Manager for the Middle East and our Group Commercial Officer were each featured on the House of Rose Professional's "Break the Ceiling Touch the Sky" 2022 list of Male Champions for Gender Equality;
- 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

	2020	2021	2022
Board of Directors	45%	50%	50%
Level 4 and above (Executives, including Executive Committee)	26%	29%	32%
Level 3 (Senior Managers)	39%	40%	40%
Level 1 and 2 (Managers & Professionals)	39%	40%	41%
Non-managers	49%	46%	44%

PERCENTAGE OF WOMEN IN THE PERMANENT WORKFORCE BY REGION - BIC

	2020	2021	2022
Europe	38%	38%	39%
North America	44%	47%	46%
Latin America	49%	51%	51%
Middle East and Africa	38%	37%	37%
India	56%	48%	42%
Asia-Pacific	47%	43%	44%

3.3.1.7 Other work-related rights

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 3.3.1.6. 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
Europe - France	In the spirit of continuous improvement, BIC has continued the social dialogue in all French facilities. Throughout 2022, constant lines of communication, exchange of ideas and constructive discussions occurred regarding current events and challenges (political instability, inflation, social movements) to create a solid foundation for 2023 negotiation efforts.
Africa	In 2022, BIC East Africa implemented a collective bargaining agreement which allows it to put in place a culture based on open communication and collaboration. BIC South Africa entered the second year of a guaranteed three-year wage agreement with the Metal Industries Bargaining Council (MIBFA). In 2022, this facility carried out three focus sessions on topics including; Employee Engagement, Communication and Leadership. Alongside these focus sessions, the facility established an engagement team to maintain an open and constructive dialogue between team members on-site. BIC Nigeria maintains a safe, and healthy work environment and ensures it remains in compliance with all regulatory and statutory obligations by the Federal Government of Nigeria as are outlined in the Labor Laws of Nigeria.
Mexico	Through open lines of communication and the maintenance of a positive relationship, the Union in Mexico successfully negotiated a salary review to ensure alignment with local and global practices. This social dialogue will continue through 2023 to continuously improve upon employee experience at BIC.



3.3.2 WORKERS IN THE VALUE CHAIN [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.

3.3.2.1 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.

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. 92% of the Group's products are manufactured in its own factories;
- strengthening relations with strategic suppliers.

3.3.2.2 Policies, action taken, results and outlook [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 are governed by its:

- updated Code of Conduct;
- Code of Ethics;
- Anti-Corruption Policy; and
- Supplier Code of Conduct.

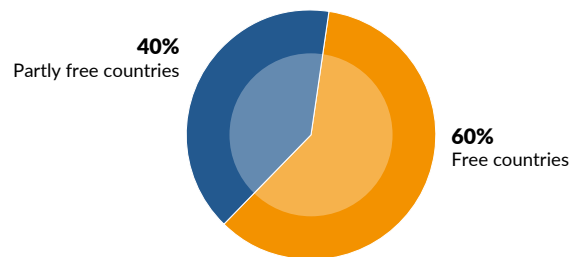
3.3.2.2.1 BIC's human rights in the workplace policy [NFPS]

Limiting contract manufacturing

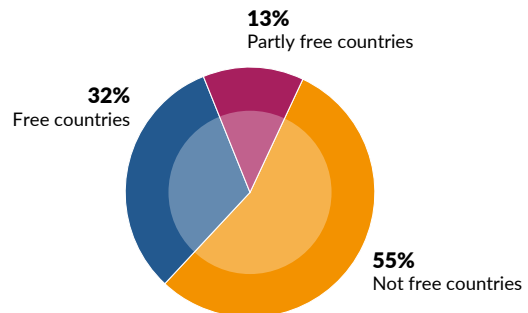
BIC's uses little contract manufacturing. Overall, 92% of the Group's net sales are generated by products made in its own factories. 60%⁽¹⁾ of these factories are located in countries with no Human Rights risk according to Freedom House.

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

BIC FACTORIES BY CATEGORY OF COUNTRY IN RELATION TO HUMAN RIGHTS RISK⁽²⁾ IN 2022 – BIC



CONTRACT MANUFACTURERS BY CATEGORY OF COUNTRY IN RELATION TO HUMAN RIGHTS RISK⁽⁴⁾ IN 2022 – BIC



3.3.2.2.2 A 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.

(1) Including BIC Nigeria. Partly free country in 2021 Freedom house ranking.

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



The Supplier Code of Conduct

BIC's Supplier Code of Conduct 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.

Writing the Future, Together – #4 Proactively involving suppliers ^[NFPS]

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 its 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 2022, BIC identified 330 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 the strategic resilience study assessment, the purchasing teams established a roadmap to establish 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. This pilot campaign concluded in 2022 with the procurement teams acknowledging the recommendations from this study.

