Being essential to create and share value over time
About this report


This 2019 edition focuses on how we are adapting to a changing trading environment to create long-term value for all our stakeholders. Inspired by the framework published by the International Integrated Reporting Council (IIRC), this report was prepared under the supervision of the Board of Directors, reflecting a comprehensive approach to all aspects of our performance—financial, economic, social, and environmental.

This report is written with all our stakeholders in mind, particularly our shareholders, customers, consumers, team members, and partners, including our suppliers and NGOs.
Who we are

Our value proposition
Day-to-day life essentials for consumers everywhere

High quality
When creating our first product, the BIC® Cristal® ballpoint pen, we decided to focus on the essentials: creating a simple, high-quality product, sold at the right price, to facilitate an everyday gesture and to be used by anyone, everywhere.

Inventive
The Group has evolved by responding effectively to consumers’ changing expectations. Our Research & Development teams work proactively to identify consumer needs and come up with ingenious solutions to optimize performance.

Sustainable
We have always been committed to creating long-lasting products with a light environmental footprint, manufactured with a minimum of resources. We use an eco-design approach, integrating alternative solutions such as the use of recycled materials or bioplastics in many products.

Reliable
The best way to create consumer loyalty is to offer the same high quality throughout the product’s life: more than 2km of writing from one BIC® Cristal® ballpoint pen, 3,000 ignitions from one BIC® Maxi Pocket Lighter and 17 shaves from a BIC® Flex 3 Shaver.

Worldwide leader in our 3 categories

Stationery
#2 writing instruments manufacturer
cc. 9% market share

Lighters
#1 branded lighter manufacturer
cc. 50% market share

Shavers
#2 one-piece shaver manufacturer
cc. 20% market share

BIC is a world leader in Stationery, Lighters, and Shavers.

For 75 years, we have honored the tradition of providing high-quality, affordable products to consumers everywhere. This consistent focus has helped make BIC® one of the world’s most recognized brands, with products sold in more than 160 countries.

9 recognized brands

BIC 2019 Integrated Report
BIC’s strong foundations enable us to respond directly to the challenges of our ever-changing trading environment and to convert them into future opportunities.

In line with the evolution of our environment, we are reinventing ourselves, continuing to increase our efficiency and productivity while minimizing our environmental footprint and contributing to a more sustainable society.

While our markets remained volatile and challenging in 2019, we grew or maintained market share in most geographies. Thanks to relentless efforts from our teams, we also progressed on our environmental and social performance.

Through a global approach to create long-term value for all stakeholders, we ensure a sustainable balance between fair distribution of generated profits and investments in BIC’s future.
Our journey began 75 years ago, comprised of many successes, innovations, satisfied consumers, and a relentless commitment to high-quality products. While I am proud of this legacy, today’s challenges require our organization to evolve and become more agile, efficient, and consumer-centric than ever.

Today, we need the same courage, ingenuity, and entrepreneurial spirit that helped create the foundation of our business. 2019 was a challenging year, and the Group navigated in a tough trading environment. 2020 will be even more difficult. While the Covid-19 epidemic continues to escalate, the health and safety of BIC’s team members, customers, suppliers, and consumers remain an absolute priority.

Around the globe, our teams are adapting commercial activities to maintain customer service and meet consumer demand for essential everyday products such as Shavers, Lighters, and Writing Instruments. Throughout the year, we will work closely with all our business partners to continue to leverage our integrated business model, off-line and on-line distribution, and strong balance sheet to mitigate the situation and minimize the long-term financial impact of the epidemic.

Despite current headwinds, I am convinced that our categories offer genuine potential and that our products will remain essentials to consumers’ everyday life, driving long-term profitable growth, and creating sustainable value for all our stakeholders, for another 75 years.
Building on a global reputation for high-quality products developed over 75 years, BIC is extending its leadership in its three business categories with an agile and forward-looking organization, renewing its commitments to delivering excellence through its resilient Business Model.
Human foundation
Empowering people through an open and inclusive culture
By making commitments to motivate team members, BIC has reaffirmed that it people build the company’s success. To nurture this common culture, enriched by its local differences, the Group is committed to empowering team members through an open and inclusive corporate culture.

Common values
Ethics, Responsibility, Teamwork, Simplicity, Ingenuity
Both in our activities and through those of our suppliers, the same driving principles define BIC’s framework for action and are formalized in our Code of Conduct, our Code of Ethics, and our Anti-Corruption Policy.

Industrial foundation
State-of-the-art manufacturing, International network
Through 26 self-owned and self-operated factories, BIC ensures that it remains continuously in control of its manufacturing costs. Shared across the Group, the tools, machines, and methods developed by BIC guarantee the high quality, reliability, and safety of its products.

Shareholder base
Family shareholding, long-term
As a listed family company since 1972, BIC has always relied on the stable shareholding of a family that today owns 45% of the Group’s share capital and 61% of voting rights. This shareholding structure provides strong support for BIC’s long-term vision.

Market leader

The strength of our Business Model relies on our three categories: Stationery, Lighters, and Shavers. Leveraging our expertise and precision-controlled production process, we offer our customers high-quality products at the right price. In each market, we have defined specific strategic ambitions to anticipate and respond to a challenging trading environment while strengthening our international leadership.

