Right from the beginning, BIC® products have always been designed and manufactured with “just what’s necessary” in mind.

Since then, the same principles of being high quality, light and long-lasting have continued to guide our Group “Forever BIC®.”
Our approach
2.7; 2.10; 4.9; 4.13; 4.14; 4.16

Message from the Chairman and from the CEO
1.1; 2.7; 2.8

Our products
EN26; PR1

Our production facilities
4.8; EN7; EN8; EN16; EN18; EN22
Our social responsibility

- Our employees
  4.8; EC5; LA10; LA11

- Our communities
  EC1

Milestones

- Dialoging with stakeholders
  4.16

- Governance and distribution of revenues
  4.1; 4.2; 4.6; 4.14; EC1

- SRI rating and auditors’ report
  3.13

- Barometer

- Perimeter and indicators
  2.9; 3.1 - 3.4; 3.6; 3.7; 3.11
For 60 years, the same vision

Starting with its first ballpoint pen, BIC has chosen to focus on what’s essential. Create simple, quality products that make everyday life easier, and that everyone can use and afford. Today, BIC® writing instruments, lighters and shavers are still testament to that same vision.

Quality products at affordable prices

Each day, BIC sells 40 million products. Each of those is a concentrate of technology and ingenuity, which consistently meets the same requirements for quality and safety.

Light and long-lasting products

Since 2004, we have learned from the environmental studies that we have conducted: the more lightweight a product is and the longer it lasts, the better is its environmental performance. That is why BIC takes a minimalist approach to material use in its products and packaging.
An award-winning approach

In 2009, a number of awards acknowledged BIC’s commitment to sustainable development:

> 2009 Sustainable Development Prize awarded in France by our customer Staples.
> 3rd prize for Social Responsibility, awarded by the trade journal, AGEFI.
> 2nd prize for Transparency on the Part of an SBF 120 Company, awarded by Sciences Po’ Master of Finance and Strategy.
> The 2009 Étoile du Design award, given to the dingy, O’pen BIC.
> The Connecticut Green Business Award, given to BIC CORPORATION (USA) for renovations at its headquarters.

BIC is included in major sustainable development indices

> French Leadership Index of the Carbon Disclosure Project (CDP),
> FTSE4Good Europe Index,
> ASPI Eurozone® Index,
> Ethibel Excellence Index® Europe.

The BIC barometer in 10 indicators

The “BIC barometer” is a monitoring and management tool for BIC executives who review the Group’s action plans each quarter. The barometer also serves as a guideline for the day-to-day projects of different BIC teams.

The BIC 2009 barometer advanced three points thanks in particular to management system initiatives, reductions in packaging and activities supporting local communities.

Global barometer

This indicator is an average of 10 other indicators. During the year, it reflects overall progress in terms of sustainable development. In 2009, the barometer advanced three points, thanks in particular to management system initiatives, reductions in packaging and activities supporting local communities.
Message from Bruno Bich, Chairman of the Board, and Mario Guevara, CEO

What is your vision of BIC’s commitment to sustainable development?

Bruno Bich: Our commitment to sustainable development is a responsibility that must be shared by all of us at BIC. Our responsibility is to contribute to the emergence of a business model, more respectful of the environment and the world in which we work.

Our commitment at BIC is to improve our environmental and social performance, specifically in the areas of product development, manufacturing and transportation; while also satisfying consumers who demand affordable product choices; and the need to keep our Company financially strong.

Mario Guevara: Sustainable development is part of our strategy and is fully integrated, with a cross-functional approach, into the hearts of each Company division and department team. Our sustainable development “barometer” provides a pragmatic way to monitor the Company’s commitment and also allows for fluid communications between all of our teams. The barometer gives us direction, a 3-year outlook and precisely reflects our progress.

How did you meet the challenges of 2009?

Mario Guevara: We met the challenges of the year thanks to the hard work of our teams and by applying the historic vision of our Company. Each day and everywhere around the world, we offered our customers and consumers products that combined excellent quality with affordable prices.

We also saw a trend toward deeper understanding of sustainable development among our customers, in particular among office suppliers. More than ever, they wanted products with an excellent quality/price-point ratio and that are positioned as “responsible” with more obvious environmental benefits, such as being made out of ecological materials. This trend was also apparent among...
large corporations and government administrations who instituted “green” procurement policies, especially in Europe. Furthermore, we noted that consumers would likely resist paying a premium for “green” products, expecting that products have environmental benefits without price increases. This is why we offer our customers and consumers not only our classic products, which are made with a minimum of plastic and last a long time, but also innovative products. These include BIC® Ecolutions™, our range of stationery products made of recycled materials and the BIC® Easy shaver, which is ecodesigned and sold with six refills to provide 60 days of shaving.

One final remark: our efficient use of raw materials and energy is a key element in the Company’s performance. We are always looking for pragmatic new ways to make progress.

What were some notable 2009 achievements in sustainable development?

Bruno Bich: BIC was already a part of three major sustainable development indexes (FTSE4Good Europe, ASPI Eurozone and the Ethibel Index Europe). In 2009, BIC was also included in the French Leadership Index of the Carbon Disclosure Project, which already has a number of major French companies. Our inclusion in these indexes is a reward for the work that our teams have accomplished in their quest for innovative, ingenious solutions to continuously measure, monitor and reduce BIC’s environmental and social footprint.

Mario Guevara: We made significant headway in several areas. First, the BIC® Ecolutions™ range expanded and nine writing and coloring products were awarded the French ecolabel, NF Environnement. Next, our key performance indicators, which measure BIC’s consumption of water and energy, as well as its CO₂ emissions and factory waste, continued to improve. This is a trend that has continued for five years, the result of our Environment, Health and Safety policy, in our factories. In addition, we are vigilant about placing the BIC values at the center of communications amongst all of our colleagues, who again last year gave us feedback on adherence to the values and who continue to be stakeholders in the daily life of the Company.
Meeting *stakeholder needs*

**Customers expect eco-responsible practices**

The demand for “green” products is a growing trend in the marketplace. BIC once again emphasizes that its core products are in conformity with the principle of minimum environmental impact. Nevertheless, BIC also strives to enhance its position through the development of product ranges, based on alternative materials. Distributors of office supplies, government agencies and companies with sustainable development policies are more and more demanding, and savvy as well. In fact, they all want products whose environmental performance is acknowledged and proven.

**Listening to consumers**

In order to meet the needs of consumers the world over, BIC constantly innovates and improves its products. That means extending product ranges, with product improvements to provide more comfort and usability, while remaining affordable.

BIC also takes into account growing consumer awareness of sustainable development issues, for instance, by putting icons on product packaging to indicate environmental benefits – just one more example of progress in favor of the environment and consumers.

**Working together for sustainable development**

In 2009, BIC’s commitment to sustainable development resulted in numerous presentations and meetings with the Company’s stakeholders. Examples:

- For shareholders, the Annual Shareholders’ Meeting on May 14, 2009
- For socially responsible investors, a specific forum
- For major customers, in particular, office-supply distributors and buyers for large, French corporations
- For technical and institutional experts

**Certified products: acknowledged by experts**

In France, BIC is the first producer of writing instruments to receive the ecolabel, NF Environnement (NF 400), today attributed to nine writing and coloring products, which are acknowledged for their environmental performance. Certification is granted by AFNOR, an independent standards body, on the basis of a very demanding list of specifications.

Ecolabels help guide consumers to shop responsibly.

![Certified products image]
EXAMPLE 1

Mass retail: Walmart and its “green index”

Walmart, the world market leader in mass retail distribution, has introduced an environmental index that aims to rate all of its suppliers.

WHAT BIC’S ACCOUNT MANAGER FOR WALMART HAS TO SAY

“Each year, major retailer Walmart has set the bar higher and made larger commitments to environmental sustainability. In 2009, Walmart created a ‘Supplier Sustainability Assessment’ for USA suppliers that provides an overall rank for a supplier against their peers with respect to four areas of sustainability: energy and climate, material efficiency, natural resources, people and community. BIC completed this survey and, thanks to BIC’s long-standing commitment to sustainability, we performed very well, achieving an overall ‘on target’ rating.”

Michael Sevart, Walmart Team Leader for Lighters/Shavers at BIC USA, Inc.

EXAMPLE 2

Office suppliers

These customers, through increasingly exacting questionnaires, evaluate sustainable development policies, express requirements for independent ecolabels and for “green” products (level of recyclability and country of origin among other information), and expect social audits of subcontractors.

In Europe, BIC is a step ahead thanks to the appointment of a sustainable development director, who is very involved and responsible for customer relations concerning this issue. In customer meetings, BIC’s sustainable development director for Europe presents the BIC approach, relates customer expectations to management, and trains the sales force, as well as provides support to subsidiaries for the implementation of local initiatives and specific operations.
OUR APPROACH

A pragmatic cross-organizational approach: the BIC structure

Our structure breathes life into projects

Managing sustainable development is based on a continuous improvement approach, deployed across the entire BIC Group, and this approach benefits from a dedicated structure. This structure includes a Sustainable Development team of 25 members of different nationalities, representing major group functions; the team meets twice a year and is chaired by the group’s CEO. Its role is to propose strategies and corresponding actions plan to the BIC Group executive committee. It then reports on the implementation of programs. The team also has the mission of mobilizing internal resources in pursuit of priorities. The sustainable development director coordinates those missions and reports to one of the Group’s two Executive Vice Presidents.

