



## Environmental data

### ■ BIC AND THE ENVIRONMENT

Ethical conduct toward our employees, consumers, customers, suppliers and shareholders is a fundamental and pervasive operating principle within the BIC Group. Accordingly, BIC has maintained a long-standing commitment to protecting the environment, as well as safeguarding the health and welfare of our employees, neighbors' and consumers.

We recognize that nearly every aspect of a manufacturing business, including the production, distribution, and end disposal of a product and its packaging, has the potential to impact the environment, human health or safety.

It is clearly our responsibility to minimize those impacts. The challenge is to develop solutions that protect people and the environment and allow us to maintain the product quality and value that consumers demand. BIC accepts this responsibility and this challenge. Our approach is to collaborate with our employees, suppliers, customers and consumers to identify, assess and minimize the environmental, health and safety impacts resulting from our manufacturing operations, our products, and our product packaging.

This is the third year BIC has published a sustainable development report.

### ■ SCOPE AND CHOICE OF INDICATORS

SOCIÉTÉ BIC has chosen to broaden the scope of this report beyond that outlined in Article 116 of the Law on New Economic Regulations, which prescribes the environmental data required from publicly traded companies.

In order to supply pertinent information in conformity with the law, BIC supplies worldwide consolidated data whenever it is available and relevant.

Indicators were chosen to provide greater clarity for all data provided. Indicators were selected to reflect the Group's activities and the impact of those activities on the environment.

The information presented here represents consolidated data from all subsidiary factories, French and foreign, unless only local data is available, or if this data is more relevant than consolidated data. This report includes all industrial plants of the BIC Group that manufacture finished or semi-finished products for sale to the general public, our engineering companies and the main BIC warehouses.

### ■ COMPANY INTERNAL ENVIRONMENTAL MANAGEMENT. CAPACITIES FOR REDUCING ENVIRONMENTAL RISKS

BIC's overall approach to environmental protection is outlined in a document entitled "Environmental, Health and Safety policy for the BIC Group" signed by BIC's Chairman and Chief Executive Officer in April 2005.

Among other commitments, this policy obligates all BIC factories to implement environmental management systems. The BIC Group has prepared a detailed set of requirements for a management system that meets the unique needs of our factories, but is purposely designed to achieve continuous improvement of environmental performance. The Group has also developed a formal guidance program to assist our plants that do not currently have a management system in successful design and implementation.

In 2006, BIC began the worldwide implementation of Environmental Management System (EMS) at BIC factories, after refinement at four pilot facilities. Overall EMS implementation is estimated at 78% complete, with a target of December 2007 for full compliance. BIC factories are pursuing over 150 environmental improvement projects in 2007.

### ■ ENVIRONMENTAL EVALUATION OR CERTIFICATION

The BIC Group has directed all BIC factories to establish an environmental management system compliant with an internal Group standard. Individual factories are free to exceed this Group standard, where appropriate, as long as they maintain a focus on continuous improvement of environmental performance.

ISO 14001 certification is not implemented in the whole Group but only for selected factories that have chosen this way to make progress. However, we do not promote nor forbid the usage of this certification.

### ■ MEASURES TAKEN, WHERE APPLICABLE, TO ENSURE THAT OPERATIONS ARE IN CONFORMITY WITH APPLICABLE LAWS AND REGULATIONS CONCERNING THE ENVIRONMENT

The plants maintain routine and periodic controls intended to ensure compliance with local regulatory requirements. These controls are carried out internally, or with the assistance of an independent external company. An action plan is established to correct any identified compliance issues.

The implementation of the Group environmental management system will further assist plants with regulatory compliance.

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### CONTINGENCY PLANS SET UP TO DEAL WITH POLLUTION ACCIDENTS WITH CONSEQUENCES OUTSIDE OF THE PLANTS

Emergency prevention and response plans have been established in locations where there is an identified risk of an accident with consequences outside plant boundaries.