## Categories

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<td>Stationery</td>
<td>40% of 2019 Net Sales</td>
<td>• The leader in Europe, Latin America, Africa &amp; India • #2 manufacturer of writing instruments • 19.1 million BIC Stationery products sold every day</td>
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<td>39% of 2019 Net Sales</td>
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<td>24% of 2019 Net Sales</td>
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<td>• Launch new innovative products with stronger performance and quality, and always at a fair price • Expand geographically and grow market share further in developing countries • Recruit system users in mature markets • Fuel trade-up on Premium Disposable</td>
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Since the launch of the BIC Cristal® pen in 1950, we have continuously diversified BIC’s product range. The product portfolio now covers the following segments: pens, markers, correction products, coloring pens and pencils, and mechanical pencils. It encompasses over 15 sub-segments (ballpoint pens, roller pens, fountain pens, etc.).

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Since 1973, BIC has capitalized on the safety and high quality of its lighters. BIC® lighters comply with stringent safety, quality, and performance requirements.

### Stationery
- **40% of 2019 Net Sales**
- **The leader in Europe, Latin America, Africa & India**
- **#2 manufacturer of writing instruments**
- **19.1 million BIC Stationery products sold every day**
- **Consolidate leadership position in ballpoint pen**
- **Strengthen position in added value segments such as coloring, gel, and marking**
- **Grow e-commerce presence**
- **Expand geographically, notably in developing markets such as Africa, through selected acquisitions**

### Lighters
- **39% of 2019 Net Sales**
- **Global branded leader**
- **#1 branded manufacturer**
- **4.3 million BIC lighters sold every day**
- **Increase market share in Latin America and Europe, expand geographically in the Middle East and Africa**
- **Promote the quality and safety of BIC Lighters as a differentiating factor for consumers**
- **Increase further BIC’s Lighter personalization offering**

### Shavers
- **24% of 2019 Net Sales**
- **Leadership positions in the U.S., Europe & Latin America**
- **#2 one-piece manufacturer**
- **7.5 million BIC shavers sold every day**
- **Launch new innovative products with stronger performance and quality, and always at a fair price**
- **Expand geographically and grow market share further in developing countries**
- **Recruit system users in mature markets**
- **Fuel trade-up on Premium Disposable**

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We manufacture 92% of BIC® products in our factories, providing full control over production costs, efficiency, and environmental impact. Over the last ten years, we have significantly strengthened our production capabilities in fast-growing markets. We now rely on 26 state-of-the-art factories on four continents to be as close to our customers and consumers as possible.
A focused governance and organization

BIC’s governance is organized to guarantee the proper functioning of the Group and to respect its values.

Board of Directors

Missions:
• Determines the Group’s strategy
• Defines objectives and boundaries
• Provides direction and a set of expectations and guidelines to the CEO
• Monitors the company’s performance

Executive committee

Missions:
• Implements BIC’s strategy
• Defines the Group’s long-term ambitions

CEO

Audit Committee
Remuneration Committee
Nomination, Governance and CSR Committee

A Board of Directors working for the BIC® brand

BIC’s Board of Directors is committed to defining the Group’s strategy and is supported by three specialized committees: the Audit Committee; the Remuneration Committee; and the Nominations, Governance, and Corporate Social Responsibility (CSR) Committee.

Board key figures

Shareholding structure

As of December 31, 2019, the total number of issued shares of SOCIETE BIC was 45,532,240 shares, representing: 67,035,094 voting rights.

11 Directors
50% Independents*

50% Women*

3 Nationalities

7 Meetings in 2019

94% Rate of attendance

45% Bich family (voting rights: 67%)
1% Treasury shares
54% Public

*In accordance with the ARSF-NICE Code, Directors who represent the employees are not taken into account when assessing the ratio of Independent Directors. Furthermore, in accordance with the law, the Directors who represent the employees are not included when assessing the percentage of women on the Board. Data subject to the approval of the resolutions by the Annual General Meeting on May 20, 2020.

BIC 2019 Integrated Report
Main activities of the Board of Directors

Apart from the regular duties undertaken by the Board (e.g. closing of the accounts, review of the quarterly results, approval of the annual budget, approval of the Corporate Officers’ compensation, etc.), the Board also deliberated in 2019 on:

- The definition and progress of the strategic plan
- The transformation plan “BIC 2022 – Invent The Future”
- The Sustainable Development Program “Writing the Future, Together”
- The update of the Group’s Internal Rules and Procedures
- The Human Resources policy, especially in terms of non-discrimination and diversity (including gender balance program)
- The share buyback program (including an operation to cancel shares)
- The management of risks

Both the Non-Executive Directors and the Independent Directors met several times during 2019.

Three committees chaired by Independent Directors

Each committee is made up of Directors with skills specifically identified to carry out its missions.

1. Audit Committee
   - The Audit Committee reviews and monitors the relevance of financial information and the reliability of risk management, internal control and auditors’ appointment process.

2. Remuneration Committee
   - The Remuneration Committee makes recommendations on compensation policy for the Chairman of the Board and Executives and on all their compensation and/or benefits elements, on Director’s compensation and on performance metrics, in collaboration with the Audit Committee.

3. Nomination, Governance and CSR Committee
   - The Nomination, Governance and CSR Committee regularly examines issues concerning the composition and functioning of the Board of Directors, proposes solutions to the Board for the successor planning of the Chairman of the Board and Executives, and reviews the report on social, societal and environmental responsibility, the actions taken by the Group in this respect and the progress made against the strategy and commitments taken.