Since it began in 2004, BIC’s cross-organizational approach has worked its way deeper and deeper into the hearts of each department. Marketing teams, for example, consider the environmental stakes right from the design stage for each new product. Everywhere that BIC works, the approach is becoming more integrated into our operations. For instance in Europe, an executive position to manage sustainable development was created.

The approach that customers want

Whether a quest for more environmentally-friendly products, an assessment of BIC’s sustainable development program, or commitment to reduce carbon emissions, customer expectations are becoming broader. BIC works to meet these expectations as completely and precisely as possible. In 2009, sustainable development issues were systematically discussed with our customers and logistics partners.

BIC in emerging markets

BIC applies simple common sense: foster local production under license and adapt distribution and product packaging to local consumer needs. For instance in certain countries, BIC sells its pens and shavers in packs containing just one or two articles.

In the Middle East and Africa regions, local manufacturing under license for ballpoint pens and classic shavers has resulted in the creation of approximately 500 jobs with our license manufacturing partners.

The BIC Group is also concerned by social challenges in impoverished countries where it is present. Since 2007, in the Middle East and Africa, BIC has participated in cooperation with its distributors in programs to support schools. This included performing work in the schools, as well as product donations support, helping a total of 500,000 schoolchildren at 2,000 schools in 14 countries.
Three questions for...

Bénédicte Cusinberche
SUSTAINABLE DEVELOPMENT DIRECTOR FOR EUROPE AND MEA

Since September 2009, Bénédicte Cusinberche has coordinated activities and ensures sustainable development training for the Europe and Middle East & Africa (MEA) teams.

Why set up training for employees?

More and more often, our customers are going public with their commitments in matters of energy efficiency, waste reduction, and reduction of greenhouse gases. At the same time, they are expanding their “environmentally friendly” product ranges. BIC employees have to be knowledgeable on the subject, so as anticipate customer needs and emphasize BIC’s commitment.

How is training organized?

Training modules each last 30 minutes. They cover the different issues in sustainable development, including renewable energies, climate change, ecodesign, biodiversity, and of course, the BIC sustainable development program.

What are the benefits for the Group and for employees?

Those modules are simple to understand and educational. What’s more, our training materials are fun to use. A better understanding of our goals contributes to winning acceptance for BIC’s sustainable development program. In 2010, even more training is planned.

Employees: participants in sustainable development

IN BRAZIL (MANAUS)

> Environment, Health and Safety Week for employees features:
  • Education on AIDs awareness as well as the importance of healthy eating to prevent high blood pressure.
  • Workshops on chiropractics (massage techniques to help relieve suffering or cure problems related to back and joint pain), physical education, and massage for relaxation.
  • Information on waste recycling.
  • Campaigns to raise awareness about the importance of donating blood.

Each year, a full week is devoted to raising awareness among at least 300 of the BIC Brazil’s 600 employees about the environment, health and safety in the workplace.

> In addition, employee training is ongoing as part of the site’s certification process for the international social management standard SA 8000, which is planned to be completed in mid-2010. Topics include child labor, forced labor, health and safety, freedom of association, discrimination, reasonable working hours, pay, and management systems.

IN THE USA

> Presentations on sustainable development for new hires,
> “Be green” working group, which has been in place for two years,
> e-learning module on the BIC sustainable development program, accessible to all employees in Milford and Shelton,
> “Save a tree challenge,” a competition organized by BIC CORPORATION to reduce paper consumption. The competition was introduced to employees during a presentation in BIC University. Five employees submitted entries into the Challenge and showed how they significantly reduced paper consumption by the greater use of electronic files and by sharing information internally in eRooms. The competition contributed to a 15% overall reduction in paper consumption at BIC’s Shelton and Milford sites.

IN EUROPE

> Presentations on sustainable development for employees and new hires.
> Presentation of ecodesign to employees at Clichy (France).
> Training for designers who use the environmental measurement tool, SimaPro.
> For marketing teams, raising awareness about communication practices in order to prevent “greenwashing.”

OUR APPROACH

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Our products

Right from the beginning, BIC® products have always been designed and made with just what is sufficient in terms of raw materials, leaving out anything that is superfluous. As a result, BIC has continued to favor minimal use of raw materials in its products and packaging, and is now gradually including new ecological materials, either recycled or renewable.

2009 highlights

Extension of the BIC® Ecolutions™ writing range

In 2009, BIC launched new products based on recycled materials: BIC® Matic mechanical pencils, BIC® Reaction™ ballpoint pens, glues, a range of tracing products and more.
The NF 400 ecolabel appears on nine BIC® stationery products

In 2009, BIC became the first manufacturer of writing instruments to receive the French NF Environnement (NF 400) ecolabel.

The new shaver, BIC® EASY

The hybrid shaver, BIC® Easy, is ecodesigned. Its environmental impact is 59% less when compared to a non-refillable product with similar usage over its entire life cycle.

A new tool for environmental evaluation at the service of ecodesign: SimaPro

With a view to reducing environmental impacts, BIC has included in its product design process the use of a professional software tool, called SimaPro.

THE GOALS

> Conserve natural resources
  - Design lightweight products and packaging, which use minimal raw materials and which last for a long time.
  - Gradually use more and more “ecological” materials, such as those that have been recycled or come from renewable sources.

> Guarantee the quality and safety of products

Ecodesign

Ecodesign aims to decrease the impact of a product (water use, air and ground pollution, noise, waste, raw materials, energy, and so on), all the while keeping intact its intrinsic qualities and performance. The approach takes into account the entire product life cycle – from extraction of raw materials to production, to distribution to use, and end of life.
BIC® products: the result of a **pragmatic** approach

**What is “just sufficient” and ecodesign**

Right from the start, BIC® products have been designed and made with just what is sufficient in terms of raw materials, leaving out anything that is superfluous.

As early as 1994, BIC was a pioneer in wanting to know in what ways its products impacted the environment thanks to the BIC life cycle analysis (LCA). In those days, BIC was moving toward an approach for environmental responsibility, and demonstrated that its founding principle of “just sufficient”* enabled the Company not only to offer more affordable products, but also products that had less impact on the environment.

The next step for BIC was when it adopted a policy of ecodesign. The Company uses a measurement tool, which empowers its Research and Development (R&D) teams to work, starting at the product design stage, on ways to reduce environmental impacts while respecting design and manufacturing requirements. In this way, BIC stays on course with regards to finding a balance between quality, cost and environmental requirements.

**Who said disposable?**

BIC® products are very often stigmatized as “disposable” in comparison with refillable products. Even if they cannot at this time be reused at the end of their lives, BIC® products, even though they are often called “disposable,” are not used just once. On the contrary, they offer long-lasting performance: up to 2 km of writing for a pen; 3,000 flames produced for a lighter; and from 7 to 10 shaves for a shaver.

Because of their long-lasting performance, together with the economical use of raw materials in manufacturing, so-called “disposable” products do not necessarily have a greater impact on the environment than their “refillable” competitors. In fact, these conclusions have been confirmed by comparative life cycle studies, as well as by calculating and comparing the quantities of waste produced annually.

**And what about recycling?**

BIC seeks to limit its impact on the environment and is working on the different steps in product life cycles, mainly through its frugal use of raw materials in a bid to conserve resources.

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For now, no recycling solution exists for most of our products at their end-of-life phase, as our products are small and lightweight. Current recycling efforts focus on products that offer major potential in terms of weight and volume and are easy to disassemble, such as automobiles, plastic bottles, glass, and paper. Nonetheless, BIC is looking for future solutions for how it might manage the end of life for its products.

An approach both understood and acknowledged

Nine BIC® stationery products get NF 400 ecolabel

In 2009, BIC became the first manufacturer of writing instruments to receive French ecolabel NF Environnement. Granted by AFNOR Certification, an independent standards body, the label identifies products as being “eco-responsible.” In the case of writing products, the main criteria needed to receive an ecolabel are: limited quantities of raw material used for products and significantly longer lasting or use recycled materials. BIC participated in defining specifications for writing instruments, along with other manufacturers, French environmental and energy agency ADEME and French standards organization AFNOR, in a collaborative effort that lasted two years.

BIC® EASY: a “hybrid” shaver

In 2009, creating a niche somewhere between “refillable” and “non-refillable” shavers, BIC innovated by bringing to market the first hybrid “all-in-one” shaver. Called BIC® Easy, consumers each get a handle and 6 shaver heads for 60 days minimum of shaving.

Life cycle impact for one year of shaving (BIC® Easy)

Environmental assessments show that for one year of shaving, the BIC® Easy shaver reduces the environmental impact by 59% compared with a similar BIC non-refillable model, such as the BIC Comfort 3® Advance™ shaver.

LESS MATERIALS USED
PLUS LONGER LASTING

Three questions for...

Pierre Lebon
AFNOR NF 400 CERTIFICATION MANAGER

What is the real benefit of ecolabeling?
The French ecolabel, NF Environnement, is a benchmark in terms of relevance, independence and impartiality. Certified products gain in consumer visibility. AFNOR is an independent organization, overseen by COFRAC, and accredited to deliver NF Environnement certification.

