

2021 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

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Elements of the Annual Financial Report are identified in the content using the symbol AFR
Elements linked to the Non-Financial Performance Statement are identified in the content using the symbol NFPS

TRANSPARENCE LABEL ARGENT 2021

This label recognizes the most transparent documents and information materials according to the criteria of the *classement annuel de la Transparence* (annual Transparency ranking) (https://www.grandsprixtransparence.com).

UNIVERSAL REGISTRATION DOCUMENT

including the Annual Financial Report

2021

This Universal Registration Document has been filed on March 25, 2022 with the *Autorité des Marchés Financiers* (AMF), as competent authority under Regulation (UE) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a securities and, where applicable, a summary and any amendments to the Universal Registration Document. The package then formed is approved by the AMF in accordance with Regulation (EU) 2017/1129.

The Universal Registration Document 2021 is an English translation of the official version of the Universal Registration Document 2021 which has been prepared in xHTML and is available on the AMF website: amf-france.org and the Company's website.

MESSAGE FROM BIC'S CHIEF EXECUTIVE OFFICER



Gonzalve Bich

2021's results confirmed that BIC's focus on the consumer, and on Sustainability are the right choice.

Turning our *Horizon* Strategic Plan into action, we delivered or overdelivered on what we could control driving momentum and continuously strengthening performance.

We demonstrated our determination to actively manage external headwinds through increased operational and manufacturing efficiencies. We also invested in preparing the company for short, mid, and long-term success with exciting consumer-centric product launches, such as our new EZ Reach Utility Pocket Lighter and the BIC® BAMBOO shaver, and brought to BIC new opportunities for growth with Rocketbook, opening up the new and exciting growth avenue that is Digital Writing.

Aligned with our *Horizon* Plan, the exciting recent acquisition of Inkbox, the leading brand of semi-permanent tattoos, is yet another proof point of our transformation into a fast-moving Consumer Goods Company bringing Joy and Simplicity to consumers.

2022 will be another unpredictable and challenging year. Anchored in our Mission, we will continue to offer high-quality, reliable and essential products to surprise and delight consumers, thus creating and sharing value that unites all our stakeholders.

Three years ago, we began our journey to create the BIC of the future. Since then, focusing on the consumers, we made choices, took controlled risks, and looked to new and emerging consumer trends for growth opportunities, inside and outside the company. This is how my grandfather founded this company. Our entrepreneurial DNA is organic, and enriched with passion and dedication.

Welcome to the BIC of the future.

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A GLOBAL FOOTPRINT

€1,831.9 million
2021 Net Sales

10,471
Team members*

26 million
BIC® products bought every day

4.0%
of non-virgin petroleum plastics In BIC® products

12
products improved their environmental or social performances

€314.2 million
2021 Net Income Group share

8.1%
of Net Sales from innovations in the last three years

59.6%
Reusable, recyclable or compostable plastic in consumer packaging

79%
Renewable electricity used

** Permanent Employees.*

BIC's global footprint, with 24 plants worldwide, allows us to stay close to our customers and consumers, enabling us to anticipate and respond to evolving trends while minimizing the group's environmental impact.

24

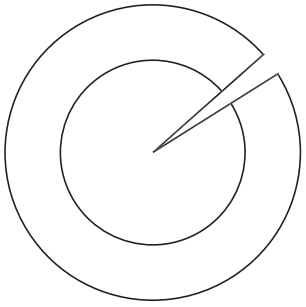
PLANTS WORLDWIDE INCLUDING

14
STATIONERY FACTORIES

6
LIGHTER FACTORIES

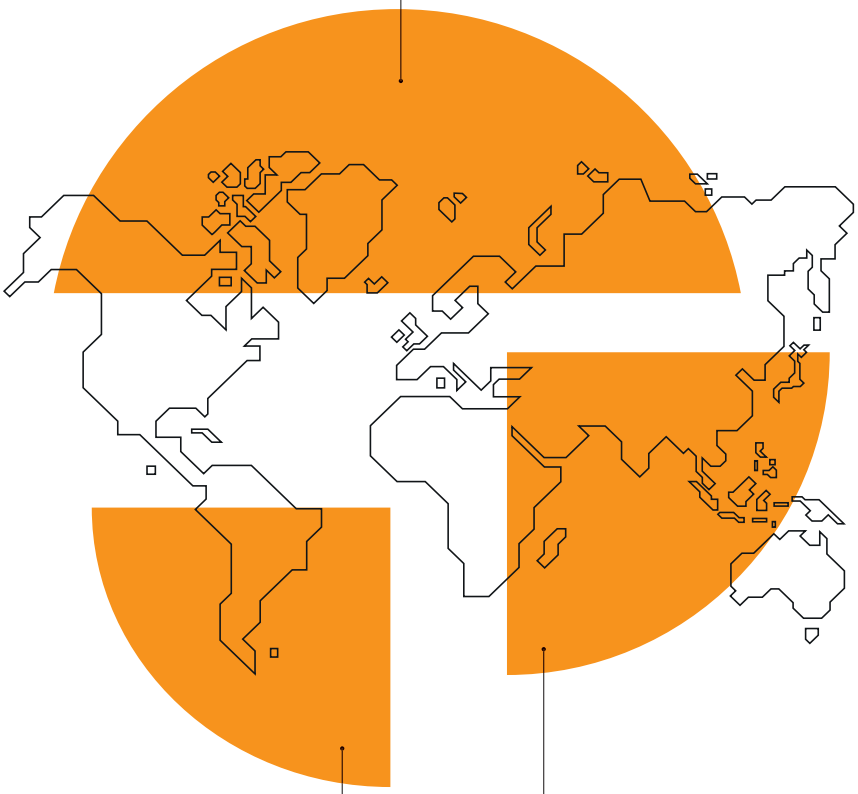
4
SHAVER FACTORIES

91%



OF BIC® PRODUCTS MANUFACTURED IN BIC FACTORIES

NORTH AMERICA
43%
of Net Sales
2 factories



EUROPE
31%
of Net Sales
9 factories

DEVELOPING MARKETS
26%
of Net Sales
13 factories

FROM VISION TO LEADERSHIP

BIC is a world leader in Stationery, Lighters and Shavers products. For the past 75 years, BIC has met consumer needs with high-quality, safe, affordable and essential products trusted by everyone. BIC is one of the world's most recognized brands, with products sold in more than 160 countries.

OUR VISION

Our ambition is to create a sense of Ease & Delight in the millions of moments that make up the human experience. It is this passion for bringing Simplicity & Joy to people all over the world that drives our team members each day. We reimagine everyday essentials, designing products that are part of every Heart & Home.

INTEGRITY SUSTAINABILITY RESPONSIBILITY INGENUITY TEAMWORK SIMPLICITY



HIGH QUALITY

When we created our first product, the BIC® Cristal® ballpoint pen, we decided to focus on the essentials: a simple, high-quality product, sold at the right price, to facilitate an everyday gesture and to be used by anyone, everywhere.

INVENTIVE

We succeeded in responding effectively to consumers' changing expectations. Our Research & Development teams work proactively to identify consumer needs and come up with innovations to meet them.

RELIABLE

We have created consumer loyalty by offering the same high quality throughout the product's life: more than 2km of writing from one BIC® Cristal® ballpoint pen, 3,000 ignitions from one BIC® Maxi pocket lighter, and 17 shaves from a BIC® Flex 3 Shaver.

SUSTAINABLE

We have always been committed to creating long-lasting products with a light environmental footprint, manufactured with a minimum of resources. We use an eco-design approach, integrating alternative solutions such as the use of recycled materials or bioplastics in many products.

LEADERSHIP POSITIONS

STATIONERY

HUMAN EXPRESSION

No. 2

writing instruments manufacturer with cc. 8% market share*

37% of 2021 Net Sales

LIGHTERS

FLAME FOR LIFE

No. 1

branded lighter manufacturer with cc. 55% market share (excluding Asia)*

39% of 2021 Net Sales

SHAVERS

BLADE EXCELLENCE

No. 2

one-piece manufacturer with cc. 23% market share*

22% of 2021 Net Sales

OUR BRANDS

BIC, cello, BIC Kids, Ucla, BIC Wite-Out, Rocketbook, Tipp-Ex, BIC Soleil, Djeep Paris, US, Made for You, Inkbox

** Source: 2020 Euromonitor and BIC internal estimates.*

A CONSUMER-CENTRIC BUSINESS MODEL

Team members: the key to our success

To support growth and development, we continuously reinforce our teams' skills and capabilities by providing customized training programs and opportunities for career development. BIC also develops a strong Diversity, Equity & Inclusion program.

10,471 team members
489.0 million euros payroll costs
12,085 training days

State-of-the-art and responsible production

We use a state-of-the-art production line while reducing the environmental footprint of BIC factories and protecting our employees' health.

24 factories on 4 continents.
91% of Net Sales from products manufactured in BIC factories

A sustainable procurement strategy

Through our responsible procurement strategy, we strive to minimize the environmental Impact of BIC® products.

966.5 million euros purchases of raw materials, consumables and services
323 strategic suppliers

Solid financial foundation

Through sound cash management and a strong balance sheet, we ensure access to the capital needed to finance innovation, operations, and enhance growth.

1,723.8 million euros shareholders equity
280.6 million euros Net Cash from Operating Activities
400.1 million euros of Net Cash Position

Innovation

True to our culture of innovation, we maintain a sharp focus on developing new, innovative, environmentally friendly products.

347 patents granted at the end of 2021
1.5% of Net Sales invested in R&D



OUR MISSION

To create high-quality, safe, affordable, essential products trusted by everyone





Demand for eco-responsible products

Well-being and security at work

To foster the commitment and loyalty of teams, we strive to ensure their everyday tasks are fulfilling and safe.

58 work accidents
1.19% rate of absenteeism

A reduced environmental footprint

We have considerably reduced our footprint by working throughout our production chain: from the product's creation to the end of its lifecycle, including a recycling strategy and controlled emissions from BIC factories and headquarters.

-11.5% water consumption*
-8% energy consumption*
- 7.8% waste production*
-11.7% greenhouse gas emissions (scopes 1 & 2)*
-13% greenhouse gas emissions (scope 3)

* per ton of production between 2020 and 2021

Long-lasting products

We innovate to respond to consumer needs and to reduce the impact of our products. We are increasingly recognized for the high quality and sustainability of our products.

More than 2 km writing for a BIC® Cristal® ballpoint pen
3 ,000 constant flames for a BIC® Maxi lighter
Up to 17 days of shaving with the BIC® Flex 3

Long-term profitable growth

The creation of financial value is essential to BIC's sustainability. Over the years we have remained committed to creating value for all our shareholders.

1,831.9 million Net Sales
314.2 million euros Net Income
74.9 million Capital Expenditure
80.9 million Ordinary Dividends paid

Education as a priority

Motivated by our conviction that education is crucial for the development of free will, independence and for combating poverty, we are committed to improving learning conditions for children around the world.

82 philanthropic products supported
158 million children have benefited from improved learning conditions since 2018
1 million euros invested in philanthropic projects



MAKING OPPORTUNITIES OUT OF MARKET TRENDS

HUMAN EXPRESSION

TRENDS

- Increasing demand for coloring products generally driven by more time spent on creative/arts & crafts at home
- Demand for digital tools
- Shift to online shopping

OPPORTUNITIES

- Answer consumer needs for more creative expression through art
- Explore stationery segments/products most complementary to remote learning and working
- Leverage growing trend of e-commerce with relevant/adapted channel products and packaging





FLAME FOR LIFE

TRENDS

- Decrease of tobacco consumption
- Need for personalization
- Increasing global population
- Raising demand for utility lighters

OPPORTUNITIES

- Launch of innovative products, addressing better non-tobacco-related usages.
- Increased portion of sales from decorated and personalized lighters



BLADE EXCELLENCE

TRENDS

- Changing grooming habits (less frequent facial shaving, more body shaving and trimming)
- Increased online channels for shopping for beauty & personal care products
- Increased demand for more environmentally friendly products
- The development of “indie-brands”

OPPORTUNITIES

- Leverage the female shave growth trends
- Capitalize on Disposable Premium Male trend
- Recognize shift of Personal Care to e-commerce
- Leverage “Indie brands” need for high-quality blades

BIC 2022
INVENT THE FUTURE

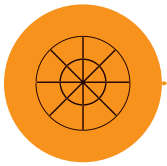
Launched in 2019, our Invent the Future transformation plan was operationally and financially focused. It set targets in four areas designed to strengthen the company and unlock long-term growth. In 2021, we achieved one year ahead of schedule each of the four operational targets, demonstrating the success of BIC's transformation into a fast-moving consumer-centric and efficient company.



EFFECTIVENESS

Increase efficiency throughout BIC's global manufacturing operations and build a more comprehensive, flexible, cost-effective, data-centric and responsible production model by exploring ways to optimize procurement processes and our Supply Chain model while maintaining product Safety, Quality, and Affordability

2022 TARGET	2021 PERFORMANCE
50 million euros in annualized savings	**50 million** in savings from the improved efficiency of our Global Supply Chain and Commercial Operations



INNOVATION

Enhance BIC's consumer insights capabilities and increase the pace of new innovative product launches to drive consumer-centric sustainable innovation

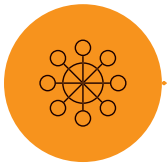
2022 TARGET	2021 PERFORMANCE
Increase the number of new patent submissions by 20% per year	**+21%** increase of new patent submissions



RELEVANT AND CONSUMER-CENTRIC BRANDS

Connect and engage more effectively with all consumers to continue to leverage BIC's unique brands, tailoring and strengthening our digital communications infrastructure and embracing new shopping trends such as personalization

2022 TARGET	2021 PERFORMANCE
Engage directly with consumers by allocating above 2/3rd of total brand support in Digital Media in its top Markets	**83%** media investment in digital



OMNICHANNEL DISTRIBUTION

Sharpen commercial operations to become a genuine omnichannel specialist, off-line and online, to drive value growth

2022 TARGET	PERFORMANCE 2021
Reach 10% of Net Sales in e-commerce	**10%** of Total Net Sales from e-commerce, including Rocketbook

HORIZON STRATEGIC PLAN

BIC continues to transform from a manufacturing and distribution-led company into a fast-growing consumer-centric company. The goal: to ensure value creation and sustainable Returns to Shareholders.

The *Horizon* strategic plan is focused on a set of initiatives that build on BIC's strengths, with an intensified focus on consumer needs and sustainability. The goal is not only to amplify the core capabilities that have propelled BIC for the last 75 years, but to go beyond them into adjacent segments to ensure our long-term sustainable growth, profitability, and Return to Shareholders.

Horizon builds on the *Invent the Future* transformation plan, which provided the company with a strong foundation to unlock long-term growth. The goal was to build muscle through centralized procurement, a redesigned supply chain, and reinforced core capabilities - all of which resulted in cost savings to finance the company's future growth. BIC became more resilient and was equipped to weather the economic and financial disruption of the Covid-19 health crisis.



Horizon is a more aspirational view to make sure our three product categories thrive despite headwinds. We started with the consumers' needs and desires and how BIC® products can better meet them. Our aim is to unlock category growth by:

- **expanding total addressable markets in fast-growing segments** and evolving BIC's business model to capture an increasing value share of our markets, with a strong focus on execution and return on investments;
- **leveraging innovation capabilities and manufacturing excellence** to generate incremental revenues through new routes-to-market;
- **capitalizing on the BIC® brand in our core markets** and building on new lifestyles to grow a comprehensive portfolio of consumer-led brands.

THE GOALS OF *HORIZON*

- **Reframe our three categories to accelerate top line growth**
- **Take our sustainable development journey to the next level**
- **Remain on a mid-single-digit growth trajectory**
- **Maintain strong cash flow conversion**
- **Sustain solid return to shareholders**

Consumer-driven innovation means going beyond our traditional products into new consumer occasions and categories. By thinking differently about our categories and capabilities we can expand our horizons for growth.



STATIONERY

HUMAN EXPRESSION

In Stationery, the focus evolves to Human Expression, moving beyond writing instruments into Creative and Digital Expression.

- BIC entered the Skin creative market in 2018 with the launch of Bodymark, BIC's innovative temporary tattoo marker to address consumers' attitudes shift towards self-expression, individuality, and creativity
- BIC entered the fast growing Digital Expression market with the acquisition of Rocketbook in 2020, the leading smart and reusable notebook brand in the U.S.



LIGHTERS

FLAME FOR LIFE

In Lighters, the category expands to Flame for Life, focusing on all lighting occasions and on a more value-driven model, powered by trade-up, personalization, and innovation.

- BIC launched its first innovative utility pocket lighter EZ Reach in June 2020, targeting further new lighting occasions that are non-related to tobacco usage, such as candles and barbecues



SHAVERS

BLADE EXCELLENCE

In Shavers, the category reinforces its one-piece shaver business with more consumer-driven and innovative products, and creates a new selective business BIC Blade-Tech as a high precision manufacturer, in order to capitalize on its advanced R&D and manufacturing Blade Excellence.

- In 2021, BIC reinforced its core shaver business with innovative new offers such as our Sustainable Development Hybrid shavers and the BIC® Bamboo shaver

SUSTAINABILITY

Sustainable Development has guided BIC's approach to doing business for nearly 20 years. Our "Writing the Future, Together" program established five major commitments to acting as a responsible company, and limiting our environmental footprint.

#1 FOSTERING SUSTAINABLE INNOVATION IN BIC® PRODUCTS

Simple, inventive designs, with less raw materials and long-lasting performance: sustainable development is embedded into BIC® products starting from the design phase

2025-2030 COMMITMENTS	2021 KEY ACHIEVEMENTS AND RESULTS
• By 2025, the environmental and/or societal footprint of all BIC® products will be improved • By 2025, 100% of consumer plastic packaging will be reusable, recyclable, or compostable, • By 2030, we will use 50% non-virgin petroleum plastic or alternatives in our products	• We use EMA* in all innovation projects to evaluate products' environmental and societal impacts. • The Environmental or social performances of 12 products were improved. • The tool for assessing and improving CSR packaging performance was finalized and integrated into the operational models. All new innovation programs were evaluated • 16 BIC® products labeled *NF Environnement*

#2 ACTING AGAINST CLIMATE CHANGE

We deploy a global approach to energy consumption (energy efficiency, use of renewable energy, etc.) based on a Group roadmap and local choices

2025 COMMITMENTS	2021 KEY ACHIEVEMENTS AND RESULTS
• By 2025, BIC will use 100% renewable electricity	• In 2021 79% of electricity came from renewable sources. • Our future headquarters in Clichy (France) will be certified BREEAM (Building Research Establishment Environmental Assessment Method), meeting the highest requirements for environmental performance and energy consumption efficiency. • BIC was awarded an A- leadership 2021 CDP score on Climate Change

** Environmentally & socially Measurable Advantage.*

#3 COMMITTING TO A SAFE WORK ENVIRONMENT

The Group is committed to the safety, health and well-being of its team members

2025 COMMITMENTS	2021 KEY ACHIEVEMENTS AND RESULTS
• By 2025, BIC aims for zero accidents across all operations	• Roll-out of the safety culture to sales teams. • Reinforcement, with a health and safety dimension, of the due diligence processes in merger and acquisition procedures. • Integration of the HSE aspect into BIC's new employee onboarding process

#4 PROACTIVELY INVOLVING SUPPLIERS

Being a responsible company requires control of our entire value chain. Our purchasing team analyzes all risks and selects and collaborates with our most strategic suppliers on implementing a responsible approach

2025 COMMITMENTS	2021 KEY ACHIEVEMENTS AND RESULTS
• By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing	• Integration by 52.3% * of strategic suppliers of the responsible purchasing program • Training on the environmental and social impacts of supply chains and responsible purchasing practices for purchasing teams • Value chain analysis of 9 raw materials and 26 suppliers resulting in the identification of supply areas at risk • Consultations with over 30 relevant stakeholders to identify actions to leverage a more responsible supply chain • Identification of risk reduction solutions for each material category (metal, gas and plastic).

#5 IMPROVING LIVES THROUGH EDUCATION

Because education has the power to change the world, it has always been at the heart of the Group's concerns

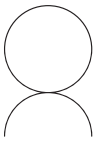
2025 COMMITMENTS	2021 KEY ACHIEVEMENTS AND RESULTS
• By 2025, BIC will improve learning conditions for 250 million children, globally	• Learning conditions improved for more than 158 million children since 2018 • 73% of philanthropic contributions promoted education (product or financial donations)

** Excluding Cello, BIC Graphic, new aquisition and certain OEMs.*

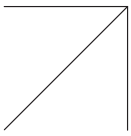
TEAM MEMBERS

BIC's commitment to the values of diversity, equity and inclusion (DE&I) are enshrined in the company's Code of Conduct. BIC does not tolerate discrimination and harassment based on grounds such as age, race, religion, color, ethnicity, national origin, disability, gender, sexual orientation, gender identity or marital status.

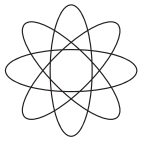
To ensure the fulfillment of its employees, BIC takes actions around four main areas of focus:



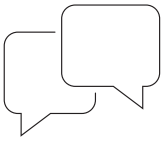
HEALTH AND WELL-BEING IN THE WORKPLACE



TEAM MEMBER DEVELOPMENT



PROMOTING DIVERSITY AND INCLUSION



SOCIAL DIALOGUE

Promoting a culture of inclusion

At BIC, we consider cultural and individual diversity an essential element of team culture. We try to ensure that our teams reflect as closely as possible the diversity of the Group's customers and consumers around the world. We welcome them and give them a sense of responsibility through a culture of inclusion founded on practices of responsible leadership and management. And we encourage the diversity and dynamism of our teams as drivers for innovation and a key factor for its success.

DE&I values drive BIC's training, promotion, and recruitment policies. In 2021 we took a number of initiatives to further our role as an agent of positive change. In January 2021, Gonzalve Bich joined the "CEO action for diversity and inclusion™", the largest CEO-driven business commitment of its kind. By taking this pledge, Gonzalve Bich is committing to take action to ensure the company's culture celebrates and welcomes diverse perspectives and experiences and encourages open conversations about DE&I.

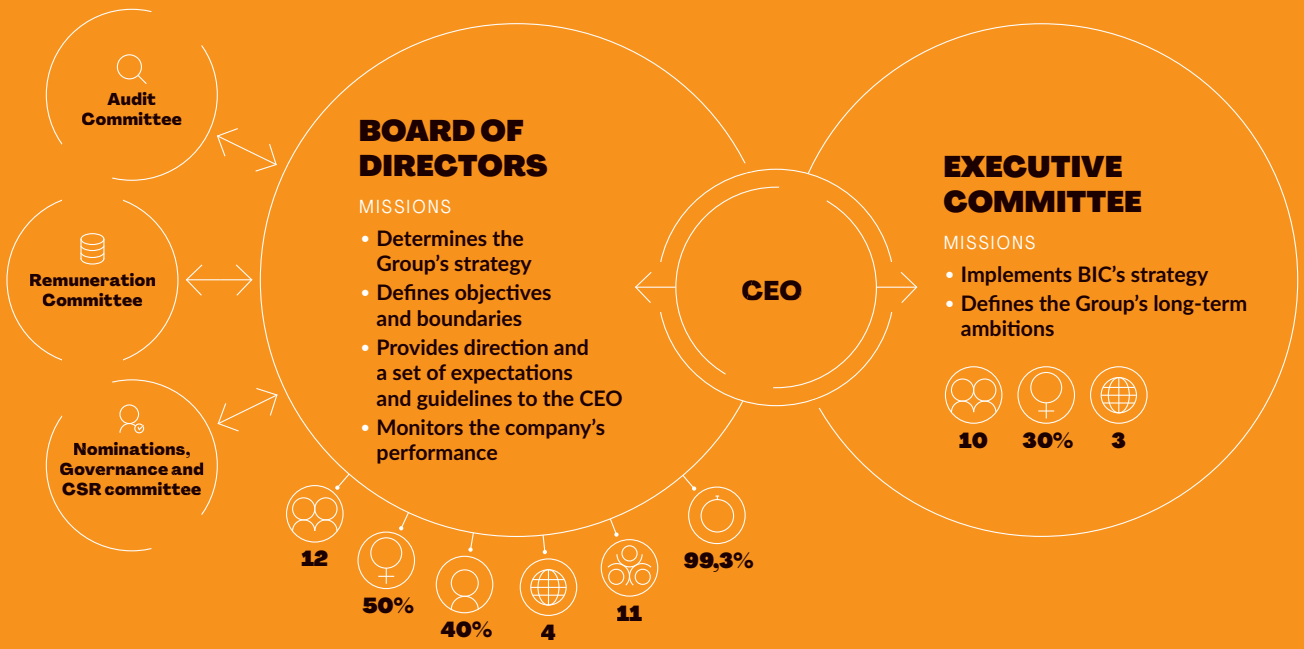
Our global Diversity Equity & Inclusion (DE&I) strategy has set a series of strategic objectives and KPIs to measure our progress in the areas of belonging, attraction, promotion and influence.

Key 2021 achievements results for these KPIs include:

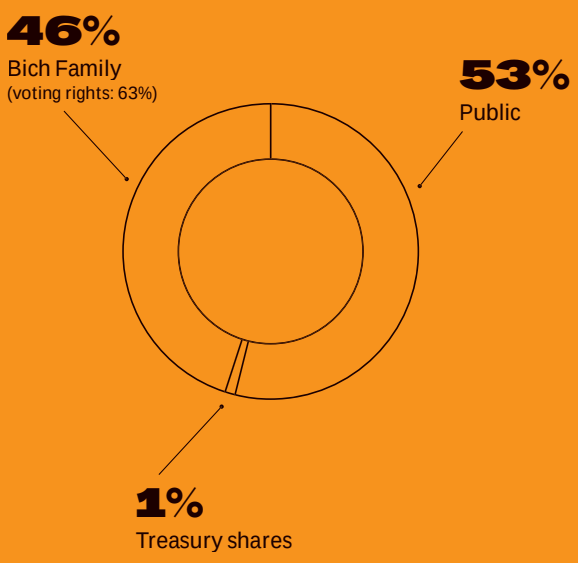
- launch of 2 pulse surveys to measure Engagement, Inclusion, Trust, and Manager Effectiveness;
- partnership with a female- owned consultancy firm to facilitate a series of listening sessions with 70 women in 22 countries;
- continued focus on delivering a gender balanced slate of candidates in mid-management and above position (including Executive Committee) with 44% of all hires being females. Resulting in an increase to 29% in 2021 in Women Executives;
- senior Leader involvement and speaking engagements in Network of Executive Women, Break the Ceiling Touch the Sky and Enactus.

GOVERNANCE

Clear and well-structured, our governance is organized to ensure the proper functioning of the Group and the respect of its values. In 2021, BIC strengthened its governance bodies to ensure the success of our consumer-centric strategy and our *Horizon* plan.



Shareholding structure



As of December 31, 2021, the total number of issued shares of SOCIÉTÉ BIC was **44,677,929**, representing **65,654,533** voting rights.

Board
Women
Independent
Nationalities
Meetings in 2021
Rate of attendance

BOARD OF DIRECTORS

BIC's Board of Directors is committed to defining the Group's strategy and is supported by three specialized committees: the Remuneration Committee, the Audit Committee and the Nominations, Governance and Corporate Social Responsibility (CSR) Committee.



JOHN GLEN
Interim Non-Executive Chair
Co-opted Independent Director on December 10, 2008, ratified by BIC's AGM on May 14, 2009. Appointed **Interim Non-Executive Chair** on May 19, 2021.
Expertise: Management, Finance



GONZALVE BICH
Director and Chief Executive Officer
Director and Chief Executive Officer since May 16, 2018
Expertise: Management, International, Consumer, Innovation, Human Resources



ELIZABETH BASTONI
Interim Independent Lead Director
Appointed Independent Director on May 15, 2013. Chair of the Remuneration Committee, and of the Nomination, Governance and CSR Committee. Appointed Interim **Independent Lead Director** on May 19, 2021.
Expertise: Consumer, Human Resources, CSR



VINCENT BEDHOME
Director
Representing the employees. Appointed Director on December 13, 2017. Member of the Remuneration Committee
Expertise: Manufacturing



MARIE-AIMÉE BICH-DUFOUR
Director
Appointed Director on May 22, 2019. Member of the Nominations, Governance and CSR Committee
Expertise: Legal, CSR



TIMOTHÉE BICH
Director
Coopted Director on December 10, 2019, ratified by BIC's AGM on May 20, 2020
Expertise: Finance, International



MAËLYS CASTELLA
Director
Appointed Independent Director on May 22, 2019. Chair of the Audit Committee and Member of the Remuneration Committee
Expertise: Finance, CSR, Innovation



MARIE-PAULINE CHANDON-MOËT
Director
Appointed Director on May 28, 2003
Expertise: Consumer, Management



INNA KOSTUK
Director
Appointed Director on December 08, 2020. Representing the Employees
Expertise: Finance



CANDACE MATTHEWS
Director
Appointed Independent Director on May 10, 2017. Member of the Audit Committee and of the Nominations, Governance and CSR Committee
Expertise: Management, Distribution, Consumer, International



SOCIÉTÉ MBD
Director
Represented by Edouard Bich. Appointed Director on May24, 2006. Member of the Audit Committee
Expertise: Investing, Finance



JAKE SCHWARTZ
Director
Appointed Independent Director on May 20, 2020. Member of the Audit Committee
Expertise: Digital, Finance, Management

NIKOS KOUMETTIS NOMINATED FOR ELECTION AS INDEPENDENT DIRECTOR

Upon the recommendation of the Nominations, Governance and CSR, BIC's Board of Directors recommended the appointment of **Nikos Koumettis** for election as an independent director, and future Non-Executive Chair of the Board at the Annual General Meeting of the Shareholders on May 18, 2022.
Nikos Koumettis is President, Europe, at Coca-Cola and a member of the company's executive team. He brings more than 30 years of experience in the consumer goods industry as well as a knowledge of governance topics.

EXECUTIVE COMMITTEE



GONZALVE BICH
Chief Executive Officer



CHAD SPOONER
Group Finance
Goal: evolve a best-in-class finance function by establishing reliable, transversal processes, and continue to ensure the accuracy of financial reporting and efficient planning to drive our global financial performance



FRANÇOIS CLÉMENT-GRANDCOURT
Group Lighters
Goal: continue to grow the Lighter category through its unique manufacturing process and R&D, maintaining a strong focus on safety and quality



GARY HORSFIELD
Group Supply Chain
Goal: reinforce the efficiency of our production through centralized purchasing and an « end-to-end « supply chain while preserving the security, quality and accessibility of our products.