An Executive Committee to support the growth trajectory

BIC’s Executive Committee executes the strategy defined by the Board of Directors.

- Thomas Brette, Group Insights & Innovation Officer
  - Objective: reinvigorate our innovation processes, placing the consumer at the center of our business, collect data and generate insights to create innovative products and services aligned with our brand strategy and our Sustainable Development commitments.

- Peter Hallback, Group Supply Chain Officer
  - Objective: enhance efficiency throughout manufacturing operations, centralized procurement and “end to end” Supply Chain while maintaining product safety, quality, and affordability.

- Chester Twigg*, Group Commercial Officer
  - Objective: lead commercial operations and drive an omnichannel on-line and off-line go-to-market while integrating next generation capabilities.

- François Clément-Grandcourt, Group Lighters General Manager
  - Objective: continue to grow the Lighter category through its unique manufacturing processes and R&D, maintaining a strong focus on safety and quality.

- Jim DiPietro, Senior Vice President Chief Financial Officer
  - Objective: evolve a best-in-class Finance function by establishing reliable, transversal processes, and continue to ensure the accuracy of financial reporting and efficient planning to drive our global financial performance.

- Alison James, Chief Human Resources Officer
  - Objective: build organizational and people capabilities in support of the long-term strategy, through the implementation of effective talent acquisition, talent management and talent development processes and solutions.

- Sara LaPorta, Chief Strategy & Business Development Officer
  - Objective: develop a comprehensive corporate strategy, identify and analyze potential business growth opportunities.

- Charles Morgan, Chief Administrative Officer
  - Objective: lead the Group Information and Technology (IT) function.

A transparent compensation policy

In addition to the AFEP-MEDEF Code to which the Group refers, the compensation policy for Directors is centered around four principles identical to those applicable for all Group team members: internal equity; the recognition of individual and collective performance, linked to the achievement of key targets that contribute to business success; competitiveness; and clear communication about compensation policies.

Structure of the Corporate Officer’s compensation

Method of determining

Allocation of the variable and exceptional pay elements

Principles

• Internal equity
  • Pay for performance
  • Competitiveness
  • Communication

• International Benchmark
  • Analysis of the performance of individuals and of the company as a whole
  • Taking into account the Group’s policies and priorities
  • Analysis of the total reward (including pension)

• Requires a positive ex post vote from the Annual Shareholders’ meeting

Compensation policy – general principles

Compensation policy – specific principles

(Chairman, Chief Executive Officer, Executive Vice-Presidents)

Annual Fixed Compensation
(+ supplementary pension plan and benefits in kind)

• Determined by the Board of Directors
• Reflects the responsibilities of the Executive Corporate Officer, his/her experience & skills

Annual variable compensation
(short term)

• Calculated based on several collective Group criteria and some individual criteria including a CSR objective, all determined by the Remuneration Committee

Performance shares
(long term)

• Board decision based on Remuneration Committee recommendation
• Performance calculated based on two criteria

Variable compensation structure

Each of the financial criteria is assessed separately. For each the threshold for payment is 80% achievement.

- 30% Personal Objectives
- 25% Group Normalized Income from Operations
- 20% Working capital

100%
44%
56%
57%
43%

Pierre Vareille
Chairman of the Board of Directors

Gonzalve Bich
Chief Executive Officer

Jim DiPietro
Executive Vice-President
For 75 years, we have strived to reinforce BIC’s business model by constantly adapting and improving the way we access and use the resources that are necessary to our operations. Our objective is to continuously create financial and non-financial value for all of our stakeholders, while remaining focused on our consumers.
Turning our resources into assets...

Day-to-day essentials for consumers everywhere

- €774M of Net Sales (40%)
- €679M of Net Sales (36%)
- €463M of Net Sales (24%)

High quality
When creating our first product, the BIC® Cristal® ball pen, we decided to focus on the essentials: creating a high-quality tool, sold at the right price, to facilitate an everyday gesture that can be used by anyone, everywhere.

Reliable
The best way to create consumer loyalty is to offer the same high quality throughout the product’s life: more than 2 km of writing from one BIC® ball pen, 3,000 flames from one BIC® lighter, and 17 shaves from a BIC® Flex 3 shaver.

Inventive
BIC’s development has always followed changes in consumer expectations. Whenever we identify a specific need or desire, our Research & Development teams come up with ingenious solutions to optimize performance.

Sustainable
We’ve always been committed to creating long-lasting products with limited environmental footprint, manufactured with a minimum of resources and offering long-life performance. We use an eco-design approach, integrating alternative solutions such as the use of recycled materials or bioplastics in the manufacturing of several products.

State-of-the-art and responsible production
We rely on our state-of-the-art manufacturing process, while reducing the environmental impact of BIC factories and protecting team members’ health.

- 26 plants on 4 continents
- 92% Net Sales from products manufactured in BIC factories
- Long-term progress in all factories: reducing water & energy consumption and waste production

Sustainable procurement strategy
Through our responsible procurement strategy, we strive to minimize the environmental footprint of BIC® products.

- €989.7M purchases of raw materials, consumables and services
- 85% products manufactured in Europe and sold there

Culture of innovation
True to our culture of innovation, we maintain a relentless focus on developing new and innovative environmentally friendly products.

