

# 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 fourth year BIC has published a sustainable development report, now included in the annual 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 factories 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 (EMS). 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.

The implementation of management systems is 99% complete for the Environment and 98% complete for Health and Safety.

Recently acquired factories will be integrated within the environmental approach.

In addition to the EMS implementation, BIC factories continue their commitment in many projects intended improving the environment.

## ➔ 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 assists plants with regulatory compliance.

In addition, the BIC Group does not anticipate any significant issue related to the implementation of the Reach European regulation.

➔ **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 United States 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.

➔ **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. In 2007, BIC University and members of the Sustainable Development Team co-developed a 90-minute e-Learning course which highlighted BIC's Sustainable Development Program. The rollout of the course began with our senior managers who were asked to take the course and share the information with their teams. Our managers responded very positively and the course is now available for all employees.

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 73,380 of technical training completed in 2007.

➔ **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 2007, 2.3 million euros was invested.

➔ **PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISKS**

The Company maintains insurance to cover its installations for potential civil liability. The Company maintains 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 2007.

➔ **CONSUMPTION OF WATER RESOURCES**

Water-use efficiency of the BIC Group, represented by water consumption per tone of production, has improved by 39% between 2006 and 2007.

This is primarily due to the continuation of the decreases in consumption at Sheaffer (USA) that represents 54% of the Group water consumption. This high reduction is due to an important decrease of the activity.

BIC Rasoirs (France), that represents 27% of the water consumption, has also continued their improvements with a 19% decrease of consumption, mainly due to an optimization of their process.

Globally 50% of the sites have improved their water consumption leading to a water consumption decrease of more than 30%.

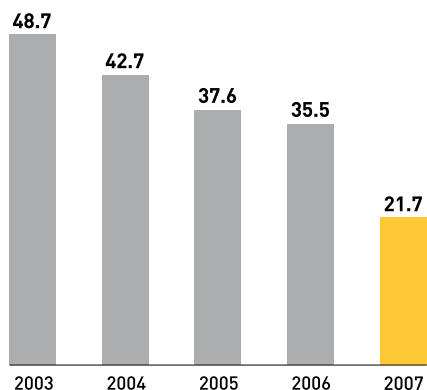
More over, 11 sites have both improved their production and decrease their consumption ratio; for example BIC Viorex (Greece) increases by 33% their production with a 27% decrease in their consumption ratio. The main reasons of this good performance are both the reuse of the water treated by the wastewater



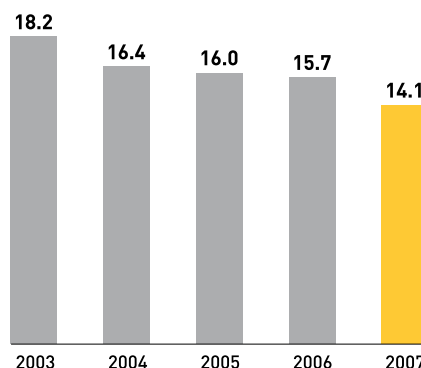
treatment plant and the dismantling of a cooling tower replaced by a close loop cooling system.

In the context of the implementation of Environmental Management Systems, 10 programmes regarding water saving have been elaborated.

**ANNUAL WATER CONSUMPTION NORMALIZED TO PRODUCTION GROUP BIC**  
(Cubic meters per tonne)



**ANNUAL ENERGY CONSUMPTION NORMALIZED TO PRODUCTION GROUP BIC**  
(Giga joules per tonne)



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

The BIC Group has achieved a 10% reduction in energy consumed per tonne of production since 2006.

The most relevant improvements concern the factories of BIC Boulogne (France), BIC Graphic USA (USA), BIC Viorex (Greece) and BIC Écriture 2000 (France) with a decrease of respectively 26%, 16%, 14% and 8%.

Among good practices developed in the field of energy savings are the use of sparing lightning on the entities of BIC Boulogne (France) and BIC Graphic USA (USA).

In the context of the implementation of Environmental Management Systems, 22 programmes regarding energy saving have been elaborated.

➔ **CONSUMPTION OF RAW MATERIALS**

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

Recycled material are used in several BIC stationery products and in 2008, BIC Graphic USA is launching a range of writing instruments containing recycled material.

In the context of the implementation of Environmental Management Systems, 6 programs regarding raw materials reduction and 2 regarding packaging have been elaborated.

➔ **WASTE**

**Hazardous waste**

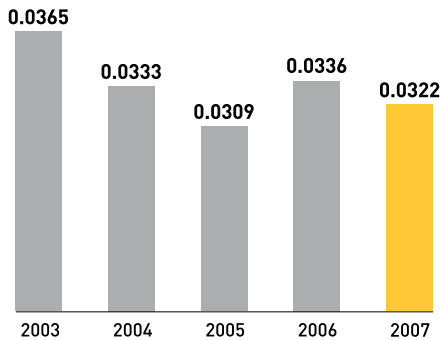
We experienced a 4% decrease in the amount of hazardous waste generated per tone of production between 2006 and 2007 with comparable perimeter.

The most relevant improvements concern the factories of BIC Corporation (USA) with a decrease of 47%, BIC Écriture 2000 (France) with 40%, BIC Viorex (Greece) with 18% and BIC Amazonia (Brazil) with 14%.