In 2022, BIC continued the incorporation of existing tools into its responsible purchasing approach, and it continues incorporating a number of new tools such as:

- the Buy4BIC global procurement platform (currently deployed in EU) which will become the main communication procurement tool;
- PowerBI for sustainable procurement activities and actions reporting; and
- the design of a procurement digital ecosystem integrating sustainable procurement tools (ex. Ecovadis, CO₂ measuring tools) with Buy4BIC modules;
- a 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 which is shared with suppliers in the call to tenders;
- audit programs (see Section 3.3.2.2.2);
- a mandatory responsible purchasing training program for buyers through a new training platform which will offer in 2023 a new training module on sustainable procurement for the procurement community;
- EcoVadis campaigns which continued in 2022 covering about 77 strategic suppliers evaluated according to specific CSR criteria;
- a supplier diversity program in development and to be fully established in 2023;
- the purchasing teams constant participation in the working group responsible for the CO₂ emissions reduction plan has led to a CO₂ tracking tool selection in 2022 and implementation in 2023; and
- a responsible sourcing policy draft in 2022 with a validation and application in 2023.



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, the Purchasing Department keeps 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 indicator reflects 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 2022, 65.5% ⁽¹⁾ of strategic suppliers were involved in at least one responsible purchasing action ⁽²⁾. BIC is aiming for 100% by 2025.

The social audit program ^[NFPS]

Compliance with the Supplier Code of Conduct is verified by an audit program covering factories where BIC® products are manufactured. BIC has had a specific audit program to ensure Supplier Code of Conduct compliance of global 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 to verify that standards are kept at a satisfactory level.

Audits are carried out by third party Auditors *via* the Workplace Condition Assessment (WCA) platform. This assessment tool is based on international Human Rights principles and national laws, incorporating International Labor Organizations (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. BIC accepts an 85% minimum performance rating, with no major or moderate deficiencies of the audited manufacturers. The Group works alongside the manufacturer to improve their score through the development of working conditions. The box below explains the main steps in the evaluation of contract manufacturers.



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 period.
5. The Auditor conducts follow-up assessment(s) to confirm implementation of the CAP if necessary.
6. The monitoring is completed once WCA is approved by the OEM Compliance team and ongoing assessments are conducted every two years.

In 2022, the two-year cycle audits were scheduled or completed for all contract manufacturers (Consumer Products or BIC Graphic) with an overall average performance rating of 85%. BIC

held follow up audits to monitor contract manufactures with a lower performance rate and ensure compliance with local regulations and processes.

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

(2) These actions included conducting a strategic resilience study and the EcoVadis campaign.



3.3.3 COMMUNITIES

3.3.3.1 Global challenges

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.

3.3.3.2 Policies, action taken, results and outlook

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

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

- access to education; and
- equity in learning.

At BIC advocating for a quality education and inspiring a love for learning in students is very important. Through the design, manufacturing and distribution of writing instruments, BIC has played an integral part in the promotion of education. The Group is a firm believer that education is crucial for the development of free will, independence and for combating poverty. The Group continues to be an active handwriting advocate, even before its importance in structuring children's thought processes was proven. BIC has set the goal of improving lives through education and has translated this ambition in the following commitment: by 2025, BIC will improve learning conditions for 250 million children globally.

The Group has a three-pronged approach:

- actions undertaken by the BIC Corporate Foundation;
- actions to help improve learning conditions, including awareness of handwriting benefits in learning and memorization processes (discussed in Section Awareness and coaching actions).
- philanthropic actions (donations of products, funding and skills) undertaken by local entities for the benefit of their communities (discussed in Section Philanthropic actions by BIC and its subsidiaries);

At end-2022, BIC estimated that 187 million children have seen their learning conditions improved through direct initiatives either involving children, teachers or parents since 2018.



187 million children saw their learning conditions improve between 2018 and 2022.



Awareness and coaching actions

Handwriting 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 writing instruments 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.

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.

After about a year with the BIC-Cause We Care Community live, BIC has made a positive impact for the 7,000 members by providing resources, celebrating educators, facilitating discussions in education, and by supporting a wide range of educational needs. Notable achievements in 2022 include:

- monetary and product donations to educational causes and schools:
 - 14 Educators received funds for their classroom:
 - 8 “Education Heroes”, nominated by members of the community, won 1,000 U.S. dollars and BIC product for their classroom,
 - 6 Educators received funds for their classroom and products in celebration of World Teachers Day;
 - 5,000 U.S. dollars was gifted to Children International for Seasons of Giving 2021 and 1,000 U.S. dollars was gifted to Kids in Need Foundation in 2022. Both non-profits were chosen by the community via polls,
- members received BIC® products to improve their learning conditions at home or in their classroom;



- information about local events: the BIC-CAUSE WE CARE community connected members to nationwide events for career growth and self-care to prevent burnout;
- facilitate discussions about education: 88 discussions on educational topics were held in 2022 garnering about 5,000 comments and conversations;
- encourage tool sharing and resources among teachers, parents, caregivers and students: over 30 resources were shared this year to help parents infuse education at home, weave creativity into learning, aid teachers in career growth, and much more.

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.

2022 marked the return of the Global Education Week. This event has grown into one of the Group's largest corporate giving initiatives, contributing to the Company's legacy of giving and bringing warmth and appreciation to the hearts of all those who participate. As well as uniting team members under a common cause to bring children moments of creativity, simplicity and joy. During this event, BIC donated 3 million writing instruments to classrooms around the world.

Team members volunteered hours organizing fun and creative experiences for students such as:

- a partnership with an educational arts organization in Brazil, to teach students about environmental protection;
- a family festival sponsorship in Greece that promoted the importance of creative play in children;
- a Fall Collaboration Summit for Enactus, a nonprofit that inspires students to solve the world's biggest problems through entrepreneurship;
- surprising French students with a big yellow BIC school bus filled with products; and
- renowned Australian illustrator Marc McBride taught students techniques to enhance their drawing skills.