- >200 new patent submissions in 2019
- 1.8% Net Sales invested in R&D
- 100% new stationary products subject to eco-measurement

Solid financial foundation
Through sound cash management and a strong balance sheet, we ensure access to the capital needed in order to finance BIC® operations and growth.

- €1,608.1M shareholders’ equity
- €334.5M cash flow from operations
- €146.9M net cash position

...to enhance value creation for all our stakeholders

Committed and safe employees
To foster the commitment and loyalty of our teams, we strive to ensure that their everyday work tasks are fulfilling and safe.

- 84.3% employees commitment
- 1.87* incident rate of workplace accidents
- 0.9% absenteeism rate

A reduced environmental footprint
We have significantly reduced BIC’s environmental footprint by working throughout our production chain: from the product’s creation to the end of its life cycle, including a recycling strategy and controlled emissions from BIC factories and headquarters.

- -8.4%% water consumption
- +3.8%% energy consumption
- -3.7%% waste production
- -0.58%% greenhouse gas emissions (scopes 1 and 2)

Long-lasting products
We are accelerating innovation to tackle tomorrow’s challenges: meeting the needs of consumers while reducing the environmental impact of BIC® products. With society’s growing concerns over the environment, we are increasingly recognized for our high-quality and sustainable products.

- >2km writing for a BIC® ballpen
- 3,000 flames for a BIC® lighter
- 17 days of shaving with a BIC® Flex 3

Education as a priority
Motivated by our conviction that education is crucial to fight for free will, independence, development, and poverty, we are taking our engagement further with ambitious objectives set in 2018, to improve learning conditions for 250 million children around the world by 2025.

- 208 philanthropic projects supported
- 61M children with improved learning conditions since 2018
- 0.7% pre-tax profit invested in community activities

Long-term profitable growth
As a company, the creation of financial value is essential to BIC’s sustainability. Over the years, we remained committed on creating value for all our stakeholders, with a particular focus on sharing our success with shareholders.

- €1,949.4M Net Sales
- €176.1M Net Income
- €113.6M Capital Expenditure
- €155.2M Ordinary Dividend paid

*BIC workforce and temporary workers; per million hours worked **per ton of production, between 2018 and 2019.
BIC's strong foundations enable us to respond directly to the challenges of our ever-changing trading environment and to convert them into future opportunities.

A business environment changing at an accelerated pace

Turning risks into opportunities

Risk management
A business environment changing at an accelerated pace

Over the past 75 years, significant changes have occurred in our ecosystem. Understanding these evolutions is essential to ensure that we best meet our stakeholders’ expectations. Constant monitoring has enabled us to anticipate and respond to the challenges of emerging consumer-related trends.

### Trend

- Non-branded and digital-native brands
- Direct-to-consumer
- Click and collect
- Circular economy
- Increased price volatility
- Scarcity
- Market capacity constraints
- E-commerce development
- Retailers’ purchasing alliances
- Resilience of traditional stores
- Awareness
- Personalization
- Purpose

### Business model

- 2/3 of consumers expect direct brand connectivity
  (IAB, The rise of the 21st-century brand economy, 2018)
- 35% of cyber buyers are tempted by refurbished or recycled products
  (Blog du modérateur, December 2018)

### Resources

- Today, 80% of countries consume more biocapacity (e.g. cropland, fisheries, forests, etc.) than is available within their borders (FutureCentre.org, Circular economy)
- Global population demands by 2030: +35% food, +40% water, +50% energy (PwC, Climate Change; National Intelligence Council)

### Distribution channels

- Only 9.6% of Gen Z (born since 1997) reports buying items in a physical store
  (Big Commerce, Omni-Channel Retail Report, 2019)
- Both Millennials and Gen Z spend their shopping dollars on products found on social media (Instagram and Snapchat)
  (Big Commerce, Omni-Channel Retail Report, 2019)
- 84% of customers claim that being treated like a person, not a number, is very important to convincing them to buy
  (Salesforce Research, 2nd Edition State of the Connected Customer, 2019)

### Consumer behavior

- The choice of a brand is based increasingly on its ability to build a unique relationship with each of its customers while promoting a responsible approach to business

### Impact on our consumers

- Consumers are looking for appealing brands they can identify with, and that meet their everyday needs. With the emergence of new consumption patterns, their expectations of an improved quality-price ratio are increasingly high
- Resource scarcity puts ever-increasing pressure on prices and product availability
- Consumers combine different distribution channels to meet their shopping needs for easier and quicker access to products combined with proximity and convenience

### Key figures

- Today, 80% of countries consume more biocapacity (e.g. cropland, fisheries, forests, etc.) than is available within their borders (FutureCentre.org, Circular economy)
- Global population demands by 2030: +35% food, +40% water, +50% energy (PwC, Climate Change; National Intelligence Council)

### How we adapt

- We strive to be present where our consumers are and to meet their needs at all times. For this, we seek to penetrate new markets and to always adapt our communication and marketing strategies to local specificities.
- We pay constant attention to comply with existing and ongoing regulatory changes and continue our efforts to reduce our environmental impact throughout our value chain.
- We relentlessly aim at strengthening our omnichannel strategy, extending our presence both online and offline.
- We are continually adapting to new consumer needs by developing personalized products and building tailor-made relationships while remaining committed to sustainable development.