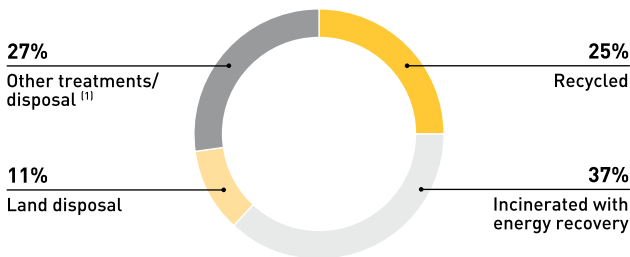
For example, BIC Amazonia (Brazil) built a wastewater treatment plant that allows the internal treatment of some hazardous liquid waste.

In the context of the implementation of Environmental Management Systems, 33 programs regarding waste management have been initiated.

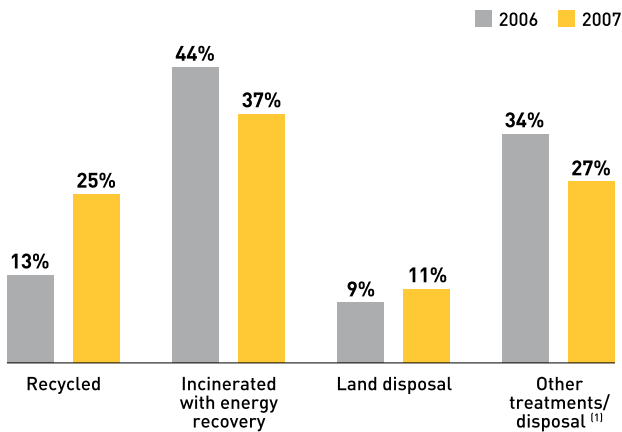
**ANNUAL PRODUCTION OF HAZARDOUS WASTE NORMALIZED TO PRODUCTION GROUPE BIC (Tonne per tonne)**



**2007 HAZARDOUS WASTE TREATMENT BIC GROUP**  
*(% of total expressed in tonne)*



**HAZARDOUS WASTE REPARTITION IN 2006 & 2007**  
*(% of total expressed in tonne)*



**Non-hazardous waste**

In 2007, we experienced a 1.3% decrease in the amount of non-hazardous waste generated per tonne of production.

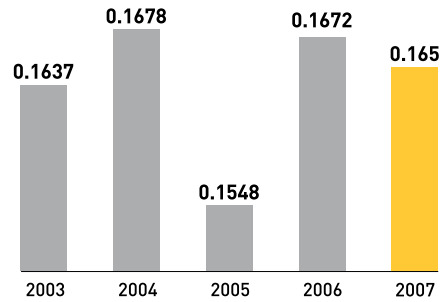
The most relevant improvements concern the factories of BIC Corporation (USA) with a decrease of 45%, BIC Boulogne (France) with 23% and BIC Graphic USA (USA) with 22%.

(1) "Other treatments/disposal" represent all other forms of waste treatment, including incineration without energy recovery.

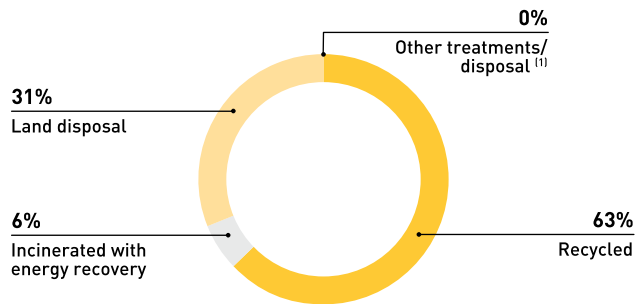
For example, BIC Corporation (USA) continues its actions towards in raw material reduction and process improvement.

In the context of the implementation of Environmental Management Systems, 33 programs regarding waste management have been initiated.

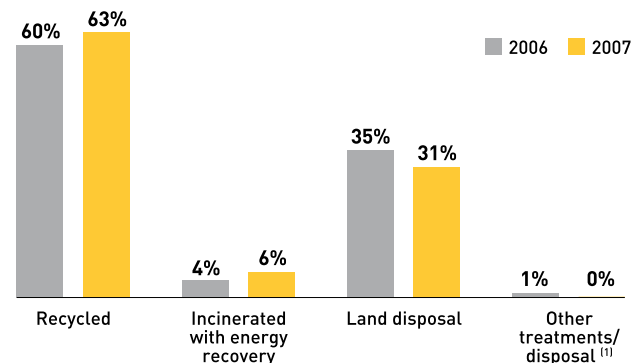
**ANNUAL PRODUCTION OF NON HAZARDOUS WASTE NORMALIZED TO PRODUCTION GROUPE BIC (Tonne per tonne)**



**2007 NON HAZARDOUS WASTE TREATMENT BIC GROUP**  
*(% of total expressed in tonne)*



**NON HAZARDOUS WASTE REPARTITION IN 2006 & 2007**  
*(% of total expressed in tonne)*



➔ **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.

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

BIC derives 88% 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 United States. 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 12% 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 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.



➔ **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 2007, 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 greenhouse gas emissions was estimated at 12 thousand tons of CO<sub>2</sub> equivalent (according to ADEME methodology, Bilan Carbone® v4, June 2006), representing a saving of 1 thousand tons of CO<sub>2</sub> equivalent compared to 2006 emissions.

➔ **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.