In particular, our SEVESO plants have a "Plan d'opération interne". Outside of France, many plants have equivalent emergency plans. For example, our plants in the USA and New Zealand maintain an "Emergency Response Plan."

For our high-threshold SEVESO plant, we have a major hazard prevention policy and have implemented a safety management system to prevent major accidents, in conformity with the ministerial decree of May 10, 2000, transposition in French law of the European Council directive 96/82/EC.

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### TRAINING AND INFORMATION ON THE ENVIRONMENT AND SAFETY

In 2005, BIC launched a campaign to raise employee awareness of its sustainable development program. This included presentations to site management and the distribution of brochures printed in national languages. Presentations were given jointly by members of site management teams and members of the Sustainable Development Committee.

Newly hired employees also learn about sustainable development through the "Welcome to BIC" orientation program given by BIC University. The new BIC Group Environmental, Health & Safety (EH&S) policy was communicated to all factories.

The BIC Group does not maintain an independent measure of training-days devoted to EH&S issues at our plants. EH&S training is integrated into the 59,459 hours of technical training completed in 2006.

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### EXPENSES FOR PREVENTING CONSEQUENCES TO THE ENVIRONMENT

Investment budgets related to the environment are an integral part of the annual budgets of all factories.

BIC factories have planned both short- and long-term improvement programs targeted at preventing or minimizing consequences to the environment. In 2006, 3 million euros was invested.

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### PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISKS

The Company has insurance to cover its installations for potential civil liability. The Company has environmental liability and civil liability insurance in the event of injury or damage to third-parties. In addition, the Company carries mandatory insurance for its employees, as well as property damage and business interruption insurance for its buildings and business personal property.

In particular, our high-threshold SEVESO plant has constituted the financial guarantees with banking act of guarantee, according to regulations.

### COMPENSATION PAID DURING THE FISCAL YEAR UNDER COURT ORDER

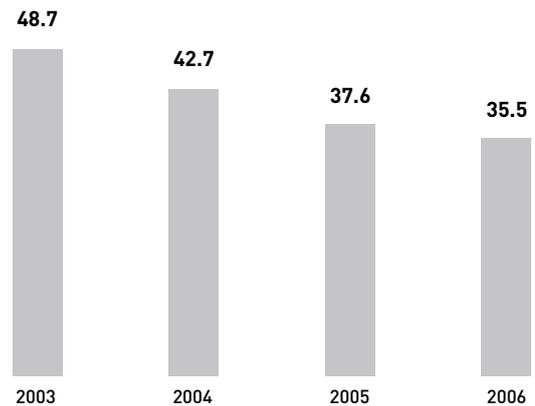
None.

### ACTIONS TAKEN TO REPAIR DAMAGE TO THE ENVIRONMENT

No significant activities were necessary in 2006.

### CONSUMPTION OF WATER RESOURCES

ANNUAL WATER CONSUMPTION NORMALIZED TO PRODUCTION BIC GROUP (cubic meters / tonne)



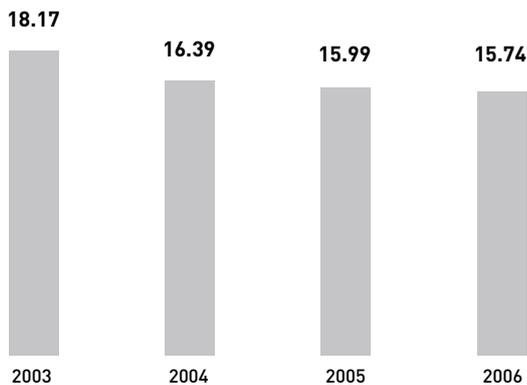
Water-use efficiency of the BIC Group, represented by water consumption per tone of production, has improved by 5.6% between 2005 and 2006. This is primarily due to decreases in consumption at our top two water-consuming plants. Sheaffer (USA) has downsized operations, and therefore consumption. BIC Rasoirs (France) completed an audit of their water systems to optimize the use of water. BIC Rasoirs has achieved a 22% improvement in water-use efficiency. These two plants represent 87% of the total water consumption for the BIC Group, primarily for process and building cooling, therefore their results have a significant impact on the BIC Group consumption.