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BIC 2019 Integrated Report
By diversifying our activities and our geographical presence, we expose ourselves to risks that could affect our reputation and performance. For this reason, we are committed to an active and dynamic approach to risk management, anticipating, and managing risks while turning them into opportunities.

### Risks

- Team members health and safety
- Team members experience and skills
- Human Rights and fundamental freedoms
- Strategic and operational risks
- Industrial risks
- Product safety and consumer health and safety
- Environmental footprint
- Climate change
- Production of plastic waste and resource depletion
- Market risks

### Opportunities

- Ensure a working environment favorable to the development and fulfillment of team members while guaranteeing their commitment and loyalty
- Position the Group as a leading brand in terms of product quality, affordability, safety and responsibility through ongoing innovation processes
- Make our responsible approach to product design a differentiating factor in our markets and limit our impact on the planet
- Reinforce the Group’s ability to finance its development and invest in its future
- Respond to consumers’ evolving needs and penetrate new markets through close relationships with our suppliers and constant quality controls on our products

### BIC response

- Identification and support of future managers
- Continuous improvement of the workplace environment
- Special care is given to health and safety at work
- Support of team members’ career evolution through individual development plans
- BIC University programs

- Close monitoring of distributors’ sales and orders
- Implementation and monitoring of preventive measures and safety systems for gas and solvent storage areas
- Team members training to recognize potential hazards and take corrective actions
- Implementation of a Product Safety Policy

- Support new product launches through communication programs
- Investment of a significant portion of Net Sales in R&D
- Reinforcement of BIC’s commitment to Human Rights: BIC Speak-Up alert system open to third parties in 2019
- Anti-corruption training set up in selected locations

- Pursuit of BIC’s Sustainable Development Program “Writing the Future, Together” and Health, Safety and Environmental (HSE) policy
- Continuous reduction of direct and indirect CO2 emissions per ton of production
- Eco-design approach to limit the use of non-renewable raw materials
- Improve procurement process of packaging suppliers

- Maintain a solid cash position, enabling us to make targeted investments and selected strategic bolt-on acquisitions, and ensure sustained total shareholder return

*NFPS: Non-financial risk identified in our Non-Financial Performance Statement*
Risk management

### 1. Identification and analysis of risks

- **Bottom-up approach:** Self-assessment of significant risks
- **Top-down approach:** Group risks mapping updated every two years. Consolidation carried out by the Risk Management function which delivers a Group risk matrix

### 2. Risk management

- **Risk mapping**
- **Business units/subsidiaries**
- **Risk Management function**
- **Board of Directors**
- **Risk matrix**

### 3. Risk monitoring

- **Action plan**
- **Risk monitoring mapping update**

- **Board of Directors**
- **Executive Committee**
- **Management (treasury, legal, etc.)**
- **Business units/subsidiaries**

- **Action plans:** Related to key risks are reviewed and discussed during Board of Directors’ meetings. Major identified risks are managed and monitored by the Board of Directors.
- **Each site/department sets up its own dashboards and key indicators to identify and track risks, to assess the means and reduce their impact.
- **Scheduled update of risk mapping.**
In line with the evolution of our environment, we are reinventing ourselves, continuing to increase our efficiency and productivity while minimizing our environmental footprint and contributing to a more sustainable society.
In 2019, BIC introduced its Transformation Plan “BIC 2022 – Invent The Future.” Based on four strategic pillars—Effectiveness, Innovation, Consumer-centric Brands and Omnichannel Distribution—this Transformation Plan will enable us to consolidate our leadership in our three business categories and create long-term sustainable value over time.

**Effectiveness**
- Increase efficiency throughout BIC’s global manufacturing operations and build a more comprehensive, flexible, cost-effective, data-centric and responsible production model by exploring ways to optimize our procurement processes and our Supply Chain model, while maintaining product safety, quality, and affordability

**2019 achievement**
- Started to deliver savings through a set of efficiency programs, including the establishment of a new centralized procurement organization and the implementation of “end-to-end” planning and integrated Sales & Operating Planning processes across the Group

**2022 objective**
- Achieve 45 million euros annualized savings

**Innovation**
- Enhance BIC’s consumer insights capabilities and increase the pace of innovative new product launches to drive sustainable innovation with consumers at the center

**2019 achievements**
- Launch of:
  - BodyMark™ by BIC®, a temporary tattoo marker
  - BIC® Intensity Medium Writing Felt-Pen in the US
  - BIC® Soleil® Click 5 shaver
  - Made for YOU™: new direct-to-consumer on-line shaver brand in the US

**2022 objective**
- Increase the number of new patent submissions by 20% per year

**Relevant and consumer-centric brands**
- Connect and engage more effectively with all consumers to continue to leverage our unique brands, tailoring and strengthening our digital communications infrastructure and embracing new shopping trends such as personalization

**2019 achievement**
- Two centers of expertise created (Commercial Strategy & Analytics, E-Retail & Digital) to strengthen our day-to-day commercial performance and go-to-market strategies

**2022 objective**
- Engage directly with 20% of our consumers

**Omnichannel distribution**
- Sharpen our commercial operations to become a genuine omnichannel specialist, off-line and on-line, to drive value growth

**2019 achievements**
- E-commerce Net Sales grew 13% at Group level in 2019
- BIC.com Direct-to-Consumers website introduced in France

**2022 objective**
- Reach 10% of Net Sales in e-commerce
**Sustainable development: “Writing The Future, Together” ambition**

**1. Fostering sustainable innovation in BIC® products**

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

**Description**
Simple, inventive designs, with less raw materials and long-lasting performance: sustainable development is embedded into BIC® products starting from the design phase.

