

BIC AMAZÔNIA S.A.
SOCIAL PERFORMANCE REPORT

JANUARY 2018

I - PRESENTATION

The unit **BIC Amazonia** is located in the city of Manaus, State of Amazonas, and produces pens, pencils, lighters, and shavers. The company has been present in the Manaus Industrial Center since the 70s.

BIC Amazonia has been certified under the ISO 9001 standard in 1997. In 2003, it obtained the certification of ISO 14001 and, in 2007, the certification in the OHSAS 18001 standard.

With great satisfaction, in November 2010, we achieved the certification in the SA 8000:2008 standard – the standard for Social Responsibility – which highlights our organization as a company focused on relations with its stakeholders: customers, suppliers, shareholders, government, unions, NGOs and, in particular, our target audience: employees.

By directing substantial resources to ensure implementation, certification and maintenance of the SA 8000 Standard, we aim to consolidate our image of a socially responsible and sustainable company.

Based on this purpose, our business is founded on ethical principles that include human relations at work and constant improvement.

The International Standard SA 8000, the most prestigious standard for Corporate Social Responsibility, addresses Human Rights at Work and was launched in October 1997 by Social Accountability International (SAI) – the Council for Economic Priorities of the UN, and is the first and most prestigious global certification standard for social aspects.

II – COMMITMENT

Our commitment is clearly defined in our Social Policies:

SOCIAL RESPONSIBILITY POLICY

BIC AMAZÔNIA SEEKS, THROUGH THIS POLICY, TO BE A SOCIALLY RESPONSIBLE COMPANY, BASED ON THE FOLLOWING PRINCIPLES:

- To support and develop actions for the benefit of its employees and society in general, thus contributing to the sustainable development of the company;
- To provide a physical and psychological environment of safe and healthy work, which contributes to the personal and professional growth of its employees;
- To meet the requirements of the International Standard SA 8000 and the Code of Conduct of the BIC Group while respecting the principles of relevant international instruments on human rights and the requirements of the national legislation;
- To improve the relationship with its suppliers while encouraging them to a commitment to carry out the social responsibility practices of this policy alongside their employees and society in general;
- To seek continuous improvement of its Social Responsibility Management System.

WORKING CHILDREN REMEDIATION POLICY

- BIC does not engage in or support the use of child labor, as defined below.
- In the event that child* labor is verified at BIC Amazônia, the following procedure shall be adopted:
 - Immediately removing the child from labor;
 - Provide the financial and other support needed to ensure that the child is enrolled in school;

The scope of the corrective actions shall be grounded in the criteria for effective remediation required for the child and may extend beyond the actions stated herein.

* A child is any person under 15 years of age.

III – MONITORING RESULTS

This report seeks to demonstrate with transparency, to interested parties, the performance of the Social Responsibility Management System.

This system is integrated with our values and standards, to promote productive activities with quality (ISO 9001), in harmony and preservation with the environment

(ISO 14001), promoting health, safety and well-being of our employees (OHSAS 18001 and SA8000).

In December 2017, there was an internal audit of the social responsibility management system, where a team of consultants could evaluate, in a preventive way, the system performance. Improvement points were pointed out in the control of induction process for employees and third parties.

In July 2017 we received an external audit from the institute for evaluation of the social responsibility management system.

The audit team conducted a process-based audit focused on significant aspects / risks / objectives required by the regulation. The audit methods were interviews, observation of activities and review of documentation and records.

The audit team concludes that the organization has established and maintained its management system according to requirements of the regulation and demonstrated the system's ability to systematically achieve the agreed requirements for products or services within the scope and policy and objectives of the organization.

Number of identified nonconformities: 0; Critical: 0; Highest: 0; Minor: 0.

Therefore, the audit team recommended that based on the results of this audit and in the demonstrated state of development and maturity of the system, the management system certification is: Granted.

The excellent result was obtained through the serious team work of all employees, and our special recognition to the managers who have demonstrated extraordinary commitment and alignment with the company's guidelines.

During the interviews with the employees it is remarkable the improvement presented in the interpersonal and professional relationships of the company.

During the interviews, both the employees and third parties working on the site showed, once again, the improvement in the professional relationships between managers and employees.

IV – CRITICAL ANALYSIS

It was held in December 2017, BIC monitors the performance and adequacy of its Social Responsibility System through internal audit, open channel of employee complaints, stakeholder manifestations, internal changes in processes, external changes that may affect the system. The Social Performance Team get together and evaluates the adequacy and strengthening of the regulation.