What was BIC’s approach?
In mid-2009, BIC began the certification process by sending us technical specifications for its products. BIC® Ecolutions products were the first to receive certification (BIC® Ecolutions™ graphite pencils, with and without erasers, colored pencils, pens – BIC® Clic Stic™ and BIC® Round Stic™) – as well as BIC® Orange™ and BIC® Cristal® Fine pens.

Why were those BIC® products awarded certification?
Qualified products have to optimize both their performance in use and their environmental performance. In addition, they have to be made either using recycled materials or only small quantities of raw materials. We saw that certain BIC® pens contained recycled materials, while others used very little raw material and were significantly longer lasting. As a follow-up to our initial audit, in the coming years, AFNOR will examine samples, randomly taken from store shelves, to verify that specifications are still respected.
In order to deploy an effective policy for limiting the environmental impact of BIC\textsuperscript{®} products, the first step is to measure these impacts across entire life cycles.

Product life cycle studies have been conducted by outside consulting experts (cf. table). Their findings confirm that the environmental impact of a product is mainly due to raw material usage in its manufacturing.

In fact, the lighter weight a product is and the longer it lasts, the better is its environmental performance. This illustrates the necessity of finding solutions that are adapted to saving resources.

**Environmental performance measurements for three main BIC\textsuperscript{®} products**

<table>
<thead>
<tr>
<th>BIC\textsuperscript{®} Cristal\textsuperscript{®} ballpoint pen</th>
<th>BIC\textsuperscript{®} Maxi flint lighter</th>
<th>BIC\textsuperscript{®} Classic single-blade shaver (inc. usage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials Plastics and metals, from oil extraction through to the factory</td>
<td>Production Energy needed to mold plastic, form razor blades, assemble parts</td>
<td>Distribution Mainly transportation operations to deliver to stores</td>
</tr>
<tr>
<td>Distribution Water used during shaving</td>
<td>Usage Mainly transportation operations to deliver to stores</td>
<td>Usage Mainly transportation operations to deliver to stores</td>
</tr>
<tr>
<td>BIC\textsuperscript{®} Cristal\textsuperscript{®} ballpoint pen</td>
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<td>BIC\textsuperscript{®} Classic single-blade shaver (inc. usage)</td>
</tr>
<tr>
<td>90.45%</td>
<td>83.98%</td>
<td>62.97%</td>
</tr>
<tr>
<td>5.62%</td>
<td>10.68%</td>
<td>29.43%</td>
</tr>
<tr>
<td>3.66%</td>
<td>4.87%</td>
<td>7.33%</td>
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<tr>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>0.27%</td>
<td>0.47%</td>
<td>78%</td>
</tr>
</tbody>
</table>

BIC focuses on life cycle phases where it can take action. However, bear in mind that for shavers, the usage phase, when products are in the hands of consumers, is a major step underlining the importance of consumer awareness of environmental issues.
in order to reduce impact

Measuring environmental impact is the first step in implementing ecodesign. Consequently, in 1994, BIC commissioned its first life cycle analysis (LCA) with the goal of comparing a non-refillable shaver with a refillable one, showing that the impacts were remarkably similar.

In 2004, upon the launch of its sustainable development program, BIC extended that work and commissioned a “normalized” LCA along with several simplified LCAs for three category-leading products. The move was immediately followed by the procurement of an internal environmental measurement tool for use by BIC designers.

In 2009, in continuation of its approach, BIC replaced its first tool with SimaPro, a professional LCA software package that is equipped with the e-DEA* interface to enable R&D designers to realize complete and detailed environmental evaluations, as well as create quick decision-making studies during the design process. While products are still on the drawing board, BIC R&D teams can explore different solutions for minimizing impacts by varying the types and quantities of materials used.

Who can use SimaPro at BIC?

> R&D design teams in conjunction with manufacturing departments.

> Sustainable development department, for building its internal scientific expertise, needed for the realization of normalized LCAs (ISO 14040).

> Product managers so they can better communicate with customers.

> Corporate communications to share with consumers.

Three questions for...

Jean-Baptiste Puyou
DIRECTOR FOR ECODESIGN
AGENCY EVEA

What is innovative about SimaPro?
SimaPro is an expert system, which is used by numerous companies. The innovation is in integrating an interface via e-DEA, specific to BIC (library of materials and processes, automatically updated with data on a worldwide basis), which makes the tool all the more friendly and accessible for BIC's teams of designers.

How will the new tool be used?
SimaPro is an ecodesign tool. It makes it very easy to measure the environmental impact of BIC® products, starting with the design step, and to choose among different alternatives. BIC will thus be empowered to adapt more easily to upcoming European and worldwide environmental requirements, including product environmental score posting.

How far-reaching will such it be for the BIC Group?
E-DEA gives BIC a decisive edge for the definition and execution of its strategy for both product innovation and communication.

* Everyone Designs with Environmental Awareness.
Three solutions, all with the **same benefit** for the environment

In order to reduce the environmental impact of its products, BIC is focused on limiting use of fossil-based materials through different actions:

> **minimize the quantity** of materials used in the manufacturing of each product, while ensuring long-lasting performance,
> **use new materials** of either vegetable or recycled origin,
> **develop refillable products.**

**Solution 1:**

**Innovative, light and long-lasting products:**

**BIC® Easy shavers**

This solution is of major importance for BIC. Its ecodesign approach allows for minimizing quantities of raw materials used in the manufacturing process. The broad use of the new tool, SimaPro, will “globalize” ecodesign for all new products.
Solution 2:  
A “green” range, based on materials of vegetable or recycled origin: BIC® Ecolutions™

Research at the BIC Group paid off in 2009 with the launch of a new product range, BIC® Ecolutions™. In 2009, in the stationery category the BIC® Ecolutions™ range was enhanced with new products: BIC® Matic mechanical pencils, BIC® Reaction™ ballpoint pens, glues, a range of tracing products, and more.

The Ecolutions™ portfolio now includes a total of 12 products that meet major writing and correction needs. BIC® Ecolutions™ products are manufactured using recycled materials in compliance with the norm, ISO 14021. BIC® Ecolutions™ Round Stic™ ballpoint pens contain 74% recycled plastic, and BIC® Ecolutions™ sticky notes contain 80% recycled paper. BIC Advertising and Promotional Products (BIC APP), a division that specializes in imprinted products, also offers its customers a range of BIC® Ecolutions™ stationery items, which was also expanded in 2009.

BIC also offers the BIC® Ecolutions™ 3-blade shaver, which has a handle made from “bioplastic,” a material derived from a vegetable source. Thanks to its bioplastic handle, the result of five years of research, and its 100%-recycled cardboard packaging, BIC® Ecolutions™ shavers are a first step toward more environmentally-friendly shaving.

Solution 3:  
Refillable products

In the writing products category, where there were many new items, BIC paid particular attention to designing refillable products. In the USA marketplace, refills are available and a similar plan is being studied for Europe.

New materials

BIC’s R&D teams are focused on two approaches:
1/ The use of existing innovative materials:
An inventory of available innovative materials is kept up to date. From this list, engineers select materials that correspond to industrial and economic requirements with the goal of conducting feasibility tests. In the absence of a simple, economical solution to develop a material based on renewable materials, recycled materials might be chosen.

2/ Collaborative research with suppliers to identify new materials (vegetable-based or recycled), new concepts, or hybrid materials. Many materials are considered, and then analyzed. These include potato starch, sugarcane, vegetable fibers, woodchips, and other materials. Once a formulation is ready, it is tested to ensure that it meets industrial specifications for quality and safety, sometimes going all the way to the final qualification stage.

= 2,800 BIC® Classic shavers, i.e. 50 years of shaving

= 3,200 BIC® Cristal® pens, i.e. more than 3 generations of writing

= 2,500 BIC® Slim™ lighters, i.e. 4.75 million lights

22 liters of crude oil = 5 liters of gasoline
Our packaging solutions

BIC is following two key guidelines to reduce the environmental impact of its packaging

**PROMOTE SELLING PRODUCTS WITHOUT CONSUMER PACKAGING OR IN VALUE PACKS**

This is the traditional approach of the BIC Group, based on its promise of “just what’s necessary.” In fact, 63% of writing products are packaged in boxes of 12, 20 or 50 items, as well as 63% of lighters. For shavers, 67% are sold in quantities of 5, 10 or more, in very lightweight pouches.

**REDUCE PACKAGING TO A MINIMUM IN TERMS OF WEIGHT AND VOLUME**

BIC continued its drive in 2009 to reduce packaging. In the USA, BIC has actively participated in Walmart’s “Scorecard” program, whose goal is to reduce packaging by 5% by 2013. Overall, BIC USA reduced its annual consumption of packaging materials by 215 metric tons. For example, the 50-count lighter tray was modified by removing the cardboard outer-packing and creating the ability to reuse trays. This led to a savings of 11 metric tons of cardboard and 34 metric tons in plastic.