An innovative aspect in this year's Global Education Week was to give loyal customers, and BIC® brand fans an easy way to participate. For every "like" in the event's social media posts, BIC donated 100 more products to schools in need, up to 500,000.

Likewise, throughout the year, BIC continued its philanthropic activities. In 2022, noteworthy activities included:

- **BIC Romania** donated over 7,859 BIC® product units to the "Library for all" project, which aims to collect educational materials and supplies necessary for the beginning of the school year for children in low-income communities.
- **BIC Canada** partnered with the Insight Heart Foundation. This Canadian charitable organization seeks to help vulnerable adults and children within low-income communities by providing them with essential items and resources. BIC Canada donated over 500 BIC products for their Backpacks 4 Smiles program.
- Each year, Enactus UK student teams can enter **BIC UK's** Individual Topic Competition in an aim to receive funding for their non-for-profit socio-economic projects and mentorship from BIC employees. In 2022, BIC UK selected 3 teams which received funding and mentorship throughout the year.
- **BIC Poland** created the teacher ambassador program "Let's Paint The Future Together". The objective of this educational program is to build positive and lasting relations with teachers through brand awareness and sponsorships.
- In 2022, **BIC Morocco** donated over 600,000 BIC product units to various NGOs, including the Association enfants du desert and SOS villages kids.



In 2022, product donations and financial aid worldwide represented 900,000 euros (internal valuation), primarily in education⁽¹⁾, environment and health.

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900,000 euros in donations and financial aid worldwide in 2022.

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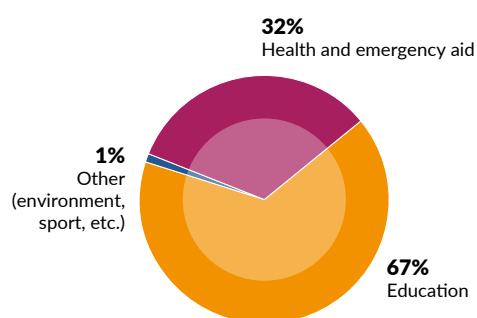
90 philanthropic projects involving volunteer work, product donations and financial aid carried out worldwide in 2022 (all fields combined).

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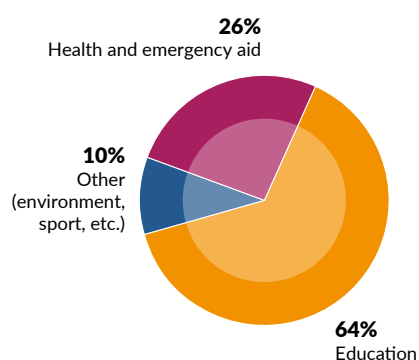
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FINANCIAL BREAKDOWN OF ACTIONS – BIC -2022



BREAKDOWN OF ACTIONS BY NUMBER – BIC -2022



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 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.

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. The support and insight of its Board members is key in widening the reach of the Foundation and identifying life-changing and impactful organizations.

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 2022, the Foundation signed 5 new partnerships with NGOs focusing on the development of creativity in children and youth. Since its creation, the Foundation has supported 47 projects in 20 countries and impacted on more than 155,000 lives.

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 2022 the Foundation offered volunteering opportunities and organized events to allow BIC team members to give back and get to know better the partner NGOs and their actions. Through activities such as CV and interview counseling sessions, mentoring, art therapy sessions and virtual visits, the Foundation engaged more than 1,000 team members with 15 of its NGO partners.

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



The Foundation also seeks to be the bridge between the BIC Group and the not-for-profit sector, contributing to the creation of purposeful collaborations with BIC® products, coordination of product donations and more.

In 2022, the Foundation officially launched the **Creativity Community of Practice**, a multidisciplinary and collaborative network of people working in the space of creativity and education. The objective of this network is to advance and amplify the development of creative skills in education systems, through advocacy, upskilling, driving research and accessibility, and collaborations.

In 2022, the BIC Corporate Foundation sponsored **Ideas World Cup**, the largest brainstorming event in the world where individuals and teams from cities around the globe compete to solve a social issue using the power of creative thinking. This year, the theme was "How can we inspire creativity in education?". More than 3,800 people from all around the world participated and proposed 520 solutions. The winner of the competition was **Israel Sornoza**, from Ecuador, who presented his venture, Learn to Rap, as a way to empower youth to express themselves through the power of rap and Creative Expression. As the global winner of the competition Israel received 6 weeks of creativity and innovation training from *Actitud Creativa*, the organization that created Ideas World Cup. In addition Israel received the Jane Strode Miller Fellowship. This is a full-ride scholarship to the venture and innovation accelerator program of the Watson Institute. This prestigious fellowship provided Israel with entrepreneurship training and networking opportunities to advance his venture and amplify its impact.

Some additional examples of the organizations and projects backed by the BIC Corporate Foundation in 2022 are:

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 created in the workshops will be chosen to be funded and 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

learn 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.