SARA LAPORTA
Strategy and Business Development
Goal: develop a comprehensive corporate strategy, identify and analyze business growth opportunities



MALLORY MARTINO
Human Resources
Goal: build organizational and people capabilities in support of the long-term strategy, through the implementation of effective talent acquisition, talent management and talent development processes and solutions



ELIZABETH MAUL
Group Insights, Innovation & Sustainability
Goal: develop our portfolio of innovative products with the consumer at the heart of our activity. Collect data and generate new ideas in order to create products and services that match consumers' expectations, especially in response to their need for creativity, self-expression, and their expectations for sustainable development



THOMAS BRETTE
Partnerships and New Business
Goal: develop our eco-system of partnerships and skills, to foster long-term growth opportunities



CHESTER TWIGG
Commercial
Goal: lead commercial operations and drive an omnichannel online and off-line go-to-market while integrating next generation capabilities



CHARLES MORGAN
Information Technology

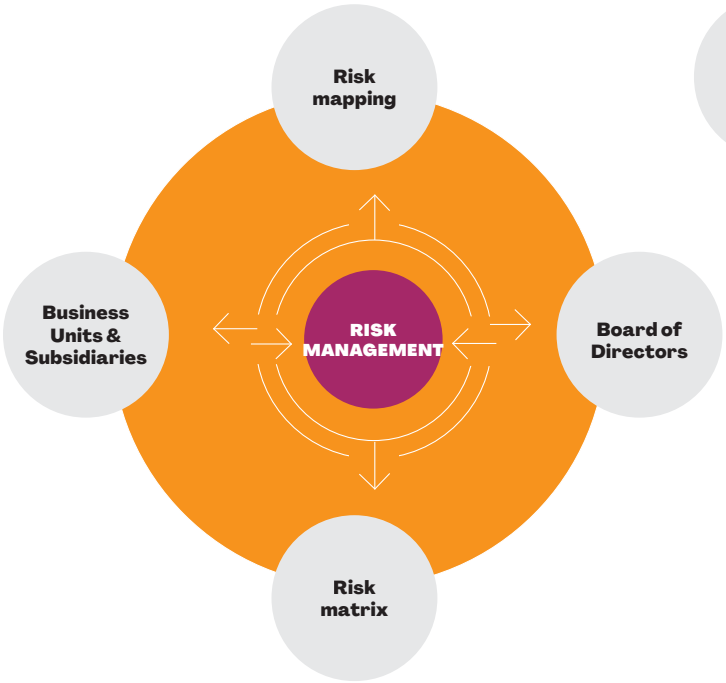
Goal: develop secure, reliable and high-performance IT tools at the service of efficient production and commercial activity

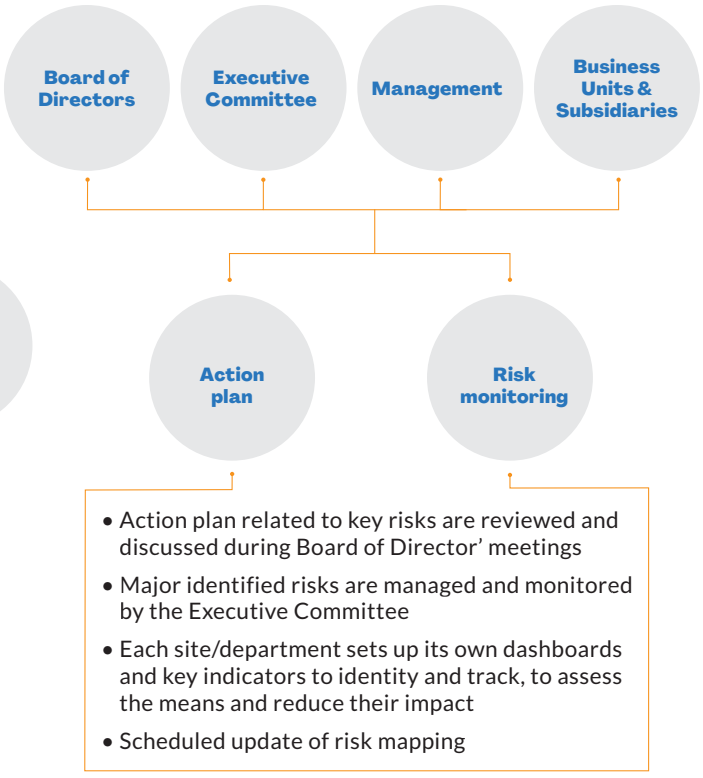
RISK MANAGEMENT

BIC embeds risk management into its core processes to address risks that could significantly impact the company. It includes the identification, mapping and monitoring of external and internal risks to mitigate or insure against their impact.









BIC's Materiality Matrix update

In 2014, BIC established a materiality matrix to review the degree of internal and external stakeholder interest in key sustainability issues. This materiality matrix confirmed the overall balance in perception on the material issues facing BIC and ratified the relevancy of the company's sustainability program. In 2021, the Sustainable Development, Risks and Corporate Stakeholder Engagement Departments revisited this materiality matrix and upgraded the following material sustainability issues in terms of important to BIC:

- CSR Corporate Governance
- Employee development and well-being
- Diversity, Equity & Inclusion (DE&I)
- Purchasing, subcontractors and suppliers
- Responsible product development
- Packaging
- Energy and Climate Change
- Water
- Recycling and waste recovery

The materiality matrix update will continue with the mobilization of the key stakeholder groups and culminating in a new materiality matrix in 2022.

FINANCIAL AND NON-FINANCIAL PERFORMANCE

KPIS	2019	2020	2021	OBJECTIVES	UN SDGs [1]
FINANCIAL PERFORMANCE					
Net Sales (in million euros)	1,949.4	1,627.9	**1,831.9**		
Adjusted EBIT (in million euros)	331.8	229.1	**279.8**		
Adjusted EBIT margin (in %)	17.0%	14.1%	**15.3%**		
Net income group share (in million euros)	176.1	93.7	**314.2**		
Free cash flow before acquisitions and disposals	204.6	274.5	**205,7**		
Net cash position (in million euros)	146.9	183.9	**400.1**		
Earnings per share group share (in euros)	3.91	2.08	**7.02**		
Adjusted earnings per share group share (in euros)	5.47	3.54	**4.29**		
NON-FINANCIAL PERFORMANCE					
Energy consumption (gigajoules/tons)	12.59	12.96	**11.96**		
% of renewable energy used (***WTFT*** [2])	76%	80%	**79%**	100% by 2025	**7, 8, 9 12, and 13**
Water consumption (m^3/tons)	4.87	5.22	**4.62**		
Greenhouse gas emissions normalized to production (tCO_2/tons) (scope 1 and 2)	1.07	1.03	**0.91**		
Number of training days	16,629	24,202	**12,085**		
% of reusable recyclable or compostable packaging	NA[3]	42.5%[4]	**59.6%**	100% by 2025	
Use of non-virgin petroleum plastic in BIC's products	3%	4.3%	**4.0%**	20% by 2025 and 50% by 2030	
Number of products with improved environmental or societal footprint (***WTFT*** [2])	NA	9	**12**		**3, 6, 8 and 12**
Number of accidents across all operations (***WTFT*** [2])	74	50	**58**	0 by 2025	**3 and 8**
Number of children whose learning conditions were improved (cumulative) (***WTFT*** [2])	61	118	**158**	250 million by 2025	**1, 4, 5, 6, 8 and 13**

(1) United Nations Sustainable Development Goals.

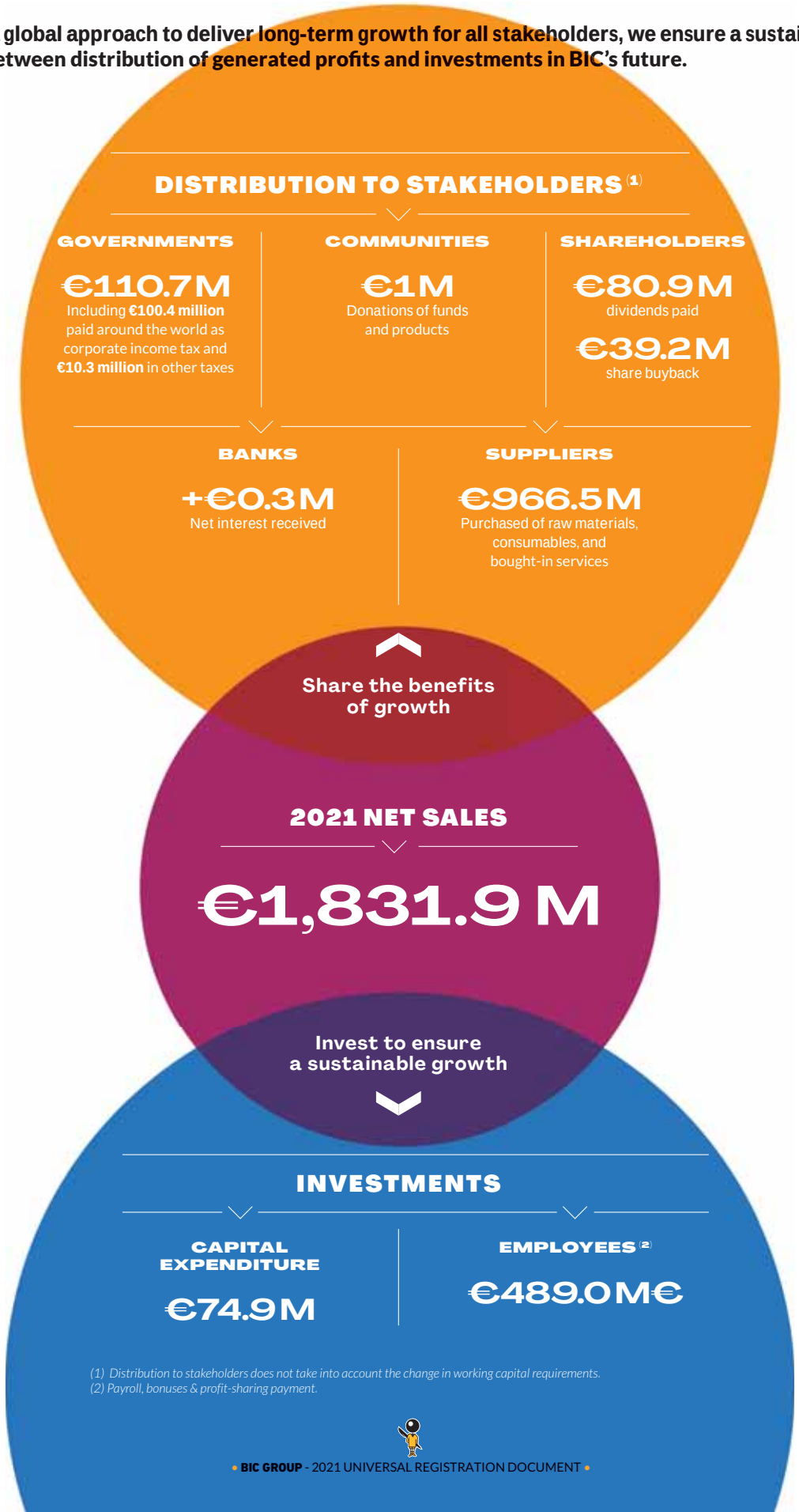
(2) Writing the Future, Together.

(3) KPIs measured for the first time in 2020, to monitor the engagement taken by BIC.

(4) The 2020 figure (49,3%) was revised following a test audit in 2021. BIC decided to publish the revised figure.

SHARING VALUE

Through a global approach to deliver long-term growth for all stakeholders, we ensure a sustainable balance between distribution of generated profits and investments in BIC's future.



(1) Distribution to stakeholders does not take into account the change in working capital requirements.
(2) Payroll, bonuses & profit-sharing payment.

1

GROUP PRESENTATION, OUTLOOK, AND STRATEGY

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1.1. HISTORY

1944

Marcel Bich acquires a factory in Clichy, France, and starts a Writing Instruments business with his partner Édouard Buffard.

1950

Launch of the "Pointe BIC®" in France, a revolutionary improved version of the Ball Pen invented by Hungarian Laslo Biro.

1953

Creation of SOCIÉTÉ BIC to manufacture and distribute BIC® ballpoint pens.

1954

Expansion into Italy.

1956

Early ventures in Brazil.

1957

Expansion in the United Kingdom

1958

Acquisition of the Waterman Pen company in the United States. Expansion into Africa and the Middle East.

1969

Launch of the Promotional Products Business via the Writing Instruments segment.

1972

Listing of SOCIÉTÉ BIC ion the Paris Stock Exchange on November 15th.

1973

Diversification of BIC's product portfolio and launch of the BIC® Lighter with an adjustable flame.

1975

Launch of the first "one-piece shaver" by BIC.

1981

Diversification into the leisure industry through its subsidiary, BIC Sport, specializing in windsurf boards.

1992

Acquisition of Wite-Out®, the U.S. correction products brand.

1994

Appointment of Bruno Bich as Chairman of the Board and Chief Executive Officer.

1997

Acquisition of Tipp-Ex®, the leading European correction products brand, and Sheaffer®, a high-end brand in Writing Instruments.

2004

Acquisition of BIC's Japanese distributor, Kosaido Shoji.

BIC moves into a new stationery market segment: refillable school fountain pens, with the acquisition of French-based Stypen®.

2006

Acquisition of PIMACO, Brazil's leading manufacturer and distributor of adhesive labels.

2007

Acquisition of Atchison Products Inc., a U.S.-based supplier of promotional printed bags.

2008

November: opening of a new shaver packaging facility in Mexico.

December: acquisition of Antalis Promotional Products (Sequana Group), a European promotional products distributor.

2009

March: Acquisition of 40% of six (of the seven) Cello group entities, a leading stationery group in India.

June: acquisition of Norwood Promotional Products, a U.S. leader in calendars and promotional products.

2010

January: Cello's management team in India seeks to terminate the definitive agreements signed on January 21, 2009. On August 4, 2010, BIC starts arbitration proceedings to enforce these agreements including the completion of the acquisition of 40% of the one remaining entity.

June: disposal of Norwood Promotional Products business.

2011

First-half: disposals of the PIMACO B-to-B division in Brazil and the REVA Peg-Making business in Australia.

November: acquisition of Angstrom Power Incorporated, a company specialized in portable fuel cell technology.

2012

February:

- disposal by DAPE 74 Distribution (a BIC subsidiary specialized in selling to tobacco shops in France) of its Phone Card Distribution business to SPF;
- acquisition of a site in Tunisia for the construction of a Writing instruments facility;
- a court ruling upholds the acquisition of 40% of the seventh and final Cello Pens & Stationery (CPS) entity by BIC.

2013

September:

- launch of BIC® Education, an educational solution for elementary schools, combining handwriting and digital technology.
- completion of the share purchase following the call option exercised on September 17 on Cello. Increase of BIC's stake in Cello Pens' seven entities from 40% to 55%.

October: acquisition of a land in Nantong, China (130 km North of Shanghai) to build a Lighter production facility.

2014

March: Cello exercises its put option, allowing it to sell 20% of Cello Pens to BIC.

July: increased stake of BIC in Cello Pens from 55% to 75%.

November: disposal of Sheaffer®, BIC's Fine Writing Instruments business, to AT Cross.

2015

April: sale of BIC's Portable Fuel Cell Technology business to Intelligent Energy.

December: Cello sells its remaining stake in Cello Pens to BIC. This raises BIC's stake in Cello Pens to 100%.

2016

May:

- Mario Guevara retires from his position as Chief Executive Officer. The Board of Directors decides to combine the roles of Chairman and Chief Executive Officer and appoints Bruno Bich as Chairman and Chief Executive Officer;
- BIC's Stationery facility in Shanghai (China) is closed and its production transferred to other Stationery facilities.

2017

June: sale of BIC Graphic North America and Asian Sourcing operations to HIG Capital.

October: opening of the new Writing Instruments facility in Samer (France).

2018

May: The Board of Directors decides to split the roles of Chairman and Chief Executive Officer. Pierre Vareille is appointed Chairman of the Board and Gonzalve Bich Chief Executive Officer.

October: filing by BIC of an infringement complaint with the European Commission for lack of surveillance of non-compliant Lighters that are either imported into or sold in France and Germany.

December: transfer of the manufacturing facilities of Haco Industries Ltd. in Kenya and distribution of Stationery, Lighters, and Shavers in East Africa to BIC.

December: disposal of BIC Sport, BIC's water sports subsidiary, to Tahe Outdoors, and discontinuation of its Writing Instruments manufacturing operations in Vanne. Production is transferred to BIC Écriture 2000-Marne la Vallée (France) and BIC Bizerte (Tunisia) facilities.

2019

January: inauguration of BIC's Indian subsidiary BIC Cello, the new writing instruments facility in Vapi (Gujarat state).

March: inauguration of BIC's East Africa Facility in Kasarani, Nairobi.

July: Filing by BIC of a complaint with the European Ombudsman claiming maladministration by the European Commission of the infringement procedure brought against the Netherlands in 2010.

October: completion of the acquisition of Lucky Stationery in Nigeria (LSNL).

2020

July: acquisition of Djeep, one of the leading manufacturers of quality Lighters, reflecting BIC's strategy of greater premiumization and personalization.

December: acquisition of Rocketbook, the leading smart and reusable notebook brand in the United States, expanding BIC's business into the Digital Expression segment.

December: signature of agreement to sell its Brazilian adhesive label business, PIMACO, to Grupo CCRR, reflecting BIC's portfolio rotation strategy and focus on fast-growing consumer segments.

2021

February: completion of the sale of its Clichy-La-Garenne-based (France) Headquarters and BIC Technologies sites for an amount of 175 million euros.

February: completion of the divestiture of its Brazilian adhesive label business, PIMACO, to Grupo CCRR for 40 million Brazilian Real.

1.2. KEY FIGURES

1.2.1 KEY FINANCIAL FIGURES

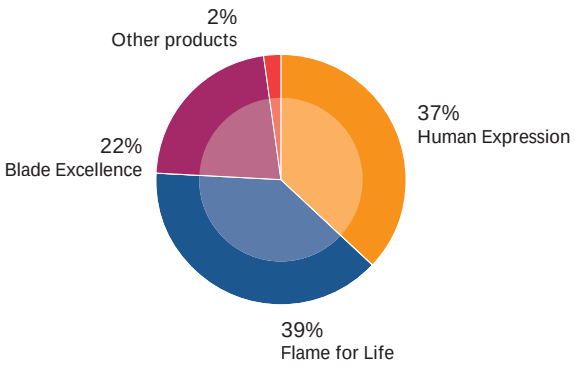
NET SALES

(in million euros)



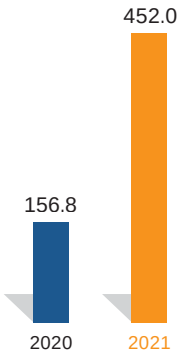
2021 NET SALES

(by division)



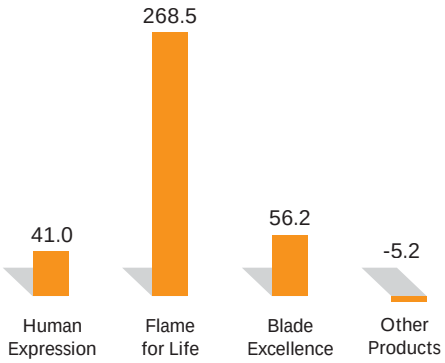
EARNINGS BEFORE INTEREST AND TAXES (EBIT)

(in million euros)



2021 EBIT

(by division)



1

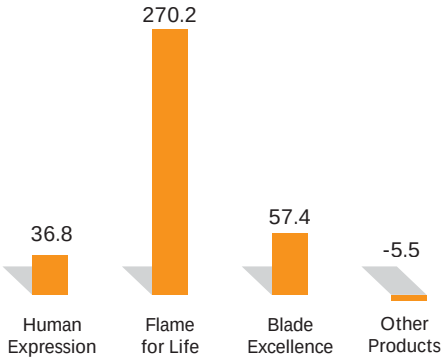
ADJUSTED EARNINGS BEFORE INTEREST AND TAXES (AEBIT)

(in million euros)



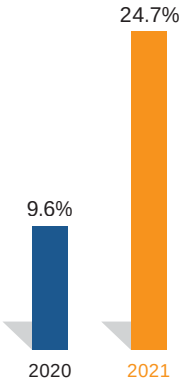
2021 ADJUSTED EBIT

(by division)



EBIT MARGIN

(% of net sales)



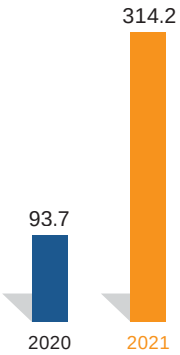
ADJUSTED EBIT MARGIN

(% of net sales)



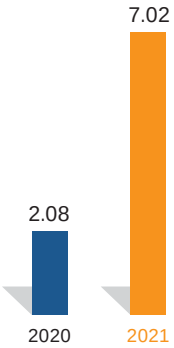
NET INCOME GROUP SHARE

(in million euros)



EARNINGS PER SHARE GROUP SHARE

(in euros)



SALES VOLUME TRENDS

(in million units)	2020	2021
Human Expression	4,888	5,839
Flame for Life	1,394	1,571
Blade Excellence	2,257	2,320

PRODUCTION VOLUME TRENDS

(in million units)	2020	2021
Human Expression	4,139	5,305
Flame for Life	1,340	1,521
Blade Excellence	2,181	2,260

NET SALES BY REGION

(in million euros)	FY 2020	FY 2021	Change as reported	Change on a comparative basis
Group				
Net Sales	1,627.9	1,831.9	+12.5%	+12.2%
Europe				
Net Sales	517.3	570.6	+10.3%	+9.4%
North America				
Net Sales	703.1	779.0	+10.8%	+8.6%
Latin America				
Net Sales	230.1	275.9	+19.9%	+26.0%
Middle East & Africa				
Net Sales	87.2	111.7	+28.0%	+29.2%
Oceania & Asia including India				
Net Sales	90.2	94.8	+5.1%	+9.1%

MAIN INCOME STATEMENT INFORMATION

Condensed profit and loss account *(in million euros)*	FY 2020	FY 2021
Net Sales	**1,627.9**	**1,831.9**
Cost of goods	845.5	901.1
Gross Profit	**782.4**	**930.8**
Administrative & other operating expenses	625.6	478.8
Earnings Before Interest and Taxes	**156.8**	**452.0**
Finance revenue/costs	(1.4)	(4.2)
Income before tax	**155.3**	**447.8**
Income tax expense	(61.6)	(133.6)
Net Income Group Share	**93.7**	**314.2**
Earnings per share Group share *(in euros)*	**2.08**	**7.02**
Average number of shares outstanding (net of treasury shares)	44,975,070	44,778,191

1

KEY BALANCE SHEET AGGREGATES

(in million euros)	December 31, 2020	December 31, 2021
Shareholders' equity	**1,456.2**	**1,723.8**
Current borrowings and bank overdrafts	90.0	76.3
Non-current borrowings	28.0	23.8
Cash and cash equivalents – Assets	265.7	468.9
Other current financial assets and derivative instruments	26.1	1.7
Net cash position [(a)]	**183.9**	**400.1**
Goodwill and intangible assets	309.8	322.1
TOTAL BALANCE SHEET	**2,169.4**	**2,495.8**

NB: SOCIÉTÉ BIC has not sought any rating from any credit rating agency. It also has not, to the best of its knowledge, been the object of any unsolicited rating by any credit rating agency.
(a) See Glossary.

CONDENSED CASH FLOW STATEMENT

(in million euros)	2020	2021
Cash flow from operations	**294.2**	**410.3**
(Increase)/Decrease in net working capital	129.7	(20.0)
Other operating cash flows	(66.3)	(109.7)
Net cash from operating activities [(a)]	357.6	280.6
Net cash from investing activities	(149.3)	57.6
Net cash from financing activities	(61.1)	(148.3)
Net increase/(decrease) in cash and cash equivalents net of bank overdrafts	147.2	189.9
Closing cash and cash equivalents net of bank overdrafts	**264.7**	**468.4**

(a) See Glossary.

1.2.2 KEY NON-FINANCIAL FIGURES

SHARE OF RENEWABLE ENERGY

(as % of total consumption)

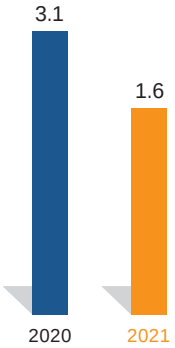


INCIDENCE RATE

(Number of accidents leading to loss of work time – per million hours worked – BIC workforce and temporary workers)



NUMBER OF TRAINING DAYS PER EMPLOYEE



	Unit	2020	2021
Factories with environmental and health & safety management systems (or that are being implemented)	%	87.5	82.2
Annual energy consumption	Gigajoules	981,437	1,097,484
Writing the future, together #2 Share of electricity from renewable sources	%	80	79
Total amount of annual greenhouse gas emissions (GHG) *(location-based)*	tCO_2eq	78,046	83.456
Total amount of annual GHG emissions GES *(market-based)*	tCO_2eq	33,185	35,311
Total amount of annual GHG emissions GES (scope 3)	tCO_2eq	785,000	805,000
Total ratio of annual GHG emissions to production (scope 1 & 2)	tCO_2eq/ton	1.03	0.91
Annual water consumption	m^3	394,821	423,679
Annual waste production	Tons	17,453	19,487
Number of products certified with the French *NF Environnement* ecolabel	Number	19	16
Writing the future, together #1 Share of recycled or alternative materials in BIC® products	%	4.3	4.0
BIC cardboard packaging from a certified and/or recycled source [(c)]	%	97.3	97.4
BIC plastic packaging PVC free [(c)]	%	94.4	95.6
Writing the future, together #1 Reusable, recyclable or compostable plastic in consumer packaging [(a)(c)(d)]	%	42.5	59.6
Writing the future, together #1 Recycled content of plastic packaging [(c)(d)]	%	48.9	52.1
Total workforce	Number	13,752	14,113
• Permanent employees	Number	11,246	10,471
• Temporary workers	Number	2,506	2,936
Voluntary turnover	%	14	16
Percentage of permanent workforce by region			
• Europe	%	35.8	38.4
• North America	%	6.6	7.0
• Latin America	%	19.2	22
• Middle East & Africa	%	6.1	6.9
• India	%	31.3	24.9
• Asia-Pacific	%	0.99	0.88
Number of training days per employee	days	3.1	1.6
Percentage of women in management and workforce	%	46	44
• Board of Directors	%	45	50
• Executive Committee	%	22	30
• Level 4 and above (Executives & Excom)	%	26	29
Writing the future, together #3 Lost-time injuries [(b)]	Number	50	58
Incidence rate of occupational accidents – BIC workforce and temporary workers (accidents with temporary or permanent incapacity)	Number/million hours worked	1.63	1.99
Severity rate of occupational accidents – BIC workforce (accidents with temporary incapacity)	Number/thousand hours worked	0.07	0.11
Writing the future, together #4: of strategic suppliers integrated in the responsible purchasing program	%	25.8	52.3
Net sales from BIC® products manufactured in its own factories	%	92	91
Writing the future, together #5: Children with improved learning conditions (cumulative)	Millions	118	158

(a) The data published in 2020 (49.3%) has been corrected following a blank audit conducted in 2021. BIC has chosen to publish the corrected data.

(b) In 2021, BIC recorded 50 lost-time injuries for BIC paid team members and 8 more for external temporary staff, while 40 facilities had 0 accidents. These results show no increase in the number of incidents for BIC team members, but an increase in incidents for external temporary staff. BIC will continue its safety culture program roll-out alongside a Safety Focus Action Plan for the Top 5 Factories in 2022.

(c) 2021 figures excludes BIC Graphic, recent acquisitions and certain OEMs.

(d) Indicator measured for the first time in 2020 as part of BIC's commitment that year.

1.3. STRATEGY AND OBJECTIVES

For the last 75 years, BIC® has met consumer needs and desires with high quality, simple, and affordable products and has become one of the most recognized global consumer goods brands, with products sold in more than 160 countries. Our **vision is to bring simplicity and joy to everyday life**, as we seek to create a sense of ease and delight in the millions of moments that make up the human experience.

Over time, the Group faced rapidly-changing industries and consumption trends affecting its three categories, as consumers habits and their interaction with brands continuously evolved. BIC's mission to offer high quality products to consumers everywhere and meet their fast-changing needs, led the Group' transformation **from a manufacturing and distribution-led into a consumer-centric company**.

1.3.1 BIC *HORIZON* STRATEGIC PLAN

BIC's ***Horizon*** strategy was launched in November 2020 to genuinely transform BIC's business, creating innovative products and services of tomorrow with an increased focus on consumer needs and sustainability. The goal was not only to amplify our core capabilities, but to go beyond them into higher-growth adjacent segments to ensure long-term sustainable growth and profitability. *Horizon* is embedded in the Group's everyday operations and strategic goals.

As part of this transformation, BIC reframed its three core categories through a heightened consumer lens to tap into a stronger growth trajectory:

- **in Stationery**, BIC evolved its focus to "**Human Expression**", responding to shifting consumer habits and expanding into the faster-growing Creative and Digital Expression markets;
- **in Lighters**, BIC expanded to "**Flame for Life**", focusing on all consumer lighting occasions, including those non-related to tobacco, and driving towards a more balanced model between volume and value. Flame for Life is intended to drive incremental growth and maintain profitability, powered by trade-up and personalization, innovation, and a push toward sustainability;
- **in Shavers**, BIC decided to capitalize on its assets, ground-breaking innovation and manufacturing capabilities to leverage its "**Blade Excellence**" with the objective to maximize these assets by building a selective new business - named BIC Blade-Tech - as a high precision blade manufacturer for other brands.

Embedded in BIC's *Horizon* plan are the following **strategic and financial targets**:

	Strategic and Financial Goals	Associated Targets
Growth acceleration	Deliver a mid-single-digit annual Net Sales growth trajectory	• Significantly expand total addressable markets in fast-growing adjacent segments, and evolves BIC's business model to capture an increasing value share of our markets, with a strong focus on execution and return on investments; • Leverage innovation capabilities and manufacturing excellence to generate incremental revenues through new routes-to-market; • Capitalize on our brands in our core markets and build on new lifestyles to grow a comprehensive portfolio of consumer-led brands.
Cash flow generation	Maintain strong cash flow conversion and achieve at least 200 million euros in annual Free Cash Flow through 2022	• Disciplined management of operational investments, with a target of 1 to 1.2 times CAPEX to Depreciation & Amortization; • Strict control of Working Capital (Inventories, Receivables, and Payables).
Sustainable development	Take our Sustainable Development journey to the next level and transform our approach to plastics through two new commitments	• By 2025: 100% of packaging will be reusable, recyclable, or compostable; • By 2030: We will use 50% non-virgin petroleum plastic in our products.
Capital allocation	Fund organic growth and acquisitions in adjacent markets while ensuring sustainable Shareholder Returns	• Investments into operations to sustain and enhance organic growth with approximately 100 million euros annual CAPEX investments; • Targeted acquisitions to strengthen existing activities and develop in adjacent categories, with an average of 100 million euros invested annually; • Objective of ordinary dividend pay-out ratio in the range of 40% to 50% of Adjusted EPS; • Regular share buybacks.

BIC's *Horizon* strategic plan lays on ***BIC 2022 – Invent the Future***, a set of transforming initiatives launched in February 2019 to build a resilient organization and address market challenges. Supported by four strategic pillars and operational targets, this plan was aimed at driving long-term profitable growth through new organizational priorities. Its ultimate goal is to respond to fast-changing consumer trends, while driving robust cash flow generation and creating value for all stakeholders.

In 2021, the Group achieved each of its four operational targets one year ahead of schedule:

Strategic pillar	Goal	End-2022 Operational targets	2021 achievements
Effectiveness	Increase efficiency throughout our global manufacturing operations while maintaining product safety, quality, and affordability	Achieve 50 million euros in annual savings	50 million euros
Innovation	Enhance consumer insight capabilities and increase the pace of innovative new product launches;	Increase the number of new patent submissions by 20% per year	+21% increase of new patent submissions
Consumer-centric Brands	Connect and engage more effectively with consumers to leverage our unique Brands. Tailor and strengthen digital communication infrastructure and embrace new shopping trends such as personalization	Engage directly with consumers by allocating over two thirds of total brand support in Digital Media by 2022 (in our top markets)	83% of Brand Support investments allocated to Digital Media
Omnichannel Distribution	Sharpen our commercial operations to become a genuine omnichannel specialist, online and offline.	Achieve 10% of Net Sales from e-commerce by end-2022	10% of Total Net Sales from e-commerce, including Rocketbook

1.3.2 2022 FINANCIAL OUTLOOK

Building on 2021's momentum and the execution of the *Horizon* plan, we expect **Full Year 2022 Net Sales to grow between +7% and +9% at constant currencies.** This includes 1 to 2 points growth from Inkbox. All divisions will contribute to organic growth.

Consistent with our Horizon plan's target, 2022 Free Cash Flow is expected to be above 200 million euros.

1.3.3 2022 MARKET TRENDS ASSUMPTIONS

Our 2022 outlook is based on **the following market assumptions** [(1)]:

Market trends (in value)

- **Europe**: Low to mid-single-digit decrease in Stationery, flat to low single-digit increase in Lighters, flat to low-single-digit increase in Shavers;
- **North America:**
  - Slight decrease to flat in U.S. stationery market,
  - Low-single digit to mid-single decrease for total U.S. pocket lighter market,
  - Slight decrease in the total U.S. one-piece Shaver market;
- **Latin America:** double-digit increase in Stationery; low-single-digit decrease in Lighters and low to mid-single-digit increase in Shavers;
- **India:** double-digit increase in Stationery.