**PACKAGING DESIGN GUIDE**

Guidelines made available to BIC packaging designers provide all the information they need to implement more environmentally-friendly packaging solutions, i.e., based on European regulations, USA regulations, life cycle concerns, general principles and benchmarks.
Solutions for safety

Safety: a priority and commitments

FOR CUSTOMERS

Each year, BIC supplies 40 million products, while maintaining consistent quality, checked through a vast array of tests. Information about the quality and safety of its lighters is an absolute priority for the Company. In Europe for example, BIC publishes for its customers a twice-yearly newsletter (BICareful), with a print-run of 200,000 copies and in 15 languages. BICareful informs readers about changes in legislation and BIC’s commitment to lighter safety. BIC also participates in the European Commission’s working group, which coordinates the different activities of the member states regarding lighter regulations.

FOR CONSUMERS

Product consumer benefits are subject to multiple tests and checks. For example, all inks used in pens are examined by independent toxicologists who evaluate potential risks. Tests also verify the absence of hazardous chemical substances.

The BIC Group has a dedicated product safety team that follows and implements industry standards, regulations and internal rules.

BIC and REACH

The European regulation, REACH, which stands for the Registration, Evaluation, Authorization and restriction of Chemicals, has set a new regulatory framework for chemical substances. It is the responsibility of manufacturers to demonstrate the safety of the chemicals they use. In response to REACH, BIC has preregistered 70 substances for five of its legal entities. Registration with the European Chemicals Agency (ECHA), for most of these substances, will take place between 2013 and 2018.

BICareful

A twice-yearly publication, this newsletter is sent to the Group’s European customers and focuses mainly on lighter safety.
Our production facilities

An industrial leader in the manufacturing of consumer goods, BIC makes 87% of its products in its own factories. BIC strives to reduce the impact of its business at all stages of the production cycle. BIC is also committed to socially responsible behavior and has implemented an industry-leading Code of Conduct, which applies to all of its production facilities.

2009 highlights

Managing greenhouse gas emissions

In 2009, BIC was added to the French Leadership Index of the Carbon Disclosure Project (CDP), which includes the 20 best companies in terms of: how they are including climate change in their strategies, their approach for dealing with carbon regulations and their greenhouse gas emissions.
Building certified “green” in Shelton (USA)

In May 2009, BIC CORPORATION’s new headquarters in Shelton, Connecticut, was certified for Leadership in Energy and Environmental Design (LEED) by the USA Green Building Council. In January 2010, the subsidiary also received the Connecticut Green Business Award.

Return on experience for rail shipping (Portugal, Spain and Mexico)

BIC has benefited from its experience of implementing a plan to reduce the environmental impact of its freight forwarding operations.

THE GOALS

> Limit the environmental impact of our factories and shipping operations,

> Enforce principles of human rights in the workplace through the BIC Code of Conduct in our factories and in our subcontractors’ factories.

Bilan Carbone®

Bilan Carbone® is a French method of CO₂ assessment, which evaluates direct and indirect emissions, due to manufacturing, professional, economic or other activities. It uses data that is readily available. Calculation rules, in the public domain and compatible with existing standards (notably ISO 14064), come from the French environmental and energy agency (ADEME).
In 2010, BIC factories will have deployed management systems for the Environment and Health & Safety.

2009: improvement in each indicator was 4 points.

In 2010, 100% of BIC factories will have lower accident incidence and severity rates than the French sector average.

2009: the incidence rate indicator (-8 points) is heavily influenced by the size of the sites and correspond for small sites to an objective of zero accident. The severity rate indicator improved 13 points.

In 2007, the BIC Amazonia factory in Manaus, Brazil, and the BIC Shaver factory in Verberie, France, commissioned inventories of their emissions of greenhouse gases (GHG) using the Bilan Carbone® method, recommended by the French environmental and energy agency ADEME.

The 2009 accident incidence rate for the BIC Group (8.4) was 2.9 times better than the French average for the sector under study (24.2).

The 2009 accident severity rate for the BIC Group (0.35) was 3 times better than the French average for the sector under study (1.09).
Findings from the two studies show that indirect GHG emissions (from suppliers during their manufacturing of materials and components, and resulting from the purchase and use of energy by their factories) accounts for the major portion of overall emissions. Priority areas for progress are reducing electricity consumption and using recycled plastic.

In 2009, 31 programs to reduce energy consumption were finalized and implemented during the year.

**DIRECT GHG EMISSIONS FROM FACTORIES**

For the year 2009, direct GHG emissions from BIC production sites were estimated at 10,930 metric tons equivalent of CO₂, a reduction of 374 metric tons equivalent of CO₂, compared with 2008 emissions. CO₂ emissions are the result of the combustion of fossil fuels (mostly natural gas and fuel oil), which are mainly used to heat buildings.

**THE TRANSPORTATION CARBON FOOTPRINT**

BIC used a carbon inventory to measure the GHG emissions of its logistics chain. In 2009, air transportation accounted for 46% of emissions, but only 2% of the flows.

**BIC AND THE CARBON DISCLOSURE PROJECT (CDP)**

BIC has been a member of the CDP for three years, and in 2009, was added to its French Leadership Index. The index includes the 20 companies, 16 of which are part of CAC 40 index, that provided the best responses to a questionnaire on five major topics: how carbon and climate change are taken into account, how carbon is being measured, performance and objectives in carbon footprint reduction, verification of indicators, and governance.

BIC’s presence in the CDP index is acknowledgement for the work the Company has done to measure its carbon footprint in production and transportation, as well as for the objectives it has set to reduce carbon emissions.

**Other initiatives**

**BIC CORPORATION’S USA HEADQUARTERS RECEIVED “SUSTAINABLE CONSTRUCTION” CERTIFICATION**

In May 2009, new headquarters for BIC CORPORATION in Shelton, Connecticut (USA), was certified for Leadership in Energy and Environmental Design (LEED) by the USA Green Building Council. This national certification acknowledges that the building meets the highest standards for environmental design and construction.

In 2009, 31 programs to reduce energy consumption were finalized and implemented during the year.

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Among BIC’s initiatives for certification were improvements in building energy efficiency and included: an innovative system for lighting workspaces that reduced electricity consumption by one third, a motion detection system for zoned lighting control, and state-of-the-art energy-efficient central air conditioning equipment. Priority was also given to the reuse of office furniture. Carpets and newly purchased furniture also contained recycled materials. Furthermore, the Company encouraged employees to use bicycles and to carpool. Another strong contributor for achieving LEED certification was the recycling of construction work site waste.

In January 2010, thanks to its LEED certification, BIC’s Shelton facility also received the Connecticut Green Business Award.

Three questions for…

Carlos Gasca Barrios
SUPPLY CHAIN MANAGER FOR BIC MEXICO

What is BIC Mexico doing in favor of rail shipping?
BIC Mexico is experimenting with certain routes for delivery to customers in Mexico using rail shipping. The program also includes freight forwarding by train for some of our raw materials used to make BIC® Cristal® ballpoint pens.

Why choose rail shipping?
We always want to reduce production costs and increase transport safety. In 2008, BIC CEO Mario Guevara asked us to think about using transportation modes that have a better carbon footprint. Rail is a very good solution.

Does rail shipping mean there will be changes in order processing?
The procedure is the same. We have simply changed the way we manage scheduling so as to take into account delivery times.

BIC benefits from its experiences to improve existing practices and develop new initiatives.

The advantages of rail transportation

To optimize transportation operations for its products to its customers, and ultimately to its consumers, BIC works in partnership with its customer-distributors and its logistics providers.

For example, the Company is always ready to listen to new solutions offered by rail operators. In addition, another path to environmental improvement is simply reducing the number of kilometers that freight forwarders run empty. In fact, looking for shipping “loops” (factory/warehouse/distribution customer’s site) is a constant focus for BIC factories in France.

Rail shipping: experience gained in evaluating routes

The trend to rail transportation as a shipping alternative is strengthening despite a relatively sparse infrastructure.

IN 2009, BIC EXPERIMENTED WITH SEVERAL ROUTES

> Daily deliveries to Spain and Portugal: the run from the French warehouse in Château-Thierry to Perpignan is done by train
> Deliveries of packages for the South of France
> Several routes in Mexico

BIC benefits from its experiences to improve existing practices and develop new initiatives.

THE ADVANTAGES OF RAIL TRANSPORTATION

> Less dependent on oil
> Lower greenhouse gas emissions
> Less traffic congestion and fewer accidents

In 2009, the GHG emissions from our international transport operations will be reduced by 3% per ton of products transported.

2009: the objective has already been achieved.

In 2010, the GHG emissions from our transport operations by 5%
Responsible factories

An industry leader in the manufacturing of consumer goods, BIC is committed to socially responsible behavior within the framework of its operations.

BIC’s first commitment

The BIC Code of Conduct

The BIC Code of Conduct is comprised of a set of professional and social principles, which derive from the standards of the International Labor Organization (ILO). It applies to BIC factories, which are mainly located in South Africa, Brazil, Spain, the USA, France, Greece and Mexico.

Despite the fact that only 13% of BIC sales concern subcontracted products, BIC expects its contract manufacturers to respect the same Code of Conduct as BIC does. Since 2000, BIC has had a program in place to ensure worldwide compliance of its Code of Conduct by contract manufacturers. In 2005, the program was expanded to include manufacturers under local and regional contracts, which make BIC® products for local markets.