Most BIC facilities achieved significant improvements in water-use efficiency as a direct result of programs implemented to reduce their water consumption. Examples of 2006 initiatives include: weekly monitoring of the water consumption at BIC Écriture 2000 (France) and the installation of a recycled water network at BIC No Sabe Fallar (Mexico), that collects water from the cooling tower and other uses. After treatment this water is reused in the sanitary system to achieve a 15% reduction in water consumption.



## CONSUMPTION OF ENERGY RESOURCES INCLUDING, IF APPLICABLE, MEASURES TAKEN TO IMPROVE ENERGY EFFICIENCY AND USE OF RENEWABLE ENERGY SOURCES

ANNUAL ENERGY CONSUMPTION NORMALIZED TO PRODUCTION BIC GROUP (gigajoule / tonne)



The BIC Group has achieved a 13% reduction in energy consumed per tonne of production since 2003.

Some examples of 2006 plant initiatives to reduce energy consumption include: a 2.8% decrease in electricity consumption per unit production as a result of reductions in compressed air usage at BIC Ecuador (Ecuador); a reduction of 45,000 kWh of electricity achieved through an audit of compressed air systems at BIC Graphic USA (USA).

## CONSUMPTION OF RAW MATERIALS

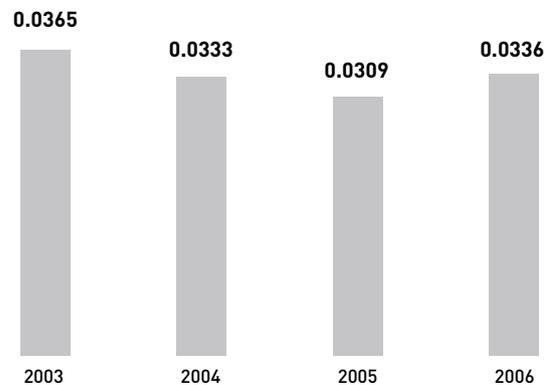
We are committed to optimizing the quantity of raw materials necessary to manufacture and sell our products. In 2005, we initiated an eco-design method for stationery products. This is a preventive approach that enables us to integrate environmental concerns, beginning with the product design stage.

Whenever feasible, our R&D teams explore alternate scenarios for minimizing environmental impact by varying the materials used, production processes, manufacturing location, or by optimizing the product profile. As a result, BIC® pens offering several design options will be eco-designed using this process.

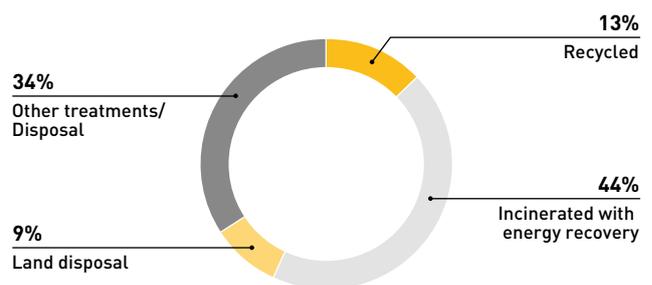
In parallel, manufacturing plants are working on programs targeted at reducing quantities of raw materials or substituting virgin materials with recycled materials, all while maintaining our absolute commitment to the quality and safety of BIC® products. Examples of 2006 initiatives include: the discovery of a new source of recycled plastic to increase the percentage of recycled materials in BIC® Evolution™ pencils from BIC Boulogne (France); the redesign of the BIC® Cristal® cap, to reduce cap material consumption by 30% at BIC Amazonia (Brazil).