EBIT drivers

- **Gross Profit:**
  - Increase in volumes and prices,
  - Higher Raw Materials and Sea and Air Freight costs,
  - Slightly unfavorable FX impact (Negative USD-Euro hedging/Positive USD-MXN),
  - Positive contribution from Inkbox;
- **Adjusted EBIT:**
  - Increase in Brand Support to support Net Sales growth – increase in R&D and OPEX to support long-term growth and innovation,
  - Additional savings,
  - Negative impact on 2022 EBIT from Inkbox's investments in growth.

Free Cash Flow before Acquisitions and Disposals drivers

- Approximately 100 million euros in CAPEX.

Currency: 2022 USD-Euro hedging rate: 1.1750

1.3.4 LONG-TERM AMBITION

Embedded in its *Horizon* strategy, BIC's ambition is to transform into a fast-moving consumer-centric company, in both existing and fast-growing adjacent markets to accelerate growth and sustain profitability over the long term. By doing so, the Group has adopted an integrated set of strategic initiatives in line with its vision and mission, including:

- create high-quality, safe, affordable, innovative products trusted by everyone;
- invest in operations, people, innovation and new products to sustain growth;
- enhance BIC's existing portfolio of highly recognized Consumer products, where different brands address diverse types of consumer groups while leveraging the BIC Brand heritage;
- target selected acquisitions to strengthen existing activities and develop higher growth adjacencies;
- deliver long-term sustainable value for all stakeholders: consumers, employees, local communities, customers, and shareholders.

1.3.5 RISKS AND OPPORTUNITIES

We foresee the following major challenges in 2022:

- ongoing economic uncertainty due to the Covid pandemic;
- global geopolitical environment;
- foreign currency volatility;
- the rise in input costs, including raw materials and freight costs.

While many of these issues are beyond our control, BIC is relentlessly putting in place actions to minimize the related risks across our operations.

We, therefore, believe that our strongest growth potential remains the strength of our Brands, the efficiency of our global supply chain, our commercial excellence, and our drive towards sustainable innovation. All of these are led by the talents of our multinational team members in over 160 countries.

1.3.6 PERFORMANCE GOALS

Sales growth, market share gains, earnings before interests and taxes (EBIT), free cash flow generation and a strong balance sheet are the key indicators of the Group's performance.

(1) Euromonitor and BIC estimates.

1.3.7 RECENT EVENTS

On February 1, 2022, BIC completed the acquisition of **Inkbox Inc Incorporated**, a leading direct-to-consumer semi-permanent tattoo company headquartered in Toronto, Canada. The transaction is structured with an upfront payment of 65 million USD and a deferred consideration based on Inkbox's future sales and profitability growth. This is a landmark acquisition for the Human Expression division, and a further step in BIC's transformation into a fast-moving consumer-centric company, in line with its *Horizon* strategic plan.

1.4. BUSINESS PRESENTATION

BIC is a world leader in Stationery, Lighters, and Shavers. Guided by our long-term vision, we provide high-quality, affordable products to consumers everywhere. This consistent focus has helped make BIC® one of the world's most recognized consumer products goods company, with products sold in more than 160 countries.

In 2021, BIC's global product portfolio included writing, marking (classic, permanent and temporary tattoo), correction, coloring, drawing instruments and smart reusable notebooks.

1.4.1 BUSINESS PRESENTATION BY DIVISION

BIC's *Horizon* strategic plan launched in November 2020, aimed at driving sustainable growth by reframing our three categories to expand our total addressable markets in fast-growing segments:

1.4.1.1 Human Expression – Stationery

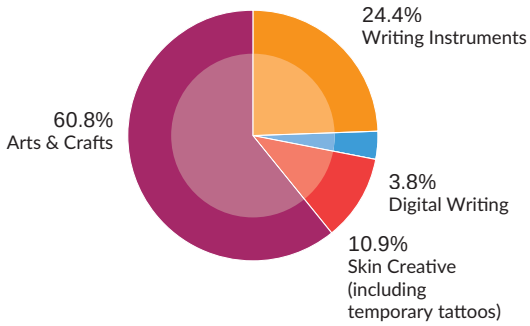
In line with its *Horizon* strategy, BIC's historical Stationery category evolved towards "Human Expression" to go beyond core Writing Instruments into Creative and Digital Expression by creating new innovative products enabling us to strengthen our presence in both existing and adjacent segments.

Human Expression encompasses Writing Instruments, Creative Expression including Art and Crafts and Skin Creative, and Digital Expression. It is a mid-to-high single-digit growth segment, with a total estimated addressable market of up to 75 billion euros by 2025 (1).

Since the launch of the BIC® Cristal® pen in 1950, BIC has continuously diversified its Stationery product range through more added-value products and innovative launches and with an increased focus on sustainability.

To name a few in the last three years, BIC launched an anti-bacterial pen BIC® Clic Stic® PrevaGuard™, a tattoo body marker BIC® Bodymark, a new coloring range called Intensity, its first rechargeable metallic ball pen BIC® Cristal® Re'New™, and acquired Rocketbook the leading brand in Reusable Digital Notebooks. In early 2022, BIC acquired Inkbox, the leading brand of high quality semi-permanent tattoos, reinforcing further its diversified brand portfolio.

BREAKDOWN OF THE HUMAN EXPRESSION MARKET SIZE PER SEGMENT (2020)



Sources:
- *Euromonitor Writing Instruments 2020 estimate in retail value excl. pen & pensil refills;*
- *Statista 2020 estimate arts and craft;*
- *Grand View Research 2020 esimate digital writing;*
- *Marketresearch.com 2020 estimate skin creative (benchmark-tattoo parlors/services); Dataintelo 2020 estimate: Global Tempory Tattoo Market Growth.*

BIC's markets and positioning

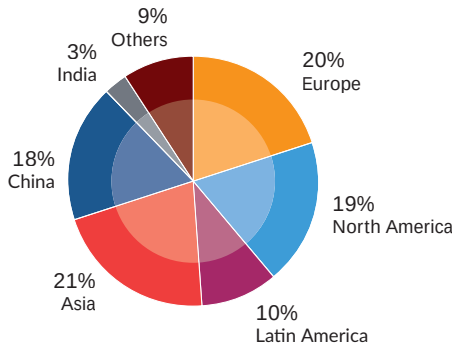
Core Writing Instruments Market

BIC's historical market Writing Instruments was approximately 16.0 billion (2) euros in 2020 and is highly fragmented, with many local players and family-owned businesses. Only three players (BIC, Newell Brands, and Pilot) have over 5% of the global stationery market. BIC is the number 2 global manufacturer with a 8.3% market share and leading positions in both Developed and Developing Markets.

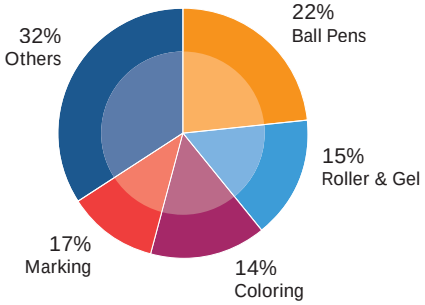
(1) Source: Euromonitor 2020, Creative Industries, IBIS World, BIC estimates.
(2) Source: Euromonitor Writing Instruments 2020 in retail value fixed 2021 ex rates, incl. pens & pencils refills.

BREAKDOWN OF THE WRITING INSTRUMENTS MARKET (IN VALUE – EUROMONITOR 2020)

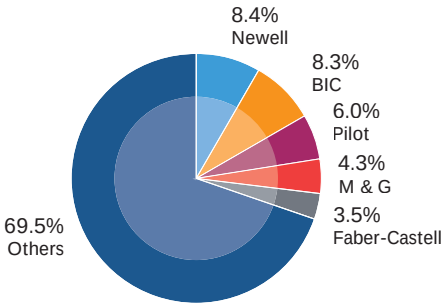
BY REGION



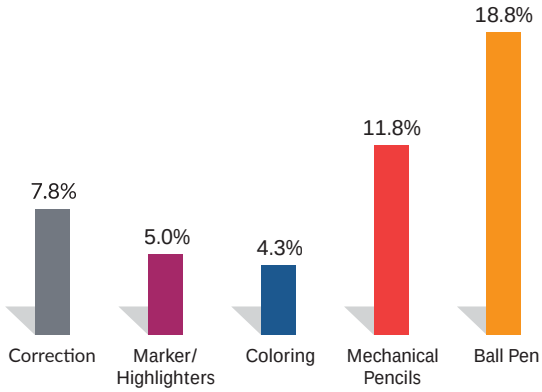
BY PRODUCT SEGMENT



BY MAIN MARKET LEADERS

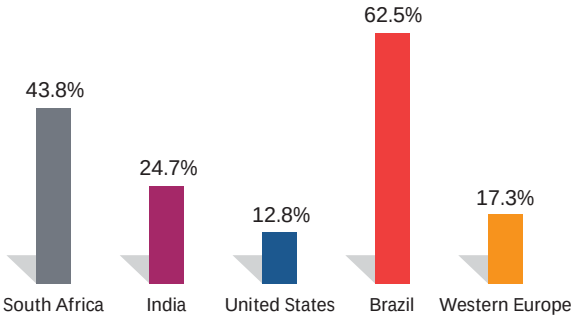


BIC'S MARKET SHARE BY SEGMENT



Euromonitor Writing Instrument 2020 in value excluding pen & pencil refills.

BIC'S MARKET SHARE BY REGION - 2021



Sources: all excluding coloring.
- *Western Europe: GFK Europe 7 countries – December 2021.*
- *Brazil: Nielsen December 2021.*
- *US: NPD December 2021.*
- *India: Market Pulse December 2021.*
- *South Africa: IRI November 2021.*

While BIC's portfolio is currently concentrated in historical core Writing Instruments segments, the Group's ambition is to shift towards more added-value and adjacent segments such as the Creative and Digital Expression markets. In 2021, 26% of Human Expression Net Sales came from the Creative and Digital Expression segments.

Creative Expression markets

The Arts and Crafts market is a large, mid-single-digit growth market (estimated at 34 billion euros in 2020).[1] Kids' crafts account for approximately 32% of the total. It includes a variety of sub-segments including Coloring, Finger-painting and Watercolors.

- Over the years, BIC strengthened its presence in this market through innovative launches enabling market share gains in strategic segments such as Coloring in key markets. Coloring represented 8.5% of BIC 2021 Human Expression Net Sales, up 3 points *versus* 2018. In line with *Horizon*, BIC will continue to strengthen further its presence in this market notably Coloring, and Marking segments to further meet consumers' desires for creativity and art.

The Skin Creative market includes the permanent tattoo segment estimated at 6 billion US dollars (5.1 billion euros) and the "Do it Yourself" Skin Creative segment estimated at over 400 million US dollars (339 million euros). The fast-growing "Do it Yourself" Skin Creative segment includes temporary tatoo markers, temporary decals, henna tatoos and semi-permanent tatoos and is expected to exceed 1.5 billion US dollars (1.3 billion euros) in 2031 [2] with +13% CAGR for semi-permanent and +25% CAGR for temporary tatoto markers, powered by the increasing desire of young consumers to be more fluid with their appearance and express themselves by using their bodies as a changeable canvas. This market is mostly a non-branded small players' market.

- BIC entered the Skin creative market in 2018 through the launch of Bodymark, an innovative temporary tattoo marker to address consumers' attitudes shift towards self-expression, individuality, and creativity.
- The acquisition of Inkbox in January 2022 elevates BIC to a leadership position in the Do-It-Yourself Skin Creative industry and further enhances the Group's existing portfolio of recognized consumer products, where different brands address diverse types of consumer groups. With its unique ability to customize, Inkbox further strengthens BIC's DTC business and reinforces existing digital and social media engagement capabilities.

Digital Expression market

The **Digital Writing** market was estimated at around 2.6 billion euros in 2020 [3]. As technology improves and becomes more affordable, this market is expected to see high single-digit annual growth over the coming years, and reach 4 billion euros size in 2025. It encompasses four main sub-segments: reusable notebooks, smart pens, slate tablets, and stylus for tablets.

- BIC's entered into Digital Writing with the acquisition of Rocketbook in 2020, the leading smart and reusable notebook brand in the U.S., which grew sales 55% in 2021.

BIC's Brand Portfolio in Human Expression

BIC was built on the amazing power of its Brand, which is one of the world's most popular household names. Over time, other brands have been added to our portfolio, most of them using BIC as an umbrella to drive attractiveness and consumer engagement, including Tippex, WiteOut and, more recently BodyMark by BIC.

With *Horizon*, BIC started to migrate to a "house brands" strategy, where each brand has a different meaning for consumers. The acquisitions of Rocketbook and more recently Inkbox further strengthens this approach. BIC's Human Expression division now offers a diversified panorama of Brands, where consumers can each see themselves reflected and find their "own" brand favorites.



BIC's Distribution Channels

BIC's mission is to offer products available to consumers every day and everywhere, supported by its historical strategy "A BIC seen is a BIC sold".

BIC products are sold through a comprehensive range of channels worldwide as the Group pursues its objective to be an omnichannel specialist both offline and online. Products can be found in retail mass-market distributors, eCommerce channels (pure players, market places, B2B and B2C omnichannel retailers), traditional stores and Office Product suppliers (through contract or office superstores).

(1) Statista Global Arts and Crafts Market Size 2017-2024.
(2) Temporary tattoo markers and decals, henna tattoos and semipermanent self apply tattoos. Exclude permanent tattoos – BIC Internal Estimates
(3) Euromonitor, Grand View Research, Expert interviews, imarc.

In the retail mass-market channel, Back-to-School season remains a key period. BIC offers consumers a tremendous range of school and college products through numerous displays, theatralization (for example the iconic school bus display in Europe) and merchandising tools. In 2021, we launched a successful Back-to-School outdoor and digital campaign "BIC Re-Invent" in France to boost sales and promote BIC's commitment to Sustainable Development.

Office & school supply remains a critical distribution channel where BIC has a strong position thanks to the quality, reliability and value for money positioning of its product, all even more important for companies, administrations and schools.

With the launch of BIC's transformation plan in 2019, BIC strengthened further its distribution network by reinforcing **its e-commerce positions**. In 2021, BIC held leading positions in Stationery online in key markets: ranked number 1 in France with 23.2% market share, number 2 in the UK with 16.3% market share, and number 3 in the U.S. with 11.6% market share (in value YTD December 2021).

1.4.1.2 Flame for Life – Lighters

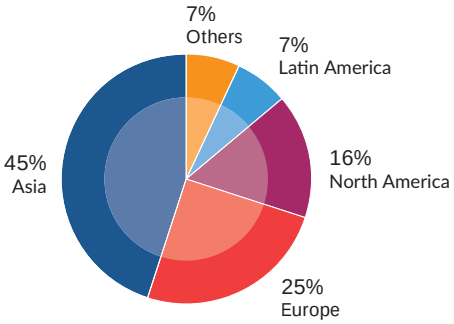
In line with *Horizon* strategy, BIC's historical Lighter category evolved to "Flame for Life", focusing on all lighting occasions. Flame for Life aims to lean towards a more value-driven model, powered by trade-ups, personalization and innovation, to respond to changing consumer trends, while focusing more on sustainability.

BIC's market and positioning

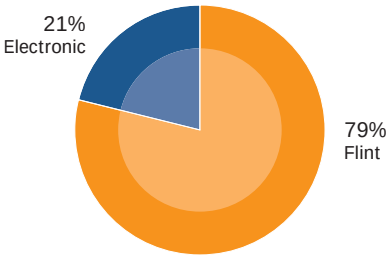
The worldwide pocket lighter market is estimated at 12.9 billion units (4.5 billion in value) [(1)].

BREAKDOWN OF THE GLOBAL POCKET LIGHTER MARKET IN 2020 (BIC ESTIMATES – IN VALUE)

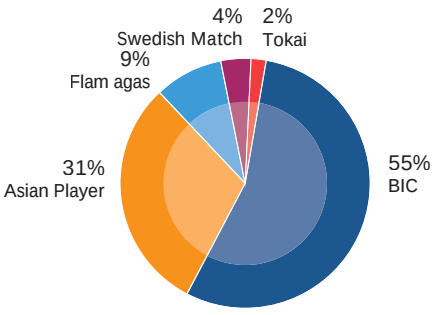
BY REGION



BY PRODUCT SEGMENT (IN VALUE)



MARKET LEADERS



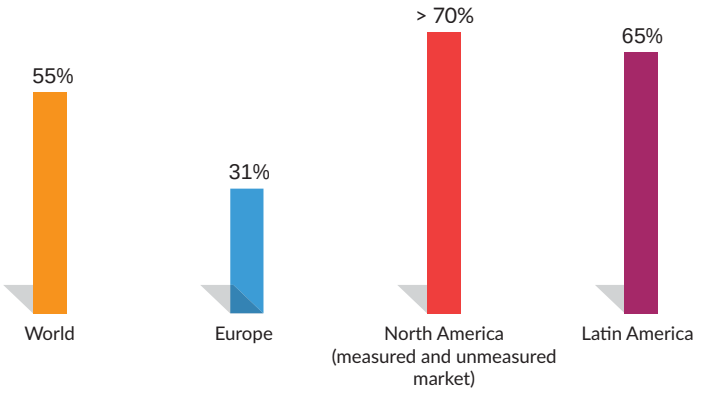
BIC's leadership position and market shares

BIC is No. 1 worldwide in branded Pocket Lighters in value, with approximately 55% in value in 2020 (excluding Asia) with leading positions in key geographies including North America, Latin America and Europe. The competitive advantages supporting BIC's leadership position include safety, quality, strong brand awareness, automated and highly efficient manufacturing process, and a solid distribution network.

(1) Global Pocket Lighter Market Report 2020.

BIC® POCKET LIGHTER MARKET SHARE IN VALUE IN 2020 (EXCLUDING ASIA)

(BIC Estimates/In value)



Safety and quality, a key differentiator for BIC

BIC is well-known for providing safe, high quality and compliant lighters to consumers worldwide. A lighter is pressurized gas in a plastic reservoir that is lit by a flame. It can present a real danger if it is not designed and manufactured properly. The consequences can be severe and are often unknown by consumers. International Safety Standards protect consumers from unsafe lighters.

Two key standards apply to pocket lighters:

- international lighter safety standard ISO 9994, which sets out the basic safety requirements for a lighter. ISO 9994 is the benchmark in major markets such as Canada (1989), Russia (2000), Brazil (2002), Argentina (2003), Thailand (2003), Mexico (2004), South Korea (2005), South Africa (2002), the 27 members of the European Union (2006), Japan (2011), Indonesia (2011) and Turkey (2012);
- Child-resistant requirements. A child-resistant lighter is purposely modified to make it more difficult to operate. Under this standard, the basic requirement is that a lighter cannot be operated by at least 85% of children under 51 months. Child-resistant legislation is the benchmark in major countries such as the U.S. (1994), Canada (1995), Australia (1997), New Zealand (1999), the 27 members of the European Union (2006), Japan (2011), South Korea (2012) and Mexico (2016).

Low-cost lighters too often fail to comply with safety standards. Since the late 1980s, lighter models imported from Asian countries have gained market share. They currently account for over half of the global market (in volume).

BIC has been defending its position in this competitive landscape since its creation and advocates for enhanced lighter safety and quality. BIC® lighters comply with stringent safety, quality, and performance requirements. For example, the gas reservoirs of BIC® lighters are made from POM (PolyOxyMethylene), a high-performance resin with very high impact resistance. This means that BIC® lighters contain more gas, allowing more ignitions thanks to their wall's thinness. They are also filled with pure isobutane, which ensures the flame's stability throughout the lighter's life.

Towards a more value-driven model through trade-up and innovation

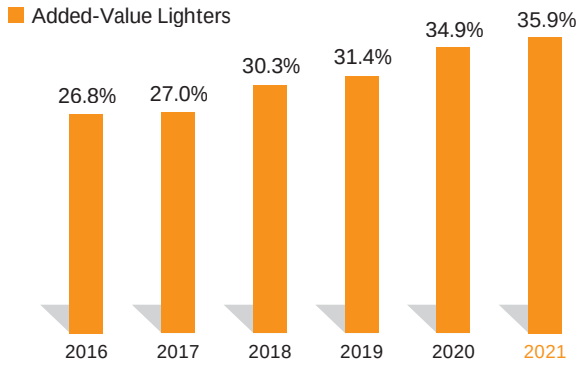
BIC offers a wide range of high-quality Pocket and Utility lighters manufactured with the highest safety standards.

While BIC's shift to a more value-driven model for its Lighter business started ten years ago, this was accelerated with the launch of the *Horizon* plan. More recently the following developments were made to support this transformation:

- the acquisition of **Djeep** in June 2020, which strengthened BIC's portfolio in the added-value segment of decorated lighters;
- the launch of **EZ Reach**, BIC's first pocket Utility lighter, in July 2020. The product has already reached 4.3% of the total pocket lighter market (Source: IRI YTD December 2021). Utility lighters accounted for 11% of BIC's 2021 Lighter Net Sales, up 1 point *versus* last year;
- the deployment of **Revenue Growth Management** strategy to drive efficiency in promotional and pricing activities.

In 2021, added-value lighters, including EZ Reach, Djeep, utility, and decorated lighters, represented 36% of BIC's total Lighter Net Sales, on track to reach our 50% objective by 2025.

ADDED-VALUE LIGHTERS AS A % OF TOTAL FLAME FOR LIFE DIVISION NET SALES

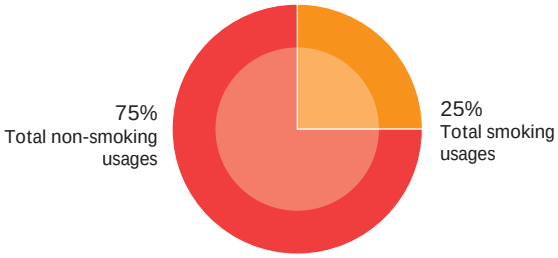


BIC LIGHTER BRAND PORTFOLIO

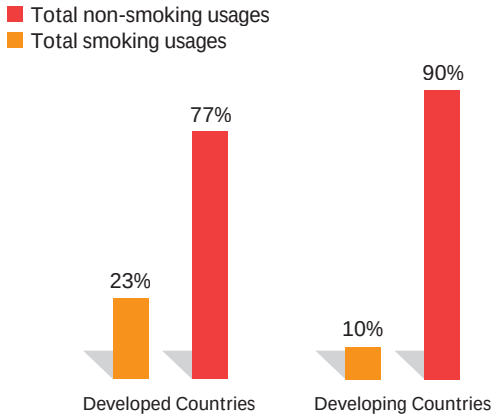
Addressing all lighting occasions including non-related to tobacco flame usages

An important pillar of BIC's Flame for Life strategy is to drive growth by expanding to all flame occasions through incremental usages. Associated primarily with smoking in developed countries, lighters have extensive non-smoking-related usages among different consumer activities. For the last five years, BIC lighter teams have undertaken extensive research to deepen their knowledge of the different flame usages. One of the main findings confirmed that candles, gas stoves, and barbecues are the most important non-tobacco-related flame usages in developed and developing regions (Ipsos study for Calyxis - October 2021). These lighting occasions represent a growth opportunity for BIC, well-positioned to answer the usages non-related to tobacco through the strength of its brand.

TOTAL FLAME DEVICES – SHARE OF LIGHTING OCCASION

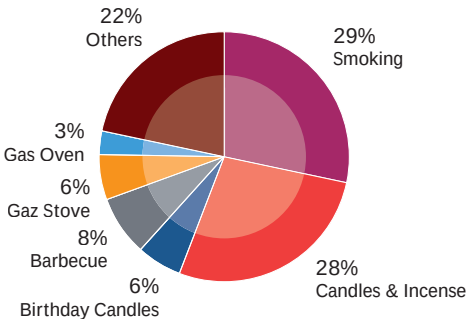


Source: Ipsos / BIC Flame Sizing – October 2021.

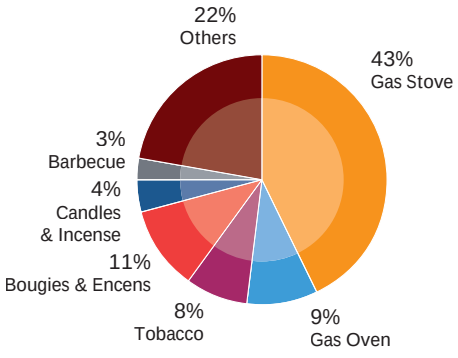


DETAILED BREAKDOWN OF FLAME OCCASIONS IN THE U.S. AND BRAZIL

U.S



BRAZIL



BIC's Distribution Channels

BIC® lighters are sold through traditional distribution channels (such as convenience stores and tobacconists), retail mass-market distribution stores, and online in the United States. Both online and offline, in-store visibility is key to driving impulse purchases, and part of BIC's historical strategy "A BIC seen is a BIC sold".

In the traditional channel, which is the leading channel for lighters, BIC is the undisputed leader (80% Market Share in value in the traditional channel in the U.S.) driven by full-distribution based on strong routes-to-market, and relevant customer and consumer programs driving value to the business. Counter displays and trays help BIC showcase large ranges of decorated lighters and innovations such as EZ Reach, addressing everyday needs while generating impulse instore purchases.

In the mass-market channel, BIC focuses on relentless store visibility: at the check-out with classic pocket lighter ranges but also throughout affinity aisles such as candle and barbecue where EZ Reach and Utility lighters are highly attractive to consumers.

In e-commerce, in 2021, BIC successfully expanded its BIC.com website in the U.S., with sales growing over 60%, driven by the "Design my BIC" offer enabling consummers to create sets of personalized lighters. They can also find exciting special editions, mono-color sets and brand new series of lighters.

1.4.1.3 Blade Excellence – Shavers

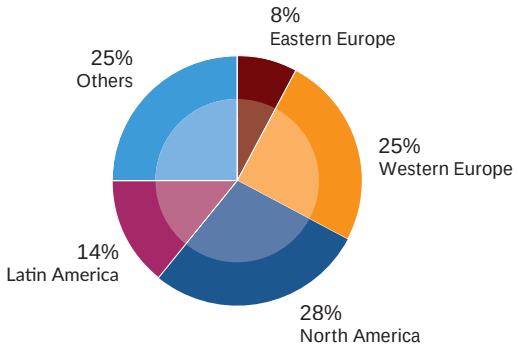
BIC's Blade Excellence division focuses on reinforcing its one-piece business with consumer-driven and sustainable added-value products and capitalizing on our advanced R&D and manufacturing capabilities through the creation of BIC Blade-Tech.

BIC's markets and positioning

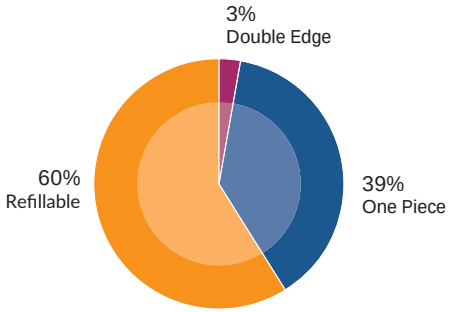
The Wet Shave market was about 10.8 billion euros in 2020 and accounted for the majority (~56%) in value [(1)] of the total "hair removal" segment.

GLOBAL WET SHAVE MARKET IN 2020
(EUROMONITOR – 2020)

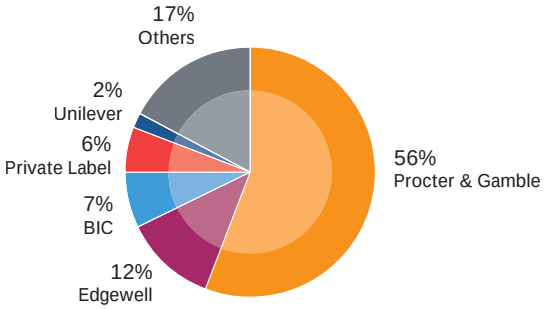
BY REGION



BY PRODUCT SEGMENT



BY MARKET LEADERS



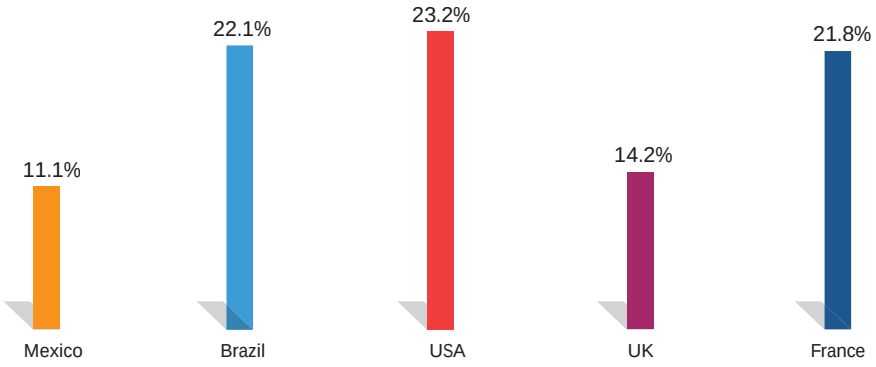
This market is split into three product segments: double-edge, one-piece and refillable. New products drive most market growth within the highly competitive market environments of the one-piece and refillable segments by offering improved performance and added features. Due to the relentless pace of new product development, a productive new product pipeline is key to ongoing success.

In addition to the three historical leading brands (Gillette, the market leader, BIC® and Edgewell), other players, mostly online Direct to Consumer brands, focused on lifestyle niches, have emerged over the last decade, primarily in the United States and progressively expanded in other geographies and offline.

(1) Euromonitor 2020 Wet Shave Market.

BIC's market share in the non-refillable shavers segment

BIC is the No. 3 worldwide player, with a 7% share of the total wet shave segment and No. 2 worldwide player in non-refillable shavers [1] with key positions in Europe, the United States and Latin America.



Sources: in value:
- *Brazil and Mexico – Nielsen Year-to-date December 2021 – 62% market coverage;*
- *U.S.: IRI, Year-to-date December 2021 data;*
- *UK: IRI Year-to-date December 2021 Modern Trade;*
- *France Nielsen Year-to-date December 2021 Modern Trade 83% market coverage.*

BIC's product portfolio, towards more added value and sustainable products

In the 1970s, BIC revolutionized wet shaving when it launched the first one-piece shaver: the single blade "classic".

Over the last decade and reinforced through the *Horizon* strategy, BIC has focused its new products, sales, and marketing efforts on higher performance three, four, and five-blade sub-segments, offering a complete range of female and male products. These include:

- for Men: BIC® 3, BIC® Comfort 3®, BIC® Easy/Hybrid 3-blade, BIC® Flex range, and BIC® Flex Hybrid range;
- for Women: BIC® Pure 3® Lady, BIC® Soleil® range including Bella®, Glow®, Balance and Miss Soleil;
- for Men and Women: "MADE FOR YOU" sold online, and "Us" sold in-store.

In 2021, 63% of Blade Excellence Net Sales came from added-value products.

In line with *Horizon* strategy, BIC has also turned its focus towards launching products with environmental benefits, tailored to consumer changing trends, with the following recent launches:

- the BIC® BAMBOO shaver: a five-blade Hybrid Flex 5 with a movable head and a handle made from responsibly sourced bamboo.
- the new innovative hybrid shaver range in Europe made with recycled plastic handles and sold with recyclable packaging.

BIC Brand portfolio

MADE FOR YOU

Made for YOU brand launched in 2019, offering gender-neutral refillable shavers exclusively online on Amazon.

US

Us, a unisex grooming line launched in 2020 and available in-store. This grooming line includes razors shave cream, body lotion, and face lotion, offering the full regimen for a great value high-quality head-to-toe grooming experience.

BIC Blade-Tech

With *Horizon*, BIC created **BIC Blade-Tech**, aimed at leveraging BIC's leadership position as a high precision manufacturer to power other brands and thus expand our addressable market into the total wet shave market, estimated to reach 15 billion euros in 2025. A team including a commercial sales force dedicated to this new business, was created in 2021. BIC Blade-Tech started to ship its first customers, including both new and already established brands, in September 2021. The B2B business will ramp up progressively and contribute positively to BIC's Blade Excellence division growth and profitability in the coming years.