BIC considers social responsibility as a partnership, which requires shared values. In this spirit, BIC sets objectives in the interest of a common commitment to improvement rather than breaking off relations with its partners.

PERIMETER
Integration of BIC APP factories producing promotional products

The new BIC APP factories are being integrated into BIC’s sustainable development program, with action plans that take into account the specific nature of the promotional products business. Beginning this year, BIC APP factory teams will be familiarized with the Company’s social and environmental reporting systems, with the goal of having these systems implemented as soon as possible.

The 10 principles of the BIC Code of Conduct

- Safe and healthy work environment,
- Fair wages and reasonable working hours,
- No child labor,
- No forced labor,
- No discrimination,
- Freedom of association,
- Legal compliance,
- No animal testing,
- Environmental responsibility,
- Publication of the Code.
**BIC’s second commitment**

**Deploying the BIC Code of Conduct: checks and corrective actions**

The compliance of BIC factories, subcontractors and manufacturers under license is regularly verified by:

> Social audits, carried out at subcontractor sites since 2000 by independent auditors; the approach concerns all subcontractors working for global and local markets as well as manufacturers under license. On going audits are conducted every 2 years, and enable verification that standards are maintained at a satisfactory level.

> Self-evaluations, since 2006 conducted by BIC factories; responses are analyzed by independent auditors. Each factory director has to implement a corrective action plan (CAP) in collaboration with the Human Resources Department.

> A training manual eases implementation of corrective action plan with the help of local teams.

**The Six Steps for Evaluating Contract Manufacturers**

1. **BIC Contract Manufacturer signs the BIC Code of Conduct**
2. Independent external monitoring agency conducts an initial assessment of the Contract Manufacturer
3. Contract Manufacturer presents a corrective action plan (CAP) to BIC
4. Contract Manufacturer implements the CAP within an agreed, reasonable time frame
5. Follow-up assessment(s) to confirm implementation of the CAP
6. Ongoing assessments (every 2 years)

**BIC workforce in 2009**

**9,695** employees

<table>
<thead>
<tr>
<th>Country Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;FREE&quot; COUNTRIES</td>
<td>94%</td>
</tr>
<tr>
<td>&quot;PARTIALLY FREE&quot; COUNTRIES</td>
<td>4%</td>
</tr>
<tr>
<td>&quot;NOT FREE&quot; COUNTRIES</td>
<td>2%</td>
</tr>
</tbody>
</table>

*Source: Freedom House*
Results of subcontractor evaluations

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Contract Manufacturers worldwide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>1</td>
</tr>
<tr>
<td>China</td>
<td>29</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>2</td>
</tr>
<tr>
<td>India</td>
<td>3</td>
</tr>
<tr>
<td>Italy</td>
<td>2</td>
</tr>
<tr>
<td>Japan</td>
<td>2</td>
</tr>
<tr>
<td>Malaysia</td>
<td>1</td>
</tr>
<tr>
<td>Mexico</td>
<td>2</td>
</tr>
<tr>
<td>Philippines</td>
<td>2</td>
</tr>
<tr>
<td>South Korea</td>
<td>6</td>
</tr>
<tr>
<td>Taiwan</td>
<td>2</td>
</tr>
<tr>
<td>Thailand</td>
<td>1</td>
</tr>
<tr>
<td>Turkey</td>
<td>1</td>
</tr>
<tr>
<td>USA</td>
<td>1</td>
</tr>
<tr>
<td>Vietnam</td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>58</strong></td>
</tr>
</tbody>
</table>

**2009 Contract Manufacturers by Human Development Index (HDI) for Host Countries**

<table>
<thead>
<tr>
<th>HIGH &amp; VERY HIGH HUMAN DEVELOPMENT</th>
<th>MEDIUM HUMAN DEVELOPMENT</th>
<th>LOW HUMAN DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>31%</td>
<td>69%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**2009 Contract Manufacturers by Country with Human Rights Risks**

<table>
<thead>
<tr>
<th>&quot;FREE&quot; COUNTRIES</th>
<th>&quot;PARTIALLY FREE&quot; COUNTRIES</th>
<th>&quot;NOT FREE&quot; COUNTRIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>36%</td>
<td>9%</td>
<td>55%</td>
</tr>
</tbody>
</table>

* Source: Freedom House

57 number of manufacturers having signed the BIC Group Code of Conduct and have been audited

39 number of manufacturers implementing corrective action plans

18 number of manufacturers having completed their corrective action plans

**Non Conformances the BIC Group Code of Conduct**

- Health & Safety
- Unfair wages
- Working hours

**Main Issues Encountered during the Process**

- Not respecting limits on overtime hours
- Contract manufacturers who are taking too long (more than 6 months) to implement corrective actions and achieve compliance
- Contract manufacturers are having difficulty sustaining compliance until their next audit cycle (2 years).
Well-managed factories

Water resources

In 2009, 12 reduction programs

Water consumption, per tonne of product, has decreased by more than 8% between 2008 and 2009. This continues a multi-year record of dramatic improvement in water-use efficiency for the BIC Group.

Globally, 50% of the sites reduced their water consumption in 2009, leading to an overall water consumption decrease of more than 11% for the Group. BIC Rasoirs (France), which now represents 49% of the Group’s water consumption, has continued to realize the results of recent process improvements and achieved an 18% decrease in water usage over the past year.

Moreover, 3 sites have decreased water consumption despite increased production. For example, BIC Violex (Greece) cut water usage by 9% even while production increased by 0.8%. Other sites have improved their ratio of water consumption per tonne of production. As one example, BIC CORPORATION Milford (USA) decreased its consumption ratio by 33% thanks to awareness and action resulting from the installation and monitoring of water meters on certain water-consuming equipment.

Energy resources

In 2009, 31 reduction programs

Energy consumption per tonne of production for the entire BIC Group was nearly flat to 2008 (0.03 point). Although 21 of 30 plants reduced total energy usage for an absolute reduction of 3.3%, these reductions did not always match changes in production volumes. This is because energy consumption is not always linearly linked to production, but often depends on other factors such as weather. Nevertheless, some factories reduced energy consumption, despite increased production, including BIC Ecuador (Ecuador) and BIC Amazonia (Brazil).

A few notable improvements in energy efficiency per unit production were achieved by BIC Ecuador (Ecuador), BIC Écriture 2000 (France) and BJ 75 (France) with respective decreases of 27%, 12% and 8%.
BIC Écriture 2000 (France) has significantly reduced energy consumption thanks to the installation of a variable speed compressor to more closely match demand, as well as new controls to better regulate building heat based on outside temperature. BJ 75 (France) credits their improvement to several actions, including installation of state-of-the-art systems for heating and air conditioning control.

**Waste management**

**In 2009, 24 programs for improvement**

**HAZARDOUS INDUSTRIAL WASTE**

Between 2008 and 2009, the BIC Group achieved a 0.8% decrease in the amount of hazardous waste generated per tonne of production. A few significant highlights include BIC Mexico (Mexico) with a large 54% reduction, BIC Ecuador (Ecuador) with a 40% decrease and BIC Boulogne (France) with a 24% cut.

BIC Écriture 2000 (France) achieved part of its 10% reduction in hazardous waste thanks to the re-use of some raw material packaging. This year, BIC Boulogne (France), as a result of recycling solvents used to produce ink, eliminated 14 tonnes of hazardous waste.

**INDUSTRIAL NON-HAZARDOUS WASTE**

In 2009, the Group measured a 3% decrease in the amount of non-hazardous waste produced per tonne of production. The absolute quantity of non-hazardous waste dropped over 6%.

Fifteen plants reduced their waste-to-production ratio, including BIC CORPORATION Milford (USA) with a 35% reduction, BIC APP St. Petersburg (USA) with a 22% decrease, BIC Amazonia (Brazil) with 21%, and BIMA (France) with a 19% improvement.

Reduction efforts at BIC Rasoirs (France) included additional recycling of plastics from defective products back into the process.
Our social responsibility

Present on five continents, BIC pursues its commitment to developing employee skills and providing training. Locally, company subsidiaries also give their support to different communities around our facilities.

2009 highlights

2009 survey of corporate values

In October 2009, for the third time since 2005, we surveyed employee acceptance of BIC Group values. The findings show that overall acceptance of our corporate values stands at 80%, which is the same level as in 2007.
Three agreements that impact seniors, employability and the disabled

In France, three agreements illustrate BIC Group’s intentions:
> Keep employees over 55 years old in the Company.
> Manage skills to encourage career evolution and prepare for the future.
> Promote the hiring of disabled workers into the Company.

The Goals

> Strengthen employability through training.
> Promote local initiatives in support of our communities.

Gender diversity

BIC has created a working group to report on the position of women in the Company, with the goal of proposing action plans.

Employability

Fostering employability means providing the training, skill building and knowledge needed to ensure competency. As a result, employees can perform well in their work environment and take on new assignments.