## WASTE

ANNUAL PRODUCTION OF HAZARDOUS WASTE NORMALIZED TO PRODUCTION BIC GROUP (tonne / tonne)



2006 HAZARDOUS WASTE TREATMENT BIC GROUP (% of total expressed in tonne)



Note: "Other treatments/Disposal" represent all other forms of waste treatment, including incineration without energy recovery.

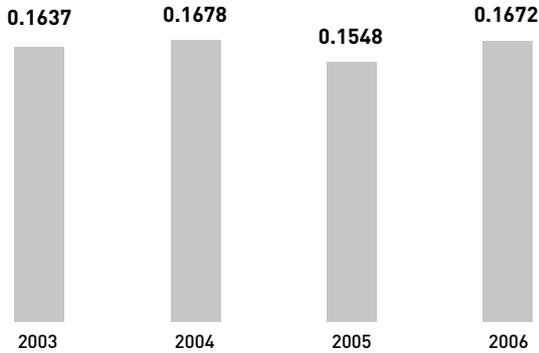
We experienced an 8.7% increase in the amount of hazardous waste generated per tonne of production between 2005 and 2006 due to two extraordinary situations in 2006. The first is the shutdown of metal plating operations and the associated waste treatment area at our Sheaffer (USA) plant. This shutdown resulted in significant quantities of waste from a large-scale decontamination of equipment and the removal of all hazardous chemicals. The second situation was a sizable increase in the production of specific chemicals at our BIMA (France) plant intended for a chemical company external to the BIC Group. This specific activity was responsible of 98% of the hazardous waste production at BIMA. Excluding these 2 plants, the amount of hazardous waste generated per tonne of production decreased by 2.4% between 2005 and 2006.

BIC plants have continued to make improvements in management of hazardous waste. In one example, BIC Viorex (Greece) has achieved a 90% reduction in the consumption of oil used for shaver blade grinding by improving a closed loop oil system. In another example, BIC Graphic Europe (Spain) has reduced its consumption of paper by 40%, using more absorbent paper in the cleaning process for ink printing screens.



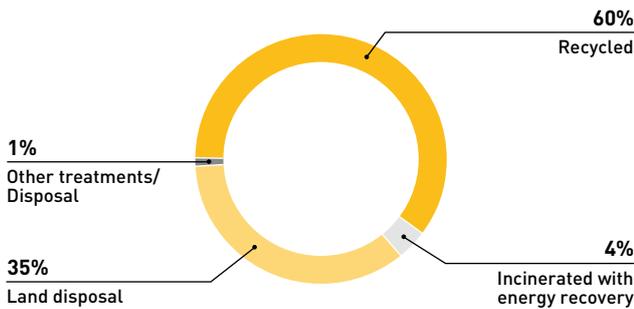


● ANNUAL PRODUCTION OF NON HAZARDOUS WASTE NORMALIZED TO PRODUCTION  
BIC GROUP (tonne / tonne)



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● 2006 NON HAZARDOUS WASTE TREATMENT  
BIC GROUP (% of total expressed in tonne)



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Note: "Other treatments/Disposal" represent all other forms of waste treatment, including incineration without energy recovery.

In 2006, we saw an 8% increase in generation of non-hazardous waste as normalized to production. This increase is attributed to a consolidation and reorganization of global production capacity completed in 2006, primarily for stationery products. This initiative resulted in inter-company transfer of equipment and the closure of several buildings at BIC Corporation (USA), Milford. The disposition of obsolete equipment, fixtures and other building contents caused a large surge in metal wastes which were separated and processed for recycling.

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Excluding this plant, the production of non hazardous waste was flat between 2005 and 2006.

Several improvement efforts were targeted toward non-hazardous waste. Examples of 2006 initiatives include: a process to recover plastic "sawdust" from the manufacture of BIC® Evolution™ pencils from BIC Boulogne (France); an employee training initiative to reduce the scrap pens at BIC Graphic Europe (Spain).

