

BIC AMAZÔNIA S.A.
SOCIAL PERFORMANCE REPORT

JANUARY 2017

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

In the event that child* labor is verified at BIC Amazônia, the following procedure shall be adopted:

- Immediately removing the child from labor;
- Setting remedial actions to ensure that the income that the family received from the child is preserved, either by hiring one of the family members or by granting of the corresponding value;
 - Ensuring 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 14 years of age.

YOUNG WORKER EDUCATION PROMOTION POLICY

BIC Amazonia undertakes, when there are young workers in its staff, to:

- Direct them only for work appropriate to their age;
- Ensure that they are not employed during their school hours and are not exposed to night work;
- Ensure that they are duly attending the school and that the total hours worked and spent on transportation and school does not exceed ten hours daily;

- Ensure that these same young workers, while serving the company, are not exposed, inside or outside the premises of BIC Amazônia, to hazardous, unsafe or unhealthy situations.
- As young apprentices and/or trainees, they shall be monitored by the school in charge or another accredited agency so that work does not interfere with their studies.

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 2016, there was an internal audit of the social responsibility management system, where a team of consultants can evaluate, in a preventive way, the performance of the system. As a result some notes about the system regarding to third party were discussed.

In July 2016 we received a Recertification audit from the agency responsible for evaluating the social responsibility management system. No non-compliance pointed to and upgraded to SA8000: 2014.

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.

IV – CRITICAL ANALYSIS

The last critical analysis of the SA8000 Responsibility System took place in December 2016, after the internal audit, with the presence of Directors, Managers, Senior Management Representative, Technicians and Health and Safety Engineer, Employee Representatives and other guests. This critical analysis included:

- Verify compliance with the actions proposed in the previous critical analysis.
- Report and discuss the results of internal audit of the Social Responsibility System.
- Critically analyze the adequacy, relevance and continuous effectiveness of the Social Responsibility Policy.
- Treatment of non-conformities and observations of SGS (external audit).
- Changes that may affect the Social Responsibility System.
- Performance of the Social Responsibility System.
- Risk analysis.
- Continuous Improvements.
- Establish objectives for the Social Responsibility Policy and for the Social Responsibility Management System (SGRS).

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 over 97% of suppliers and service providers who are signatories to our Code of Conduct, which includes all the requirements of SA8000 – a fact that is highly rewarding for us.

VI – CODE OF CONDUCT AND ETHICS

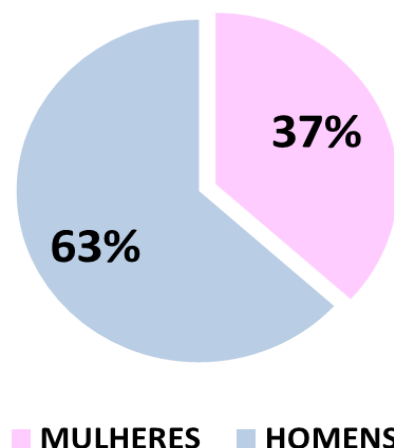
Aligned with the Group, BIC Amazonia launched in February 2010 its own Code of Conduct, which aims to establish ethical principles in its relationships with suppliers and partners, as well as its Code of Ethics, which provides a set of principles to be followed in its internal environment.

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

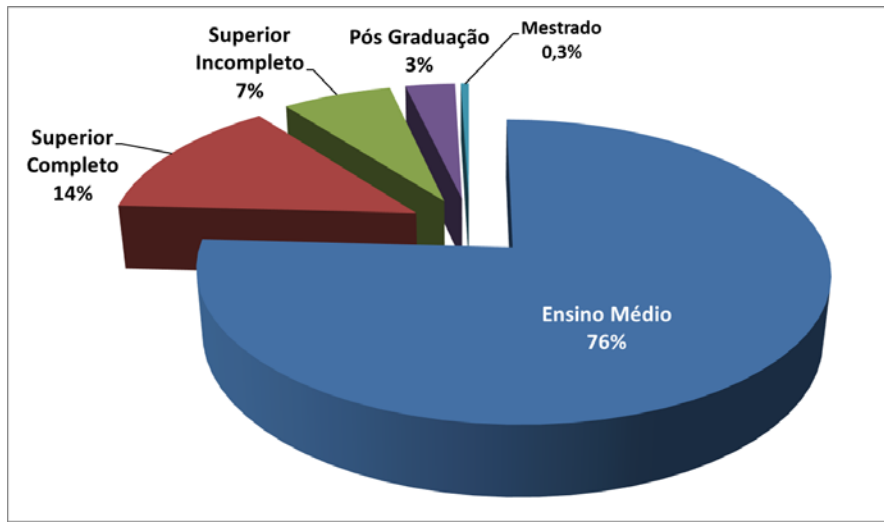
VII – SOCIAL INDICATORS

Currently our team consists of 808 employees, 165 fixed third parties, 20 trainees, 31 apprentices. This team represents our diversity, which is welcome and considered as a factor of value aggregation.