Our Communities

221 activities: product donations, financial aids and employees volunteer work.
BIC values

> Ethics
> Responsibility
> Teamwork
> Simplicity
> Ingenuity

Employee adherence to the BIC values

Since 2005, every 2 years BIC surveys its employees about the BIC corporate values. Findings from the 2009 survey show that overall adherence to the values is rated at 80% (versus 80% in 2007 and 75% in 2005). The participation rate was again strong, 72%, although slightly down versus previous years (77% in 2007 and 79% in 2005).

The Company’s geographic presence gives BIC a worldwide voice

BIC® products are distributed at 3.2 million points of sale. The Company is present on five continents, in 160 countries. BIC manufactures and distributes its products in developed marketplaces as well as in some of the most impoverished ones.

An established and acknowledged worldwide brand, BIC’s “local” approach largely favors its image of close proximity. That image is supported by the facts. The vast majority of Company employees around the world are recruited in their local markets, and expatriate employees represent just 0.5% of the total workforce.

Restructuring and bargaining agreements

In every country where BIC works, the BIC Group respects local collective agreements. This concerns about 95% of employees.

In the event of restructuring, Company policy is to respect local legal obligations, in cooperation with social partners. Moreover, BIC strives to reassign employees when possible, and to allocate severance pay in amounts greater than legal minimums.

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The strongest BIC values

Ethics: 84% adherence
Responsibility: 85% adherence

The weakest BIC values

Teamwork: 75% adherence
Simplicity: 76% adherence

Overall adherence to the values remains as high as in 2007.

Based on these findings, managers have begun to organize team meetings to establish specific action plans in each operational unit (department, company-wide, subsidiaries, and elsewhere).

Number of employees by business activity

<table>
<thead>
<tr>
<th></th>
<th>Logistics, marketing and administrative services</th>
<th>Sales force and customer services</th>
<th>Production and R&amp;D</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>8,576</td>
<td>1,546</td>
<td>1,707</td>
</tr>
<tr>
<td></td>
<td>8,312</td>
<td>1,647</td>
<td>1,544</td>
</tr>
<tr>
<td></td>
<td>9,695</td>
<td>1,989</td>
<td>1,924</td>
</tr>
</tbody>
</table>

Rate of internal promotion among managers (levels 3, 4, 5 and 6)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>External recruitment</td>
<td>20%</td>
<td>17%</td>
<td>30%</td>
</tr>
<tr>
<td>Internal promotion</td>
<td>80%</td>
<td>83%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Audited 2009 non-financial indicators.
A priority: develop **skills** and provide **training** for everyone

Developing individual employability is a major policy of Group Human Resources. Programs and training sessions are designed to meet the changing needs of the Company’s different disciplines.

**BIC University: leveraging professional development**

In 2009, BIC University continued its efforts to support marketing teams. A new program was around the concept of “Blue Ocean Strategy,” developed by Chan Kim and Renée Mauborgne, two professors of worldwide management, accredited by a French business school, based in Fontainebleau (INSEAD). Marketing teams from around the world are benefitting from the program.

For several years, BIC University has used role playing (a.k.a. “business games”) in its programs. An innovative approach to education, this is expected to be used more broadly in the future.

Cross-functional teams participate in BIC’s main training programs, an approach that promotes interaction between employee participants (sharing experience and knowledge, case studies, etc.) in order to improve their on-the-job performance.

**Development of key talents and internal promotion**

BIC is committed to identifying and developing key talents in the organization. New processes for employee performance reviews have been implemented to foster sharing between management teams from different operations. In addition, BIC continues to favor internal promotion to fill management positions. In 2009, 70% of management recruitments were internal.

---

**Table: Percentage of Women**

<table>
<thead>
<tr>
<th>Role</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Leadership team</td>
<td>10%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Managers (levels 3, 4, 5 and 6)</td>
<td>18%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Other managers and non-managers</td>
<td>42%</td>
<td>41%</td>
<td>42%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41%</strong></td>
<td><strong>40%</strong></td>
<td><strong>41%</strong></td>
</tr>
</tbody>
</table>

Audited 2009 non-financial indicators.
Encourage openness and diversity

Three key agreements on seniors, employability and the disabled

In parallel with skill building for its high level executives and managers, BIC has created important measures to develop the competency of all Company employees, and has signed three agreements in France, as described below:

SENIORS: For this important issue, an action plan has been initiated in France to meet three objectives: preserve skills in the Company pertaining to employees over 55 years old, adapt workstations to their physical abilities, and address any loss of motivation.

EMPLOYABILITY: The objective is to encourage employees to rely on the Company, but also on their own skills and experience to prepare for career changes they seek or will face in the future. For this purpose, the Company provides training, grants and certificates to introduce new skills in support of employee mobility and development.

EMPLOYMENT FOR THE DISABLED: To promote employment for the disabled and also to meet legal obligations, a dedicated contact person will be named at each company location in France. The goal is to improve communications regarding available positions. BIC is also focusing on efforts to raise awareness among its managers regarding opportunities to hire the disabled and the value they bring to the workforce. The Company is also strengthening its partnerships with associations for the disabled.

The three agreements were signed separately in each location in France. They address the specific issues for each site: employee age pyramids and nature of the work (e.g., manufacturing or service-oriented).

BIC University supports diversity

During the BIC Sustainable Development Forum, held on July 7-8, 2009, two large French companies gave presentations on the topic of diversity. Sodexo and Danone gave details about how diversity, in many different forms, was a decisive advantage for their companies. Their presentations included a discussion on gender diversity, disabled employees, seniors, and non-discrimination. In conclusion, it was shown that promoting diversity in the workplace not only makes companies more human, but also better performers.

Working group on gender diversity in the workplace

At the end of 2009 in France, within the framework of a global diversity project, the BIC Group launched a pilot project on gender diversity. The goal is to encourage the rise of a larger number of women to positions of executive responsibility in the Company. The project, initiated by Group Human Resources, is being conducted internally by a working group, composed of men and women at BIC. Its mission is to propose a pragmatic, simple and participative approach, in line with the Company’s values. The working group will propose action plans, which in turn will be presented to the BIC Group Executive Committee.
Action adapted to the needs of local situations

In the USA, improve wellness at work

The program, Wellness in Action (WIN), promotes physical exercise. Thanks to this initiative, BIC is encouraging its employees in the USA to adopt more active, healthier lifestyles to improve their health. As part of the program, contests are organized to reward those who improve their cholesterol, blood sugar, blood pressure and/or body fat.

One example of the program is employee participation in National Walk@Lunch Day. On this day, BIC employees are encouraged to walk during lunch on the walking trail surrounding BIC CORPORATION’s facility, a pragmatic way to experience the benefits of physical exercise.

In South Africa, combating HIV and AIDS

Since 2000, BIC South Africa has had an employee program to combat HIV and AIDS. It is managed by an in-house clinic, trained HIV peer educators and a steering committee, which is comprised of seven Company employees. These employees receive ongoing training to maintain and develop their skills to deal with this issue.

The program has three components: education, with many different initiatives, consultations with free voluntary testing, and a health program, which includes access to medical advice, treatment and care.

Since 2009, the steering committee has been addressing two key challenges to the program’s success:

> Social stigmatization, which still too often poses a barrier to diagnosis.
> Fearing the results of a diagnosis, with some people preferring not to know if they are HIV positive or not.

During the last five years, three HIV positive pregnant employees were treated with antiretroviral medication during and after their pregnancies. All remained well and gave birth to healthy, non-HIV infected babies.

A pilot project on gender diversity

A project to promote gender diversity has three main catalysts for change:

> Improving visibility of the presence of women in executive positions,
> Improving human resources processes and managerial practices,
> Ensuring that BIC Group continues to move toward greater diversity.
The BIC Group helps meet the challenges of society by supporting its communities. These activities, managed by the Group’s local subsidiaries, might be at the initiative of a subsidiary, employees or different stakeholders in the community who become aware of a need. In 2009, 221 activities were conducted worldwide, which represented estimated spending in excess of 0.5% of Group pre-tax profits. These activities included product donations, financial aid and employee volunteer work, all efforts to meet local as well as global needs.

Because of its historic core products, BIC’s community activities are mainly focused on the fields of education and health. These two sectors account for 79% of BIC’s community activities and 90% of the total estimated financial value of these activities. For instance, BIC Canada donated 20,000 pens to schools in Ethiopia, while BIC New Zealand has a program to support the New Zealand Breast Cancer Foundation through volunteer work, donations of BIC® products and a grant of financial aid in the amount of 30,000 euros.

BIC also commits, when there is a clear and present need, to providing for the environment, emergency humanitarian aid, and sports. In one example, BIC Nicaragua employees acted to protect turtle nesting grounds.

BIC is present and made 94.77% of its sales in developed countries, ranked as “High” or “Very High” by the Human Development Index (HDI). In addition, 67% of its activities (often to help local communities) were in those countries. While less present in countries with “Low and Medium Human Development,” BIC’s activities in these countries still amounted to 33% of the total.
Helping children with Down syndrome go to school

In September 2009, BIC Spain partnered with the foundation, Talita, to offer support for children, suffering from mental or physical disabilities like Down syndrome, go to school and lead more normal lives. BIC employees, working as volunteers for the foundation, along with FC Barcelona soccer player Gerard Piqué, designer Toni Miro and ten other Spanish celebrities, joined forces to publish a calendar that was used in a coloring workshop, with the proceeds benefiting the foundation’s children.