Bic has a monitoring system for its outsourced suppliers and a signed commitment from its national suppliers to meet the requirements of the SA8000 regulation.

In our System we do "Risk Assessment" where we survey risks and impacts into the system.

V – SUPPLIERS AND SERVICE PROVIDERS

Solid actions are being developed to influence our suppliers and service providers to the same social practices already engaged by us.

Currently, we have more than 95% of the suppliers and third-parties that are signatories of our Code of Conduct, which meets all the requirements of SA 8000, this fact is highly qualified for us.

VI – CODE OF CONDUCT AND ETHICS

Aligned with the group, BIC Amazônia launched our own Code of Conduct in February 2010, which aims to establish ethical principles in our relations with suppliers and partners, as well as its Code of Ethics, which aims a series of principles to be followed in their internal environment.

In 2017, BIC Group reinforced the commitment by training all employees.

Our aim with Code of Ethics is to formalize the fundamental ethical principles of BIC, to serve as a reference for all employees in order to ensure compliance and promote a work environment where each one does the right thing every day.

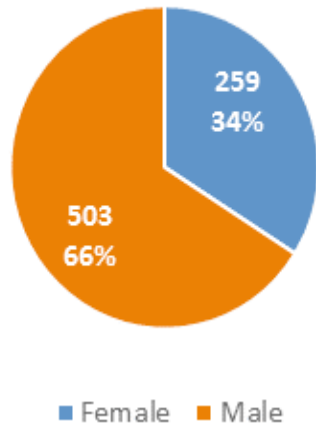
Our principles are benchmarks in our daily conduct and the reflection of what we are for all stakeholders, for which the company provides an open dialogue of our Social Responsibility Management System, based on the SA 8000 standard.

VII – SOCIAL INDICATORS

Currently our team is composed of 762 employees, 180 fixed third parties, 20 trainees, 29 apprentices. This team represents our diversity, which is welcome and considered as a factor of values aggregation.