Culturespaces Foundation

In France, Culturespaces Foundation implements educational programs that enable access to arts and cultural education for the most disadvantaged children in order to unlock their creative potential. Its flagship program "Art en Immersion", reaches 7,000 children every year, and it is designed alongside the annual art exhibitions showcased in Culturespaces digital art centers. It enables children to explore the world of an artist in a fun, creative and didactic way. The program is structured in several stages; beginning with educational workshops to discover the artist, the technique, colors, then going to the immersive art exhibition themselves and finally participating in creative workshops where they create their own art and then get to share it with other teachers and parents in a showcase event.

Creativity Pioneers Fund

The BIC Corporate Foundation partnered with the Moleskine Foundation to support organizations worldwide in the creative space through the second iteration of The Creativity Pioneers Fund. The initiative is a global funding opportunity where grassroots NGOs can apply to receive financial support in sustaining and expanding innovative projects around creativity that catalyze social change. The Fund awarded 27 organizations from 18 different countries with 5,000-euro, unrestricted microgrants. In addition to this, the fund recipients are also allowed ample opportunities for networking, capacity building and organizational visibility. With funding just being the start of the partnership, The Creativity Pioneers Fund aims to build longstanding relationships with its partners while establishing a global ecosystem of creative pioneers, changemakers, thought leaders, and social impact professionals.

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. In 2022, BIC completed its second ESG Impact Share Buyback Program for a total of 39.2 million euros.



Social inclusion: non-discrimination and access to products and services

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.

3.3.4 CUSTOMERS AND CONSUMERS EXPECTATIONS AND PRODUCT SAFETY [NFPS]

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 and consumers are becoming increasingly demanding in terms of the environmental and social performance of products.

3.3.4.1 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. Retailers and wholesalers want their partners to show how they are helping reduce the overall environmental and societal impact of their operations. They impose increasingly strict requirements in terms of the packaging of products they carry.

3.3.4.1.1 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.

3.3.4.1.2 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 3.2.3.2.2);
- the “4 Rs” philosophy (see Section 3.2.3.2);
- 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 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.

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.



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.

Results

All the environmental claims that appear on the packaging, in the catalogs and on the websites for BIC® products in Europe 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.

3.3.4.2 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.

3.3.4.2.1 Risk and opportunities [NFPS]

[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.

3.3.4.2.2 Policies, actions taken, results and outlook [NFPS]

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.



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.

In order to keep pace with future regulatory challenges, the Product Safety team takes part in numerous technical meetings as well as regulatory congresses in Europe and North America:

- technical committees of EWIMA and TIE in Europe;
- ACMI and WIMA technical committees in the USA;
- AFNOR Toy Standardization Commission;
- ASTM committee for the analysis of PFAs;
- FEBEA webinars;
- Biocides Congress in Lyon;
- Perfumes & Cosmetics Congress in Chartres;
- ACI's annual Legal, regulatory and compliance forum on cosmetics and Personal Care products in New York;
- Chemical Watch webinars (on PFAS and on upcoming European regulatory developments).



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.

In 2013 and 2018, in response to REACH, BIC has registered 8 substances for two of its legal entities. 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. Revision of the EU REACH regulation is underway in order to respond to the EU chemical strategy for sustainability. The product safety team is closely following this revision and its new requirements.

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. In 2023, the substance registration process will start in Turkey and the UK. The product safety team is preparing for these changes.

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

The Product Safety team is committed to educating and updating key Group stakeholders on important product safety topics. In 2022, they held 15 training sessions to different Group departments such as the Group Insights & Innovation, Quality & HSE teams in manufacturing site and IT department. As part of safety teams members on boarding, all new members of the safety team receive training material on product safety.

(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.



Many regulatory changes are underway in Europe to support the EU Chemical Strategy for Sustainability. A team of forty key people who play an important role in supporting BIC's products have been trained on the potential impacts of the regulations currently being revised: REACH, CLP, Toys safety Directive, General Product safety Regulation, cosmetics regulation in order to be able to anticipate these changes.

In addition, since November 2021, the Product Safety Team has participated in numerous public consultations directly with the European Chemicals Agency (ECHA) or *via* TIE and EWIMA. More than thirty regulatory topics were addressed such as PFAs, EC Impact Assessment Study on the simplification of labeling requirements for chemicals and the use of e-labelling, General Product Safety Regulation (GPSR), CLP revision, Product Liability

Directive, recycled content in toys, Toys safety Directive scope revision, Gulf countries – revision guidance Conformity Assessment Procedure, Bioplastic Online public consultation questionnaire, Microplastic restriction, Reach Revision, REACH_Inclusion of Lead in Annex XIV and EU customs revision among others.

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.



3.4. ETHICS AND BUSINESS CONDUCT ^[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.

3.4.1 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. Assessing, mapping and managing this risk is an opportunity for BIC to further develop its culture of ethics within the Group.

3.4.2 POLICIES, ACTIONS TAKEN, RESULTS AND OUTLOOK ^[NFPS]

3.4.2.1 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.

In 2022, BIC reviewed its Code of Conduct to further simplify it and to openly acknowledge the Group's willingness to comply and abide to specific applicable French legislation.

This review ensured the Group's team member are familiar with BIC's obligations and commitments to comply with the Transparency, Fighting Corruption and Modernising Economic Life (known as Sapin II Law) legislations as well as the Due Diligence French law.