Combating breast cancer

In 2009, BIC CORPORATION (USA) gave over 90,000 euros to the National Breast Cancer Foundation. The foundation works for the prevention and early detection of breast cancer. It also supports research. In October (during an awareness of breast cancer campaign), the building facade of BIC CORPORATION’s headquarters was painted pink to symbolize the Company’s commitment to the cause.

BIC Ecuador employees help underprivileged children

Each year in Ecuador, several teams of BIC employees identify needs in local communities to offer their assistance during the Christmas season. In 2009, a factory team decided to buy medicines for several hospitalized children from underprivileged families. In addition, sales and logistics teams built sanitation facilities at the children’s shelter, Casa de Misericordia. They also served the children Christmas dinner.
**BAROMETER**

**Strengthen our commitment toward our communities**

- Contribution >0.5%

In 2010, BIC will contribute more than 0.5% of pretax profit towards its communities: product donations, financial aid for philanthropic organizations.

**2009:** BIC contribution once again surpassed 0.5% of pretax profits.

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**Examples of activities among BIC Group subsidiaries**

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Number of actions</th>
<th>Examples of activities among BIC Group subsidiaries</th>
</tr>
</thead>
</table>
| **Product donations** | 171 | > **Italy:** Donation of shavers and writing instruments to victims of the Milan earthquake in April 2009.  
> **Romania:** Donation of BIC® Kids coloring kits to the association, SOS Village Children, in Bucharest.  
> **Canada:** Donation of 20,000 pens to Ethiopian schools through the association, Global Reach Children’s Fund.  
> **Spain:** 56 donations of writing instruments to different associations worldwide.  
> **France:** Regular product donations to the association, Dons Solidaires, an innovative non-food charity in France.  
> **Guatemala:** Organization of an evening at the theatre and donation of coloring products to help the underprivileged. |
| **Financial aid** | 56 | > **France:** Donation to AFEV, an association to help prevent student failure in schools.  
> **USA:** Donation to the Pinellas Education Foundation, which brings together business and community leaders, interested in improving public education.  
> **USA:** Matching funds from BIC for employee donations to the United Way, an organization dedicated to resolving pressing community issues. |
| **Employee volunteer work** | 46 | > **USA:** Organization of fundraising events and food donations around the Thanksgiving holiday to provide meals for the hungry.  
> **USA:** Mobilization of 129 employees to provide quality food for underprivileged children, for the Connecticut Food Bank Kids’ Backpack program.  
> **Honduras:** Time donated by 14 employees to spend Christmas with disabled individuals.  
> **South Africa:** Weekend volunteering by employees to work for the Personal Concept Project, an association that each year assists 50 young people from underprivileged neighbourhoods (Soweto) in their community service projects. |
Stakeholders

**Foster dialog and transparency with our stakeholders**

BIC fosters regular, transparent dialog with its shareholders and the financial community, customers, local communities, consumers, suppliers and subcontractors. An annual meeting allows the sharing and discussion of Company policies and practices with many key stakeholders.

**Advisory panel meets yearly**

BIC has organized a panel of four stakeholders, i.e., two customers (Lyreco and Maroc Stylos), one service provider (Norbert Dentressangle) and one investor analyst (Oddo Securities). The panel is consulted once a year, during individual reviews, and advises on:

- An outside point of view on BIC’s sustainable development strategy.
- Comments concerning Company practices.
- Suggestions for improvements, which can be integrated into action plans.
- Its opinion of Company policy.

**BIC, active in working groups**

BIC participates in the activities of trade associations and inter-professional working groups in its capacity as a major player in consumer products. Organizations include:

- French advisory group on corporate social responsibility (ORSE), AGRION, ILEC, Environment and transport committee of the Efficient Consumer Response (ECR), European Lighter Manufacturers Federation, European Writing Instruments Manufacturers Association (EWIMA), Writing Instruments Manufacturers Association (WIMA), and the ADEME/AFNOR platform for environmental score posting.

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**MILESTONES**

**BIC’s commitment as seen by Oddo Securities**

We note a real effort by BIC to meet the challenges around the problem of disposable products. In the face of high stakes, BIC has innovated through its strategy of ecolabeling and of introducing a product range made from alternative materials, as well as through materials research. These actions meet our expectations in gaining their “license to operate.” Finally, BIC has been thinking of ways to assess the value of sustainable development actions in terms of financial and non-financial gains. In that sense, it could go further in quantifying more systematically, including financially, the positive actions put into place, like its drive to reduce packaging, or LEED certification for its American headquarters.

Jean-Philippe Desmartin
SOCIALLY RESPONSIBLE INVESTMENT MANAGER FOR ODDO SECURITIES

**BIC’s commitment as seen by Lyreco**

We have seen that BIC has taken a new step in obtaining an acknowledged ecolabel, such as NF Environnement, which contributes to meeting its environmental challenges. Additionally, BIC’s experience in analyzing life cycles could become really interesting if it can find a way to express environmental information so that it is easily understandable by customers. Today, sustainable development is a point of differentiation; tomorrow, it could be a decisive advantage in the supplier selection process.

Guy Hornung
QUALITY, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT DIRECTOR FOR LYRECO
BIC’s presentations, targeted to experts in socially responsible investment, have proven valuable in evaluating the relevance of our actions. Different critiques of these presentations are encouraging, even if much remains to be done. Analysts have appreciated BIC Group’s efforts, in particular its approach to identifying specific challenges.

Christine Desbois
SUSTAINABLE DEVELOPMENT DIRECTOR FOR BIC

**MILESTONES**

**Dialoging with the financial community**

> Shareholders and the financial community are updated on BIC’s progress at different events throughout the year. For example, a sustainable development progress report is given at the Annual Shareholders’ Meeting, as well as being presented to the Board of Directors, and at several investor meetings.

> In 2009, BIC presented its sustainable development action plan to institutional investors at special events. The Company also participated in the Oddo Mid-Cap Forum in Lyon, France. On that occasion, BIC met fund managers and financial and extra-financial analysts.

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**Net sales of 1,562.7 million euros**

**504** million euros in Europe

**683** million euros in North America and Oceania

**295** million euros in Latin America

**81** million euros in Middle East, Africa and Asia

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**Distribution of revenues to stakeholders**

**EMPLOYEES**

417

million euros

Corresponding to payroll (including taxes), bonuses and other payments to employees.

**SUPPLIERS**

845

million euros

Corresponding to purchasing of raw materials, consumables and bought-in services (including, when applicable, local taxes).

**SHAREHOLDERS**

62

million euros

Corresponding to purchasing of raw materials, consumables and bought-in services (including, when applicable, local taxes).

**BANKS**

-30

million euros

Including €7m paid in dividends, and €3m net receipts subsequent to the exercise of stock options and the acquisition of treasury shares.

**GOVERNMENTS**

51

million euros

Including €53m in acquisitions of tangible and intangible fixed assets, €7m, received from the disposal of fixed assets, €82m paid for the acquisitions of subsidiaries and shareholdings (consolidated by the equity method), as well as €11m, received following a change in investment.

**NET INVESTMENTS**

217

million euros

Including €191m, received from loan, contracted by the BIC Group, net of reimbursement done, and €20m invested in the portfolio of financial assets.

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*The distribution of revenues to stakeholders does not include the change in net current working capital.*
Governance

In conformity with recommendations on good corporate governance, at least one-third of Board members are independent directors (in fact, four out of ten). “Independent” means a director who does not have a relationship of any kind with the BIC Group or with its management, which may affect independence of judgment of that director. Additionally since 2006, the powers of Chairman of the Board and of CEO have been separated. Furthermore, four different nationalities are represented, which empowers BIC to benefit from a truly international vision.

<table>
<thead>
<tr>
<th>Governance</th>
<th>BIC performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-third independent directors (having no relationship with the Company, the BIC Group or its managers that could be construed to constitute a conflict of interest)</td>
<td>Board of Directors</td>
</tr>
<tr>
<td>4/10</td>
<td>2/3</td>
</tr>
<tr>
<td>Number of Board meetings during the year</td>
<td>9</td>
</tr>
<tr>
<td>Attendance rate</td>
<td>98.9%</td>
</tr>
<tr>
<td>Existence of standing committees</td>
<td>2 committees</td>
</tr>
<tr>
<td>Number of standing committee meetings during the year</td>
<td>Audit Committee</td>
</tr>
<tr>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Attendance rate</td>
<td>Audit Committee</td>
</tr>
<tr>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Evaluation of Board performance once every 3 years</td>
<td>At the beginning of 2010, performance was evaluated by a confidential questionnaire. No changes was made to the Board’s rules of order.</td>
</tr>
<tr>
<td>Length of Board members’ mandates</td>
<td>3 years, renewable</td>
</tr>
<tr>
<td>Multiple mandates</td>
<td>All members conform to rules concerning multiple mandates</td>
</tr>
<tr>
<td>Board members emoluments</td>
<td>Reference Document Board Management Report</td>
</tr>
<tr>
<td>Shareholders</td>
<td>Quorum for shareholder general meetings</td>
</tr>
</tbody>
</table>

(1) In compliance with the MEDEF-AFEP Code of Good Governance (December 2008).
(3) Excepting shorter mandates to allow for a smoother renewal process.
**SRI rating**
(Socially Responsible Investment)

**FTSE4Good Europe index**
Since 2005, BIC is in the FTSE4Good Europe index, comprised of 270 companies, including 38 French ones, which show best performance, according to social, environmental and governance criteria. The listings are selected on the basis of rating by the Ethical Investment Research and Information Service (EIRIS), in compliance with FTSE4Good Europe rules.