Other products

The Other Products category includes various strategic and tactical operations:

- **DAPE 74 Distribution**, which sells to tobacco shops in France;
- **BIC® and non-BIC®-branded products**: these include pantyhose sold in Greece, batteries, and a line of shaving preps, all of which are designed to grow the BIC® Brand in key markets;
- **advertising and promotional products** in Europe.

(1) Source: IRI/Nielsen 2018 – in value.

1.4.2 RESEARCH AND INNOVATION

BIC's R&D organization goals and missions

Since its creation, one of BIC's core ambition has been to **reimagine everyday essentials through new products and ground-breaking ideas**, making research and innovation part and parcel of the Group's DNA. BIC's R&D organization ensures product quality and reliability while developing and delivering winning solutions for all consumers that build loyalty, relevance, and satisfaction. **The Group Insights and Innovation** is focused on enhancing consumer insight capabilities and increasing the pace of innovative new product launchesinternaly or through partnerships **to respond to consumer needs and desires**, or better yet, anticipate them.

With the launch of the *Horizon* plan in November 2020, BIC took another step towards accelerating **sustainable and consumerdriven innovation**. R&D teams are relentlessly working on how to develop products desired by consumers and examples of their researches include:

- technologies to allow sustainable manufacturing process, replacing solvents and reducing overall CO2 footprint of the plants;
- focusing further on health and safety of products by inspection and evaluation of materials compliant to the most strict regulations;
- investigations and development of solutions for increasing durability and extending coloring products' life in Stationery;
- developments of innovative features in shaver products, aiming at excelling in shaving performance;
- development of sustainable solutions by designing refillable products with the minimum amount of material.

BIC is also expanding its **open innovation ecosystem** with the following initiatives in the past two years:

- creation of an in-house Data-Driven Innovation lab, aimed at identifying early-stage technologies and integrating them into the Group's innovation pipeline;
- partnership with Plug&Play, one of the largest startup incubators globally, allowing the Group to access a wide diversity of startups and talent;
- creation of the Partnerships and new Business division, aimed at focusing on new business models and partnerships that will foster long-term growth opportunities and support innovation.

In 2021, over 230 team members were involved in research, development, and innovation. BIC invested approximately 1.5% of sales in R&D and 8.1% of BIC's Net sales are derived from innovations launched in the previous three years. In 2021, 82 patents were filed and 347 patents were granted in total. BIC successfully achieved its *Invent the Future* operational target and increase by +21% new patent submissions, one year ahead of time.

Product innovation

In Human Expression, BIC continuously innovates to bring state-of-the-art writing technology to its consumers and launches an average of 20 new products each year. Some of the most recent product innovations include:

- BIC® Clic Stic® PrevaGuard™, a pen with built-in protection to stop bacteria growth;
- erasable ink with the BIC® Gelocity Illusion;
- tattoo body markers with the BIC® Bodymark;
- writing felt-pen medium point with the BIC® Intensity Medium;
- new Intensity coloring range.

BIC's increased focus on sustainability, has also led to the launch of several innovative products with environmental benefits in 2021, creating a step forward to reducing our overall carbon footprint:

- BIC® Cristal® Re'New™, our first rechargeable metallic Cristal Ball Pen, offering a metal body and a recycled plastic cap;
- BIC® ReVolution, a full range eco-friendly Stationery line, made of at least 50% recycled plastic.

In Flame for Life, the category owns unique manufacturing processes and R&D, with a strong and ongoing focus on maintaining safety and quality. New product designs and process innovation in gas lighters are strictly controlled due to the product's potentially dangerous nature and widespread use. Every BIC® lighter remains a safe and reliable product throughout its life cycle – even in the event of any foreseeable misuse.

The most recent new product is the EZ Reach Utility lighter launched in June 2020, which combines the accessibility of pocket lighters with the functional benefits of multi-purpose lighters. It has 66% less environmental impact compared to the U140 BIC Utility lighter. This innovation demonstrates the Group's ability to increase value through category expansion, targeting new lighting occasions that are non-related to tobacco usage.

In Blade Excellence, 15 to 20 new products are developed annually. These range from line extensions to new product launches. Some of the most recent innovations include:

- for Men: BIC® Easy/Hybrid, BIC® Flex 5 and BIC® Flex 5 Hybrid;
- for Women: BIC® Soleil Balance, BIC® Soleil Click 5, BIC Soleil Sensitive Advanced;
- for Men and Women: "Us", a gender-neutral shaver sold in-store;
- the BIC® bamboo shaver, a five-blade Hybrid Flex 5 with a movable head and handle made from responsibly sourced bamboo, and the new SD Hybrid shaver range made with recycled plastic handles and recyclable packaging;
- the development of the first ever shaver with recycled TPE (thermoplastic elastomer) in collaboration with the raw material supplier Avient, which will lead to a future version of the Soleil Click 5 shaver containing overall 40% recycled content in it.

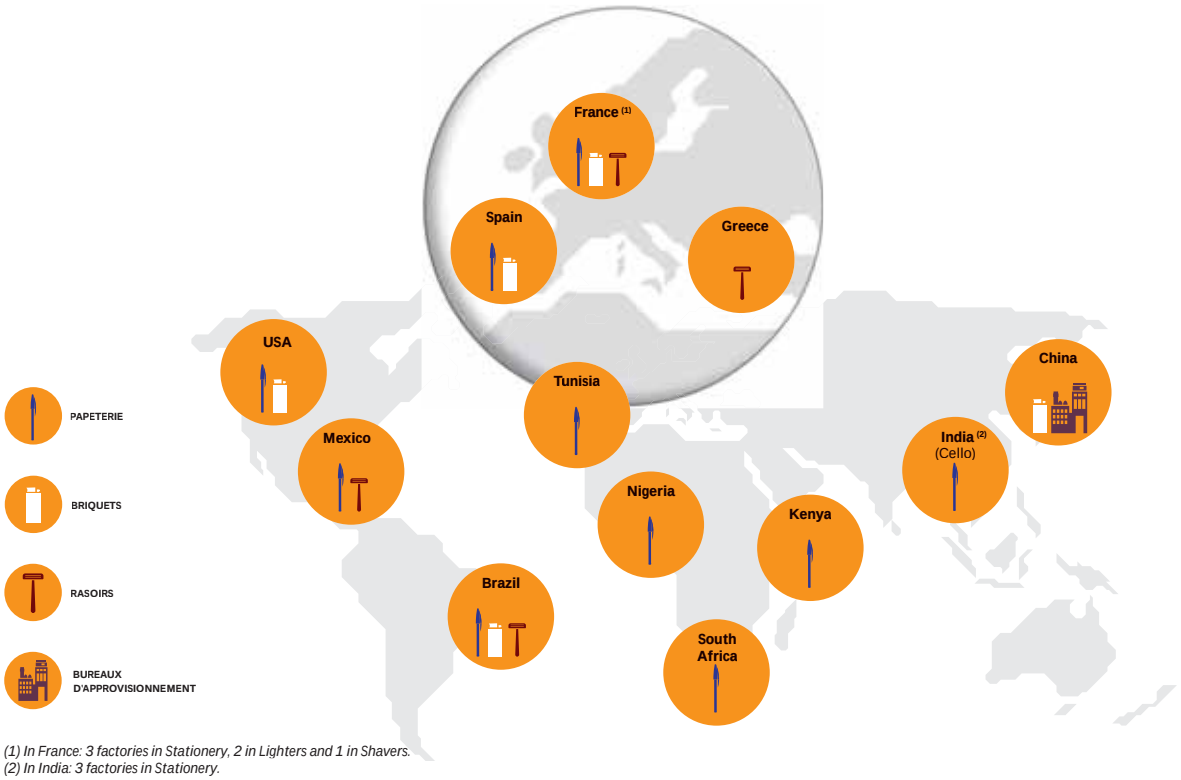
1.4.3 MANUFACTURING FOOTPRINT

91% of Group Net Sales are generated in BIC-owned factories (including Cello).

BIC owns and operates 24 manufacturing locations around the world:

- 14 locations are dedicated to manufacturing Stationery products[1] [2] [3];
- 6 locations are dedicated to manufacturing Lighters;
- 4 locations are dedicated to manufacturing Shavers.

MANUFACTURING LOCATIONS



(1) In France: 3 factories in Stationery, 2 in Lighters and 1 in Shavers.
(2) In India: 3 factories in Stationery.

(1) One factory is dedicated to Advertising and Promotional Products (BIC Graphic).
(2) End of production in CWI (India) in Q1 2021. The remaining facilities in Daman (India) are CWA, CSP and TIPS.
(3) Closing of the sale of the Brazilian adhesive label business, PIMACO on February 26, 2021.

EXISTING OR PLANNED PROPERTY, PLANT AND EQUIPMENT (INCLUDING LEASED ASSETS) AND ANY MAJOR ENCUMBRANCES

Country	Use	Location	Own/lease	Main products manufactured
SOUTH AFRICA	Factory, warehouse, offices	Johannesburg	Lease	Stationery (ball pens, coloring felt pens, markers)
BRAZIL	Offices	Barueri	Lease	-
	Factory and warehouse	Manaus	Own	Stationery (ball pens, markers, graphic pencils, coloring pencils), lighters, shavers
CHINA	Factory	Nantong	Own	Lighters
SPAIN	Factories and offices	Tarragona	Own	Stationery (ball pens, mechanical pencils, sticky notes), lighters, printing
UNITED STATES	Offices	Shelton, CT	Own	-
	Factory	Milford, CT	Own	Lighters
		Gaffney, SC	Own	Stationery (markers)
	Warehouse	Charlotte, NC	Own	-
	Packaging	Charlotte, NC	Lease	-
FRANCE	Offices	Clichy	Lease	(a)
	Factories	Cernay	Own	Stationery (dyes)
		Guidel	Own	Lighters
		Longueil-Sainte-Marie	Own	Shavers
		Montévrain	Own	Stationery (ball pens)
		Redon	Own	Lighters
		Samer	Own	Stationery (pencils, coloring pencils, leads, mechanical pencils, markers, whiteboards)
GREECE	Factory and offices	Anixi	Own	Shavers
INDIA	Offices	Mumbai	Lease	-
	Factories	Daman	Own	Stationery (writing instruments)
		Karembeli	Own	Stationery (writing instruments)
		Haridwar	Own	Stationery (writing instruments)
KENYA	Factory and offices	Nairobi	Lease	Stationery (writing instruments)
MEXICO	Offices	Mexico City	Lease	-
	Factory	Cuautitlan	Own	Stationery (ball pens, mechanical pencils, correction tapes)
	Warehouse, offices and factory	Tlalnepantla	Lease	Printing
	Factory	Saltillo	Lease	Shavers
NIGERIA	Factory	Shagamu	Lease	Stationery
SLOVAKIA	Packaging	Sered	Lease	-
TUNISIA	Factory	Bizerte	Own	Stationery (ball pens)

(a) The sale of the Clichy headquarters was completed on February 11, 2021.

The major related encumbrances correspond to depreciation.



2

RISKS MANAGEMENT

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INTRODUCTION

BIC pursues an active and dynamic approach to risk management. The objective of this approach is to enhance the Group's capacity in identifying, managing, preventing, mitigating, and monitoring key risks that could affect:

- the Group's employees, customers, shareholders, assets, environment or reputation;
- the Group's ability to achieve its objectives, abide by and defend its values, ethics, or laws and regulations.

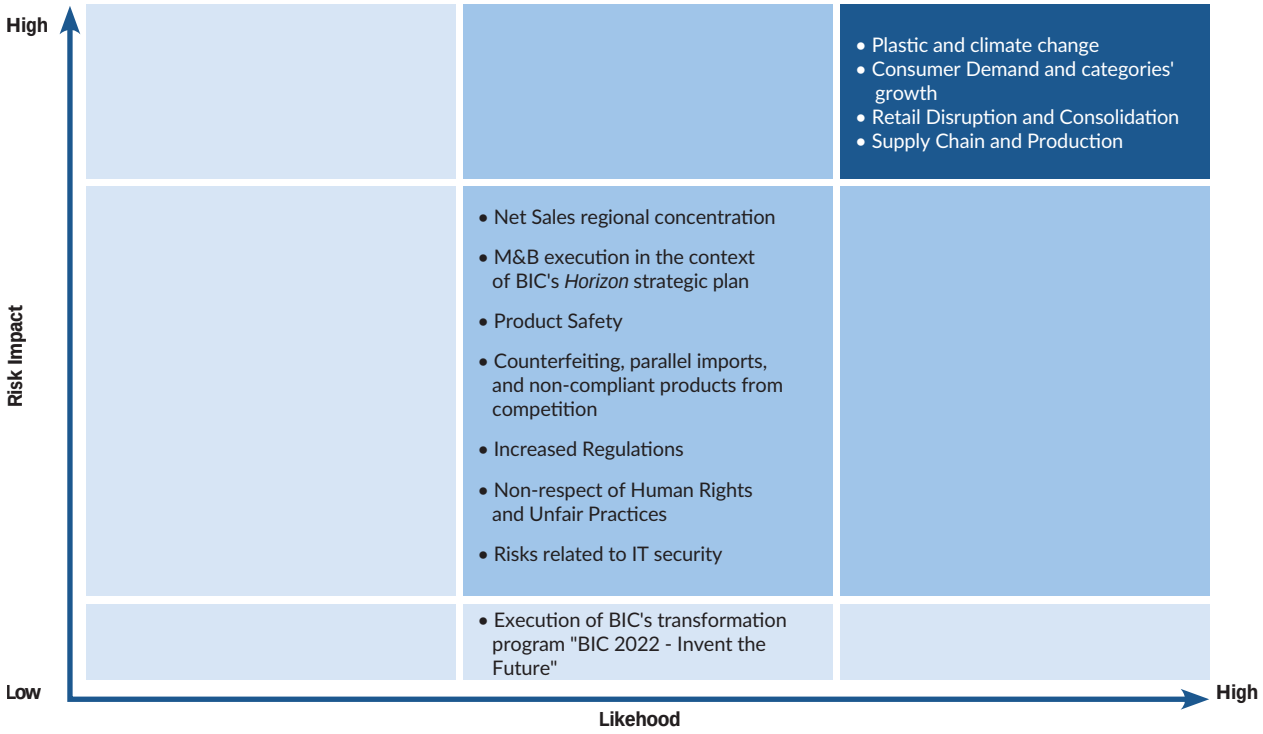
This approach is based on identifying and analyzing the main risks to which the Group is exposed.

A description of the risk management system is disclosed in § 2.4. Risk management and internal control procedures implemented by the Company and Insurance.

The risks set out below are not the only risks faced by BIC. There may be additional risks and uncertainties, of which the Group is currently unaware or that are currently deemed insignificant, that could also harm its business, financial position, or results.

BIC has put several measures to mitigate the risks it is facing. One of the measures, described in *§ 2.4.4 Insurance. Coverage of risks*, is transferring the risks by insuring them.

2.1. MAIN RISKS AND RISK ASSESSMENT



Risk Impact	Low	Medium	High
Risks related to Plastic and Climate Change			X
Risks related to Consumer Demand and Growth in our three business categories			X
Risks related to Retail Disruption and Consolidation			X
Risks related to BIC's Supply Chain and Production			X
Risks related to BIC's Net Sales Regional Concentration		X	
Risk related to M&A execution in the context of BIC's *Horizon* strategic plan		X	
Risks related to Product Safety		X	
Risks related to counterfeiting, parallel imports, and non-compliant products from competition		X	
Risks related to increased Regulations		X	
Risks related to IT Security		X	
Risks related to the non-respect of Human Rights and Unfair Practices		X	
Risk related to the execution of BIC's transformation program *BIC 2022 – Invent the Future*	X		

Impact of the Covid-19 pandemic on BIC's risk management in 2021

As the pandemic evolves, so does the risk landscape. Below are some of its main impacts to BIC:

- Consumer Demand and Growth in our three business categories, specifically, a sharp decline of consumption and evolution of consumer habits; and challenges to anticipate demand behavior given the uncertain patterns of economic recovery due to the pandemic;
- Supply Chain and Production, including the mandatory partial or total shutdown of BIC's factories in certain countries, the disruption due to the closure of borders globally; the surge in demand for goods and services putting constraints on the supply chain worldwide;
- Retail Disruption and Consolidation due to widespread and extended closure of traditional and convenience stores during the lockdown periods, compounded by customers financial hardship and potentially bankruptcy.

These risks required mitigation measures to protect the health and safety of our employees while ensuring business continuity. The Group continues to apply the government directives in each country where it operates. Work organization continues to adapt in accordance with health authority recommendations as they change, and remote working was implemented whenever possible.

BIC's sound strategy, financial situation, integrated business model, and transformation will help alleviate the longer-term impacts of the pandemic.

Ukraine Crisis- March 2022

The Group closely monitors the potential consequences of the Ukraine crisis, which is evolving rapidly. Our utmost priority is to help and protect our team members. An action plan has been implemented to ensure their safety.

Russia and Ukraine accounted for 2.4% of BIC's 2021 total Net Sales (1.8% for Russia and 0.6% in Ukraine). The Group doesn't have any industrial presence in these two countries. Please refer to "Risks related to Supply Chain and "Risks related to IT security."

2.2. DESCRIPTION AND MITIGATION OF MAIN RISK FACTORS

Risks related to Plastic and Climate Change

Plastics and Climate Change are two major risks for BIC.

- The plastic risk covers the upstream with the use of this material in BIC® products, contributing to the depletion of a non-renewable resource, and therefore subject to rarefaction and price volatility, and, downstream with the issues of pollution related to plastic waste. In addition to these stakes, and although BIC® products are not single-use, there is a growing regulatory environment regarding plastics and the increasingly negative perception by consumers and citizens.
- Climate Change risks are related to:
  - increased carbon regulations, impacting BIC directly or indirectly through its suppliers or contract manufacturers (especially on energy and plastics that are usually fossil fuel-based),
  - the disruption or interruption of production activities due to extreme weather conditions or availability of natural resources (water, energy, etc.).
- The development of new regulations and standards regarding product environmental impact assessment and communication (including the carbon footprint) can also drive consumer behavior changes and impact Group sales. See *§ 3.7. Climate-related performance report.*

Level of risk impact:

Potential Impact on BIC:

The potential impacts on BIC include:

- rarefaction and price volatility of plastics;
- brand image depreciation linked to "single-use" and "Plastic" bashing from consumers;
- increased regulations on Plastics impacting BIC's direct or indirect operations;
- carbon regulations affecting operating costs;
- disruption or interruption of production activities due to extreme weather conditions;
- environmental Labelling of products impacting sales.

Examples of Risk Mitigation:

- a comprehensive Sustainable Development Program, aimed to limit the environmental impact of BIC's activities covering BIC activities, products, and supply chain, complemented in 2018 by Writing the Future, Together commitments, including:
  - improving the environmental and/or societal footprint of BIC® products (2025 Commitment: #1 Fostering sustainable innovation in BIC® products). This ambition is based on deploying a comprehensive eco-design process fully integrated into each product category's innovation processes. Through this commitment, BIC will mitigate two risks: the Plastic challenge and the Carbon footprint of its products,
  - the use of 100% renewable electricity by 2025. With this commitment, the Group is seeking to reduce its greenhouse gas emissions by purchasing renewable energies and will also study the potential production of renewable electricity on-site;
- a circular economy approach fully embedded into BIC's historical approach to its product, including its 4R philosophy (Reduce, Recycled or Alternative, Refillable, Recyclable);
- Ambitious commitments on plastics:
  - by 2030, BIC aims for 50% non-virgin petroleum plastic for its products, with a goal of 20% by 2025,
  - by 2025, 100% of BIC consumer plastic packaging will be reusable, recyclable, or compostable;

In 2018, BIC launched a study to review the physical risks linked to Climate Change for all of its sites and some contract manufacturers and suppliers. The analysis included 248 globally located assets – including manufacturing centers, offices, residential buildings, warehouses and land that BIC either owns or rents or is owned by a third-party supplier.

The climate hazards included in the analysis were – heat stress, water stress, floods, sea-level rise, and hurricanes and typhoons (tropical cyclones). The most prevalent hazards for BIC were noted as floods and heat stress – covering about 14% and 12% of the assets in the portfolio respectively. Many of the exposed facilities are owned by third parties or rented.

All these initiatives and those mentioned in the Group's Sustainable Development Strategy presented in Chapter 3 contribute to mitigating the risks.

Risks related to Consumer Demand and Growth

BIC is vulnerable to changes in consumer appetite trends for its products based upon consumer preferences and attitudes towards its products in all three categories – Stationery, Lighters, and Shavers. Global consumer trends can include: rise in Digital Stationery technology, tobacco use cessation, change in shaving habits.

Level of risk impact: high

Potential Impact on BIC:

- a lack of viable responses would impact sales and profitability;
- change in Consumer habits impacting BIC's three categories includes:
  - shift to e-learning in Stationery,
  - decrease in tobacco consumption in Lighters,
  - decrease in shaving frequency in Shavers.

Examples of Risk Mitigation:

- focus Research & Development (R&D) on product innovations and brand positioning to address the decline and change in consumer demand;
- adopt a Consumer-lens to category expansion;
- expand in fast-growing Creative Expression and Digital Writing markets;
- focus on sales growth in Developing Markets;
- increase total addressable markets.

Risks related to Retail Disruption and Consolidation

BIC® product sales may be adversely impacted due to the Consolidation of retail customers *via* e-commerce and the potential decrease in pricing power related to retailers' demand for lower pricing, increased promotional programs, and direct-to-consumer channels.

Level of risk impact: high

Potential Impact on BIC:

- change in consumers' purchasing patterns may reduce pricing power through e-commerce channels and impact BIC sales.

Examples of Risk Mitigation:

- serve consumers wherever they shop, including all channels from e-commerce to hypermarkets, stationery stores, and small Mom and Pop stores;
- expand in e-commerce by covering the spectrum from Pure-Play e-retailers to omniretailers and deploying our Direct To Consumer offer;
- deploy strong displays in retail stores and strengthen SEARCH efforts in e-commerce to drive impulse purchases from consumers.

Risks related to BIC's Supply Chain and Production

As a consumer products manufacturing, distribution, and sales-oriented organization, BIC is exposed to the risk of production interruptions and internal and external supply chains issues related to potential raw materials shortages, operational disruptions at suppliers. This is particularly true during critical seasonal purchasing periods such as the "back-to-school" in Stationery.

BIC operates several manufacturing and warehousing sites throughout the world; however, certain products may be concentrated within specific geographies, which may be impacted in the event of a catastrophic event.

BIC is exposed to specific risks linked to the storage and use of hazardous substances. Among these are:

- gas for lighters;
- solvents for permanent markers and dry-wipe markers;
- solvents for industrial cleaning processes.

Level of risks impact: high

Potential impact on BIC:

- reliance on outside vendors' supply chains could lead to a shortage of raw materials if the vendor suffers a catastrophic event and/or disruption;
- a lengthy supplier qualification timeframe may impact the availability of potential suppliers;
- there are risks of losing key input materials if a supplier changes a formulation.
- a significant supply chain disruption could lead to BIC's inability to meet consumer demand and/or commitments;
- certain plastics used within BIC products may be subject to material competition from other sectors, which may diminish the availability of raw materials and eventual stock;
- reliance on specific raw materials and a significant cut in plastic from suppliers due to environmental regulations may impact product development;
- interdependencies between BIC facilities could be impaired if a peril causes an inability to ship products from a manufacturing site to distribution, which would affect the ability to supply goods to consumers;
- the Covid-19 crisis continues to impact BIC's Global Supply Chain with higher absenteeism, some temporary factory closures and supply chain disruptions due notably to border closures, as well as the discontinuation of the activity of some of our suppliers and subcontractors. The shipping industry is facing strong volumes, backlogs at the container terminals, stressed supply chain, and port congestion worldwide;
- the current crisis in Ukraine could affect the supply and prices of certain Raw Materials.

Examples of Risk Mitigation:

- The BIC Procurement team focuses on supplier acquisition, supplier qualification, and onboarding, as well as alternative sourcing and materials;
- mitigating controls are in place to look for multi-supplier sourcing;
- an enhanced communication platform between sales and production teams allows to "right-size" product quantities and locations;
- BIC Logistics team developed a logistics supplier mitigation strategy and warehousing optimization plan to minimize disruptions on distribution (sea and road freight);
- People and Capabilities programs are in place to enhance the functions' strategy and maturity required for global supply chain disruptions.

In all BIC factories:

- attention is paid to implementing and monitoring preventive measures and safety systems for gas and solvent storage areas;
- suitable control devices and equipment are in place to minimize physical and chemical risks posed by hazardous substances;
- priority is given to the use of appropriate fire prevention systems and appropriate fire detection and control equipment;
- hazard and risk assessments are conducted; procedures are established to identify, assess, and prevent incidents and accidents;
- the workforce is trained to recognize potential hazards, as well as to take preventive and corrective actions;
- compliance with local regulatory requirements is an integral part of the daily management of the sites;
- strategic inventories are defined in all factories to cover critical materials and components;
- training programs are in place in all factories to back up the critical processes and secure the flexibility to cover market needs;
- maintenance programs are in place in all factories to protect key equipment and technical processes.

Certain Group factories are subject to the European Union SEVESO Directive, that identifies industrial sites that could pose significant accident risks. The Directive requires manufacturers to carry out risk studies to identify possible accident scenarios, evaluate their potential consequences and implement preventive measures.

The SEVESO plants have emergency procedure protocols (*plan d'opération interne* and *plan particulier d'intervention*) and a major hazard prevention policy. BIC has also implemented a safety management system for the two SEVESO plants (BJ75 lighter factory and BIMA stationery factory). Outside of France, some plants have equivalent Emergency Plans that address Risks with potential off-site consequences.

Risks related to BIC's Net Sales Regional Concentration

BIC revenue streams rely upon a significant concentration in a few key regions, such as the United States and Latin America.

Level of risk impact: medium

Potential impact on BIC:	*Examples of Risk Mitigation:*
• a high concentration in revenue generation exposes the Company to the risk of shifting consumer demand and regulatory action in a few geographies.	• continued focus on sales growth in Developing Markets; • deployment of a portfolio approach.

Risk related to M&A execution in the context of BIC's *Horizon* strategic plan

BIC's *Horizon* strategic roadmap includes targeted acquisitions to strengthen BIC's existing activities and develop into adjacent businesses.

Level of risk impact: medium

Potential impact on BIC:	*Examples of Risk Mitigation:*
• execution of the transaction, including valuation and due diligence of the targeted businesses; • integration planning and execution of the acquired companies, including failure to capture synergies.	• a dedicated centrally led M&A team is in-place with professionals with extensive M&A backgrounds; • a clear operating model has been established with strong governance and clear accountabilities; • a disciplined process supports due diligence and execution to identify and assess value creation; • a strong planning process governs integration, focusing on delivering the synergies identified during the due diligence.

Risks related to Product Safety

The risk related to product safety and consumer health and safety is placing non-compliant or unsafe products on the market.

Level of risk impact: medium

Potential impact on BIC:	*Examples of Risk Mitigation:*
• impact on Consumers Health and Safety; • impact on the Brand image (Consumers), BIC's reputation, and business interests; • potential costs associated with market withdrawal or recall and/or fines as the case may be.	• the Product Safety Policy includes commitments to ensure that products designed and manufactured by the Group are safe for health and the environment; • with the primary objective of bringing safe and compliant products to the market, BIC integrates regulatory compliance and product safety risk management into its strategy through a rigorous set of processes. BIC supplies millions of constant quality products every day, verified by multiple tests and risk assessments; • consumers' health and safety concerns are integrated into product design and manufacturing. In 2017 and 2018, the regulatory watch was extended to non-regulatory voluntary lists to ensure maximum anticipation. In 2019, the BIC Watch List became more operational for teams and more precise with respect to customers' concerns related to our products. More information is available in *§ 3.2.4 Product Safety*.

Risks related to counterfeiting/Gray Goods, Parallel Imports and Non-compliant Products from competition

Counterfeits of the most well-known BIC products circulate throughout Africa, the Middle East, Eastern Europe, and South America. They are mostly produced in Asia. These counterfeits, often of low quality, are mainly focused on our products' shape and on the BIC® trademark. Gray good products that violate U.S. regulations pose product recall risks.

The Group is confronted with competition from low-cost lighters that often do not comply with safety standards, the ISO 9994 international safety standard, and the EN 13869 child resistance standard.

Level of risk impact: medium

Potential impact on BIC:

- impact on the Brand image (Consumers) and business interests.

Examples of Risk Mitigation:

- the Legal Department fights against these counterfeits, gray goods, or non-compliant products and works closely with local authorities and law enforcement agencies. Among the initiatives undertaken by the Legal team are:
  - initiating court and administrative actions,
  - enforcing a monitoring program of leading e-commerce platforms,
  - market surveillance, traceability measures, and collaborating with local authorities to better prevent illegal diverting of gray goods to the U.S.
- BIC also fights against non-compliant lighters through communication activities, informing stakeholders (customers, market surveillance authorities, EU Commission, EU Parliament, etc.);
- in 2021, the Group intensely advocated its proposals to improve market surveillance effectiveness in Europe. Part of the Group's proposals was included in the EU Commission's General Product Safety Regulation proposal (June 30, 2021);
- BIC worked to improve lighter safety standards in Mexico, advocated maintaining strong market surveillance legislation for lighters in Brazil, and enhanced market surveillance campaigns in Argentina.

Risks related to increased regulations

Restrictions, prohibitions, and prohibitions projects are more and more numerous in the fields of chemical substances and plastics, particularly in North America and Europe.

Level of risk impact: medium

Potential impact on BIC:

- impact on manufacturing processes and business interests.

Examples of Risk Mitigation:

BIC closely monitors announced regulatory changes and voices relevant technical and legal arguments:

- BIC is launching collection and recycling projects and making proposals to improve the relevance of new laws and regulations, starting with the Balearic Islands and Valencian regions where collection and recycling of lighters and shavers are required;
- together with other European manufacturers, BIC continues to object to the EU Commission's interpretation of the EU's CLP regulation scope. This regulation would require labeling each writing instrument and lighter, with warning phrases on the chemical substances in containers. It would also require Safety Data Sheets for each product. If BIC articles were considered as mere containers of mixtures, this could also trigger the application of laws relating to packaging and packaging waste;
- BIC is voicing its proposals as part of the ongoing revision of the EU's CLP regulation. BIC put a strong focus in 2021 on the management and mitigation of consequences of the EU's new restriction of the titanium dioxide content, potentially affecting all coloring products.

Risks related to IT Security

The Group is exposed to risks stemming from cyberattacks and IT and telecommunications system failure. Personal data protection regulations, including the General Data Protection Regulations (GDPR), have increased the risks related to regulatory non-compliance. The ciurrrent crisis in Ukraine has increased the risk of cyberattack.

Level of risk impact: medium

Potential Impact on BIC:

- loss of strategic or confidential information;
- IT and telecommunication system failure;
- disruption of the normal of business operations.

Examples of Risk Mitigation:

- dedicated IT Security & Data Governance resources and processes have been established, including creating a Security Council and the appointment of an IT Risk Manager;
- Cyber Security mitigation has been aligned with BIC's internal control framework, and updates are reported out regularly to the Audit Committee;
- IT Security policies & standards have been implemented across the organization;
- information and training sessions are organized to raise team members' awareness of Cyber risks.

Risk related to the non-respect of Human Rights and Unfair Practices

This risk includes non-compliance with fundamental human rights such as child labor, discrimination or forced labor, as well as corruption and unfair practices.

Level of risk impact: medium

Potential Impact on BIC:

- legal actions against BIC and significant consequences in terms of reputation and attractiveness.

Examples of Risk Mitigation:

- to ensure respect for Human Rights at work, BIC has adopted a Code of Conduct, consisting of a set of professional and social principles derived from the standards of the International Labor Organization (ILO). The Group is committed to socially responsible behavior in all its activities. The Code of Conduct applies to BIC factories as well as contract manufacturers. BIC regularly monitors its implementation through audits and tools;
- BIC's reliance on contract manufacturing is relatively low. Overall, 91% of its net sales are generated by products made in its factories. 65% of its factories are located in countries with no Human Risk, according to Freedom House. The Group works with subcontractors primarily for Stationery products in the Consumer business and for Advertising and Promotional Products. Subcontracting gives BIC greater flexibility;
- BIC also reinforces its expectations of its suppliers and business partners to comply with applicable national and international legislation, including laws regarding anti-corruption, anti-trust, anti-bribery and fair competition, and human rights in its Supplier Code of Conduct issued in 2020.