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 new version of BIC Code of Conduct will be deployed as of January 2023 with visible support of the Group's CEO and Executive Committee. All employees in all locations will be invited to complete an online training and/or to attend face-to-face training for those employees who are not using computers in their day-to-day work.

The Code of Conduct is publicly available and 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.

3.4.2.2 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 practices. 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.

3.4.2.3 Internal Whistleblowing System

"BIC Speak Up", the Group's anonymous and confidential reporting system, is accessible to all current and former BIC team members. It is open 24 hours a day and is available in over 200 languages.

A notable achievement in 2022 to bolster the Group's internal whistleblowing system includes the first face-to-face workshop for the Group's internal investigators in Europe. This new workshop aimed to build up investigators' capabilities, was held in BIC's Clichy headquarters by the Group's Compliance Officer with the support of an external law firm and a consultant specialized in internal investigations. It included a mix between theory and practice to ensure the Group's internal investigators are equipped with the right tools and techniques to conduct objective, facts based and impartial investigations. This workshop was an opportunity to systematize the non-retaliation check for all team members potentially participating in a internal investigation.

BIC is committed to ensuring the confidentiality of the information gathered and that no retaliations takes place 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 call out 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.

In 2022, BIC took the compelling decision to further develop, enhance, improve and systematize the Group's third-party due diligence program to enable a holistic and consistent evaluation of all BIC's suppliers and business partners at all levels of the value chain.

The Group has therefore invested in a sophisticated tool which offers the possibility to be integrated into the internal procurement systems thus moving the Company's compliance program to the next level. The tool's full deployment is planned for 2023.

3.4.2.4 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.

3.4.2.4.1 Participation in sector dialogue

BIC continues its efforts to pursue 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.

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.

3.4.2.4.2 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 the 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 always monitored by BIC's Legal Department, 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. 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.

3.5.1 SUMMARY TABLE OF THE NON-FINANCIAL PERFORMANCE STATEMENT [NFPS]

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 3.2.3.1	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"> • 5.70% of non-virgin petroleum plastic in BIC® products (4.0% in 2021). • 70% of reusable, recyclable or compostable plastic in consumer packaging. • 54.7% recycled content of plastic packaging. • 96.2% PVC-free packaging. • 97.7% of BIC cardboard packaging comes from a certified and/or recycled source. • 3 products improved vs their baseline • 16 BIC® products with the NF <i>Environnement</i> ecolabel. • At end-2022, over 73,3 million pens collected through TerraCycle®. • 34 alternative materials tested.
R2 – Risks related to climate change.	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. 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"> • 5.70% of non-virgin petroleum plastic in BIC® products (4.0% in 2021). • 76% share of renewable energy. • 74,309 teqCO₂ (location-based) direct and indirect GHG emissions (scopes 1 and 2), i.e., - 11% compared to 2021. • 0.74 teqCO₂/ton of production (scopes 1 & 2). • 11.40 gigajoules/ton of production, i.e., -4.7% compared to 2021. • 1.84% share of air freight (in tons/kilometers) (vs. 2.82% in 2021).

Non-financial risks	Description of the risks and opportunities	Policies and actions taken	Main results/indicators*
R3 – Risks related to product safety and consumer health & safety.	Section 3.3.4.2.1	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"> The Product Safety team held 15 training sessions to different Group departments such as the Group Insights & Innovation, Quality & HSE teams in manufacturing site and IT department.
R4 – Risks related to health and safety of team members.	Section 3.3.1.3.1	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"> 70 lost time incidents for the BIC workforce. 50 facilities without injuries. 2.09 on-site accident incidence rate–BIC workforce. 0.10 severity rate of on-site accidents–per thousand hours worked–BIC permanent and fixed-term employees.
R5 – Risks related to non-respect of human rights (child labor, international conventions, ILO).	Section 3.3.2.1	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. 92% of all BIC® products are produced in the Group's own factories. 31% of contract manufacturers audited between 2021 and 2022. 60% of BIC factories are located in countries with no Human Rights risk.
R6 – Risks related to unfair practices (corruption).	Section 3.4.1	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.	



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 3.2.2.1	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"> • 3.73 m³/ton annual water consumption. • 0.179 tons of non-hazardous waste/ton of production. • 0.028 tons of hazardous waste/ton of production. • 73% of non-hazardous waste recycled (in tons). • 41.4% of hazardous waste incinerated with energy recovery (in metric tons). • 90 volunteer operations, product donations and financial donations worldwide in 2021 (all areas combined). • 900 thousand euros in product donations and financial aid worldwide.
R8 – Risks related to reputation and brand.	Section 3.3.4.1.1	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 in Europe are validated by the Legal Department. • 5.70% of non-virgin petroleum plastic in BIC® products (4.0% in 2021). • 70% of reusable, recyclable or compostable plastic in consumer packaging. • 54.7% recycled content of plastic packaging.
R9 – Risks related to experienced team members and skills.	Section 3.3.1.4.1	BIC's approaches Succession Plans. Team member training.	<ul style="list-style-type: none"> • 16,238 training days-permanent employees.

* See also Section 3.5.4 Indicator table.

3.5.2 NON-FINANCIAL RATINGS

In 2022, BIC was listed on the following socially responsible investment indexes:

- CDP Climate 2022: Leadership Level A-;

In 2022, BIC was awarded the ISS ESG Prime Corporate rating, fulfilling the holistic sustainability performance requirements based on an analysis of more than 100 sector-specific ESG factors, judged against industry peers.