**ASPI Eurozone® index**
BIC is in the ASPI Eurozone® index of 120 listed, eurozone companies (from DJ Euro Stoxx), showing best performance, according to social and environmental criteria. The selection is based on the opinions of CSR rating agency Vigeo.

**Ethibel Excellence Index® Europe**
BIC is in the Ethibel Excellence Index® of 200 European listed companies (from DJ Stoxx 600 Europe). Component companies are chosen, based on the opinions of CSR rating agency Vigeo, for their above-average performance in matters of social and environmental issues, and according to ethics criteria, set by the independent body, Forum Ethibel.

**Ethibel’s investment register**
BIC is listed in the Ethibel Pioneer and Ethibel Excellence investment registers. The registers are used by a growing number of banks, investment funds and institutional investors for their management of socially responsible investments in Europe.

**French Leadership Index of the Carbon Disclosure Project (CDP)**
In 2009, BIC was added to the index, becoming 1 of 20 companies (16 of which are part of the CAC 40 index), which have provided the best responses to the CDP questionnaire. Established in 2000, the Carbon Disclosure Project is an approach used by 475 institutional investors who have over $55 trillion in assets under management. Major corporations are surveyed on how they are including climate change in their strategies, on their approach for dealing with carbon cap-and-trade constraints, and on their greenhouse gas emissions performance.
Attestation on reporting procedures for selected information published in the sustainable development report

SOCIÉTÉ BIC - Financial year ended December 31, 2009

Further to the request of the group Bic, we have performed the verifications described below, dealing with the reporting procedures for selected information published in the 2009 sustainable development report and related to the following areas: environment, human resources and health & safety.

These procedures, together with the information published in this report, were prepared by the group’s sustainable development department, under the responsibility of the Executive management.

It is up to us, based on our verifications, to formulate findings on the reporting procedures and their application.

This work is not intended to provide reasonable or limited assurance on the reporting procedures or on the information in compliance with international standards, and thus doesn’t include all the verifications pertaining to a limited or reasonable assurance but allow us to formulate findings on the procedures for the selected information.

Nature and scope of the verifications

As agreed, we have performed the following work:

1. We have assessed the reporting procedures in relation to their reliability, understandability, neutrality, completeness and relevance regarding the group’s activities. Our review applied more specifically to the procedures related to thirteen environmental, social and health & safety indicators for the fiscal year 2009 and which are pointed out within the sustainable development report by the symbol 📊.

2. At group level, we have conducted interviews with the management of the sustainable development department and their direct correspondents (human resources and safety) in order to assess the application of the procedures for the collection, consolidation and control of information.

3. We have selected a sample of four factories located in France (Redon et BIMA) and in the United States (Charlotte and Gaffney) that cover the group’s two main activities: stationary and lighters. At this level, we have conducted interviews with the persons in charge of data collection and intermediary consolidation in order to check their understanding and the good application of the procedures.

4. We have reviewed the information presentation in the 2009 sustainable development report.

Findings

Our findings are the following:

1. The data collection scope covers the whole set of the group’s activities. Norwood and Antalys – acquired in 2009 and still in-phase of integration in the group – only consolidated the number of staff in the 2009 reporting. The reporting procedures should precise that for environmental and health & safety indicators, the only activities that are consolidated are the activities that show significant impacts (factories that produce finished or intermediary products aimed to public sale, engineering companies and packaging operations) whereas head offices and other minor production units are not to be consolidated.

2. The themes dealt with by the sustainable development report cover the main social, health & safety and environmental issues of the sector. The ratios bringing back consumptions or emissions to production units allow to measure the group’s performances and to compare them to those of the sector. In order to assure a better appropriation of the reporting principles and purposes at site level and to promote the setting up of a performance management about the sustainable development issues, the group could consider defining, for these ratios, quantified objectives declinable in each activity.

3. In 2009, the revised versions of the procedures and tools for reporting sustainable development indicators were communicated across all the contributors of the group’s entities. Except for some contributors who didn’t take cognizance of these revised versions, they were globally well applied and known by the contributors of the sites we visited as part of our work.

4. In order to ensure a good understanding of the procedures and a homogenous reporting, some definitions could be specified. Notably, the types of training taken into account in the reporting vary a lot from one site to another, resulting in an under-evaluated performance for some sites. The definition of hazardous waste could also be specified, especially for sites outside Europe to which the European guidelines used as a reference do not apply.


Ernst & Young et Associés
Environment and Sustainable development
Éric Duvaud, Partner
2009 sustainable development Barometer

Global barometer

BIC 2009 76%

BIC 2008 73%

Products

Environment

1 Measure the environmental performance of BIC® products
- Stationery 53%
- Lighters 80%
- Shavers 80%

In 2010, 80% of BIC® products will have been eco-measured.

2 Propose BIC® stationery products with environmental benefits
- Stationery 40%

In 2010, 50% of BIC® stationery products will have environmental benefits.

3 Propose eco-optimized packaging
- Packaging 77%

In 2010, the product weight/packaging weight ratio will have increased by 5%.
Industry

Management systems

4 Deploy and maintain management systems in the BIC factories
- Environment MS 92%
- Health & Safety MS 89%

In 2010, BIC factories will have deployed management systems for the Environment and Health & Safety.

Energy

5 Reduce GHG emissions from our production activities by 5%
- Factories 6%

In 2010, BIC factories will have reduced GHG emissions (from direct and indirect electricity consumption) by 5% per ton of products produced.

Transportation

6 Reduce GHG emissions from our transport operations by 5%
- International transportation 100%

In 2010, the GHG emissions from our international transport operations will be reduced by 5% per ton of products transported.

Social

Working conditions

7 Reduce workers’ accidents
- Incidence rate 87%
- Severity rate 91%

In 2010, 100% of BIC factories will have lower accident incidence and severity rates than the French sector average.

8 Deploy and maintain the BIC Group Code of Conduct
- BIC factories 95%
- Global contract manufacturers 98%
- Local contract manufacturers 17%
- Licensed manufacturers 75%

In 2010, BIC factories, global and local contract manufacturers and licenced manufacturers will have signed the BIC Group Code of Conduct, will have been assessed by or with the support of an independent agency, and will have implemented or will be implementing the BIC CSR program.

Training

9 Develop employees’ employability
- Training 81%
- Satisfaction 100%

In 2010, BIC employees will get 20 hours of training per year and training satisfaction scores will reach a minimum of 80 out of 100.

Donation

10 Strengthen our commitment toward our communities
- Contribution >0.5%

In 2010, BIC will contribute more than 0.5% of pretax profit towards its communities: product donations, financial aid for philanthropic organizations.
Perimeter and selection of the non-financial indicators published in the report

Each year since 2004, BIC has published a sustainable development report. The reporting period covered by the present report is from January 1, 2009 to December 31, 2009. The published indicators are linked to BIC’s major social and environmental objectives.

PERIMETER
The reporting perimeter comprehends the entire group of BIC companies (however, excluding acquisitions during the year, i.e., BIC APP). Data from these operations will be included within the boundary of consolidation no later than the calendar year, following their acquisition. Only figures for net sales and their breakdown (page 42) as well as for headcount (pages 6, 28 and 34) include information from BIC APP.

INDICATORS
The indicators that relate to human resources only concern permanent workers in the Company. Indicators that refer to the environment as well as to work-related accidents only comprehend the Company’s factories, engineering firms and packaging operations. The number of activities supporting our communities is compiled from questionnaires, sent annually to each subsidiary operation.

Indicators that refer to financials, human resources, work-related accidents and the environment are the result of several data collection systems, which include the use of dedicated tools (intranet), under the responsibility of their respective departments. The coherence of data is verified before consolidation.

For the third consecutive year and in a spirit of continuous improvement, BIC commissioned a review of its processes relative to certain indicators. That work has resulted in recommendations, shared internally, and which can also serve as a basis for improvement, during the coming year. A certificate, summarizing the review, is available in the present report (page 45).

The present report is based on the methodological recommendations of the Global Reporting Initiative (GRI), whose suggested indicators are referenced in the table of contents for the present document.

Design and production: W & CIE
Contact: Christine Desbois, Sustainable Development Director
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This document is available on-line on www.bicworld.com
Produce a flame 3,000 times with a single BIC® Maxi lighter.

Shave for 10 days with a single BIC Comfort 3® shaver.

Draw a line 2 km long with a single BIC® Cristal® ballpoint pen.

Every day, consumers and corporations choose to buy:

- 24 million BIC® stationery products,
- 5 million BIC® lighters,
- 10 million BIC® shavers,
- 4 million BIC® advertising and promotional products.

SOCIÉTÉ BIC - 92611 Clichy Cedex (France)

www.bicworld.com