More information is available in *Chapter 3 Non-financial performance statement: our environmental, social and societal responsibility* (*§ 3.5.1.2 Ensuring respect of Human Rights in the workplace*).

- compliance with ethical principles and the fight against all forms of corruption, active or passive, are stipulated among the BIC Code of Conduct issued in 2020 and BIC Anti-Corruption Policy (updated in 2020). BIC's Code of Conduct has defined the fundamental ethical principles that the Group asks all of its team members to follow under all circumstances and everywhere in the world. The objective is to build and sustain an authentic corporate culture of integrity, honesty, and fairness. Since 2017, BIC has been developing and deploying tools (training, reporting systems, etc.) to facilitate the identification, evaluation, mitigation, monitoring, and quantification of the potential risks of Corruption and unfair practices.

More information on the fight against Corruption is available in Chapter 3, § 3.5. (*§ 3.5.3 Business conduct and combatting corruption*).

Risk related to the execution of BIC's transformation program "BIC 2022 – Invent the Future".

In 2019, BIC launched its *BIC 2022 – Invent the Future* transformation plan. While the overall benefit to BIC is expected to be transformative, positive, and inclusive, potential risks related to this plan may include staff turnover, inability to acquire and retain required talent with necessary skill sets, and/or loss of institutional knowledge.

Level of risk impact: low

Potential impact on BIC:

- risk of losing institutional knowledge and current key competencies from potential staff departures, restructuring, and culture change within BIC;
- risk of turnover within the management teams due to change in the operating model;
- riks of retaining talent due to other organizations potentially offering a more competitive employee value proposition.

Examples of Risk Mitigation:

- talent acquisition and retention plans have been established and implemented with the relevant skillsets and experience ahead of the transformation;
- a centrally led talent management team was created to tackle talent management risks.

2.3. VIGILANCE PLAN

2.3.1 REGULATORY FRAMEWORK

In accordance with French law no. 2017-399 of March 27, 2017, concerning the duty of care for parent companies ("the Law"), BIC developed and implements the following Vigilance Plan.

This Plan contains due diligence measures sufficient to identify risks and to help prevent infringements and damage to:

- Human Rights and fundamental freedoms;
- health and safety; and
- environment.

It targets the major risks arising from the Group activities and from the activities of its subcontractors and suppliers with whom is maintained an established business relationship to the extent these activities are connected to this relationship.

2.3.2 GOVERNANCE

Representatives of various departments, Sustainable Development, Purchasing, Legal, Risks, and Internal Control, continued working in 2021 to implement the Vigilance Plan. A member of this working group is responsible for ensuring that the steps are followed in accordance with the Law.

The Executive Committee monitors the key extra-financial performance indicators.

2.3.3 RISK MAPPING

Methodology

Two working groups carried a risk mapping to identify major risks:

- one, supervised by the Sustainable Development Department and the Legal Department, focused on BIC's activities;
- another one, supervised by the Purchasing Department, focused on BIC's supply chain, as part of Writing The Future, Together commitments program.

The working groups assessed the existing or potential major risks on our supply chain, as well as opportunities aiming at value creation for the stakeholders and for the Group.

An external service provider, specialized in corporate social responsibility and responsible purchasing, supported each working group in developing the risk mapping tools and setting up action plans. The tools included the same rating scale as the one used for the Group risk mapping (presented in § 2.4 Risk management and internal control procedures implemented by the Company and Insurance).

The methodology for risk mapping was based upon many interconnected sources:

- recommendations of the main relevant standards, such as ISO 31000 which provides a methodological framework to risk management;
- external stakeholders' expectations (*e.g.*, French Anti-Corruption Agency, NGO, clients) and internal stakeholders;
- requirements of the "Sapin 2" law and the European Directive 2014/95/EU (on non-financial performance statement) in terms of risk identification and prevention;
- recommendations issued by the United Nations and the OECD guidelines in terms of due diligence.

Both groups worked to identify the major risks and the relevant actions on the four topics covered by the Law as well as business ethics through around sixty topics intended to sharpen the analysis and to establish action plans.

This risk mapping (supply chain and the Group activities) is regularly updated.

Perimeter

"Responsible Purchasing" working group proceeded to the identification of major risks which includes Cello Pens, by purchasing category: plastics, ink & chemicals, gas, metal, services (utilities and other services), logistics, subcontractors (licensed manufacturers, contract manufacturers), etc.

The risk identification by purchasing category, considering the products and services life cycle, allowed the understanding of the risk positioning in the supply chain, considering the various operators of the supply chain.

"BIC Activities" working group identified the major risks arising from manufacturing operations, sales, and from the administrative sites of the Group.

Stakeholders consultation

The Group involved stakeholders to the elaboration of the risk mapping:

- internal stakeholders: purchasers of the different purchasing categories, Anti-Corruption Officer, domain experts (EH&S, industrial facility, sales in different geographical areas, HR, etc.);
- external stakeholders: some suppliers (plastics).

BIC will keep associating and consulting the stakeholders to the Vigilance Plan in 2022.

2.3.4 ORGANIZATION AND MEASURES FOR THE PREVENTION OF MAJOR NON-FINANCIAL RISKS

The tables below refer to the pages of Chapter 3 of the Universal Registration Document which gives a detailed presentation of the issues, the policies, the initiatives, the accomplishments of the past year and the extra-financial performance of BIC.

BIC has implemented a body of documents to facilitate risk management. Those that address the topics covered by Law and provide the basis for BIC's Vigilance Plan are: BIC Anti-Corruption Policy (updated in October 2020), the new BIC Group Code of Conduct (issued in 2020 and which regroups the former Code of Ethics and Code of Conduct), Health, Safety, Environment Policy (EH&S), the BIC Charter of Diversity, The Supplier Code of Conduct (issued in 2020), the Global Procurement Policy (issued in 2020) the Responsible Purchasing Charter (incorporated in the Supplier Code of Conduct issued in 2020). These documents are listed in part 3.8.1. A presentation on the implementation of the new BIC Group Code of Conduct was made at the Audit Committee held in February 2021.

Within the scope of the Law, the major risks listed below correspond to the most critical risks identified (resulting from the probability of occurrence and the significance of the potential impacts regarding the applicable risks).

A. Major risks arising from BIC Group activities [NFPS]

Major risks	Type of risks	BIC Policies	BIC Organization	Mitigation and remediation measures/ Due diligence and regular assessment processes/Results – Key extra-financial performance indicators
Plastics: plastic waste and resource depletion	Environmental risk	2025 Commitment: #1 Fostering sustainable Innovation in BIC® products	Implementation by the Categories, by the Purchasing Department, with the support of the Sustainable Development Department	See the eco-design process in § 3.2. *Our products.*
Climate change	Environmental risks	2025 Commitment: #2 Acting against climate change	Implementation by the Sustainable Development Department EH&S Officer in each factory	See the process of fight against climate change in § 3.7. *Climate-Related Performance Report.*
Product safety and Consumer Health and Safety	Risks for people health and safety	BIC policies for product safety	Implementation by the Product Safety Department	See the product safety policy in *§ 3.2.4 Product safety.*
Health and Safety of Team members	Risks for people health and safety	2025 Commitment: #3 Committing to a safe work environment. EH&S Policy	Implementation by HR and each category EH&S Officer in the factories	See the process of safety in the workplace in *§ 3.4.3 Health/Safety and well-being in the workplace.*
Non-respect of Human Rights and Fundamental Freedoms (child labor, ILO conventions)	Risks on Human Rights and Fundamental Freedoms	BIC Code of Conduct, HR Policies	Implementation by HR for team members Implementation by each Factory Director	See the measures for the respect of Human Rights in the workplace in *§ 3.5.2 Ensuring respect for human rights in the workplace.*
Unfair practices (Corruption)	Risks of active or passive corruption	BIC Code of Conduct and BIC Anti-Corruption Policy	Implementation by an Anti-Corruption Officer, the Legal Department, the Purchasing Department	See the anti-corruption fight process in *§ 3.5.3 Business conduct and combatting corruption.*

B. Major risks arising from the supply chain

Purchasing Categories	Type of risks	BIC Policies	BIC Organization
Raw materials, Plastics, Metal, Inks, and Chemicals	**Environment:** Plastics consumption, water pollution and soil pollution related to the extraction of raw materials **Human Rights:** Exposure of local populations to the releases from the production sites Exclusion of the conflict minerals **Health and Safety:** Chemicals impacts on team members' health and safety Products safety for the consumers **Ethics:** Regulatory compliance, Corruption	The Supplier Code of Conduct (issued in 2020), the Global Procurement Policy (issued in 2020) 2025 Commitment: #4 Proactively Involving Suppliers	Implementation by Group Procurement, Industrial Departments, and Sustainable Development Department
Packaging	**Environment:** Deforestation, overpack, water pollution resulting from the manufacturing process **Health and safety:** Environmental impact of the chemicals used (inks, adhesives) **Ethics:** Regulatory compliance, corruption, use of wood from non-sustainable exploitation	The Supplier Code of Conduct (issued in 2020), the Global Procurement Policy (issued in 2020) BIC Code of Conduct (issued in 2020)	Implementation by Group Procurement, Industrial Departments, and Sustainable Development Department
Transport & Logistics	**Environment:** Greenhouse gas emissions, consumption of non-renewable energy sources **Health and safety:** Road accidents and accidents in handling **Ethics:** Corruption	The Supplier Code of Conduct (issued in 2020), the Global procurement Policy (issued in 2020) BIC Code of Conduct (issued in 2020)	Implementation by Group Procurement, Industrial Departments, and Sustainable Development
Contract manufacturers	**Environment:** Greenhouse gas emissions, consumption **Societal and Human Rights:** Compliance with ILO Conventions in terms of working conditions, forced labor, constrained work or child labor Team members Health and Safety **Ethics:** Regulatory compliance, corruption	The Supplier Code of Conduct (issued in 2020), the Global procurement Policy (issued in 2020) BIC Code of Conduct (issued in 2020)	Implementation by Group Procurement, Industrial Departments, and Sustainable Development
Indirect suppliers	**Environment:** water and energy consumption, water pollution especially for maintenance personnel **Societal and Human Rights:** the strike by team members especially for the goodies sector **Ethics:** Corruption	The Supplier Code of Conduct (issued in 2020), the Global procurement Policy (issued in 2020)	Implementation by Group Procurement

Mitigation and remediation measures/Due diligence process

- Since 2019, BIC has a Group procurement organization to implement an integrated best practice approach worldwide. To this end, BIC Purchasing teams and Supply Chain teams have merged into a global department. One of its most important objectives is to implement the Vigilance Plan with respect to the supply chain (suppliers, subcontractors, transporters) continuously and consistently.
- Moreover, BIC has completed an audit of raw materials impacting 26 suppliers to identify and evaluate all supply risks for the Lighters category. Results were provided in Q1 2021 and a specific mitigation plan in this respect was established. The audit and related methodology have been expanded to the other categories in 2021.
- In addition, the Responsible Procurement 2025 Road Map aims to identify value creation levers on the supply chain and assess and mitigate any sustainable development risks. The execution plan provides for appropriate actions to be rolled out for each category and supplier type. In 2021, 52.6% of the strategic suppliers were integrated the program with at least one of the responsible procurement actions and the target is that 100% of the strategic suppliers will be part of the program by 2025.
- Furthermore, BIC has implemented in 2019 and throughout 2020 and 2021 a Responsible Procurement Training Program as a part of the BIC Capability Building Program.
- The Group's Supplier Code of Conduct launched in 2020 is communicated to all BIC suppliers.
- In 2021, BIC developed and deployed a third party due diligence program to monitor, identify, mitigate and document any exposure to corruption and unfair practice risks. Such due diligence and mitigating actions is managed and documented through an integrity tool.
- The third party due diligence program is a 6 step risk based approach which categorizes & identifies suppliers, performs risk assessments, understands the risk, evaluates such risk, mitigates any risks and monitors and continuously reviews suppliers and notifies of any risks on an ongoing basis.
- The first phase of the program focused on BIC's strategic suppliers and Contract Manufacturers. There are currently a total of 358 suppliers, representing 50 countries of which 25 countries are identified as high risk. Out of the 358 suppliers, 150 suppliers have been evaluated and approved as low risk/medium risk and remain continually monitored. The remaining suppliers are currently being evaluated.
- In parallel, and conjunction with the above, BIC has updated the list of its strategic suppliers (323 as of the end of 2021) based on specific criteria.
- In 2021, BIC has continued enhancing mitigation and remediation measures such as incorporating into calls for tender or in the referencing process criteria on Environment and Health and Safety. Due diligence has been carried out periodically on such issues. In the event of major non-compliance, a dereferencing process is in place. Specific measures, as presented below, may apply.

For more details on the approach of our responsibility in the value chain, the implemented measures, and the results, please refer to Section 3.5. Ethics and business conduct across the value chain.

Regular assessment process

BIC Procurement teams implement the following process to ensure the regular assessment of the risk's mitigation measures:

- monitoring, screening, vetting and mitigating risks of the strategic and high risk suppliers;
- monitoring of the CSR criteria in the calls for tender or in the referencing processes;
- monitoring of the suppliers' panel by the audits, document reviews, assessments, etc.;
- monitoring of the audit results, document reviews, assessments, etc.;
- monitoring of the correction action asked for;
- monitoring of the dereferencing decisions.

Results – Key extra-financial performance indicator

Key extra-financial performance indicators, such as the compliance rate of the suppliers with respect to the dedicated criteria in response to calls for tender and the implementation of external assessment of suppliers, were defined and will be implemented according to the different purchasing categories.

C. Alert hotline

The "BIC Speak-Up" hotline accessible to all BIC team members and third parties and allows any violation of the BIC Anti-corruption Policy and BIC Code of Conduct to be reported (see *§ 3.5.3 Business conduct and combatting corruption*) and thereby offers an alert mechanism to report on risks covered by the Law. The alert hotline is accessible on BIC internal and external websites.

2.4. RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES IMPLEMENTED BY THE COMPANY AND INSURANCE

2.4.1 RISK MANAGEMENT AND INTERNAL CONTROL DEFINITIONS AND OBJECTIVES

2.4.1.1 Adoption of the principles of the AMF's reference framework for Risk Management and Internal Control Systems

For this section, the Group complies with the principles outlined in Part II of the Risk Management and Internal Control Systems – Reference Framework updated in July 2010 by the Working Group chaired by Olivier Poupart-Lafarge and set up by the AMF (*Autorité des Marchés Financiers* – French Financial Markets Authority). This corresponds to a partial adoption of the full text that also provides an *Application Guide* for Internal Control Procedures related to the Accounting and Financial Information Published by the Issuer.

The related specific control activities are the responsibility of the local subsidiaries, which continuously adapt them to their current situation, with guidance from the Group Accounting and Controller's Manuals. The *Application Guide* has not been formally compared to the existing procedures and processes, but the Company does not expect material differences considering the similarity of the Application Guide with these two manuals.

a) Risk management

Risk management is the Company's continuously evolving dynamic system, defined and implemented under its responsibility. This system is a comprehensive and multi-tiered protocol that addresses the Company's activities, processes, and assets.

Risk management encompasses a set of resources, behaviors, procedures, and actions that are adapted to the characteristics of the Company and that enable managers to keep risks at an acceptable level for the Group.

Risk represents the possibility of an event occurring that could affect:

- the Company's ability to reach its business goals, objectives and core strategy;
- the Company's ability to abide by its Values, ethics, laws, and regulations;
- the Company's personnel, assets, environment, or reputation.

Risk management is also a lever for managing the Company that helps to:

- create and preserve the Company's Value, assets, and reputation;
- secure decision-making and the Company's processes to attain its objectives;
- promote the consistency of the Company's actions with its Values;
- mobilize the Company behind a shared vision of the main risks.

b) Internal control

The adoption process also incorporates the definition of internal control as a Company system, defined and implemented under its responsibility, which aims to ensure that:

- laws and regulations are complied with;
- the instructions and directional guidelines fixed by Executive Management are applied;
- the Company's internal processes are functioning correctly, particularly those implicating the protection of its assets;
- financial information is reliable.

In general, internal control contributes to control over a company's activities, to the efficiency of its operations, and the efficient utilization of its resources.

The first objective refers to all regulations and laws in force to which the Company is subject and incorporates in its daily activities to achieve its compliance objectives.

The second addresses the guidelines given to the staff to understand what is expected from them and to be aware of the scope of freedom of action. This communication process is based on the Company's objectives, cascaded to the team members.

The third covers all operational, industrial, commercial, and financial processes. Assets are understood to be both tangible and intangible assets (know-how, image or reputation) and are used throughout the existing processes of the Company.

The last objective deals with the preparation of reliable financial statements, including full, interim, and condensed financial statements and selected financial data derived from such statements, such as net sales releases. The reliability of this information depends on the quality of the associated internal control procedures and system (see reporting procedures *§ 2.4.2.4 Internal Control procedures*) that should ensure:

- the segregation of duties principle, enabling a clear distinction between recording, operational and retention duties;
- that function descriptions provide guidelines for identifying the source of the information and materials produced;
- the validity of means to check that operations have been performed in accordance with general and specific instructions and have been accounted for to produce financial information that complies with the relevant accounting standards of the Company.

2.4.1.2 Scope of risk management and internal control

Risk management and internal control, as defined in this report, apply to SOCIÉTÉ BIC as the parent Company of the Group and all the entities consolidated within the Group.

The internal control in place has been designed for all entities to suit the existing organization, the objectives determined by the Board of Directors, and the Executive Committee (see *§ 2.4.3 Risk management and internal control participants, specific structure(s) in charge/respective roles and interactions*), and compliance with laws and regulations. Supporting principles and systems have been set up in all relevant areas and subsidiaries, considering local specificities and regulations. These principles are also known and followed by the different centralized Group departments.

The Risk Management principles are also applicable to any entity entering the Group; and, whenever possible, the Group asks its subcontractors and suppliers to comply with these principles.

For instance, SOCIÉTÉ BIC asks its suppliers to follow the safety rules for team members that are applied within the Group.

2.4.1.3 Limitations of risk management and internal control systems

Even with the most efficient organization, limitations inherent in risk management and internal control exist. Indeed, risk management and internal control systems cannot provide an absolute guarantee that the Company's objectives will be met. The major existing limitations are the evolution and the uncertainties in the outside world, the subjective nature of people's decisions, and the result of potential human failure or a simple error.

Moreover, any time a control activity is to be implemented, the comparative cost/benefit is considered, ensuring reasonable coverage of the necessary controls.

2.4.2 COMPONENTS OF RISK MANAGEMENT AND INTERNAL CONTROL OF THE COMPANY AND ITS SUBSIDIARIES

The efficiency of the risk management and internal control systems of a Company relies on its components built to serve the objectives as defined previously.

2.4.2.1 Control environment

a) Organization

The Group has implemented a structured internal control system giving the appropriate guidelines and responsibilities to achieve the objectives set by the Board of Directors and the Executive Committee. This organization is based on the definition of responsibilities and objectives set by the Management and then shared individually with the team members.

b) Main tools

To support this structure and measure its accuracy and efficiency, different tools have been implemented. Below are listed the main tools shared by all entities of the Group:

- Code of Ethics (see *§ 2.4.3.6 Team members*);
- Group Anti-Corruption Policy (see *§ 2.4.3.6 Team members*);
- Group Vision and Values (see *§ 2.4.3.6 Team members*);
- Group Accounting and Controller's Manuals.

  These manuals distributed in all entities and available on the Group intranet provide the guidelines respectively for bookkeeping and financial reporting activities under IFRS standards, and for the procedures to respect the internal control system in all sectors of the Company (*i.e.*, Purchasing, Treasury, Tax, Sales, etc.);
- fraud Reporting Protocol:

  The purpose of the Fraud Reporting Protocol is to ensure that all fraud suspicions or actual cases are reported in a timely, consistent, and uniform manner and to coordinate the subsequent investigations. A fraud reporting template has been shared with all BIC subsidiaries;
- hotline BIC Speak-up (see *§ 2.4.3.6 Team members*);
- human Resources Management Policy:
  - detailed in *§ 3.4. Our social responsibility*, Human Resources Management participates fully in internal control efficiency,
  - in particular, it ensures that the recruitment process is in line with the knowledge and skills required by the Group. In addition, it communicates Management's objectives to each individual in accordance with his/her role and responsibilities.

  For example, the Performance, Evaluation, and Development (PED) tool was created to meet the following goals efficiently:
  - cascading of the Company's objectives to the team members throughout the year,
  - training and people development: see *§ 3.4. Our social responsibility*;
- information systems:

  Different information systems are used depending on the business processes they support. They are organized primarily by continent. However, consolidation procedures are in place to have access to a consolidated result that allows Group Management to monitor performance and manage the operations.

Most of the BIC's entities use fully integrated systems (ERP) to assist them in the management of the business and report financial data using a consolidation and management software (see *§ 2.4.2.4 Internal Control procedures*).

Continents and countries are in charge of implementing operational procedures to secure access, back-up, and recovery of critical system data.

2.4.2.2 Dissemination of relevant and reliable information

The Company has implemented efficient information dissemination processes and systems that allow accurate communication to the appropriate level of responsibility and authority. The formats of these tools are diverse. They range from IT (Information Technology) solutions (including the Group intranet, the financial consolidation software, the integrated system implemented per continent, etc.) to existing procedures that include information management.

These information tools aim to support the whole internal control system of the Company and to help the decision processes and follow-up for the achievement of Management's objectives.

2.4.2.3 Risk management process

Risk management, among its objectives, aims to address the existing, evolving, and emerging risks that could potentially significantly impact the Company. All risks cannot be addressed. However, when addressed, the means used include a variety of internal and external mitigation processes and/or external insurance protection.

This specific process incorporates a three-step approach based on the following activities:

- risk identification and analysis;
- risk management and mitigation;
- risk monitoring.

a) Risk identification and analysis

The Group Risk Management Department performs risk identification and analysis through the Enterprise Risk Management framework and Insurance Risk Management process.

The identification process highlights the main risks arising from both external and internal sources. The key driver for identification is the potentially significant impact on the Company's strategy, objectives, personnel, assets, environment or reputation.

The Group Risk Management Department as the process coordinator challenges when required the answers received and the action plans mentioned in response to the identified risks. It also consolidates the documents and weighs the impacts to as input to the Group Risk Matrix. This matrix provides for all risk categories the impact for BIC and a summary is shared with the Audit Committee and the Statutory Auditors. It is also shared with the Chairman of the Board.

The analysis and measurement of the identified risks are conducted for internal use.

b) Risk Management and Mitigation

The Executive Committee manages the major risks identified in BIC risk mapping. These risks were followed and monitored during the year. Progress and status of action plans related to certain key risks have also been reviewed and discussed at Board Meetings. The other risks continue to be monitored.

In addition, different procedures exist (see *§ 2.4.2.4 Internal Control procedures*). The Executive Committee, Continents, and centralized Departments such as Legal, Sustainable Development or Treasury, monitor risks on an ongoing basis. They are involved in the management of risks:

- the Group Treasury manages and monitors interest rate exposure and foreign exchange exposure daily as well as the liquidity risk;
- the Legal Department regularly monitors changes in laws/regulations and litigation in progress;
- the main industrial and environmental risks are considered by the Management and the Sustainable Development Department;
- the Executive Committee manages the significant strategic and operational risks.

A yearly review of the Insurance coverage process is also performed: see *Group Presentation – § 2.4.4 Insurance – Coverage of Risk*.

c) Risk monitoring

The Executive Committee performs regular reviews of risk exposure. Each site/department creates its own scorecards and key indicators to detect, follow and measure the effectiveness of risk mitigation.

In 2019, the Group engaged with external consultants to provide an independent review of the Group's critical risks in preparation to a formalized Enterprise Risk Management framework. This process included discussions with key executives and Board members to identify, verify, and prioritize key major risks, current, and potential mitigation efforts and establish a baseline for Risk Tolerance and Risk Appetite levels. The process yielded consensus of parties to provide for a revitalized framework for on-going efforts and for specific focus areas to support the Group's strategic initiatives. These critical risks were monitored in 2020, then re-evaluated in 2021 following the new Enterprise Risk Management framework.

2.4.2.4 Internal Control procedures

a) Internal Control procedures related to the preparation of accounting and financial information published by the Company.

The accounting and financial information used internally for management, or external reporting, is prepared in compliance with the IFRS (International Financial Reporting Standards) as adopted by the European Union.

The information follows a bottom-up reporting process from the local statutory accounts data to the consolidated/management set of financial statements. This reporting is performed using consolidation software following every monthly closing.

The finance teams of the subsidiary, under the control of their respective Finance and Operations Directors, report information to the business unit finance teams and then report to the Group.

The local External Auditors audit this reported package for the significant entities. Statutory Auditors prepare memorandums and synthesis of significant comments for the Group.

Cost controllers work closely with operations and report to local Management and functionally to the continent/category Financial Director.

The Group developed a Controllers' Manual of policies and internal procedures that was presented and communicated to the Finance Directors of the subsidiaries. This review is ongoing, with key policies and procedures updated and validated by functional managers as needed. When a new policy is created, or an update or enhancement is made to an existing policy, the information is communicated and posted on the employee intranet and is also cascaded by the Executive Committee to all subsidiaries.

The reporting procedures within the Group are the following:

- the Group finance information system allows preparation of statutory consolidations and management consolidations within the same reference frame;
- the Group also uses a detailed sales reporting system. A monthly reconciliation is prepared between the sales reporting and financial information systems. Any meaningful variance is explained;
- the Group financial information system is used in all the subsidiary companies, which allows analysis at each level of reporting (subsidiaries, continents, Group or by category of products) starting from the same source data and according to the same reporting format;
- the Group internal financial information is analyzed monthly and compared with the budget at the subsidiary level, and the Executive Committee also reviews the consolidated data and the related analysis monthly;
- an analysis is performed between the budget, the forecasts and the strategic plan and is reviewed by the Executive Committee;
- the Group Chief Financial Officer validates the consolidated financial information. Significant issues are reviewed with the Chairman of the Board and the Chief Executive Officer;
- the Audit Committee validates this information and provides the Board of Directors with a report if necessary;
- the External Auditors are involved in the validation performed yearly of the production process of financial information.

The account closing process includes the following in particular:

- the fixing and circulation of accounting rules by the Group Finance through the Group Accounting Manual;
- the preparation and sending of a calendar and instructions to the affiliates by the Consolidation Department at each monthly closing;
- the existence of a checklist with the corresponding tasks to be performed by the subsidiary for the account closing.

b) Other internal control procedures

As already mentioned, internal control within the Group is decentralized. It is then the responsibility of each organization (subsidiary, department, category, continent, etc.) to establish the relevant procedures in all concerned sectors to support the objectives and definition of internal control.

However, as a global framework, the Group Controllers Manual provides the general guidelines to be satisfactorily adopted, following adaptation, at the respective level of internal control.

The Group's main procedures are described below:

Purchasing and capital investment procedures

The constant emphasis in these procedures is upon the commitment authorization. This initial step is the main driver for the rest of the process, from the acknowledgment of receipt of the purchased goods or service to the payment of vendors.

The Group has accordingly implemented an authorization matrix that identifies the level of responsibilities required in accordance with the amount to be committed. All authorizations are expected to be formalized in the appropriate form or through the IT systems. The delegation of authority matrix is regularly updated according to changes in the Group organization.

This approval process is the foundation of the three-way-match procedure followed within the Group. Starting with an approved purchase order, it requires that matching is performed at the following stages:

- at the delivery/service rendering with the proof of delivery or completion;
- when receiving the supplier's invoice for the generation of payment.

The three-way match process assures the segregation of duties principle and allows clear tracking of the validity of transactions throughout the purchasing process.

In terms of capital expenditure, an additional step is required for the purchase initiator. Prior to any investment, specific documentation is prepared to gather all necessary data such as Description and return on investment features, approvals in accordance with the level of commitment and a post-acquisition audit schedule.

In terms of organization, attention is drawn to the segregation of the procurement function from purchasing. The goal is to mitigate any risk of overlapping responsibilities. This process also centralizes at Group level the procurement flows on strategic materials, to better control the needs and level of financial commitment.

Finally, vendor management, including the suppliers' database, also follows specific control procedures and rules throughout any relationship these third parties could have with the Group.

Selling procedures

The selling procedures follow common rules and principles, but they are customized for local markets and customers, based on the existing nature of transactions.

These common principles deal in particular with:

- the validity of selling prices and selling conditions (price list set-up process, special pricing authorization schemes, etc.);
- the completeness and accuracy of the selling orders received through different media;

- the respect of recognition timing with emphasis on cut-off processes and adjustment procedures;
- the fair value of trade receivables with procedures for bad debt reserve computation and credit note issuance.

Similarly to the relationships with suppliers, procedures deal with customers' master file management, including the creation of new accounts, the cash allocation process for the payment receipts and credit management.

Inventory management procedures

The management of inventory covers physical custody of the goods, valuation of these items, and monitoring of the related flows. Thus, the procedures in place address all these topics.

Regarding physical safeguarding, Group policies are provided in addition to local regulations. They deal with:

- the safety objectives for the team members involved in the inventory management;
- the assets' security with clear guidelines in terms of storage conditions, stock-take process, or segregation of duties.

In terms of valuation, a BIC costing procedure is established to help local controllers to follow the Group rules as well as comply with local accounting and financial standards. The Group rules are disclosed in "Note 1 of the consolidated financial statements – Main rules and accounting policies".

Cash management procedures

Mostly centralized within the Group Treasury, some aspects of cash management are maintained at the local level. For both levels, procedures are in place to cover:

- cash balance and payment management including physical safeguards, the performance of bank reconciliations and supervision of segregation of tasks performed;
- bank mandates and management of authorization signatures;
- debt financing activities, whether short or long term.

Centrally, the Group Treasury follows specific procedures regarding its investment portfolio and foreign exchange exposure management.

Fixed asset management procedures

As defined in the objectives for internal control, asset security is identified as a matter of priority. To achieve this, procedures have been implemented within the Group. Some of them are described above.

The existence and the validity of assets being essential; instruction is given to local sites to perform physical inventories on a regular basis for reconciliation with the financial systems.

In addition to the investment authorization process mentioned earlier, all fixed asset movements (*i.e.*, transfers, disposal and sales) are regulated by dedicated procedures.

Finally, specific rules are required for the management of the Fixed Asset Registers to support compliance with both local and Group accounting standards and to permit efficient control activities.

2.4.2.5 Control activities

Each level of the Group is involved in control activities to ensure that Group rules, guidelines, and procedures are correctly applied.

Moreover, the Internal Control & Audit Department ensures through its annual audit plan that no material discrepancy with the Group procedures exists.

This control addresses both operational and financial environments and focuses on:

- the validity of the operations and transactions, including the authorization processes for expenditures and investments;
- completeness of transaction reporting;
- proper evaluation and recognition of operations for accurate information availability and disclosure.

2.4.3 RISK MANAGEMENT AND INTERNAL CONTROL PARTICIPANTS, SPECIFIC STRUCTURE(S) IN CHARGE/RESPECTIVE ROLES AND INTERACTIONS

Risk management and internal control implemented by BIC are fully integrated functions within the organization.

2.4.3.1 The Board of Directors

The Board of Directors of SOCIÉTÉ BIC, which represents the Shareholders, acts in all circumstances in the interests of the Company. It must also review and approve the Company's strategic objectives.

2.4.3.2 The Executive Committee

The BIC Executive Committee consists of a team of leaders who meet regularly and work closely with Gonzalve BICH, Chief Executive Officer, in setting the Group's long-term ambition and strategy to drive profitable growth:

- Group Insights, Innovation and Sustainability Officer - Elizabeth Maul;
- Group Supply Chain Officer – Gary Horsfield;
- Group Commercial Officer – Chester Twigg;
- Group Lighter General Manager - François Clement-Grandcourt;
- Chief Financial Officer – Chad Spooner;
- Chief Human Resources Officer –Mallory Martino;
- Global Strategy and Business Development – Sara LaPorta;
- Chief Administrative Officer – Charles Morgan;
- Group Parternships and New Business Officer - Thomas Brette.