3.5.3 PERIMETER AND SELECTION OF INDICATORS

The reporting period covered by this report is from January 1st to December 31st, 2022.

3.5.3.1 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.

Combating 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.

3.5.3.2 Reporting perimeter of indicators

Regarding indicators that refer to HR, the reporting perimeter encompasses the BIC workforce which includes permanent employees, fixed-term contracts and agency temporary staff at all French and foreign operational units within the Group.

The environmental 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. Djeep is excluded as well.

For health and safety indicators, all Group facilities (offices, industrial facilities and hosted contracts) are included in the perimeter except the Sibjet site. The reporting perimeter encompasses the BIC workforce which includes permanent employees, fixed-term contracts and agency temporary staff.

In 2022, Pentex Pen & Stationery, Cello Writing Aids, Cello Writing Instruments & Containers are no longer in the reporting perimeter due to their closure.

3.5.3.3 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 2022, 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 and internal recycled plastic. 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 Djeej) as well as internal recycled plastic.

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 2022 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).

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.

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

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).



3.5.4 INDICATOR TABLE

Environmental indicators	Unit	2020	2021	2022
Management systems of factories				
Factories with environmental and health & safety management systems (or being implemented)	%	87.5	82.2	83.1
Energy consumption				
Annual energy consumption	Gigajoules	981,437	1,097,484	1,136,505
Writing the Future, Together #2 Share of renewable electricity	%	80	79	76
Annual energy consumption normalized to production	Gigajoules per ton	12.96	11.96	11.39
Greenhouse Gas (GHG) emissions				
Total amount of annual GHG emissions (location-based)	tCO ₂ eq	78,046	83,456	74,309
• Direct GHG emissions (Scope 1) (location-based)	tCO ₂ eq	7,659	8,226	8,375
• Indirect GHG emissions (Scope 2) (location-based)	tCO ₂ eq	70,387	75,231	65,932
Total amount of annual GHG emissions GES (market-based)	tCO ₂ eq	33,185	35,311	40,244
• Indirect GHG emissions (Scope 2) market-based	tCO ₂ eq	25,438	27,086	31,870
Total ratio of annual GHG emissions to production (Scope 1 & 2)	tCO ₂ eq/ton	1.03	0.91	0.74
GHG emissions related to raw material purchases (Scope 3)	tCO ₂ eq	232,000	292,000	282,000
GHG emissions related to intra-Company transport ^(a) (Scope 3)	tCO ₂ eq	18,000	49,000	42,000
Water consumption				
Annual water consumption	m ³	394,821	423,679	372,349
Ratio of annual water consumption to production	m ³ per ton	5.22	4.62	3.73
Waste production				
Annual waste production	Tons	17,453	19,487	20,713
• Non-hazardous waste	Tons	14,931	16,548	17,880
• Hazardous waste	Tons	2,522	2,939	2,833
Ratio of annual production of waste to production	Tons/tons	0.230	0.212	0.208
Recycled waste	%	64.5	65.4	65.6
Recovered waste (recycled or incinerated with energy recovery)	%	82	82.4	82.2
Transportation				
GHG emissions related to intra-Company transport ^(a)	tCO ₂ eq/ton	0.246	0.483	0.282
Intra-Company transport without air freight	%	99.16	97.18	98.16
Products				
Writing the Future, Together #1 Share of recycled or alternative materials in BIC® products	%	4.3	4.0	5.70
Number of products certified with the French <i>NF Environnement</i> ecolabel	Number	19	16	16
Number of products whose environmental and/or societal footprint improved.	Number	9	12	3
Packaging ^(b)				
BIC cardboard packaging from a certified and/or recycled source	%	97.3	97.4	97.7
BIC plastic packaging PVC free	%	94.4	95.6	96.2
Writing the Future, Together #1 Reusable, recyclable or compostable plastic in consumer packaging ^{(c) (e)}	%	42.5	59.6	70.0
Writing the Future, Together #1 Recycled content of plastic packaging ^(c)	%	48.9	52.1	54.7
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.

Figures excludes BIC Graphic, recent acquisitions and certain OEMs.