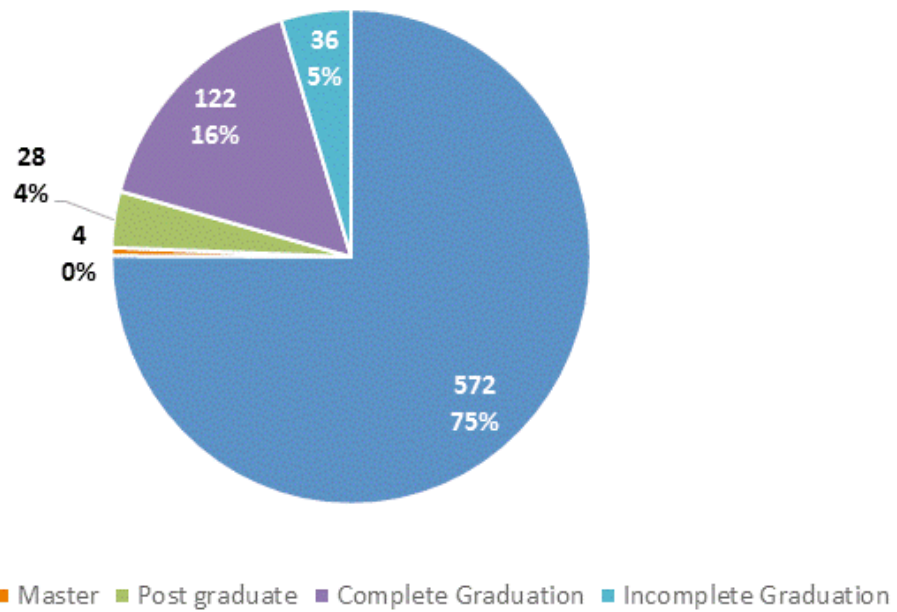
EMPLOYEE DISTRIBUTION BY GENDER

Employee Distribution by Gender

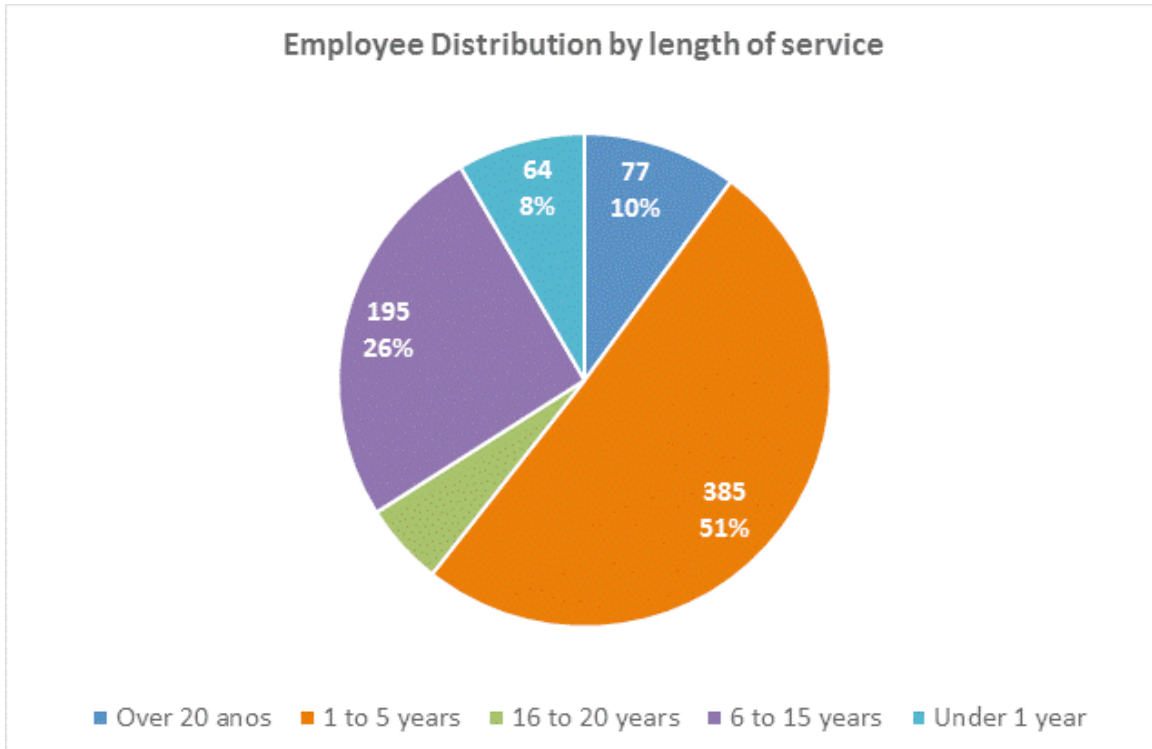


EMPLOYEE DISTRIBUTION BY SCHOOLING

Employee Distribution by schooling



EMPLOYEE DISTRIBUTION BY LENGTH OF SERVICE



a) Actions for society:

- Foundation House of the Elderly *São Vicente de Paulo*.
- Amazonas Sustainable Foundation - FUMCAD Incentive Law for Novo Aripuanã city.

b) Actions for employees:

- School of Manufacturing, investment in technical training for employees, where it has more than 30 courses available charge free, and in 2017, 11 employees promoted internally, through a recruitment process, based on knowledge and participation from School.
- In June, the SYSTEM MANAGEMENT WEEK was held with the objective of strengthening safety, security, health, SA8000 - Social Responsibility. We had lots of activities for a whole week and also trainings to help employees in our rules of safety, social responsibility, environment and quality product management.
- BIC Healthy Management: To promote the health care culture of BIC employees, reinforcing the importance of self-care. Map the health of managers.
- Raise sensitize and awareness among BIC Amazônia's employees about the importance of blood pressure control, body mass control (weight / height) and glycemic control, resulting in a better quality of life.

- Viva Você Project: Celebration of commemorative dates such as Father's Day and Mother's Day, Easter, Labor Day, New Year's Eve Party, Christmas Gifts.
- Delivery of Baby Kits to Pregnant Women.
- Project Valeu BIC: recognition to employees who completed graduation.
- Jubileu : Commemoration for time of service.
- Investments in Benefits: Medical and Dental Assistance, Transportation, Balanced Food, Life Insurance.
- Company Profit Sharing Program.
- Association of BIC Employees (Grêmio).
- Back to School Project, donation of BIC product kits for employees' children.
- In 2017 we conducted several Health Campaigns, among them: Vaccination for Influenza, reaching not only our direct employees, but the fixed third parties; Dental Assistance Program with attendance of the Mobile Unit of Uniodontô within BIC, Pink October and Blue November with orientation on the importance of conducting preventive exams.

We are available for more information by e-mail sa8000@bicworld.com