This structure allows BIC to benefit from the collective experience and expertise of this group of talented leaders and realize its growth potential. To further its effectiveness, the Executive Committee will now be able to draw on the input and broader perspective of an extended Leadership Team whenever a greater depth or breadth of knowledge and expertise is required.

The Group Supply Chain Officer and the Group Insights and Innovation Officer are directly responsible for Manufacturing, New Product Development, Research, and Quality Assurance.

The Executive Committee also monitors the quality of the internal control process and the implementation of risk coverage. It also ensures, with the Group Chief Financial Officer's support, that indicators are consolidated to measure the operational performance against the budget and, if necessary, focus on the variances and corrective measures that may need to be implemented.

In addition to the budget, forecasts are prepared and revised during the year to monitor the budget achievement and understand any current marketplace dynamics. A strategic planning process is in place to help identify future growth opportunities.

2.4.3.3 The Audit Committee

Supporting the CEO, the Audit Committee (see *§ 4.1.2.6 Committees set up by the Board of Directors*), among other assignments, monitors the risk management and internal control systems on a regular basis. The Committee can interview the Internal Audit Director to be updated on the work performed during the year and can give its opinion on the department's organization. A summary of internal audit findings is shared with the Committee every year.

2.4.3.4 The Internal Control & Audit (IC&A) Department

The Internal Control and Audit Department reports operationally to the Chief Financial Officer and, on request, to the Executive Committee and the Chairman of the Board.

This department reviews both financial and operational activities and expresses an independent assessment of the degree of compliance with the policies, rules and procedures of the Group. The IC&A Department focuses on:

- business cycle and process reviews (such as sales and collection, purchasing and disbursements, fixed assets, inventories, payroll, cash management, and accounting entry processing) at both subsidiary and Corporate level;
- testing of the controls in place to ensure their effectiveness and efficiency;
- coordination with functional managers for the continuous updating of the Controller's Manual;
- issuance of guidance and recommendations for improvement to existing processes, including the sharing of Group best practices.

This department also assists with timely and specific engagements, such as external acquisitions or internal restructuring operations.

The Internal Control and Audit Department provides assistance on fraud prevention, awareness, and also investigations on reported fraud cases within the Group.

The approach of the IC&A Department also includes Group information systems through reviews of IT (Information Technology) accesses and business continuity procedures.

Annually, the IC&A Department presents the audit schedule to the External Auditors, provides updates, and shares the reports resulting from site reviews.

In addition, the IC&A Department coordinates site reviews with Group Finance and the External Auditors to ensure coverage of any specific areas.

a) IC&A Department's activities in 2021

A multi-year audit rotation schedule is in place to ensure that all considerable sites and key processes are reviewed on average every five years.

The 2021 schedule led the IC&A Department to perform four audits in manufacturing and distribution entities, combining initial and follow-up visits, and investigations.

These audits were carried out in accordance with the methodology and procedures set by the IC&A Department, including in particular:

- performance of tests (walkthroughs and detailed testing) and interviews with the contributors of the cycles reviewed on a risk-based approach;
- the issuance of a report after the audit, which lists recommendations for improvements to be considered by the site/department, in accordance with a precise action plan and deadlines. The IC&A report is an excellent communication tool and plays an important role in the continuous improvement of controls within the Group.

No significant issue was identified further to these reviews. The recommendations issued in the audit reports highlighted improvements required to certain controls to improve their effectiveness. Local Management has shared its response to these recommendations and proposed action plans, together with the related implementation dates and the responsibility for their execution. These implementations have been checked during follow-up visits performed by the IC&A Department. Furthermore, quarterly follow-up of action plans progress contributes to efficient monitoring of the recommendations' implementation related to significant audit issues. Dashboards are communicated quarterly to the representatives of the continents and categories. Finally, best practices in terms of internal control noted while performing these reviews are communicated and shared within the Group.

The IC&A Department collects the data provided by the subsidiaries and performs analyses to enhance the risk-based approach in the determination of the annual audit plan and the performance of audit work. The results will be shared with Group Statutory Auditors and the Audit Committee.

A summary of the work performed by the IC&A Department during the year is presented to the Executive Committee, Audit Committee, and Board of Directors. The analysis includes a summary of the main audit findings and recommendations, as well as a summary of the risk analysis and action plans implementation progress.

b) Perspectives and Action Plan for 2022

The IC&A Department will continue to focus on processes and efficiency improvements, testing of operational effectiveness of key controls, and enhancing the overall review process.

The annual audit schedule, prepared by the IC&A Department and validated by the Audit Committee and the Executive Committee, meets the multi-year rotation principle for site and processes reviews. Finally, the IC&A Department will maintain its coordination role for the continuous improvement of Group procedures and will continue to be involved in the risk management approach.

2.4.3.5 The Risk Management Department

The Group Risk Management Department reports to the Group Finance Department. Its mission is to foster stronger risk capabilities and culture to protect the company's assets and support BIC's strategy. Group Risk Management is responsible for the implementation of the Enterprise Risk Management framework, the Insurance Risk Management Program, and to provide Risk Advisory to the organization.

Enterprise Risk Management is a framework on which processes, capabilities and culture are integrated within the organization to identify, assess, mitigate, monitor and manage potential enterprise-wide non-routine risks while strengthening the company's ability to achieve its strategic objectives.

Insurance Risk Management is exercised as the practice of identifying and analyzing loss exposures and taking steps to minimize the financial impact of the risks they impose *via* risk transfer such as insurance and preventive risk management practices.

Risk Advisory is provided to the organization to ensure decision-making aligns with risk appetite and tolerance; and further enhance business resiliency.

As part of the above activities, Group Risk Management also coordinates the risk monitoring in agreement with the Executive Committee.

2.4.3.6 Team members

Each team member is involved in the internal control processes and risk management activities in accordance with his/her respective knowledge and has access to the information used to design, operate, and monitor the internal control system. The Group Internal Control Policies including the Group Controllers' Manual, are available online for team members with access to the Group Intranet.

To reinforce the commitment of all team members to the importance of internal control in the Company, the Values of the Group are posted at all Group locations so that all team members have access to them.

Regular company-wide engagement surveys are conducted and cover multiple aspects of engagement and also assess our adherence to our Company Values. In 2018, over 11,000 team members were invited to participate, encompassing 59 countries. The response rate increased to 93% compared to 84% in 2016. Overall, employee engagement was favorably assessed at 84%, representing strong engagement at 4.5% above the market norm. Significant drivers of overall engagement focused on the favorable assessment of willingness to stay with BIC and recommending BIC as a good place to work.

A question on Diversity and Inclusion was added to the survey to gauge whether our team members believe BIC is a diverse and inclusive work environment. This question was answered favorably at 82%.

The questions on Values showed very favorable responses overall and were specifically strong with respect to the values of Responsibility and the application of Ethics. This reaffirmed the efforts taken in 2017 to reengage our team members on the importance of the principles behind the Group Code of Ethics.

The Group Code of Ethics is available for all team members on the Group Intranet. The Code of Ethics and its guide were updated in 2014. The Board of Directors has taken note of it and reaffirmed, as necessary, the importance of the action and behavior principles mentioned in this Code. The Executive Committee validated the Group Code of Ethics and related procedures and policies and distributes it throughout the Group.

A Group Anti-Corruption Policy was also made available to all team members on the Group Intranet in 2016, stating that the Group prohibits bribery and corruption in any form and upholding our reputation for integrity.

In 2017, the Group also launched its Anti-Corruption and Code of Ethics e-learning, which was completed by most team members in all BIC markets.

Since July 2017, the Group has partnered with an independent provider to manage a new phone and internet-based reporting system called BIC Speak-up, which provides an alternative channel for team members to communicate their concerns confidentially and anonymously if they so choose (and where permitted by local law). This program has been established to provide effective lines of communication from team members and empowers BIC to promote safety, security, and ethical behavior.

A Charter of Diversity, shared by all the entities, defines BIC commitment to continually improving and educating team members about the importance of diversity and aims to assist in the prevention of discrimination in the workplaces.

2.4.4 INSURANCE – COVERAGE OF RISKS

2.4.4.1 Insurance

BIC Group utilizes insurance as a risk financing solution to transfer its major risks to the insurance marketplace through a series of insurance policies, placed with reputable insurers. The Group accomplishes this transfer on two tiers: Global Insurance Program which addresses all Group affiliated companies, except where legally prohibited, and Locally placed policies to address compulsory insurance where required. Additionally, some local affiliated companies may have obtained additional insurance for special and/or specific needs.

The objective of the Group's global insurance program is to develop a uniformly high level of risk management and insurance protection for all BIC operating entities. This policy should help protect assets and, therefore, revenue, against risks that may be insurable or controllable.

BIC Group maintains the following main international insurance programs:

- Liability insurance including risks related to products, which covers losses related to third-party claims of bodily injury and property damage, including operational and product liability;
- Environmental Impairment Liability insurance related to gradual pollution and accidental pollution;
- Property Damage and Business Interruption insurance covering risks of loss due to fire, explosion, water damage, and other natural catastrophes; As a general rule, coverage is based upon a replacement cost valuation of the insured property and business disruption costs; however, some coverages may be capped and/or sub-limited in total amounts payable under the terms of the policy;
- Goods-in-Transit insurance covering loss or theft of goods and/or products during their shipment;
- Crime insurance related to the risks of fraud, theft, and falsification;
- Employment Practices Liability insurance covering alleged discrimination, wrongful termination, and sexual harassment.

In addition, BIC Group maintains other types of insurance in conformity with legal requirements within countries in which it operates.

The global cost estimate of the Group insurance programs to third-party insurers amounts to approximately 4.4 million euros.

2.4.4.2 Self-Insurance

Self-insured or retained risks are also held by BIC Group, typically in the form of insurance policy deductibles, retentions, or other uninsured exposures which may not be insurable in the traditional marketplace.

In the U.S., BIC Corporation maintains a wholly-owned subsidiary captive insurance company, SLS Insurance Company Limited (SLS), covering the U.S. for specific types of risks, including:

- Commercial General Liability and Products Liability coverage covering alleged third-party bodily injury and property damage;
- DIC/DIL providing Difference in Conditions/Difference in Limits insurance to supplement certain other traditional insurance policy coverages and/or deductibles;
- Medical Stop Loss coverage related to the employee benefits health program;
- TRIA (Terrorism Risk Insurance Act) NBCR (Nuclear, Biological, Chemical, and Radiological Terrorism). The amount of provisions to cover this risk is limited to 5 million U.S. dollars which is used to extend BIC's traditional Terrorism coverage.

The other entities of the Group are insured under traditional insurance programs.

3

NON-FINANCIAL PERFORMANCE STATEMENT: OUR ENVIRONMENTAL, SOCIAL AND SOCIETAL RESPONSIBILITY

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How to read BIC's Non-Financial information and Non-Financial Performance Statement

BIC has decided to present the various items required by French executive order No. 2017-1265 of August 9, 2017 [1] across different chapters of its management report:

Business Model	BIC's business model is presented in the excerpts from the Integrated Report.
Major Risks	Major risks for BIC are also discussed in Chapter 2.1.
CSR Risks	The CSR risks identified under the NFPS are listed and described in Section 3.8.1.
Chapter 3	This chapter provides: • a description of the sustainable development challenges in the introduction to each section; • the risks identified in the Non-Financial Performance Statement and the related opportunities in the "Risks and Opportunities" sections; • a description of the policies and actions in place under the "Policies, actions taken, results and outlook" sections. These include due diligence work to identify, prevent and reduce the frequency of risks or to take the opportunities identified. Also included are the results of these policies, including key performance indicators and, where applicable, the relevant outlook.

In 2020, BIC released its first Climate-Related Performance Report (Section 3.7) in keeping with the guidelines proposed by the Task Force on Climate-related Financial Disclosure (TCFD). Consequently, this section follows the headings suggested by the TCFD rather than the above structure.

BIC identifies information expressly required in the Non-Financial Performance Statement with the initials *[NFPS]* and *[NFPS Risk X]*. The Group also decided to continue presenting all the action plans related to its Sustainable Development Program. This includes those that do not directly help prevent or reduce a major risk. The Group has, however, reorganized this chapter to prioritize the information directly relating to the Non-Financial Performance Statement.

A summary table of the Non-Financial Performance Statement can also be found in section 3.8.1.

Main CSR risks and opportunities [NFPS]

BIC has identified nine main non-financial risks resulting from its operations and the use of its goods and services:

1. Risks related to plastics: plastic waste and resource depletion *[NFPS risk 1]* (*See section 3.2.1.1*);
2. Risks related to climate change *[NFPS risk 2]* (*See section 3.3.3.1*);
3. Risks related to product safety and consumer health & safety *[NFPS risk 3]* (*See section 3.2.4.1*);
4. Risks related to health & safety of team members *[NFPS risk 4]* (*See section 3.4.3.1*);
5. Risks related to non-respect of human rights (child labor, international conventions, ILO) *[NFPS risk 5]* (*See section 3.5.2.1*);
6. Risks related to unfair practices (corruption) *[NFPS risk 6]* (*See section 3.5.3.1*);
7. Risks related to our operations and the environment *[NFPS risk 7]* (*See section 3.3.1*);
8. Risks related to reputation and brand *[NFPS risk 8]* (*See section 3.2.5.1*);
9. Risks related to experienced team members and *skills [NFPS risk 9]* (*See section 3.4.4.1*).

The risks related to tax evasion are not identified as major CSR risks for the Group.

The method for identifying these risks and evaluating their degree of criticality is described in Chapter 2 of this Universal Registration Document.

The summary table of the Non-Financial Performance Statement in section 3.8.1. summarizes the information required by French executive order No. 2017-1265 dated August 9, 2017 [1].

(1) For the purposes of applying Decree No. 2017-1180 dated July 19, 2017 on the disclosure of non-financial information by certain large companies and corporate groups.

3.1. SUSTAINABLE DEVELOPMENT PROGRAM *[NFPS]*

Sustainability is deeply rooted in BIC's Values and is an integral part of its day-to-day operations. For close to 20 years, it has played a fundamental role in guiding BIC's strategy, especially its social and societal actions.

In keeping with its core mission, the Group's ambition is to ensure that it has a limited impact on the environment and society, while making a meaningful contribution to the lives of its team members and the planet over the long-term.

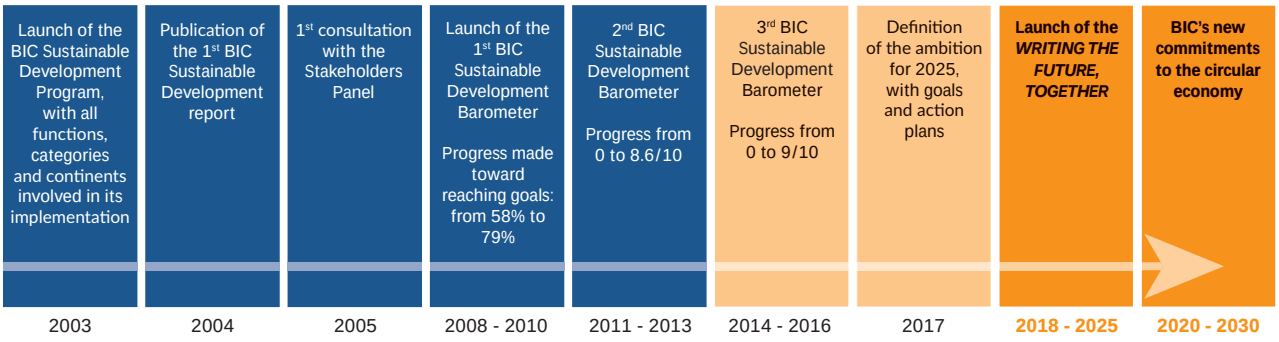
In its "Writing the Future, Together" program, BIC seeks to build on its long-standing sustainable development efforts and to bolster its engagement by pledging to five commitments for the 2018 to 2025 period.

3.1.1 THE HISTORY OF BIC'S SUSTAINABLE DEVELOPMENT PROGRAM

Launched in 2003, BIC's Sustainable Development Program has continued to evolve and address major environmental and human issues as well as stakeholder expectations. It also benefits from advances in R&D, innovation, and evolutions in the Group's operations.

This exhaustive program encompasses all key sustainability issues as well as the related risks (1) that BIC must address to fulfil its Corporate Responsibilities. A unique reporting system is used to monitor the Group's performance for continual improvement. Since 2018, the Program has been guided by the five ambitious commitments that make up "Writing the Future, Together". In 2020, this program was reinforced with additional commitments that will fundamentally transform the way the Group uses plastic.

Through its Sustainable Development Program, the Group also contributes to the UN Sustainable Development Goals (see also Section 3.1.2.1).



(1) The main CSR risks related to the activities and use of BIC's goods and services are presented in the Chapter "Risks management" on page 48.

3.1.1.1 BIC's ambition

"At BIC, we believe in providing simple, inventive, reliable choices for everyone, everywhere, every time. And we believe in doing so responsibly with the planet, society and future generations in mind.

Our approach to sustainability is one of our Values and is an integral part of our day-to-day operations. Staying true to our philosophy of honoring the past and inventing the future, we want our ongoing commitment to sustainable development to be long-lasting and far-reaching.

Our ambition is to ensure that we limit our impact on the planet and make a meaningful contribution to the lives of our employees and society over the long term, simply because it is the right thing to do.

To shape our business tomorrow and ensure we create a sustainable future for all we believe it is essential to:

- promote sustainable innovation in our products;
- act against climate change;
- provide our team members with a safe workplace;
- make our supply chain more responsible; and
- reinforce our commitment to education."

3.1.2 WRITING THE FUTURE, TOGETHER, A COMMITMENT FOR 2025

In 2017, BIC defined ambitious commitments that enable the Group to create value over the long-term for the benefit of all stakeholders. This effort is based on the principles of its Sustainable Development Program, namely assessing the materiality of the issues, incorporating the UN Sustainable Development Goals. It also takes into account regulatory requirements and consultations with stakeholders, as well as lessons drawn from regular benchmarking.

The vision thus defined is set out in "Writing the Future, Together," driven by BIC's ambition for sustainability (see Section 3.1.1.1) and comprising five commitments which are an integral part of the Group's strategy and *Horizon* plan.

WRITING THE FUTURE, TOGETHER – THE COMMITMENTS

#1 Fostering sustainable innovation in BIC® products (SDG 3, 6, 8, 12, 14, 15):

- by 2025, the environmental and/or societal footprint of BIC® products will be improved (SDG 3, 6, 8, 12);
- by 2030, BIC aims for 50% non-virgin petroleum plastic for its products, and 20% by 2025 (SDG 14, 15);
- by 2025, BIC will have 100% reusable, recyclable or compostable plastic packaging (SDG 14, 15).

#2 Acting against climate change: By 2025, BIC will use 100% renewable electricity (SDG 7, 8, 9, 12, 13).

#3 Committing to a safe work environment: By 2025, BIC is aiming for zero accidents across all operations (SDG 3, 8).

#4 Proactively involving suppliers: By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing (SDG 8, 12, 16).

#5 Improving lives through education: By 2025, BIC will improve learning conditions for 250 million children globally (SDG 1, 4, 5, 6, 8, 13).

FLAME FOR LIFE SUSTAINABILITY PROGRAM - SPEARHEADING CSR INNOVATION

Fully aligned with "Writing the Future, Together", the Flame for Life division's Sustainable Development program is driven by innovation and exploration. Its approach is based on the following principles:

- adopting a science-based approach;
- exploring new avenues and questioning all options;
- improving practices through pilot projects;
- considering social and environmental impacts;
- promoting open dialogues and partnerships;
- transparency.

The transformation of internal practices is carried out at each stage of the life cycle. This approach makes it possible for BIC to address three major issues: climate change, resource depletion and decrease in plastic pollution. In addition, the Group has launched pilot projects to support some of its suppliers in improving their CSR approach.

The Flame for Life sustainability program was created through pilot projects. They evolve as feedback is received and, when satisfactory scalable results are obtained. One of the program key achievements is the design of the BIC® Maxi Ecolutions® lighter, whose components were reviewed to see which ones had the most impact and improved by using recycled or bio-based materials, and avoiding certain dyes. Like all BIC® lighters, this range is manufactured in a factory supplied with 100% renewable electricity.

3.1.2.1 Writing the Future, Together – Progress chart *[NFPS]*

WRITING THE FUTURE, TOGETHER

	5 commitments	Progress as of Dec. 2021	Other factors: approach and performance	Section	UN SDG [a]	Issues and risks addressed [b]
#1 Fostering sustainable innovation in BIC® products	By 2025, the environmental and/or societal footprint of BIC® products will be improved. By 2030, BIC aims for 50% non-virgin petroleum plastic for its products, with a goal of 20% by 2025. By 2025, 100% of BIC consumer plastic packaging will be reusable, recyclable, or compostable.	EMA [c], the Group's sustainable scorecard for product evaluation and improvement, is employed in all innovation projects to evaluate products' environmental and societal impacts. 12 products were improved in 2021. The tool for assessing and improving CSR packaging performance was finalized and integrated into the operational models. All new innovation programs are now evaluated.	• 4.0% of recycled or alternative materials in BIC® products (4.3% in 2020). • 59.6% of reusable, recyclable or compostable plastic in consumer packaging. • 52.1% recycled content of plastic packaging. • 95.6% PVC-free packaging. • 97.4% of BIC cardboard packaging comes from a certified and/or recycled source. • 16 BIC® products with the *NF Environnement* ecolabel. • At end-2021, over 64 million pens collected through TerraCycle in Europe, the United States, Australia and New Zealand. • 18 alternative materials tested.	3.2.1.2	3 GOOD HEALTH AND WELL-BEING 6 CLEAN WATER AND SANITATION 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER 15 LIFE ON LAND	*[NFPS Risk 3]*: risks related to product safety and consumer health & safety. *[NFPS Risk 1]*: risks related to plastics. *[NFPS Risk 2]*: risks related to climate change.

(a) UN Sustainable Development Goals.

(b) Risks identified within the framework of the NFPS.

(c) Environmentally & socially Measurable Advantage.

WRITING THE FUTURE, TOGETHER

5 commitments	Progress as of Dec. 2021	Other factors: approach and performance	Section	UN SDG [a]	Issues and risks addressed [b]
#2 Acting against climate change By 2025, BIC will use 100% renewable electricity.	79% of electricity comes from renewable sources.	BIC's use of renewable electricity is part of a comprehensive energy approach that also encompasses energy efficiency in operations. Fifteen energy efficiency projects were launched in 2021. The projects included light bulb replacement with LED bulbs, process optimization and installation of new and more energy efficient equipment. In terms of energy efficiency, the Group continues to progress. Over the last 10 years, energy consumption per ton of products has decreased by 5.9%. Slight decrease in renewable electricity due to an increase in electricity consumption from factories that have yet to employ renewable sources (Cello, Mexico, Bizerte).	3.3.3.1		*[NFPS Risk 2]*: risks related to climate change. *[NFPS Risk 1]*: risks related to plastics.

(a) UN Sustainable Development Goals.
(b) Risks identified within the framework of the NFPS.

WRITING THE FUTURE, TOGETHER

	5 commitments	Progress as of Dec. 2021	Other factors: approach and performance	Section	UN SDG [a]	Issues and risks addressed [b]
#3 Committing to a safe work environment	By 2025, BIC aims for zero accidents across all operations.	The Health-Safety approach roll-out continues within the whole Group.	The Group belongs to "Vision 0", a program of the International Social Security Association. Every month, Plant managers and their EH&S managers participate in a conference call to assess progress made and share feedback. Roll-out of the safety culture to sales teams. Reinforcing with a health and safety dimension the due diligence processes in merger and acquisition procedures. Integration of HSE aspects into BIC's new employee onboarding process. • 50 accidents for BIC paid employees and 8 accidents for external temporary workers. • 1.99 on-site accident incidence rate–BIC team members and temporary employees. • 0.11 severity rate of on-site accidents–per thousand hours worked–BIC team members. • 40 facilities with 0 accidents.	3.4.3.2	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	*[NFPS Risk 4]*: Risks related to the health and safety of team members.

(a) UN Sustainable Development Goals.

(b) Risks identified within the framework of the NFPS.

WRITING THE FUTURE, TOGETHER

	5 commitments	Progress as of Dec. 2021	Other factors: approach and performance	Section	UN SDG [a]	Issues and risks addressed [b]
#4 Proactively involving suppliers	By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing.	At end-2021, 52.3% of strategic suppliers have integrated the responsible purchasing program [d].	ESG evaluations (EcoVadis tool) of strategic suppliers since 2011. Program for CSR auditing of global or local contract manufacturers. Training on the environmental and social impacts of supply chains and responsible purchasing practices for purchasing teams. Value chain analysis of 9 raw materials and 26 suppliers resulting in the identification of supply areas at risk for the production of lighters. Consultations with over 30 relevant stakeholders to identify actions to leverage a more responsible supply chain. Identification of risk reduction solutions for each material category (metal, gas and plastic).	3.5.1.2	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	*[NFPS Risk 5]*: Risks related to non-respect of Human Rights (child labor, ILO's international conventions).
#5 Improving lives through education	By 2025, BIC will improve learning conditions for 250 million children globally.	Learning conditions for over 158 million children have been improved since 2018 through direct actions with children or with teachers and parents.	Development of activity sheets and workshops for teachers such as motor development, coding, sustainable development and writing exercises. Promoting education among the communities in need by providing them material for the classrooms (stationery, learning supports, etc.) and support schools refurbishment. Activities and workshops in schools such as awareness raising on the importance of education and writing, creativity, production of texts or thematic coloring contests for younger children. 73% of philanthropic contributions (product or financial donations, skills) by local entities for local communities or by the BIC Corporate Foundation promote education (77% in financial value) [c].	3.6.2.1	1 NO POVERTY 4 QUALITY EDUCATION 5 GENDER EQUALITY 6 CLEAN WATER AND SANITATION 8 DECENT WORK AND ECONOMIC GROWTH 13 CLIMATE ACTION	

(a) UN Sustainable Development Goals.
(b) Risks identified within the framework of the NFPS.
(c) This indicator includes all educational sponsorship, even that done as part of commitment #5.
(d) Excluding Cello, BIC Graphic, new acquisition and certain OEMs

3.1.2.2 With "Writing the Future, Together", BIC contributes to the UN Sustainable Development Goals





		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
#1 Fostering sustainable innovation in BIC® products	By 2025, the environmental and/or societal footprint of BIC® products will be improved.			×			×		×				×		×	×		
#2 Acting against climate change	By 2025, BIC will use 100% renewable electricity.							×	×	×			×	×				
#3 Commiting to a safe work environment	By 2025, BIC aims for zero accidents across all operations.			×					×									
#4 Proactively involving suppliers	By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing.								×				×				×	
#5 Improving lives through education	By 2025, BIC will improve learning conditions for 250 million children, globally.	×			×	×	×		×					×				

The table shown above charts how "Writing the Future, Together" contributes to the UN SDGs. The Group primarily contributes to the two SDGs below, mainly through the products it manufactures and markets, and through its monitoring and compliance program, which ensures that its products are safe and comply with health and environmental standards (see Section 3.2).

SDG 8. Decent work and economic growth. BIC contributes through the development of products and production modes that favor the efficient use of resources, including recycled materials (see Section 3.2.2).

SDG 12. Responsible consumption and production. BIC contributes through the Company's eco-design program, which provides consumers with information to help them make their purchasing choices.

Furthermore, the Group contributes to the following UN Sustainable Development Goals within the direct scope of its operations or its sphere of direct influence:

SDG 1. End poverty;
SDG 3. Good health and well-being;
SDG 4. Quality education;
SDG 5. Gender equality;
SDG 6. Clean water and sanitation;
SDG 7. Affordable and clean energy;
SDG 9. Industry, innovation and infrastructure;
SDG 10. Reduced inequalities;
SDG 13. Climate action;
SDG 14. Life below water;
SDG 15. Life on land;
SDG 16. Peace, justice and strong institutions.

The Group contributes by:

- making simple, reliable products that meet essential needs available to everyone;
- undertaking initiatives that provide support for its team members;
- offering various products and programs to promote access to education;
- reducing the environmental impact of its factories;
- ensuring respect for Human Rights in its own factories and by its suppliers and subcontractors; and
- through the actions of its Corporate Foundation.

3.1.3 GOVERNANCE OF POLICIES AND ACTIONS TAKEN TO PREVENT, REDUCE AND CORRECT THE MAIN CSR RISKS [NFPS]

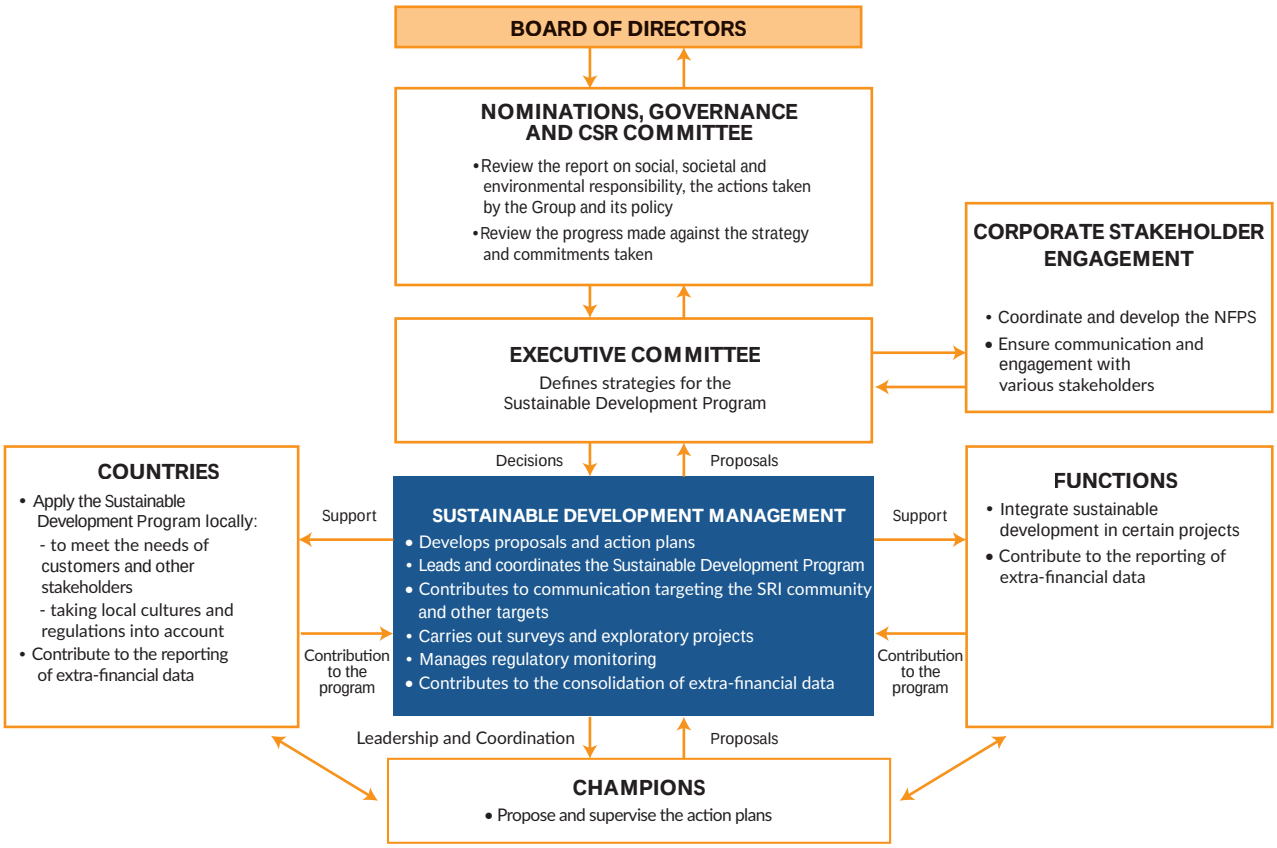
3.1.3.1 Sustainable development as a key factor in the decision-making process

Sustainable development is incorporated into the Company's decision-making process from the perspective of risks to be controlled and opportunities to be explored. Topics pertaining to sustainable development are regularly discussed at Executive Committee meetings. These in particular include:

- issues concerning plastic;
- the "Writing the Future, Together" program;
- the development of responsible products; and
- progress reviews of other sustainable development efforts (responsible communication, emerging issues, etc.).