■ CONDITIONS FOR USE OF GROUNDS

In Europe and the USA, as part of an industrial restructuring resulting in the closure of factories, BIC has ensured that plant

decommissions were performed in accordance with local law and best environmental practices. Between 1999 and 2006, BIC carried out studies of the soil and subsoil, although most plants were not subject to any such compulsory examination. Such studies of longtime European plants demonstrate that our business does not have a significant impact on soil and subsoil.

For French plants subject to specific regulatory requirements, the policy for preventing the risk of soil pollution is an integral part of the BIC operating plan.

■ AIR, WATER AND SOIL RELEASE THAT SERIOUSLY AFFECTS THE ENVIRONMENT. MEASURES TAKEN TO LIMIT THE EFFECTS ON BIOLOGICAL BALANCE, NATURAL HABITATS, AND PROTECTED ANIMAL AND PLANT SPECIES

The nature of our manufacturing operations, primarily molding and assembly of plastic products, should result in a relatively low local environmental impact as compared to what many think of as typical "heavy" manufacturing. Nevertheless, our sustainable development program is requiring all BIC plants to measure, assess and reduce any potentially significant environmental impacts.

For 2006, the BIC Group quantified the direct emissions of greenhouse gases from its manufacturing plants. These emissions are Carbon Dioxide (CO<sub>2</sub>) resulting from the combustion of fossil fuels, primarily natural gas and fuel oil, by the manufacturing plants. These fuels are mainly used to heat buildings.

The total amount of direct greenhouses gas emissions was estimated at 13 thousand tonnes of CO<sub>2</sub> equivalent (according to ADEME methodology, Bilan Carbone® v4, June 2006).

■ NOISE AND ODOR IMPACT

Odor is considered an insignificant aspect for our activities.

As far as noise impact is concerned, measures are taken within the property limits in the context of local regulations.

In the event that noise pollution is identified in the future, we will assess the situation and implement appropriate corrective actions.

■ SUBCONTRACTING AND THE MANNER IN WHICH THE COMPANY MAKES SURE ITS SUBCONTRACTORS AND ITS SUBSIDIARIES RESPECT THE FUNDAMENTAL INTERNATIONAL LABOR ORGANIZATION CONVENTIONS

BIC derives 89% of its sales from products manufactured in its own factories.

As a leading global consumer products company, BIC is committed to conducting its range of business activities from manufacturing



to marketing and sales in a socially responsible manner. The BIC Group Code of Conduct is a set of business and social principles describing our commitment to work with contract manufacturers who share a commitment to these principles.

The major BIC plants are located in Brazil, France, Greece, Mexico, South Africa, Spain and the USA. All BIC factories conduct their operations in a manner which is consistent with the business and social principles that are formalized in our BIC Group Code of Conduct. This commitment is being monitored by a self-assessment process in our factories.

BIC expects its contract manufacturers to commit to the same Code of Conduct. Although BIC derives only 11% of its sales from outsourced products, mainly in the stationery business, BIC has implemented a specific program to monitor how the Code of Conduct is actually implemented by contract manufacturers.

Since 2000, BIC has established a Corporate Social Responsibility (CSR) Program that is an integral part of the qualification process for our new products manufactured by contract manufacturers. Participation in BIC's Social Responsibility Program – which includes compliance with BIC's *Code of Conduct for Contract Manufacturers* and factory assessments by an independent external monitoring agency – is mandatory for all BIC contract manufacturers. In 2005, the BIC Group CSR Program has been expanded to local and regional contract manufacturers which manufacture BIC® products for local markets only.

BIC views Corporate Social Responsibility as a partnership with its contract manufacturers to further shared values. We develop this partnership by motivating improvement, setting goals and seeking commitment to improvement rather than termination. BIC seeks to work with those contract manufacturers who show a commitment by responding promptly and providing a detailed and honest plan for improvement.