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

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

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

Social indicators	Unit	2020	2021	2022
Group workforce				
Total workforce ^(a)		13,752	14,115	15,898
• Permanent employees	Number of employees	11,246	10,464	10,580
• Fixed-term contracts	Number of employees	587	716	781
• Temporary workers	FTE	1,919	2,935	4,441
• Interns & Apprenticeships ^(b)	Number of employees	-	-	96
Voluntary turnover	%	14	16	12
Permanent workforce by region				
Percentage of permanent workforce by region				
• Europe	%	35.8	38.4	39.4
• North America	%	6.6	7	7.4
• Latin America	%	19.2	22	22.4
• Middle East & Africa	%	6.1	6.9	8.1
• India	%	31.3	24.9	21.7
• Asia-Pacific	%	0.99	0.88	1.0
Permanent workforce by activity				
Percentage of permanent workforce by activity				
• Group Commercial	%	18	18.44	18.94
• Graphic	%	2.5	2.2	2.56
• Group Supply Chain	%	66.3	64.2	62.33
• Lighters	%	8.4	8.89	9.20
• Group Insights & Innovation	%	1.7	1.82	1.82
• Group BIC Services	%	0.92	2.06	2.19
• BIC Group	%	0.01	0.08	0.01
• BIC Foundation	%	0.01	0.01	0.01
• Corporate Stakeholder Engagement	%	0.05	0.04	0.03
• Group Communications	%	0.12	0.14	0.15
• Group Finance	%	0.52	0.39	0.47
• Group HR	%	0.3	0.39	0.55
• Group IT	%	0.8	0.94	1.02
• Group Legal	%	0.3	0.34	0.31
• Strategy & Business Development	%	0.03	0.10	0.14
• Group Partnership & Business Development	%	-	-	0.26
Training, career management and engagement^(c)				
Percentage of employees that have received training	%	70	71	63
• Number of training days ^(b)	Days	24,202	12,085	16,238
• Number of training days per employee ^(b)	Days	3.1	1.6	1.5
Number of training hours per theme ^(b)	Hours	193,614	96,680	129,900
• Technical training	Hours	124,634	46,405	51,964
• Leadership skills	Hours	NA	NA	NA
• BIC culture	Hours	NA	NA	NA
• Health & Wellbeing	Hours	22,960	28,650	34,915
• Personal Effectiveness	Hours	33,508	6,498	2,939
• Management Skills	Hours	4,009	5,472	4,103
• Crisis Management	Hours	4,095	2,356	NA
• Business Skills for Tomorrow	Hours	4,408	7,298	4,087
• BIC eLearning and Global development programs	Hours	-	-	38,891
Number of Total Promotions (Superior Level)	Number	270	223	234



Social indicators	Unit	2020	2021	2022
Diversity^(c)				
Percentage of women in management and workforce	%	46	44	43
• Board of Directors	%	46	50	50
• Executive Committee	%	22	30	36
• Level 4 and above (Executives & ExCom)	%	26	29	32
• Level 3 (Senior Managers)	%	39	40	40
• Level 1 and 2 (Managers & Professionals)	%	39	40	41
• Non-managers	%	49	46	44
• Europe	%	38	38	39
• North America	%	44	47	46
• Latin America	%	49	51	51
• Middle East & Africa	%	38	37	37
• India	%	56	48	42
• Asia-Pacific	%	47	43	44
Safety				
Writing the Future, Together #3 Lost-time injuries ⁽¹⁾	Number	50	58	70
Sites without lost-time injuries	Number	62	40	50
Incidence rate of workers' accidents – BIC permanent and fixed-term employees (accidents with temporary or permanent incapacity)	Number/million hours worked	1.85	2.17	2.60
Incidence rate of workers' accidents – BIC workforce	Number/million hours worked	1.63	1.99	2.09
Severity rate of workers' accidents – BIC permanent and fixed-term employees (days of temporary incapacity)	Number/thousand hours worked	0.07	0.09	0.10
Absenteeism				
Absenteeism rate for permanent and fixed-term (excluding on-site accidents and maternity)	%	1.4	1.19	1.52

(a) A minor adjustment of + 3 has been noted on the FY2021 headcount data (-7 permanent and +10 Fixed Term Contracts).

(b) Prior to 2022, Interns and Apprentices were reported within Fixed term Contract data.

(c) BIC permanent employees.

(1) BIC Work Force.

Societal indicators	Unit	2020	2021	2022
Supplier relationships				
Writing the Future, Together #4 Percentage of strategic suppliers integrated in the responsible purchasing program	%	25.8	52.3	65.5
Respect for Human Rights in the workplace				
BIC permanent employees working in countries with no Human Rights risk ^(a)	%	85	58	57
BIC factories located in countries with no Human Rights risk ^(a)	%	84	65	60
Sponsorship				
Contribution to communities (percentage of the Group's pretax profit)	%	0.9	0.7	0.2
Improving lives through education				
Writing the Future, Together #5 Children with improved learning conditions (cumulative)	Million	118	158	187

(a) Source: Freedom House.



3.5.5 TAXONOMY ANNEX I, II AND III

PROPORTION OF REVENUE FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR FY2022

				Substantial contribution criteria	
Economic Activities	Code	Absolute Revenue	% of Revenue	Climate change mitigation	Climate change adaptation
		Euros	%	%	%
A. Taxonomy-Eligible activities (A1. + A2.)					
A1. Environmentally sustainable activities (Taxonomy-aligned)					
Total Revenue of environmentally sustainable activities (Taxonomy aligned)		0	0%		
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy aligned)					
Total Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy aligned) (A.2)		0	0%		
TOTAL A.1 + A.2		0	0%		
B. Taxonomy Non-eligible activities					
Revenue of non eligible taxonomy activities		2,233,941,000	100%		
TOTAL (A+B)		2,233,941,000	100%		

DNSH (do not significantly harm) criteria							Taxonomy aligned proportion of Revenue year N	Taxonomy aligned proportion of Revenue year N-1	Category (enabling activity)	Category (transitional activity)
Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	%	%		
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N				
							0%	N/A	N/A	N/A



PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR FY2022

				Substantial contribution criteria	
Economic Activities	Code	Absolute CAPEX Euros	% of CAPEX %	Climate change mitigation %	Climate change adaptation %
A. Taxonomy-Eligible activities (A1. + A2.)					
A1. Environmentally sustainable activities (Taxonomy-aligned)					
Collection and transport of non-hazardous waste in source segregated fractions	5.5	18,927	0.01%	100%	0%
Installation, maintenance and repair of energy efficiency equipment	7.3	111,403	0.08%	100%	0%
Installation, maintenance and repair of charging stations for electric vehicles	7.4	- 2,199	-0.002%	100%	0%
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	1,878	0.001%	100%	0%
Installation, maintenance and repair of renewable energy technologies	7.6	57,058	0.04%	100%	0%
Professional services related to energy performance of buildings	9.3	13,500	0.01%	100%	0%
Total CAPEX of environmentally sustainable activities (Taxonomy aligned)		200,568	0.15%	100%	
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy aligned)					
Manufacture of Other Low Carbon Technologies	3.6	31,047	0.02%		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	10,426	0.01%		
Acquisition and ownership of buildings	7.7	25,266,000	18.63%		
Close to market research, development and innovation	9.1	390,670	0.29%		
Total CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy aligned) (A.2)		25,698,143	18.95%		
TOTAL A.1 + A.2		25,898,711	19.10%		
B. Taxonomy Non-eligible activities					
CAPEX of non eligible taxonomy activities		109 713 733	80.90%		
TOTAL (A+B)		135 612 445	100.00%		

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PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE
COVERING YEAR FY2022

				Substantial contribution criteria	
Economic Activities	Code	Absolute OPEX	% of OPEX	Climate change mitigation	Climate change adaptation
		Euros	%	%	%
A. Taxonomy-Eligible activities (A1. + A2.)					
A1. Environmentally sustainable activities (Taxonomy-aligned)					
Total OPEX of environmentally sustainable activities (Taxonomy aligned)		0	0%		
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy aligned)					
Close to market research, development and innovation	9.1	314 250	0.064%		
Total OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy aligned) (A.2)		314 250	0.064%		
TOTAL A.1 + A.2		314 250	0.064%		
B. Taxonomy Non-eligible activities					
OPEX of non eligible taxonomy activities		487 097 645	99.936%		
TOTAL (A+B)		487 411 896	100%		



DNSH (do not significantly harm) criteria								Taxonomy aligned proportion of OPEX year N	Taxonomy aligned proportion of OPEX year N-1	Category (enabling activity)	Category (transitional activity)
Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards					
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N		%	%		
								0%	N/A	N/A	N/A



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

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be

read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended December 31, 2022

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 3-1886 rév. 0 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), 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, 2022 (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:

- Some KPI's definitions and scopes (annual energy consumption, direct GHG emissions (scope1)) would deserve to evolve in order to ease interpretation and comparability of Group's performances;
- Formalization of collection, consolidation and control processes of social and environmental KPIs needs to be strengthened.

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 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 our audit verification programme in application of 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 with the international standard ISAE 3000 (revised - Assurance engagements other than audits or reviews of historical financial information).

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 seven people between October 2022 and March 2023 and took a total of twenty-three weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement.

This work involved the use of information and communication technologies allowing the work and interviews to be carried out remotely, without hindering the good execution of the verification process.

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 this information, our work was carried out on the consolidating entity, while for other risks, our work was carried out on the consolidating entity.

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⁽¹⁾ Qualitative information: existence of specific sustainable development governance in the company, existence of policies and actions aiming at limiting pollution and water uses, existence of a proper organization for products risk management.



- 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.
- 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 and covered 23% of headcount and 36% of annual energy consumption.
- 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 29, 2023

One of the Statutory Auditors,

Deloitte & Associés

Jean-Pierre Agazzi
Partner

Julien Rivals
Partner, Sustainability Services

(1) Quantitative information:

Social indicators: total number of permanent and fixed term contracts employees, percentage of women in permanent workforce per job level (outside of Board of Directors), number of recruitments in permanent workforce, percentage of permanent employees that have received training, absenteeism rate for permanent workforce (%).

Safety indicators: incidence rate of workers' accidents in BIC workforce (permanent and fixed term employees), incidence rate of workers' accidents in BIC workforce (permanent and fixed term employees) + temporary workers, severity rate of workers' accidents (permanent and fixed term employees).

Environmental indicators: annual energy consumption normalized to production, share of renewable electricity (%), direct GHG emissions (scope 1) location based, indirect GHG emissions (scope 2) location based, direct and indirect GHG emissions (scope 1 & 2) market based, GHG emissions related to intra-company transport (scope 3), evaluation of indirect GHG emissions (scope 3), ratio of annual hazardous and non-hazardous waste production to production, percentage of recovered waste.

Other indicators: intra-company transport without air freight (%), portion of plastic packaging PVC free (%), portion of cardboard packaging from a certified and/or recycled source (%), portion of reusable, recyclable or compostable plastic in consumer packaging (%), portion of recycled content of plastic packaging (%), number of products whose environmental and/or societal footprint improved, portion of strategic suppliers integrated in the responsible purchasing program (%), number of children with improved learning conditions (cumulative).

- (2) Audited entities:** BIC Kenya, BIC Violex (Greece), BIC Industrial de Cuautitlan Saltillo (Mexico), BIC Iberia (Spain, BIC Graphic not included), BIC Amazonia (Brazil, Manaus site only), BIC Slovakia Co Packer.