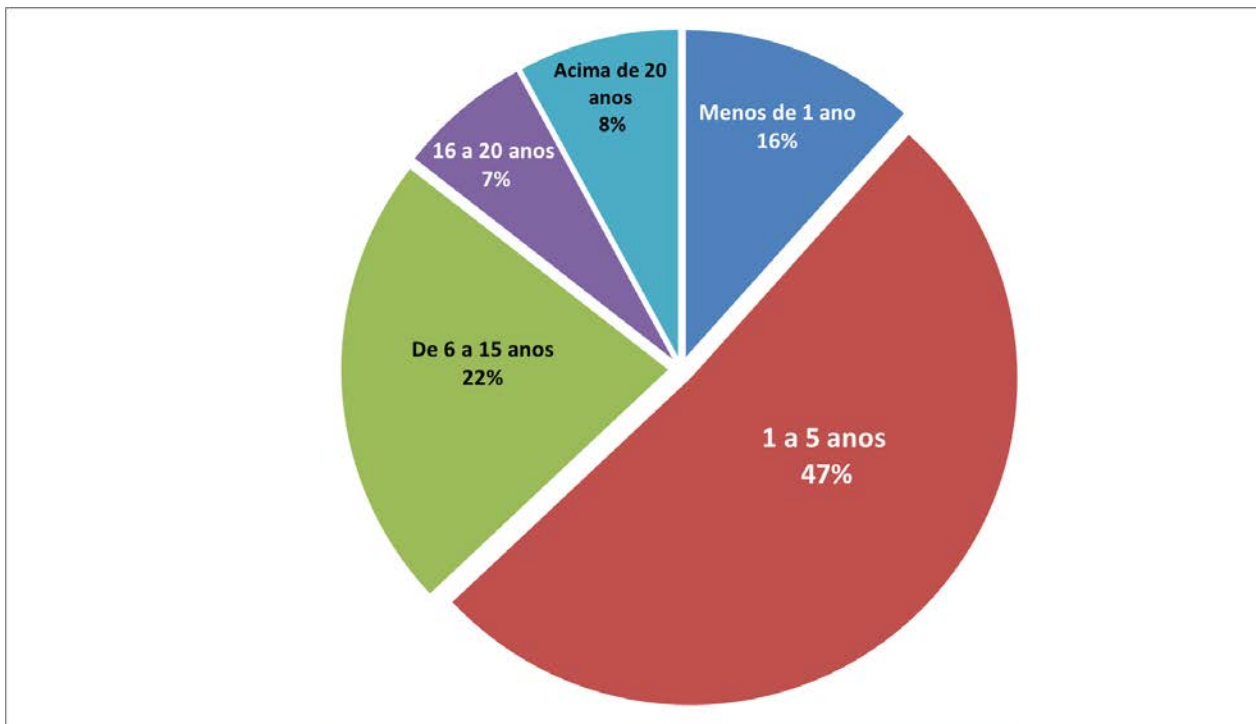
EMPLOYEE DISTRIBUTION BY GENDER



EMPLOYEE DISTRIBUTION BY SCHOOLING



EMPLOYEE DISTRIBUTION BY LENGTH OF SERVICE



a) Actions for society:

Shares for the company:

- MANAUS SOS CHILDREN'S VILLAGES - CASA LARES PROJECT. Project Awa'Pê Aracê - Born in Water. Donation of R \$30.000,00 reais to support the Project.

Entity	Date of donation	Items donated	Event
Coordenadoria da Infância e Juventude do TJ-AM	October 3 rd	200 pens, 200 pencils, 50 boxes of color pencils and 50 boxes of crayons.	Project "Criança Feliz Faz Um Mundo Melhor"
Igreja de Deus Pentecostal do Brasil	June 3 rd	50 color pencils, 25 crayons, 100 pens and 100 pencils.	Social event with children from neighborhood
Guilherme Barbosa Barker Highschool	August 15 th	10 school kits	School event
Centro de Convivência da Família Maria de Miranda Leão	August 12 th	10 BIC Kits	Workshop juvenil "Encontre sua Batida"
Belo Horizonte e Aleixo kindergarten – JIBHA	August 12 th	200 pens, 200 pencils, 50 color pencils, 100 rubbers.	Non profit donation to kindergarten.
Coordenadoria Distrital de Educação 03 – SEDUC	August 12 th	50 pens, 50 pencils, 20 glue stick, 50 rubber, 20 scissors, 50 markers and 50 correction fluid.	I Olympics of Portuguese "Escrevendo o Futuro"
Faculdade Salesiana Dom Bosco	May 13 th	50 color pencils 50 crayons 50 atomic brushes 400 pens and 400 pencils	Social event for a indian community Marauíá and Maturacá
Baptist Church Amar	October 21 st	01 Cartridge of Cristal pen + 50 blades	I Mutirão Social na Comunidade Novo Milênio
New Baptist Church	April 20 th	50 pens 50 Evolution pencils 25 boxes of crayons 50 atomic brushes 50 color pencil box	Donation for church activities
Police department for Protection of Children and Teenagers.	October 10 th	200 pens, 200 pencils, 150 color pencils, 50 atomic brushes	Children day at community Viver Melhor

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 2016, 50 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 Saudável: To promote the health care culture of BIC employees, reinforcing the importance of self-care. Map employee health. More than 100 employees participated in the Project.
- Raise sensitized 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.
- Investments in Benefits: Foreign Medical Assistance, Freight 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.
- The BIC Group around the world held in June this year the Values survey, which takes place every two years. At BIC Amazonia we obtained the participation of 94% of employees. This research aims to provide employees with the opportunity to comment, identify and measure engagement factors, compare with the market and use employee feedback to launch initiatives that allow the improvement of work environment and organizational efficiency.
- In 2016 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 Uniodonto within BIC, Pink October with orientation for the collaborators on the importance of conducting preventive exams, Blue November with orientation to employees about importance of prostate examination.