**Principles of 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.

**FOREIGN SUBSIDIARIES AWARENESS OF THE IMPACT OF THEIR BUSINESS ON REGIONAL DEVELOPMENT AND LOCAL POPULATIONS**

In the vast majority of cases, BIC subsidiaries initiate local community involvement programs and activities. This guarantees better understanding of local needs and the most efficient use of BIC contributions. Most importantly, this approach is a direct, pragmatic way to improve the quality of life in regions where BIC employees live and work.

In 2006, more than one hundred fifty community activities and programs were undertaken in the countries where BIC has operations. Contributions in the form of product donations are attractive to local community organizations. In response to basic needs, such as writing and personal hygiene, BIC® products are often considered basic commodities for the disadvantaged people or people caught in a state of emergency. Some BIC Group subsidiaries also demonstrate corporate citizenship through financial support and active employee participation in philanthropic organizations.

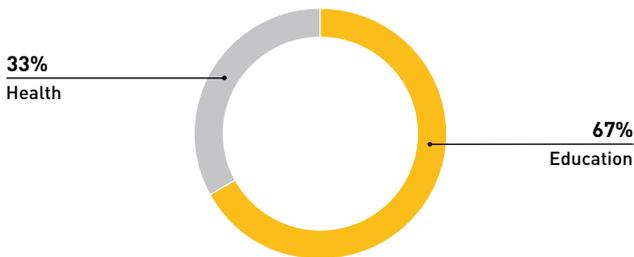




OUR LOCAL COMMUNITIES

TYPE OF PROGRAM	NUMBER OF ACTIVITIES	EXAMPLE OF ACTIVITIES AMONG BIC GROUP SUBSIDIARIES
Product donations	140	<ul style="list-style-type: none"> <li>France: donation of writing and shaving products for some 95 initiatives to meet local philanthropic needs: support for schools in Africa, aid for homeless people in France, support for medical care programs;</li> <li>South Africa: BIC again partnered with the Department of Education to help donate pens, coloring products and other supplies to underprivileged children;</li> <li>Romania: coloring products donation for 18 initiatives, including schools, orphanages and other child care organizations;</li> <li>BIC Graphic Europe: 13 activities, including product donations for projects in Latin America countries or in Philippines, Mauritania, Malawi, Mozambique, Spain and Portugal, mainly focused on education and health;</li> <li>Kenya: significant donation of BIC® products to allow Kenyan children to attend school.</li> </ul>
1 Financial aid for philanthropic organizations	44	<ul style="list-style-type: none"> <li>USA (BIC Corporation): financial support to more than 70 organizations since 1997. The Milford United Way, part of an international network of local organizations for emergency aid, was once again the main beneficiary in 2006;</li> <li>USA (BIC Graphic USA): continued financial support to the Pinellas Education Foundation and employee participation in the Susan B. Komen "Race for the Cure" 5 km run/walk to raise funds for the fight against breast cancer;</li> <li>Colombia: financial contribution to allow 180 children in Bogota to receive medical services and medicines;</li> <li>Canada: financial contributions to children's hospital and research centre.</li> <li>Ecuador: BIC sponsored an interschool contest "Genios Del Universo" with more than 170 schools and contributed to 12 university scholarships.</li> </ul>
3 Employee volunteer work	25	<ul style="list-style-type: none"> <li>Mexico: BIC employees and their families volunteered their time to improve building and living conditions at five orphanages;</li> <li>Nicaragua and Guatemala: BIC employees visited a home for the elderly and gave each of them a Christmas gift;</li> <li>Brazil: BIC employees volunteered their time to help educate children and adults living along the rivers in Manaus about the importance of properly collecting and disposing waste to help preserve the environment;</li> <li>USA (BIC Corporation): through its annual collection campaigns, the Community Service Volunteer committee distributed food and winter clothing to neighbors in need through various community organizations.</li> </ul>

THEMES FOR ACTIVITIES SUPPORTING LOCAL COMMUNITIES



Activities breakdown (in value), according to an internal estimated.

Activities breakdown (in volume).