**2019 achievements**
- At the end of 2019, the process and criteria for evaluating and improving products have been defined and aligned for all BIC® product categories. Supported by dedicated software for all existing and upcoming BIC® products, this process made it possible to evaluate 90% of the product portfolio.
- 6% of the plastic used in stationery products is recycled plastic.
- At least 50% of BIC® products have environmental benefits.
- BIC signed a partnership agreement with LOOP, the e-commerce platform for the circular economy created by TerraCycle. LOOP offers a practical and accessible circular e-commerce solution for everyone, thanks to sustainable and refillable products and containers, and reduces packaging dependency.

**UN SDG**

**2. Acting against climate change**

**2025 COMMITMENT**
By 2025, BIC will use 80% renewable electricity.

**Description**
We deploy a global approach to energy consumption (energy efficiency, use of renewable energy, etc.) based on a Group roadmap and local choices.

**2019 achievements**
- 76% of electricity is from renewable sources.
- The Group continues its energy efficiency efforts. Over the past two years, energy consumption per ton of product decreased by 12.6%.
- BIC renewed its commitment to the climate by signing, alongside 98 other French companies, the French Business Climate Pledge. The signatory companies are fighting climate change around the globe by defining concrete approaches and developing solutions, particularly in the fields of energy, transportation, industry, construction, agriculture and consumer goods.

**UN SDG**

**3. Committing to a safe work environment**

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

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

**2019 achievements**
- At the end of 2019, the Health and Safety approach is integrated into the key departments resulting from the new organization.
- 167 managers have been trained in “Managing Safety”.
- More than 46,000 hours of health and safety training were delivered in 2019.
- Number of accidents leading to loss of work time – per million hours worked – 2019: 1.87.
- Number of calendar days lost due to an accident – per thousand hours worked – BIC workforce 2019: 0.06.
- The Group is a member of “Vision 0”, a program of the International Social Security Association. Every month, plant managers and their HSE manager participate in a conference call, measure progress and share their experiences.

**UN SDG**

**4. Proactively involving suppliers**

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

**Description**
Being a responsible company requires control of our entire value chain. Our purchasing team analyzes all risks, and selects and collaborates with our most strategic suppliers on implementing a responsible approach.

**2019 achievements**
- At the end of 2019, strategic suppliers, risks, and actions have been identified and the organization and tools have been implemented.
- 292 strategic suppliers identified.
- 95 risks identified.
- 43% of contract manufacturers audited in 2019.
- BIC set up a new organization with a single buyer in charge of each purchasing family. It also developed an evaluation guide and selection of strategic suppliers based on their CSR approaches and performance and built a training program for responsible purchasing as part of the overall training curriculum for buyers.

**UN SDG**

**5. Improving lives through education**

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

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

**2019 achievements**
- Learning conditions for about 61 million children have been improved since 2015. For the second consecutive year, BIC dedicated a week to education, “the BIC Global Education Week”, inviting each employee in the Group to give a day of their time to improve the learning conditions of the community around their site.
- 76 BIC sites participated in 50 countries.
- BIC inaugurated its first-ever BIC Cellö vocational training center in Karembeli, India. After 500 hours of training and an official exam, students were awarded a certificate. Two promotions happened during the year 2019 and all of them found jobs at BIC or elsewhere.
- The BIC Corporate Foundation has partnered with the French non-profit organization Article 1 since 2018 which supports the program JobReady, aimed at helping youth from underprivileged areas to identify and showcase their soft skills when looking for a job, providing them with differentiating strengths that will help them find employment.

**UN SDG**

In 2018, we took a new step forward in our historic commitment to sustainable development with the launch of an ambitious long-term plan, focusing on five key commitments. Two years into its implementation, the “Writing The Future, Together” program is on track to achieve the objectives set for 2025. This roadmap is central to our ambition for creating long-term sustainable value that benefits all stakeholders and to our contribution to the United Nations’ Sustainable Development Goals (SDGs).
While our markets remained volatile and challenging in 2019, we grew or maintained market share in most geographies. Thanks to relentless efforts from our teams, we also progressed on our environmental and social performance.
## Key financial indicators

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales (in million euros)</td>
<td>1,949.8</td>
<td>1,949.4</td>
</tr>
<tr>
<td>Normalized income from operations (in million euros)</td>
<td>352.4</td>
<td>331.8</td>
</tr>
<tr>
<td>Normalized income from operations margin (in %)</td>
<td>18.1%</td>
<td>17.0%</td>
</tr>
<tr>
<td>Net cash position (in million euros)</td>
<td>161.5</td>
<td>146.9</td>
</tr>
<tr>
<td>Net income group share (in million euros)</td>
<td>173.4</td>
<td>176.1</td>
</tr>
<tr>
<td>Earnings per share group share (in euros)</td>
<td>3.80</td>
<td>3.91</td>
</tr>
<tr>
<td>Normalized earnings per share group share (in euros)</td>
<td>5.87</td>
<td>5.47</td>
</tr>
</tbody>
</table>