The Sustainable Development Program's goals and progress are presented to the Board of Directors at least once a year and at the Annual Shareholders' Meeting. In 2021, the Board reviewed the progress of "Writing the Future, Together" commitments. In addition, the Audit Committee is kept abreast of the policies and programs implemented.

Since 2017, the Nominations, Governance and Corporate Social Responsibility (CSR) Committee reviews the actions taken by the Group as part of its Sustainable Development Program. It also monitors the implementation of the "Writing the Future, Together" strategy as well as the Group's progress on responsible innovation, circular economy and the development of new responsible products.



BIC's Sustainable Development Department is now part of the Group Insights & Innovation and Sustainability division. Its focus is on products and innovation. The Sustainable Development Department, while continuing to pursue transversal missions, also works closely with the innovation and product design teams. This provides ongoing support to help facilitate responsible innovation and speed improvements in the carbon footprint and/or societal impact of products.

3.1.3.2 Listening to investors and Shareholders

BIC's stakeholders' engagement strategy is executed by the VP of Corporate stakeholder engagement and BIC's management. The strategy's objective is to establish and strengthen relationships with financial investors and multi-stakeholder initiatives by regularly participating in ESG conferences, roadshows and webinars. This strategy serves to anticipate stakeholders' expectations and identify future collaborations as well.

In 2021, the stakeholder engagement strategy's key milestones included:

- membership to the UN Global Compact;
- French Climate pledge renewal; and
- becoming a TCFD supporter.

In addition, year-on-year, BIC fulfils its commitment to answer questions from the following non-financial ratings agencies:

Vigéo - Sustainalytics - MSCI - GAIA - FTSE

2021 results include:

- AAA MSCI rating;
- an overall ESG risk reduction of 0.8 points in the Sustainalytics 2021 ESG Risk rating;
- a robust Vigeo score of 56; and
- a ISS ESG's Environmental Category "1" Quality Score.

3.1.3.3 Disclosure of BIC's activities with respect to the European Green Taxonomy

In this section, the Group discloses the information required by the European regulation 2020/852 of June 18, 2020.

The methodology employed by BIC to identify these eligible activities and related revenues is described in section 3.8.4.

Detail of eligible activities

Eligible Revenue

BIC is committed to the ecological transition. However, its activities do not directly correspond to those retained in the delegated act on climate, for which the most emitting activities on scopes 1 and 2 with a potential for transformation have been prioritized. Thus, the share of BIC's eligible revenue for the year 2021 is zero.

Capital expenditure (CapEx) and operating expenditure (OpEx)

BIC's eligible capital and operating expenditures relate primarily to expenditures associated with the following European green taxonomy activities:

- installation, maintenance and repair of energy efficiency equipment;
- construction of new buildings;
- installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings;
- close to market research, development and innovation.

Thus, BIC's share of eligible capital expenditures for the year 2021 amounts to 17% out of a total of 75 million euros (see Note 2 to the Consolidated Financial Statements, Chapter 6.1).

The share of eligible BIC operating expenses for the year 2021 amounts to 0.04% out of a total of 411 million euros (see Note 4 to the Consolidated Financial Statements, Chapter 6.1) hence insignificant.

It should be noted that in accordance with the European taxonomy, the operating expenses taken into account are defined as direct non-capitalizable costs and include research and development costs, building renovation costs, maintenance and repair costs, rents presented in the income statement and any other expenses related to the day-to-day upkeep of the assets.

3.2. OUR PRODUCTS [NFPS]

BIC produces and markets consumer products that are lightweight, long-lasting and affordable for all. From day one, BIC® products have been designed and made with the absolute minimum raw materials.

At BIC, this approach is reflected in the "4 Rs" philosophy (Reduce, use Recycled and alternative materials, Refill, Recycle) based on the circular economy principles. Through its "Writing the Future, Together" program, the Group goes even further. This is reflected in its commitment to accelerate the integration of recycled and alternative materials into its products and improve their environmental, social and societal performance. EMA (EMA - Environmentally & socially Measurable Advantage), the Group's Sustainable Scorecard, has been incorporated into product design processes.

BIC also contributes to the development of the circular economy by establishing partnerships to use secondary raw materials. It is also involved in creating a pilot channel for the recycling of stationery products, shavers and lighters.

BIC® products are designed to meet and anticipate the expectations of all consumers in developed as well as developing countries. The Group also takes all necessary steps to uphold its brand image and preserve its reputation.

3.2.1 THE CIRCULAR ECONOMY AT BIC: THE "4 RS" PHILOSOPHY

The circular economy consists of producing goods and services in a sustainable way by limiting the consumption and wasting of resources as well as the production of waste. The goal is to transition from a society based on a linear extraction-production-waste model to a more circular economic model (1).

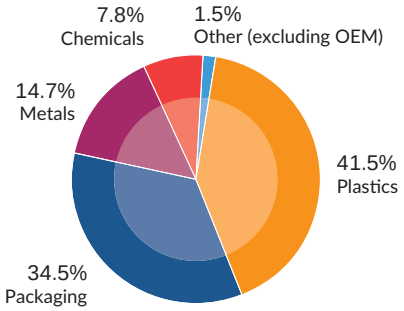
At BIC, the principles of the circular economy are embodied in the Group's "4 Rs" philosophy. This serves as a guide for all its "product" processes:

- **Reduce** the consumption of materials;
- use **Recycled or alternative** materials;
- design and manufacture **Refillable** products and packaging whenever possible;
- design and manufacture **Recyclable** products and packaging.

3.2.1.1 Risks and opportunities [NFPS]

To manufacture its products, BIC uses raw materials (plastics, inks, packaging and metals, etc.), natural resources (water and energy) and generates waste.

BREAKDOWN OF RAW MATERIAL PURCHASES IN 2021(2)

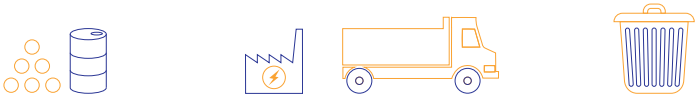


Product life cycle studies show that a product's environmental impact is primarily determined by the raw materials used and its service life. The challenge is thus to minimize raw materials and maximize the product's lifespan. In fact, the more lightweight a product and the longer it lasts, the better its environmental performance.

Starting in 1994, when BIC conducted its first life cycle studies, the Group set out its founding principle of "just what's necessary" (3). The idea is to offer fairly priced products with lower environmental impact.

(1) Source: website of the French Ministry of Ecological Transition.
(2) Spent in Euros
(3) "Il y aura l'âge des choses légères" by Thierry Kazazian, Victoires Éditions, 2003.

ENVIRONMENTAL PERFORMANCE MEASUREMENTS FOR THREE LEADING BIC® PRODUCTS (1)



Life cycle analysis approach–ReCiPe (version 1.12) Endpoint (H/A) Europe	Raw materials	Production	Distribution	End of life
BIC® Cristal® ball pen	81%	12%	4%	3%
BIC® Maxi lighter	81%	11%	5%	3%
BIC® Classic single-blade shaver	79%	14%	4%	3%

BIC has identified the following risks among its major CSR product-related risks:

- risks related to plastics *[NFPS risk 1]*, including:
  - upstream: the use of plastic in BIC® products. This contributes to the depletion of a non-renewable resource, which is therefore subject to scarcity and price volatility,
  - downstream: pollution from plastic waste.

  In addition to these issues, there is also the ever-growing body of regulations on the use of plastics as well as the perception of consumers and citizens;
- risks related to climate change *[NFPS risk 2]* resulting from the use of petroleum-derived raw materials (plastics). A plan to manage these risks includes an effort to reduce the use of petroleum-derived raw materials and to employ more recycled and alternative ones (also see Writing the Future, Together # 1 Section 3.2.1.2).

The challenges related to plastic waste and resource depletion also offer opportunities. These include:

- increasing the use of recycled and alternative materials in products to promote more responsible consumption;
- creating circular economy loops that enable the collection, recycling and reuse of the products;
- offering unique BIC® products that provide environmental and social benefits in its markets.

3.2.1.2 Ambitious goals for products and packaging, in keeping with the "4 Rs"

In 2020 aligned with its "4 Rs" philosophy, the Group made new commitments to:

- use more recycled and alternative materials in its products; and
- speed the transition toward reusable, recyclable or compostable packaging.

In practice this means that:

- by 2030, BIC aims for 50% non-virgin petroleum plastic for its products, with a goal of 20% by 2025;
- by 2025, 100% of BIC consumer plastic packaging will be reusable, recyclable, or compostable.

In addition:

- by 2025, 100% of BIC paper and cardboard packaging will be from certified sources and/or recycled;
- by 2025, 100% of BIC plastic packaging will be PVC-free;
- by 2025, 75% of the material used in BIC plastic packaging will be recycled.

All of these goals were defined by *ad hoc* working groups bringing together all the relevant Group entities (Insight & Innovation, Global Supply Chain, Lighter and Commercial). These are based on recommendations and expertise from outside the Group (in particular the Ellen MacArthur Foundation).

These goals have been incorporated into the "Writing the Future, Together" program (#1 Fostering Sustainable Innovation in BIC® products) and supplement the commitment made in 2018 to implement the "4 Rs" philosophy as well as other environmental and social principles (responsible chemistry, affordability, etc.) as part of the Group's day-to-day operations.

(1) BIC analysis.

3.2.2 APPLYING THE "4 RS" PHILOSOPHY TO PRODUCTS [NFPS]

3.2.2.1 Policy, actions taken, results and outlook [NFPS]

The "4 Rs" – Reduce the consumption of materials

BIC has always sought to optimize raw material use. An expert in plastic processing, BIC works above all to minimize usage and regularly updates its product designs to optimize and reduce its consumption of materials.

In the Human Expression division, the BIC® Cristal® ball pen, one of the Group's flagship products, exemplifies this approach. Even though its design already optimized the use of materials in 1950, it continues to benefit from ongoing research to minimize the materials used:

- it has a minimum writing length of over 2-km;
- it uses only 2.9 grams of material per kilometer of writing, compared with 6.6 grams for a competing product with comparable characteristics.

In the Blade Excellence division, BIC stands out thanks to its highly competitive price/quality ratio. For each product range, this price/quality ratio is made possible by the development of products with an optimal quantity of materials and keeping them as simple as possible.

For example, the BIC® Simply Soleil® shaver is designed to weigh as little as possible. Although it is hollow, its handle nonetheless ensures a high level of performance, quality and comfort in shaving.

In late 2020 the Flame for Life launched the EZ Reach™ Pocket Utility lighter, with an environmental footprint two-thirds less than the U140 Multi-purpose model.

The "4 Rs" – Use Recycled or alternative materials

Since 2014, BIC has been researching how to maximize recycled and alternative materials in BIC® products. The research teams have identified all BIC® products that could employ alternative/recycled materials without sacrificing quality. The challenge is:

- to ensure a perennial source of such materials that meet the specifications;
- to convert any products that lend themselves to such adaptation.

To identify recycled or alternative materials, BIC Research and Development teams, in collaboration with the Purchasing Departments, focus on two approaches:

- **the use of existing innovative materials.** An inventory of innovative materials from industrial use is kept available. From this list, engineers select materials that satisfy industrial and economic requirements to conduct feasibility tests. Depending on product applications and implications, the Group's marketing teams can be consulted in order to anticipate potential consumer reactions;
- **collaborative research** with suppliers to identify new materials (*e.g.* plant-based or recycled, etc.), new concepts (materials from new recycling techniques) or hybrid materials. Many materials are considered and then analyzed. These have included potato starch, sugarcane, plant fibers, woodchip, etc. Once a formulation is ready, it is tested to ensure that it meets industrial quality and safety specifications, sometimes going all the way to the finished product approval stage.

> ***"18 alternative materials tested in 2021 including: 15 recycled plastics and 3 hybrid materials."***

Exemplifying this approach, the BIC® Ecolutions® range is a complete Stationery line that consists of products manufactured using recycled materials in compliance with ISO 14021. All Stationery lines now include at least one product made with alternative materials (in particular recycled).

A Velleda® whiteboard containing 50% pencil production residue was launched in France in 2019.

In 2021, BIC launched the BIC® ReVolution line in the United States. It includes ballpoint pens, mechanical pencils, permanent markers and correction tape made from alternative materials. The BIC® ReVolution retractable ballpoint pen is made from 73% recycled plastic, the stick ball pen contains 74% recycled plastic, and the mechanical pencil is made from 65% recycled materials.

In 2021, BIC has also launched a Shaver in alternative material, BIC Bamboo™, available to sales only in Sweden. This system shaver has a handle made from natural, renewable and responsibly sourced bamboo.

In the same year, BIC has also included recycled content in BIC Soleil® Click 3 and BIC Soleil® Click 4 (30% of recycled content in the handle) and in BIC® Hybrid 3 Comfort®, Hybrid 3 Flex® and Hybrid 3 Flex Sensitive® (90% of recycled content in the handle).

Finally, BIC will launch in 2022 the upgraded BIC Soleil® Click 5, following a partnership with the supplier Avient to incorporate recycled-content thermoplastic elastomer in its handle a first in the Blade Excellence division, reaching over 40% of recycled content in total.

The "4 Rs" – Design and manufacture Refillable products

In keeping with its "4 Rs" philosophy, BIC makes an ongoing effort to launch refillable products. However, in the case of low-end Stationery products consumer demand for refills is virtually non-existent. In the case of lighters, BIC's highest priority is ensuring consumer safety.

In the Human Expression division, BIC continues to offer refillable pens: the BIC® Gel-ocity® line of gel ink pens and the 4-Color™ line are all refillable. As an example, in France and UK markets, pen refills are available on www.bic.com.

In 2021, the Group launched BIC® Cristal® Re'New®, a premium, refillable, and even more durable version of the emblematic BIC® Cristal® pen. It features a matte metal barrel and a push-button for easy refilling and is sold in cardboard packs containing one pen plus two refills.

In the Blade Excellence division, the BIC® Hybrid shaver has one handle and four-to-six razor cartridges. The underside of the handle is also ribbed to reduce the use of plastic without altering the shaver's ergonomic characteristics, which are the same as conventional handles. Because it comes with four-to-six heads razor cartridges, the product's performance life is at least four times that of a standard non-refillable shaver. Over its life cycle and for one year of shaving, the environmental impact of the BIC® Hybrid shaver is 28% lower that a similar non-refillable BIC® model such as BIC® Comfort 3® Action®.

In 2020, BIC acquired Rocketbook®, the number one brand in the United States for reusable smart notebooks. Its products meet the needs of many consumers, allowing them to store and share handwritten notes quickly and efficiently in an environmentally-friendly way. The line of affordable, innovative products from Rocketbook® offers consumers a complete and sustainable ecosystem for writing and creativity.

The "4 Rs" – Design and manufacture Recyclable products and explore new recycling channels

In keeping with its "4 Rs" philosophy, BIC constantly strives to make its products more recyclable. This is achieved by improving their design and by exploring all available recycling channels to understand the product end-of-life phase.

Since 2011, BIC has been exploring channels for the recycling of its products. Working collaboratively with different stakeholders, BIC initiated an independent recycling industry, which offers a unique circular economy model in France. This circular economy sector is built on two key partnerships:

- **BIC's partnership with TerraCycle** for the collection of used writing instruments in Europe since 2011. A pioneer in this field, the program allows product users to organize the collection and recycling of all types of writing instruments, whether or not BIC® branded. For each instrument collected, one euro cent is donated to a charity or non-profit of the organizer's choice or, in the case of schools, directly to the school to fund educational projects. At end-2021, over 64 million pens had been collected and 750,000 euros in donations made. This program, funded entirely by BIC, enables the Group to:
  - gain a better understanding of the mechanisms of recycling systems,
  - encourage responsible consumption (using products up to the very end of their service life), and
  - promote waste sorting at the site of consumption.

  Following its European success, the program has been rolled out in Australia in 2019 and in the United States in 2020 and tested in New Zealand between 2019-2021.
- **A partnership with Govaplast and Plas Eco** for the design, manufacture and distribution of "Ubicuity™, the 'write' kind of bench™" furniture. Used pens are collected, sorted and shredded by a recycler. The plastic is shipped to Govaplast, which converts it into recycled plastic boards. The boards are in turn used by Plas Eco, which designs, manufactures, distributes and markets the products in the Ubicuity™ line.

  Made entirely from recycled plastic, these products are themselves recyclable, resistant to rot, ultraviolet radiation and graffiti as well as very durable (guaranteed 10 years). Long-lasting and easy to maintain they are in keeping with the Values of BIC® products. They also have a smaller environmental footprint than outdoor furniture made from farmed wood.

BIC hopes that this product line and the circular economy channel that spawned it will grow rapidly in the coming years, as exemplified by the program's extension to other geographies in recent years.

In 2021, BIC has expanded its partnership with TerraCycle® launching its first free razor recycling program in Spain. BIC and TerraCycle® will collect razors across the country and recycle them into soap holders or other toiletries to support the development of the circular economy. The Spanish program accepts all disposable razors regardless of brand or type and provides a map of collection points on the TerraCycle® website. Once collected, the razor pieces will be separated and recycled into raw materials and manufactured into new products, helping manufacturers avoid the use of excess virgin raw materials.

For several years the Flame for Life division has been testing several collection and recycling loops. The goal is to understand consumer behavior with regard to collection and recycling. In 2021, collection and recycling loops were implemented in the Balearic Islands, in response to local authorities' requirements.

The "4 R's" in the product teams' everyday operations

BIC is making responsible innovation and the improvement of the environmental and societal footprint of products an integral part of everyday activities. To support this objective, the Group has developed a tool for evaluating its products: EMA (Environmentally & socially Measurable Advantage) Scorecard.

EMA uses eight criteria (service life, product weight, environmental impact of materials, the use of recycled and/or alternative materials, the materials' recyclability, etc.). Designed in keeping with the principles of the circular economy, EMA reflects the "4 Rs" philosophy while taking into account other environmental aspects (responsible chemistry, green chemistry, efficient manufacturing) and social considerations (benefits for society, affordability, etc.).

The goal is to stimulate and facilitate sustainable innovation by adopting an objective, scientific approach to design. Directly connected to the existing tools used for eco-design (Pulse LCA and SimaPro), EMA brings together all the R&D work around product improvement. The criteria defined for EMA are applied to all products (both new and updated existing products) and integrated into the innovation process.

TOOLS TO FACILITATE THE ECO-DESIGN PROCESS

Life Cycle Analysis

The practice of measuring the environmental performance of products has been extended by the Life Cycle Analysis (LCA) approach. This method assesses a product's total environmental impact in each successive phase. BIC often uses the simplified life cycle approach, which is similar to Life Cycle Analysis except that it does not include the final independent verification phase. From the outset of its Sustainable Development Program, BIC has been committed to the life cycle approach to verify that it is making steady progress on all fronts.

The product design teams are equipped with an array of tools such as Pulse LCA and SimaPro, which allow them to carry out comprehensive environmental assessments as well as rapid analyses to facilitate decision-making during design.

The measuring of product performance is a prerequisite to improving performance. BIC focuses on the stages of the product life cycle it can affect. For a shaver, its use by the consumer, which includes water consumption, water heating and the disposal of shaving cream packaging, is the most important stage (accounting for 78% of the environmental footprint according to some estimates). This makes consumer awareness all the more important.

100% of the new products are subject to environmental and societal measurement thanks to the systematic usage of EMA.

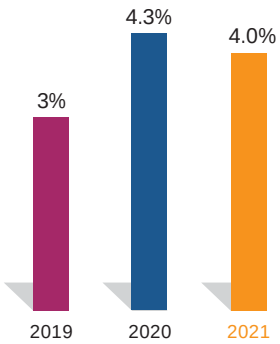
In 2021, EMA has been fully integrated into the development processes for stationery products, lighters and shavers and the teams have been informed and trained on the use of EMA. EMA is systematically presented to new employees during their onboarding into the BIC as well.

The requirement for a product launch is that its environmental or societal performance must be improved compared to its basic design. To achieve this, improvement plans are deployed in the three BIC® product categories. These are mostly based on the integration of recycled or alternative raw materials into the design.

A version of the EMA for packaging has been tested in 2021. This new version will allow the evaluation of new packaging, its optimization and the reduction of its footprint, thus supporting the day-to-day decision making of packaging by the development teams.

By the end-2021, 12 BIC® products have been improved compared to their baseline version.

PERCENTAGE OF RECYCLED/ALTERNATIVE PLASTICS IN BIC® PRODUCTS (% OF VOLUMES PURCHASED)



In 2021 the use of recycled plastic materials was of 4.0%, slightly below expectations. This is mainly due to delays generated by the need to guarantee the highest quality in the recycled plastic employed in BIC® products.

The BIC ecosystem, promoting the circular economy

Over the past years BIC has joined forces with key players to facilitate its shift toward the circular economy:

- in 2019, BIC signed up to the Circular Economy 100 initiative by the **Ellen MacArthur Foundation**. Its various programs will enable BIC's teams to expand their knowledge and skills while networking and collaborating with key organizations on the circular economy;
- in 2020, BIC also joined the **Plug & Play** network, the world's largest innovation ecosystem. This gives the Group easy access to the right partners and best startups to speed up R&D on new pertinent solutions and sustainable products that meet the ever-changing needs of consumers;
- with its partners **TerraCycle, Govaplast and Plas Eco**, BIC is driving an innovative new channel to promote the circular economy, exploring plastic recycling techniques to improve the state of the art;
- since 2019, the BIC Lighters division has supported the **Tara Ocean Foundation**. Its oceanographic research vessel sails the world's oceans, bringing scientists together in an effort to understand the dynamics of plastic breakdown at sea. This research program also documents the impact of plastic waste on the oceans, with the long-term goal of identifying substitute materials;
- BIC has joined **Bio-speed**, a consortium looking to accelerate the emergence of a biomass economy. It brings together a number of groups, including Danone, Faurecia, Lego, Michelin and L'Oréal. Its goal is to reduce fossil fuel dependency and the environmental footprint of manufactured products by promoting the conversion of non-food biomass into polymers;
- in the research of alternative materials, BIC has developed over 100 strategic R&D partnerships with startups, cutting-edge companies, universities, research institutes and external laboratories over the past years;
- in 2021, BIC teamed up with the supplier Avient to incorporate their reSound™ recycled-content thermoplastic elastomer in BIC Soleil® Click 5 handle. This material utilizes 62% recycled content and when combined with the razor handle it reached over 40% recycled content in total. A consumer launch is planned in 2022.

3.2.3 APPLYING THE "4 RS" PHILOSOPHY TO PACKAGING

Packaging is needed at various stages of BIC® product life cycles: for their protection, shipping, storage and sale, and for promotional support. BIC's packaging primarily consists of boxes and cases made of plastic, paper and cardboard. This packaging has an environmental impact during its manufacturing, shipping and at end of life.

Historically, BIC promotes selling products without consumer packaging or in value packs. In Europe:

- 77% of writing products are packaged in boxes, trays or pouches of at least 10 products (91% in North America);
- 77% of lighters are sold in trays of at least 50 (66% in North America); and
- 80% of shavers are marketed in pack of five, 10 or more (75% in North America).

BIC has launched multiple Group-wide initiatives in keeping with its "4 Rs" philosophy. A few examples are given below.

The "4 Rs" – Reduce the consumption of materials

BIC actively seeks to reduce the weight and volume of its packaging through multiple targeted actions around the world in accordance with local distribution models.

The "4 Rs" – Use Recycled or alternative materials

By 2021, the transition from virgin to 100% recycled plastic for the 50 lighter trays was completed.

In Europe, the "Classpack", packaging designed for school use, has been upgraded from non-recycled plastic to recycled PET.

BIC estimates that at the end of 2021:

- 52.1% recycled materials are used in BIC plastic packaging;
- 97.4% of BIC paper and cardboard packaging comes from certified and/or recycled sources.

The "4 Rs" – Design and manufacture Recyclable or reusable packaging

In 2020, the Group announced that by 2025, 100% of its plastic consumer packaging will be reusable, recyclable or compostable.

In 2021, BIC replaced the PET blister packaging for its BIC® Hybrid Flex® and BIC Soleil® Click shaver range by a 100% recyclable cardboard made from 80% recycled content. This product range was launched in North America and Europe in early 2021. To keep the razor inside the cardboard box, a recyclable cardboard insert made from 80% recycled content was developed as well. Furthermore, the replacement blades are sold in a cardboard box made of 80% recycled material. Overall, plastic consumption decreased by more than 150 tons in 2021.

Likewise in 2021, the BIC Bamboo™ shaver with a bamboo handle was launched in Sweden alongside its 100% recyclable cardboard packaging.

Two new stationery lines with cardboard packaging were launched in 2021:

- in North America, BIC launched the BIC® ReVolution range, whose products are made of at least 50% recycled content. The cardboard packaging for all products in this range is made up of 100% recycled content and are fully recyclable;
- in Europe, the BIC® Cristal® Re'New® refillable pen with a metal barrel launched in April is sold in a FSC certified cardboard packaging.

Some products have switched from plastic to cardboard packaging:

- In the United States, the plastic pouch for the BIC® Cristal® 10-pack has been replaced by a 100% recyclable cardboard case, for annual savings of 25 tons of plastic;
- in Europe, plastic pouch for markers were replaced by cardboard sleeves.

At the end of 2021, the total packaging used by BIC will be 82% cardboard packaging (including primary packaging, cardboard outer boxes and displays), and 18% of plastic packaging.

For the sale of several product ranges, BIC uses semi-permanent "refillable" plastic displays and recyclable cardboard displays.

By the end-2021, 59.6% of plastic used in consumer packaging was reusable, recyclable or compostable.

BIC is pursuing its commitment to eliminate the use of PVC in its packaging. The Group has already eliminated PVC at its factories in Europe, in the United States, in MEA and Mexico (more than 99% of the packaging is now PVC-free). In 2021, the Group's South American facilities stepped up efforts to use less PVC, reducing consumption by 83 tons in Mexico and 36 tons in Brazil.

At the end of 2021, 95.6% of BIC plastic packaging is PVC-free.

Results

IMPROVEMENT IN PACKAGING

	2019 [a]	2020 [a]	2021 [d]
Percentage of cardboard packaging from certified and/or recycled sources	95.7%	97.3%	97.4%
Percentage of plastic packaging that is PVC-free	92.1%	94.4%	95.6%
Percentage of reusable, recyclable or compostable plastic in consumer packaging [b] [c]	NA	42.5%	59.6%
Percentage of recycled content of plastic packaging [b]	NA	48.9%	52.1%

(a) Cello (India), Canada, Oceania, Kenya, Europe local copackers, Latin America local copackers, Asia OEM excluded in 2019 and 2020, included in 2021(see scope in Section 3.8.3.2).

(b) Indicator measured for the first time in 2020 as part of BIC's 2020 commitment.

(c) The 2020 figure (49.3%) was revised following a test audit in 2021. BIC decided to publish the revised figure.

(d) Excluding BIC Graphic, new acquisitions and certain OEMs.

3.2.4 PRODUCT SAFETY [NFPS]

BIC seeks to offer safe products that meet consumer expectations and comply with all relevant safety requirements and standards. This means incorporating consumer health and safety into the design and production of its products. Consumers want to be assured that the products they buy are free of certain substances and safe for them and the environment. The Group also strives to strictly comply with all regulations and the increasingly stringent, constantly evolving restrictions concerning product usage and chemical substances.

3.2.4.1 Risks and opportunities

[NFPS risk 3] Product safety and consumer health-safety risks are one of the major CSR risks identified by BIC, *i.e.*, the risk of placing non-compliant or unsafe products on the market.

The various actions taken to ensure product safety and the protection of consumer health and safety represent an opportunity for the Group, they include:

- establishing itself as a leader in terms of the quality and safety of its products, meeting or surpassing the regulatory requirements in each market;
- developing expertise in the evaluation of materials, especially for recycled and alternative materials.

3.2.4.2 Policy, actions taken, results and outlook

Product safety and the protection of consumer health are of strategic importance for the Group. BIC incorporates regulatory compliance and risk management concerning product safety into its strategy with the primary goal of offering products that comply with all relevant safety requirements and standards. This is achieved through:

- a body of documents defining its commitment; and
- strict processes designed to ensure that it only markets safe products compliant with safety requirements and standards.

As a result, BIC supplies millions of products every day while maintaining consistent quality, checked through a vast array of tests and in compliance with national and international safety requirements. As from its acquisition in 2020, Djeep has been integrated into the Group's product safety culture and processes.

The **Product Safety Policy**, introduced in 2001, specifies the ten commitments adopted to ensure that the products developed and manufactured by BIC are safe for human health and the environment. They are as follows:

- a systematic program of pre-market product qualification testing;

- a global approach, resulting in products that often exceed the safety requirements of local markets;
- expecting BIC suppliers to comply with safety standards;
- incorporating safety considerations right from product design, including toxicological evaluations and tests to assess potential physical and chemical hazards;
- the anticipation of product safety requirements through active regulatory monitoring at national and international levels. This is done in close cooperation with industry associations that share their members' expertise with the appropriate authorities;
- the incorporation of innovations into product safety processes;
- building awareness among all stakeholders about safety and the appropriate use of BIC® products;
- carefully reviewing all incidents involving the safety of BIC® products;
- appropriate measures for product recall or withdrawal in the case of an incident;
- the implementation of this Policy by a Product Safety Department.

[NFPS – the well-being of animals] In its position on animal testing, BIC specifies that it strives systematically not to resort to animal testing as a first solution. However, such tests can be necessary if:

- the alternatives do not provide sufficient guarantees that a new product is harmless for consumers;
- alternatives to animal testing are not recognized by regulation.

In Brazil, the NBR 15236 testing standard was updated to allow alternatives to animal testing such as in vitro testing. In 2021, a toxicological evaluation of BIC's finished products in accordance with the InMetro certification required for school supplies was conducted by Duke University in the United States. This evaluation allowed BIC to reaffirm its global position on animal testing and to not resort to animal testing as a first solution.

BIC'S SEVEN COMMITMENTS TO ENSURE THE QUALITY AND SAFETY OF ITS LIGHTERS

1. All BIC® lighter plants are ISO 9001 certified production plants. BIC® lighter products meet or exceed the ISO 9994 international safety standard requirements.
2. BIC is an active member of various organizations (such as the European Federation of Lighter Manufacturers, working groups and technical committees for ISO and CEN and numerous other national standardization bodies). This allows it to provide the latest and most reliable quality and safety information to its customers.
3. Each BIC® lighter undergoes over 50 separate automatic quality checks. Additionally, BIC conducts regular post-market product tests of its lighters.
4. BIC continuously develops and improves exclusive technology to ensure the quality and safety of all BIC® lighters, including factors like flame height and stability, extinction time, and a reservoir that can resist extreme drop tests and exposure to elevated temperatures.
5. BIC has an integrated production process. It designs and develops much of its own machinery and uses all the latest manufacturing technologies, from basic materials right down to the packaged lighter.
6. BIC employees are all guided by three principles: Method-Precision-Discipline. Each employee in the lighter plants spends close to 25% of his or her time checking product conformity and proper operation of the control equipment.
7. BIC has been committed to sustainable, long-term safety programs for over 30 years.

Regulatory monitoring and compliance

BIC has a comprehensive monitoring system based on formalized regulatory monitoring process. This comes on top of internal and external resources and in particular the Product Safety teams' specific knowledge of BIC® products, their components and the materials used. In 2018, a BIC Watch List was created to extend the Group's monitoring system to include unofficial lists used by NGOs, future regulations and controversial substances that are not yet banned.

The Group always strives to anticipate the substitution of regulated substances. This Watch list is by its very nature open-ended. Since 2019, the Watch List has been factored into product ratings in EMA. The Product Safety team works closely with the product design teams to stay abreast of changes to the list and ensure its incorporation into product improvement.