## Key non-financial indicators

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption (gigajoules /tons)</td>
<td>12.14</td>
<td>12.59</td>
</tr>
<tr>
<td>Water consumption (m³/tons)</td>
<td>5.32</td>
<td>4.87</td>
</tr>
<tr>
<td>Greenhouse gas emissions normalized to production (tCO₂/ton)</td>
<td>1.014</td>
<td>1.070</td>
</tr>
<tr>
<td>Number of training days</td>
<td>19,511</td>
<td>16,629</td>
</tr>
</tbody>
</table>

**Notes:**
- **Normalized income from operations** is calculated as the difference between net sales and net expenses, divided by net sales.
- **Normalized income from operations margin** is the percentage of normalized income from operations relative to net sales.
- **Net cash position** is the difference between cash and cash equivalents, and marketable securities.
- **Net income group share** is the profit attributable to the group shareholders, divided by the number of shares.
- **Earnings per share group share** is the profit attributable to the group shareholders, divided by the number of shares.
- **Normalized earnings per share group share** is the profit attributable to the group shareholders, divided by the number of shares, adjusted for the impact of foreign currency fluctuations.
## 2019 key figures by category

<table>
<thead>
<tr>
<th>Category</th>
<th>Net sales</th>
<th>Normalized income from operations</th>
<th>Normalized income from operations margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stationery</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>771.9</td>
<td>62.8</td>
<td>8.1%</td>
</tr>
<tr>
<td>2019</td>
<td>774.4</td>
<td>47.8</td>
<td>6.2%</td>
</tr>
<tr>
<td><strong>Lighters</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>685.8</td>
<td>247.0</td>
<td>36.0%</td>
</tr>
<tr>
<td>2019</td>
<td>679.0</td>
<td>232.1</td>
<td>34.2%</td>
</tr>
<tr>
<td><strong>Shavers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>438.0</td>
<td>45.4</td>
<td>10.4%</td>
</tr>
<tr>
<td>2019</td>
<td>463.0</td>
<td>56.2</td>
<td>12.1%</td>
</tr>
</tbody>
</table>

## 2019 Net Sales by geography

- **North America**: 39% (2018: 36.0%, 2019: 34.2%)
- **Europe**: 29% (2018: 8.1%, 2019: 6.2%)
- **Developing markets**: 32% (2018: 10.4%, 2019: 12.1%)
Through a global approach to create long-term value for all stakeholders, we ensure a sustainable balance between fair distribution of generated profits and investments in BIC’s future.
Engaging with our stakeholders

A continuous dialogue with stakeholders enables us to better understand and respond to their expectations while simultaneously learning from them and integrating their perspectives in our actions. This constant interaction enables us to increase the value we create for the benefit of all our stakeholders.

<table>
<thead>
<tr>
<th>Distributions to Stakeholders*</th>
<th>Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governments</strong></td>
<td><strong>Capital expenditure</strong></td>
</tr>
<tr>
<td>€77.2M</td>
<td>€113.6M</td>
</tr>
<tr>
<td>Including €3.2 million euros paid around the world as corporate income tax and €44.0 million euros in other taxes</td>
<td></td>
</tr>
<tr>
<td><strong>Communities</strong></td>
<td></td>
</tr>
<tr>
<td>€2.0M</td>
<td></td>
</tr>
<tr>
<td>Donations of funds and products</td>
<td></td>
</tr>
<tr>
<td><strong>Shareholders</strong></td>
<td></td>
</tr>
<tr>
<td>€155.2M</td>
<td></td>
</tr>
<tr>
<td>Dividends and €39.2M share buyback</td>
<td></td>
</tr>
<tr>
<td>Dividend paid and share repurchased</td>
<td></td>
</tr>
<tr>
<td><strong>Banks</strong></td>
<td></td>
</tr>
<tr>
<td>€-0.9M</td>
<td></td>
</tr>
<tr>
<td>Net interest received</td>
<td></td>
</tr>
<tr>
<td><strong>Suppliers</strong></td>
<td></td>
</tr>
<tr>
<td>€989.7M</td>
<td></td>
</tr>
<tr>
<td>Purchases of raw materials, consumables and bought-in services</td>
<td></td>
</tr>
<tr>
<td>Share the benefits of growth</td>
<td></td>
</tr>
<tr>
<td><strong>2019 Net Sales:</strong></td>
<td>Invest to ensure a sustainable growth</td>
</tr>
<tr>
<td>€1,949.4M</td>
<td></td>
</tr>
<tr>
<td>*Distribution to Stakeholders does not take into account the change in working capital requirements.</td>
<td></td>
</tr>
<tr>
<td><strong>Employees</strong>*</td>
<td></td>
</tr>
<tr>
<td>€498.9M</td>
<td></td>
</tr>
<tr>
<td>*Payroll, bonuses &amp; profit-sharing payments</td>
<td></td>
</tr>
</tbody>
</table>
## Our stakeholders at a glance

<table>
<thead>
<tr>
<th>Who are our stakeholders</th>
<th>What do they provide us</th>
<th>How do we engage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumers</strong>&lt;br&gt;Our consumers are those who buy and use our products</td>
<td>• High-quality, inventive, reliable and sustainable products&lt;br&gt;• The feedback that drives us to continually improve BIC products</td>
<td>• Multiple channels including BIC website and social media (Facebook, Twitter, and LinkedIn)</td>
</tr>
<tr>
<td><strong>Customers</strong>&lt;br&gt;Our customers are companies, public administrations and office supply distributors, as well as major mass-market retailers</td>
<td>• Access to our consumers&lt;br&gt;• Promotion and enhancement of our products</td>
<td>• High-quality, inventive, reliable and sustainable products&lt;br&gt;• Reliable and efficient supply chain</td>
</tr>
<tr>
<td><strong>Team members</strong>&lt;br&gt;Our team members are at the heart of our value creation, allowing the Group to achieve its objectives</td>
<td>• Time&lt;br&gt;• Resources&lt;br&gt;• Skills and knowledge</td>
<td>• Fair salaries and benefits&lt;br&gt;• Training, development and career opportunities&lt;br&gt;• Open and collaborative working environment&lt;br&gt;• Health and well-being</td>
</tr>
<tr>
<td><strong>Public Authorities</strong>&lt;br&gt;Public Authorities establish the rules for the functioning of the markets in all the countries in which we operate</td>
<td>• Public services&lt;br&gt;• Infrastructure&lt;br&gt;• Access to labor and markets&lt;br&gt;• License to operate</td>
<td>• Payment of taxes&lt;br&gt;• Contribution to public debates and reflections on subjects related to the Group’s Economic Model</td>
</tr>
<tr>
<td><strong>Communities</strong>&lt;br&gt;Our communities are those who live in areas where we work, such as local residents, businesses, schools, and charities</td>
<td>• Opportunity to underline the Group’s civic commitment</td>
<td>• Philanthropic programs involving volunteering, product donations, and financial donations&lt;br&gt;• Fight against school drop-out through BIC Corporate Foundation</td>
</tr>
<tr>
<td><strong>Shareholders</strong>&lt;br&gt;Our shareholders invest in BIC to receive a return on investment and share the Group’s industrial adventure</td>
<td>• Capital through investments in shares</td>
<td>• A comprehensive, transparent and objective understanding of the business&lt;br&gt;• Regular and sustainable return on investment</td>
</tr>
<tr>
<td><strong>Banks and the financial community</strong>&lt;br&gt;Includes all the institutions through which we finance our operations</td>
<td>• Financing capabilities</td>
<td>• Interest payments</td>
</tr>
<tr>
<td><strong>Suppliers</strong>&lt;br&gt;Our suppliers are commercial partners with whom we have a mutual interest in collaborating to satisfy the customer</td>
<td>• High-quality materials and resources at best possible price&lt;br&gt;• Commitment to ethical business practices</td>
<td>• Expertise&lt;br&gt;• A reliable, professional relationship&lt;br&gt;• Partnership and knowledge sharing</td>
</tr>
</tbody>
</table>
Committed to our team members

Why it matters

For BIC, team members’ health and well-being is a matter of reducing the incidence of work-related diseases. We closely monitor these issues, and we are working to continuously reduce all forms of employment-related concerns.

Team members development

We consider team members’ development a crucial issue, to achieve business goals:
- definition of internal succession plans
- raising the level of team members’ skills and expertise
- maintaining an above-market-average level of engagement
- development of the internal and external employability

The Group’s worldwide “Quality of Life at Work” program, launched to define goals and a global strategy for improving quality of life in the workplace, continues to be developed at many sites.

Regardless of function, level of responsibility, and type and length of the contract, all BIC team members will be given opportunities to increase their external and internal employability. To achieve its commitment, BIC implements a strategy based on the 70/20/10 model, which boosts development by combining three dimensions:
- learning from new professional experiences (70%)
- learning from others (20%)
- learning from training (10%)

Approach

- Absenteeism rate - BIC group (excluding accidents at work and maternity leave) - permanent staff 2019: 0.9%
- Health and well-being: 5,607 training hours

Performance

- Internal development moves and promotion rate 2019: 25%
- Number of training days 2019: 16,629

Our objective is to represent the communities in which we operate and the consumers we wish to serve daily. This ambition involves:
- taking action to ensure that BIC teams reflect as accurately as possible the diversity of its customers and consumers around the world
- welcoming and empowering team members through a culture of inclusion rooted in responsible leadership and management practices
- encouraging the diversity and dynamism of our teams as drivers of innovation and an essential factor in our success

The new BIC Diversity & Inclusion Credo, which was signed by the CEO and the CHRO in May 2019, reinforces BIC’s commitment to Diversity and Inclusion by appreciating that the blending of different backgrounds, experiences, and perspectives will make our organization stronger and better prepared for the challenges ahead. It is shared by all of the Group’s entities worldwide and has been translated into the main languages spoken in the Group.

- Percentage of women in management: highest levels: 3 to 6%
- Number of workers with disabilities in the Group’s permanent workforce: 174

Promoting diversity and inclusion

The key to BIC’s success over the years can be attributed to its dedicated team members. Ensuring the development and fulfillment of our 12,777 team members in 160 countries is a major driver for achieving BIC’s transformation plan and for our individual and collective success.
Credits

- Design and production:
  - anstophane | le nouvelè

- Writing:
  - Capitalcom

- Photography:
  - Frank Juery | SOCIETE BIC