BIC, as a member of numerous industry bodies [(1)], actively participates in regulatory monitoring. This is important to stay abreast and take into consideration new requirements.

(1) In particular, BIC is a member of: EWIMA (European Writing Instrument Manufacturers Association); WIMA (Writing Instrument Manufacturers Association); ACMI (Art & Creative Materials Institute); TIE (Toy Industries of Europe); EFLM (European Federation of Lighter Manufacturers); and Fédération des Entreprises de la Beauté in France.

In order to keep pace with future regulatory challenges, the Product Safety teams participate in various annual events in Europe and around the world. In 2021, most of these events were held remotely. The European team was able to participate in the working meetings of the European associations EWIMA and TIE, the AFNOR meetings (toy standardization committee), the Biocides Congress in Lyon. As well as the Perfumes & Cosmetics Congress in Chartres on regulatory issues, and the webinars organized by the FEBEA. The American team participated in the working meetings of the American associations ACMI and WIMA and was trained to assess the risks of chemical impurities in the California Proposition 65.

COMPLIANCE WITH THE REACH REGULATION

The European REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation establishes the regulatory framework for chemical substances and places responsibility on manufacturers to demonstrate the safety of the chemicals they use.

Since 2008, in response to REACH, BIC has preregistered 168 substances for six of its legal entities. In compliance with the law, registration has been completed for all substances that needed to be registered. Following the 2018 deadline for products representing 1 to 100 tons per year, the authorities are now evaluating the compliance of the registrations received. BIC remains on the lookout for potential impact.

Many countries are adopting regulations similar to the EU REACH regulation. Since 2020, the Group is compliant to the regulations in the countries where it operates including: Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Turkey. Following Brexit, in 2021 BIC notified more than 100 substances in the UK.

Marketing compliant products that are safe for human health and the environment

To ensure consumer safety, the Group Insights & Innovation Officer, the Group Supply Chain Officer and the Group Lighter General Manager are responsible for marketing safe products that comply with regulations. To this end, they rely on:

- BIC's commitment to ensure that its products comply with regulations and are safe for health and the environment (see above);
- monitoring by dedicated teams (see above);
- a product safety qualification process for all products before they are put on the market (see below).

This solid, long-standing organization is constantly adapting and expanding to reflect changing regulations. The Executive Committee and management teams are systematically kept abreast of new developments in product safety and regulations.

Systematic testing and evaluation programs

Before being released onto the market, all BIC® products, both new or modified, must undergo a comprehensive program of safety tests and qualification evaluations. These are designed to assess potential hazards, identify the chemical substances present, evaluate their risk level, verify their compliance with standards; and identify any adaptations to the formulas or substitutions that might be needed to reduce risks.

BIC faces competition from several low-cost lighters that too often do not comply with international safety standards. According to tests by independent accredited laboratories, over three quarters of the lighter models in the European market fail to meet standards. The Group has taken steps to raise awareness among the various parties involved.

The European Commission is in the process of revising its General Product Safety Directive. BIC based on its market knowledge and long experience of the system's shortcomings, in particular as a result of the infringement proceedings against the Netherlands put forward constructive proposals to fundamentally improve the European product safety oversight framework.

Training

In 2021, approximately 130 team members from the Legal, Group Insights & Innovation, Marketing Europe and Sales France Departments were trained on product safety [1]. The Product safety Team is also involved in the training course for new employees.

Outlook

In the coming years, the Group will continue to adapt its working methods and means to maintain its own standards and level of compliance concerning product safety. BIC will continue to expand its regulatory monitoring activities to remain ready to adapt its processes, products and formulas to ever more demanding regulatory expectations. BIC also plans to offer its teams training on the main principles of its product safety policy. This training will emphasize the importance of ensuring maximum safety for all BIC products and for all markets worldwide. This is particularly important given the challenges posed by e-commerce.

(1) Excluding Flame for Life division.

3.2.5 PRODUCTS DESIGNED TO MEET AND ANTICIPATE CONSUMER EXPECTATIONS [NFPS]

BIC manufactures mass-market consumer goods. Since its founding, the Group has considered that its products should satisfy and anticipate the expectations of all consumers, in both developed and developing countries.

BIC distinguishes between "customers" (*i.e.*, companies, public authorities and office supply distributors plus major mass-market retailers) and "consumers" (the end users of its products). Customers are becoming increasingly demanding in terms of the environmental and social performance of products. They submit many questionnaires on increasingly specific and diverse topics. Retailers and wholesalers also want their partners to show how they are helping reduce the overall environmental and societal impact of their operations. They are also imposing increasingly strict requirements in terms of the packaging of products they carry.

3.2.5.1 Risks and opportunities [NFPS]

[NFPS risk 8] BIC has identified reputational and brand risks among its main CSR risks. Against the background of increasing environmental awareness, the BIC brand could be associated with so-called disposable single-use products, leading to customer and consumer disaffection with BIC® products. BIC seeks to improve its communications, in particular on the environmental and social performance of its products, to ensure the Group can retain the confidence of stakeholders.

Meeting consumer expectations is also a source of opportunity for BIC. These include:

- positioning BIC as a responsible brand that delivers quality and safety through its long-term commitments and ambitious programs;
- launch BIC® products with social and environmental advantages.

OVERCOMING THE DISPOSABLE/SUSTAINABLE DUALITY

BIC® products are very often stigmatized as being "disposable". Although not all of them are refillable, neither are they single use. Most of them offer long-lasting performance: over two-km of writing for most ball pens; up to 3,000 flames produced by a lighter; and 17 shaves for a triple-blade shaver. In addition, most of them are designed with no superfluous parts or features using a minimum of raw materials. Each of BIC®'s various products, whether refillable or not, meets a specific consumer need.

3.2.5.2 Policies, actions taken, results and outlook [NFPS]

Since its founding, BIC has striven to develop and offer simple, affordable products that meet consumer expectations, particularly in terms of environmental and social performance. To that end, the Group has put in place a range of programs and policies:

- "Writing the Future, Together" #1 Fostering sustainable innovation in BIC® products (see Section 3.2.1.2);
- the "4 Rs" philosophy (see Section 3.2.2);
- communication regarding the environmental benefits of products to encourage more responsible consumption (see below);
- the Responsible Communication Charter, drawn up in 2013, formalizes BIC's inclusion of the Value of Responsibility in its communication. This Charter expresses BIC's intention to share reliable information and release clear, accurate messages. This applies to all communication by the Group worldwide to any stakeholder;
- annual participation of BIC USA in Walmart's sustainability performance assessments, such as Project Gigaton, as well as specific reporting for the Supply Chain section in the CDP questionnaire;
- in addition to responding to specific customer questionnaires on its CSR approach, BIC discusses all relevant topics with them, including sustainable development issues, as part of its commercial relations. Some of these take the form of partnerships. All the professional functions involved (marketing, communication, sales) are equipped with the tools they need to explain BIC's Sustainable Development Program;
- BIC strives to make its products affordable for all.

Encouraging consumers to consume more responsibly

All the products that use recycled materials display the Moebius strip symbol as well as information to help consumers make their purchasing decisions. Some BIC® products are *NF Environnement* certified. Others supply information on their environmental and social qualities (eco-values) to help consumers choose products that match their expectations. The most appropriate approach is chosen for each continent or category. For example, communications in Europe emphasize the *NF Environnement* ecolabel certification of a given product, where it was manufactured, the amount of recycled materials used or its writing length. In the Flame for Life division, the packaging for the BIC® Maxi, the world's bestselling lighter, mentions the number of flames ("Up to 3,000 lights" or "Up to 2x more lights") and the website www.mybiclighter.com includes a section on performance.



Since 2019, BIC in North America is a member of How2Recycle, an organization that promotes the use of clear, concise and consistent recycling labels. A program to introduce "H2R" labels on BIC®'s product packaging for the North American market was launched in 2020.

Since 2015, in compliance with French law, BIC offered consumers recycling instructions for its packaging on the Group's Website. However, with the new Triman guidelines, starting in 2022, BIC will add the new consumer recycling instructions to all packaging sold in France.

BIC® WRITING PRODUCTS EARN THE *NF ENVIRONNEMENT* ECOLABEL

For equal performance in use, the *NF Environnement* ecolabel granted in France by AFNOR Certification certifies products that have a reduced environmental impact. To obtain this ecolabel, a product must comply with certain functional and environmental guidelines designed to reduce its environmental impact over its life cycle.

In the case of BIC® writing products, the main criteria for receiving the ecolabel are limited quantities of raw materials or the use of recycled materials, a long performance life and the strength of the pencil leads. BIC was the first manufacturer of writing instruments to earn *NF Environnement* certification. Now, a full range of 16 BIC® products has been granted this ecolabel, including long-standing products like the BIC® Cristal® and the BIC® 4-Color™ ballpoint pen, as well as the pens in the BIC® Ecolutions® line.

Results

All the environmental claims that appear on the packaging, in the catalogs and on the websites for BIC® products are approved by the Legal Department.

16 BIC® writing instruments received the French ecolabel *NF Environnement* (NF 400).

Outlook

Responsible products are a permanent and ever-growing feature of BIC's product range. In the coming years the Group will continue to incorporate these products into its corporate strategy, in particular through commitment #1 of "Writing the Future, Together": fostering sustainable innovation in BIC® products. It will in tandem give them greater visibility by pursuing efforts to improve the communication on its range of responsible products.

3.3. OUR INDUSTRIAL FACILITIES AND OFFICES *[NFPS]*

BIC is committed to ensuring that its facilities, including both factories and offices, operate in an environmentally responsible way. BIC strives to reduce the impact of its manufacturing operations and optimize product shipping.

BIC exerts strong environmental control over its entire supply chain and favors in-house production over contract manufacturing: 91% of the Group's net sales are generated by products manufactured in its own factories.

To manufacture its products, BIC uses raw materials (plastics, inks, paperboard, metals, etc.), consumes resources (water, energy) and produces waste. The Group is aware of the environmental impact of its production activities and is committed to minimizing it. While demand for raw materials is mainly determined by product design (see Section 3.2.1 Our products), BIC's factories are tasked to optimize water and energy consumption, as well as reducing greenhouse gas (GHG) emissions and waste production.

3.3.1 RISKS AND OPPORTUNITIES [NFPS]

[NFPS risk 7] BIC has identified risks related to its operations and the environment among its main CSR risks. The environmental impact of BIC's manufacturing operations primarily molding and assembly of plastic products remains relatively low.

Reducing the environmental footprint of its factories is also a source of opportunities for BIC. These include:

- optimizing production costs by limiting resource consumption (water, energy, etc.) and the production of factory waste;
- facilitating the integration of factories into their local surroundings by reducing their environmental footprint, adopting best practice and reaching out to local communities;
- study processes to reduce carbon emissions in the coming decades.

3.3.2 POLICIES AND MANAGEMENT SYSTEMS [NFPS]

Defined in 2005, the **Environment, Health & Safety (EH&S) Policy**, codifies the Group's commitment to minimizing the environmental and safety impact of all its operations to better protect the environment. The Policy specifies BIC's dedication to:

- pollution prevention;
- health and safety risk prevention;
- regulatory compliance;
- continuous improvement;
- awareness and involvement.

Since 2010, the EH&S Policy is deployed at all BIC industrial facilities. BIC maintains a formal procedure to review the BIC EH&S Policy to ensure that it remains relevant and appropriate to the business. This procedure describes a periodic assessment and revision of the Policy to ensure it remains appropriate in light of any changes to the Group's activities and products, including acquisitions and changing stakeholder expectations.

Since 2018, all BIC facilities (factories, packaging or distribution centers, head offices and other offices and installations) have been equipped with a system for documenting and managing safety incidents. This is part of the implementation of commitment #3 "Writing the Future, Together" (see Section 3.4.3.2).

3.3.2.1 At the industrial facilities

The EH&S Policy requires factories to implement pragmatic management systems designed to involve all stakeholders, as well as to drive continuous improvement of operational performance. Every BIC factory has a local EH&S manager in charge of rolling out these management systems. Furthermore, the Group employs a central EH&S manager who guides and coordinates the network of EH&S managers. This person ensures that all facilities comply with the Group's Policy and objectives, and monitors facility performance by consolidating, analyzing and communicating the results achieved.

The environmental management system helps ensure compliance with applicable environmental laws and regulations. This may include daily or periodic checks to comply with local regulations. These may be done internally or with the assistance of an independent outside company. An action plan is drawn up to correct any compliance issues identified.

Within the framework of the management systems, an in-depth review is done of all aspects of the facility's activities and environmental impact (water, air, soil, noise, etc.). Action plans are then drawn up to limit this environmental impact. Simple improvement targets are set for the factories to contribute to the Group's overall environmental performance while meeting their own specific challenges (production, resources, geographic location, etc.).

The environmental management systems rolled out at the Group's industrial facilities call for contingency plans to deal with pollution accidents with off-site consequences. Emergency prevention and response plans have been established in locations where there is an identified risk of an accident with consequences beyond plant boundaries.

In particular, in France, the two SEVESO plants (BJ 75 and BIMA) have emergency procedure protocols (*Plan d'Opération Interne and Plan Particulier d'Intervention*), and a major hazard prevention policy (*Politique de Prévention des Accidents Majeurs*). They also have a Safety Management System.

Outside France, notably in the U.S, some factories have equivalent emergency plans that address risks with potential off-site consequences.

Management Systems and Certification

In 2021, the implementation of BIC management systems at Group industrial facilities was 79% complete for the environment and 85% for health and safety.

Beyond the implementation of management systems, BIC also continually invests in obtaining and renewing certification. In 2021, the following certification was obtained or renewed:

ISO 14001: BIC Écriture 2000, BIC South Africa, BIC CORP – Milford, BIC Rasoirs, BIC Shavers Mexico – Industrial de Cuautitlan;

ISO 45001: BIC Rasoir;

ISO 50001: BIC Violex, BIC Amazonia.

3.3.2.2 In the offices

To ensure best practices, BIC's sustainable development approach covers all its operations, including its offices, although they represent a non-significant part of the Group's environmental impact. The environmental performance of the Group's three main offices (Clichy in France, Shelton in the United States and Cajamar in Brazil) is presented together with the performance of the Group's industrial facilities.

Initiatives have been taken at these facilities to reduce their environmental footprint. The offices in Shelton, United States, were granted LEED (Leadership in Energy and Environmental Design) certification in 2009 and are powered by renewable electricity. The Clichy facility (France) also purchases renewable electricity.

3.3.2.3 In the supply chain

Beyond accounting for its own environmental impact, BIC also looks at the impact of its supply chain. Since 2014, the Workplace Conditions Assessment (WCA) platform for auditing the working conditions of subcontractors (see Section 3.5.2.2) has included a comprehensive questionnaire on environmental performance, accounting for 6% of questions. In 2021, 34 subcontractors (47%) were audited.

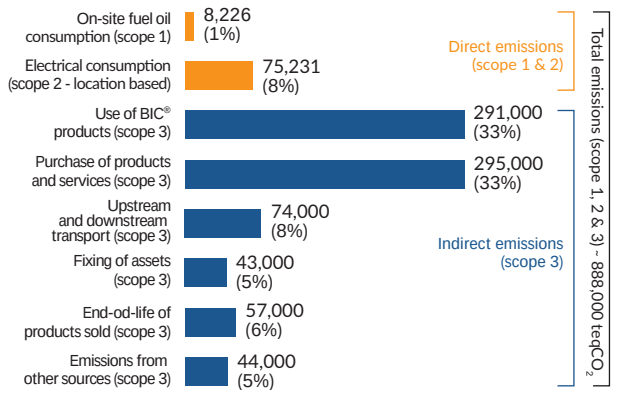
3.3.3 ACTIONS TAKEN TO CONTROL ENVIRONMENTAL IMPACT, RESULTS AND OUTLOOK [NFPS]

3.3.3.1 Energy and greenhouse gases [NFPS]

To manufacture and distribute its products, BIC uses raw materials (plastics, inks, packaging, metals, etc.), consumes resources (water, energy), produces waste and uses transportation services, all of which are responsible for greenhouse gas emissions.

A study of BIC's global carbon footprint shows the following breakdown of greenhouse gas emissions:

BREAKDOWN OF GREENHOUSE GAS EMISSIONS – IN TEQCO$_2$ – BIC – 2021



Risks and opportunities related to climate change and their impact [NFPS]

[NFPS risk 2] BIC has identified the following risks related to climate change among its main CSR risks:

- disruption or interruption of production activities due to extreme weather conditions or availability of natural resources (water, energy, etc.) directly impacting BIC's factories or those of its suppliers and subcontractors;
- development of new regulations and standards regarding product environmental impact assessment and communication (including carbon impact) as well as consumer behavior changes impacting the Group's sales;
- increasing global regulation of carbon and energy directly or indirectly impacting BIC's operations or those of its suppliers and contract manufacturers.

The challenge related to global warming is also a source of opportunities for BIC. These include:

- developing production centers closer to the Group's markets, supporting local economic development and know-how in the countries where the Group has operations. At the same time limiting the environmental footprint of products and the physical risks linked to climate change;
- standing out in its markets by offering BIC® products with a reduced carbon footprint. This is particularly through the use of recycled and alternative materials and the implementation of circular economy loops;
- innovating in order to make the Group's materials and products more responsible;
- reducing production costs by optimizing energy consumption.

A roadmap consistent with the Paris Climate Agreement objectives

BIC is developing a roadmap to reduce its carbon emissions in line with the 2015 Paris Agreement, which aims to limit global warming to well below 2 °C compared to pre-industrial levels. As well as with the Science Base Targets initiative (SBTi) 1.5 °C scenario objectives.

Using renewable energy at BIC facilities

Electricity consumption at BIC facilities accounts for 8%(1) of the Group's total emissions. Through the commitment "Writing the Future, Together" – #2 Acting Against Climate Change, BIC aims to use 100% (2) renewable electricity by 2025.

Building on its experience, BIC established a roadmap for this goal. This roadmap reflects a strategy in which each country or facility reviews its opportunities for sourcing renewable electricity, consistent with their regulatory and operational constraints. In keeping pace with the frequent market and regulatory changes affecting this sector, BIC is focusing on renewable energy certificates (3), green contracts and long-term Power Purchase Agreements as well as electricity production potential of certain facilities.

More specifically, in 2021:

- in France, BIC purchased renewable energy certificates (Guarantees of Origin - GoO) for all its factories plus the Clichy headquarters. This means that all BIC® products manufactured in France were produced using renewable electricity;
- in Greece, GoO certificates have been purchased for all the BIC Violex facility's electricity consumption since 2016;
- in Spain, the BIC Iberia and BIC Graphic Europe facilities have been using renewable electricity through the purchase of certificates (GoO) since 2018;
- in the United States, the purchase of renewable wind energy certificates (US RECs) covers the energy needs of most American facilities;
- in Brazil, the Manaus facility has been using wind energy since 2018 through the purchase of iREC certificates;
- in Mexico, BIC launched a tender for the purchase of long-term renewable energy (Power Purchase Agreements), thereby specifically supporting the development of new infrastructure;
- in Manaus (Brazil), solar panels have been installed;
- in South Africa, the purchase of GoO certificate covers all the factory's consumption;
- since 2018, 100% of the lighter factories have been powered by renewable electricity, and research is underway to develop the self-sufficiency of the facilities (recovery of waste heat, development of photovoltaic and solar thermal energy, etc.);
- the Cello Stationery Products site has installed solar panels since 2019.

GREENHOUSE GAS (GHG) EMISSIONS – IN TEQCO2

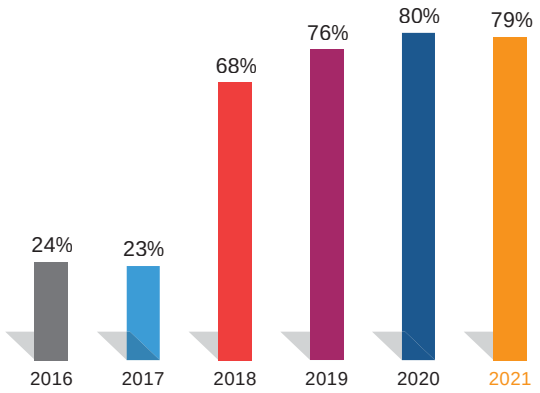
	2019	2020	2021	Change 2021/2020
Direct GHG emissions (scope 1)	9,278	7,659	8,226	7.4%
Indirect GHG emissions (scope 2 location-based)	88,432	70,435	75,231	6.8%
Indirect GHG emissions (scope 2 market-based)	36,549	25,277	27,086	7.2%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED])	**97,711**	**78,046**	**83,456**	**6.9%**
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 MARKET-BASED)	**45,827**	**33,097**	**35,311**	**6.6%**
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED]) NORMALIZED TO PRODUCTION*	**1.07**	**1.03**	**0.91**	**-11.7%**
GHG emissions from use of BIC® products (scope 3)	327,000	300,000	291,000	-3%
GHG from upstream and downstream transport (scope 3)	71,000	43,000	74,000	75%
GHG emissions from to intra-company transport (a) (scope 3)	*34,000*	*18,000*	*49,000*	*172%*
GHG emissions from fixed assets (scope 3)	63,000	38,000	43,000	13%
GHG emissions from end of life of products sold (scope 3)	61,000	49,000	57,000	16%
GHG emissions from purchase of products and services (scope 3)	289,000	236,000	295,000	25%
GHG emissions from purchases of raw materials (scope 3)	*254,000*	*232,000*	*292,000*	*26%*
GHG emissions from other sources (scope 3)	49,000	41,000	44,000	7%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 3)	**862,000**	**710,000**	**805,000**	**13%**

* $TeqCO_2$/ton.

(a) Excluding road transport in sea and air freight.

(1) Location-based.
(2) Initial Writing the Future, Together – #2 Acting Against Climate Change commitment of 80% renewable energy was achieved in 2020 therefore a new target of 100% was established.
(3) Electricity generated from biomass (including biogas), geothermal, solar, water (including hydro) and wind power is considered renewable.

SHARE OF RENEWABLE ENERGY – AS OF TOTAL CONSUMPTION



The reduction of renewable energy percentage is due to the increase of production volumes in 2021, leading to increased energy consumption at the sites that are still not using green energy (PPA, GoOs, green contracts, etc.).

Optimizing energy consumption

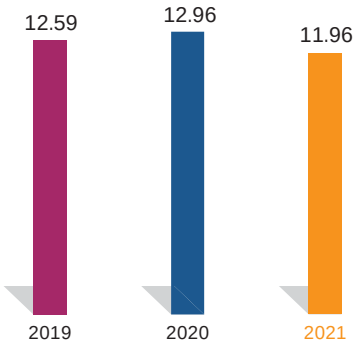
BIC implemented energy efficiency programs in its factories for many years. As a result, the Group has improved its energy efficiency by 5.9% in ten years.

Fifteen energy efficiency projects were launched in 2021. The projects included light bulbs replacement with LED bulbs, processes optimization and installation of new and more energy efficient equipment.

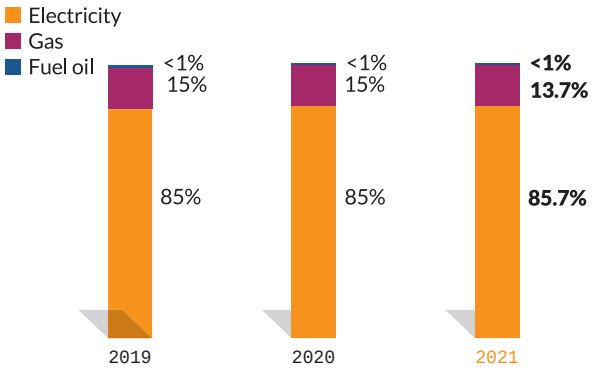
Since the main BIC offices are equipped with servers, the sustainable development approach adopted by the IT support departments has a direct impact on the environmental footprint of the facilities. In 2021 this approach included the following actions:

- participation by BIC Services in the 6th edition of the Green IT Benchmark:
  - the Group demonstrated lower than average environmental impact on all four key indicators: Biodiversity Depletion potential, Global Warming Potential, Water Depletion, Primary Energy Depletion,
  - amongst BIC strengths are the low equipment rate, longevity of the material used and good management of end of life, as well as the energy consumption and moderate printing (usage 30% below average);
- creation of an IT purchase assessment grid (for material, software, services, etc.) used in all tenders;
- partnership with Web-contractors to develop eco-design practices.

ANNUAL ENERGY CONSUMPTION NORMALIZED TO BIC PRODUCTION – IN GIGAJOULES/TON



BREAKDOWN OF BIC ENERGY CONSUMPTION



Emissions related to purchases

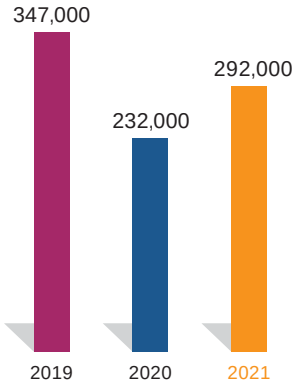
The emissions in this category are mainly related to the Group's purchases of materials, especially plastics (72%).

In 2020, BIC announced two new ambitious goals as part of its "Writing the Future, Together" program. These two goals, which are also part of the Group's *Horizon* corporate strategy plan, will help significantly reduce its GHG emissions:

- by 2025, 100% of BIC consumer plastic packaging will be reusable, recyclable, or compostable;
- by 2030, BIC aims for 50% non-virgin petroleum plastic for its products, with a goal of 20% by 2025.

These goals will be worked on through the implementation of the Group's "4 Rs" philosophy (described in Section 3.2.2.1) and could help reduce its GHG emissions by about 10% (at constant perimeter).

GHG EMISSIONS FROM PURCHASES OF PRODUCTS AND MATERIALS – IN TEQCO$_2$ – BIC



The carbon footprint of our transport operations

The goal of BIC's shipping management system is to ensure product availability while:

- maximizing customer satisfaction;
- reducing the environmental impact of its transport operations; and
- optimizing costs.

BIC has factories worldwide, which tends to limit the need for product shipping. For example, over 78% of the products sold in Europe are manufactured there.

BIC uses two types of transport for its products:

- "inter-site shipping" which refers to factory-factory and factory-warehouse shipments (inter- and intra-continental);
- "distribution shipping" which refers to shipments from factories or warehouses to the end customer.

Due to the environmental and financial impact of air freight, the Group is striving to minimize its use. In 2021, due to global supply chain challenges and to mitigate business risks and support our customer service levels, 2.82% of total tonnage was shipped *via* air transport which accounted for 70% of Group's total emission from the transport of the year.

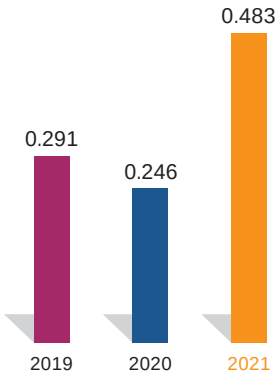
BIC pays close attention to air freight, with the goal of continuing to keep it under 2.3% for intra-company transport.

BIC has chosen to outsource its transport operations while maintaining a high level of internal expertise in the management of service providers, flow engineering and transport management tools. A specific effort focused on each transport flow is the best way to provide high-quality, competitive shipping while reducing the environmental impact.

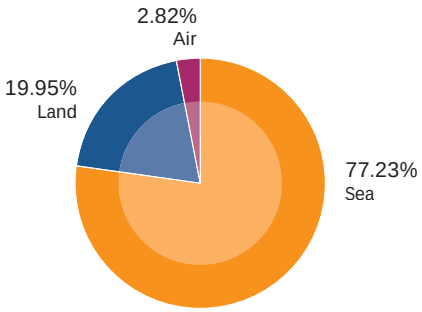
The responsible shipping approach comprises three objectives, whose actions are described in the following table:

Objectives of the responsible shipping approach	Actions taken
Raising awareness and controlling emissions	Since 2014, a steering working group has been tasked with identifying solutions to significantly reduce air freight over the long-term. This involves bringing together all relevant functions and working closely with teams across categories and worldwide. Transport companies that are committed to sustainable development are also regularly consulted. Specific monitoring of air transport began in 2014, with quarterly reports to the management teams in each region. In 2020, a system to oversee air freight was rolled out Group-wide. This system requires multiple explanations and approvals prior to authorization of any air shipment. Furthermore, in 2020 and 2021, BIC launched and carried out a project to capture all its downstream transportation flows and thereby better track the associated emissions. Initial results are expected in early 2022.
Optimizing shipments and routes	The main leverage points in shipping to reduce emissions are cutting the distances travelled, the shipping mode used and load optimization. BIC's logistical teams work on all three points in cooperation with other Group departments (such as Production and Sales) and service providers.
Selecting responsible carriers	Logistical operations are carried out by transport companies selected by BIC. Their equipment, methods and management systems are thus determining factors in the level of GHG emissions. These include: • the age of the vehicles; • eco-driving training; • the use of speed governors; • tire technology; • emission measurement capacities, etc. In conjunction with the Group's responsible purchasing policy, BIC selects carriers that can reduce the environmental footprint of its shipping operations. For example, in the United States and Canada, the Group only works with carriers that have received SmartWay® certification, a program designed by the Environmental Protection Agency in the United States. To encourage its transport service providers to adopt responsible practices, BIC has incorporated the reduction of GHG emissions as a criteria for selecting carriers.

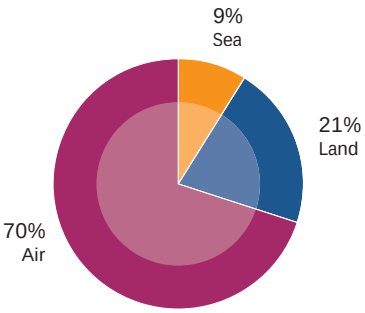
GHG EMISSIONS FROM INTRA-COMPANY TRANSPORT (1) - TEQCO$_2$/TON OF PRODUCTS



BREAKDOWN OF TONNAGE SHIPPED BY MODE OF TRANSPORT – AS % OF TOTAL



BREAKDOWN OF GHG EMISSIONS BY MODE OF TRANSPORT – AS % OF TOTAL



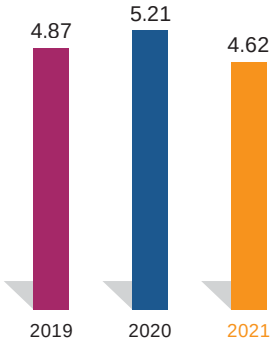
Emissions related to product use

The energy used to heat water when using shavers is the largest source of emissions, accounting for 33% of the total. BIC is exploring how to reduce this and hopes to put forward concrete plans in the coming years.

3.3.3.2 Water [NFPS]

BIC consumed 423,679 m^3 of water worldwide in 2021.

ANNUAL WATER CONSUMPTION NORMALIZED TO BIC FACTORY PRODUCTION – BIC – IN M^3/TON



There was a 11.5% reduction in water consumption per ton of production between 2020 and 2021. BIC production is not water intensive and most of the consumption is due to domestic use. 2020 was an exceptional year, due to the pandemic which increased water demand from personnel for hygiene reason.

In addition to the volumes consumed, it is essential to consider where this consumption takes place. It can occur in so-called "water stress" zones. The uneven distribution of water across the planet, and limited access to it, may give rise to severe political and social tensions.

Eight facilities show a moderate risk of water stress (in Europe, the United States, India, Africa, Mexico and Brazil). This is according to a global risk assessment on water and its future availability conducted by BIC in 2018. The Group will continue to seek to improve its water consumption ratios, factoring in the scarcity of this resource when prioritizing its action plans for the reduction of water consumption.

BIC East Africa (Kenya) has finished the project of water recycling in the closed-loops cooling systems, achieving a water consumption reduction of 1.28% *via* water reuse.

(1) Excluding transport by road, as part of sea and air travel.

3.3.3.3 Waste [NFPS]

Total waste production

As part of its operations, BIC generates both Hazardous and Non-Hazardous waste. Non-Hazardous waste accounts for 85% of the total (in tons) and includes, for example:

- packaging waste;
- manufacturing waste (production scrap, plastics, metal, wood, cardboard…);
- maintenance waste (metal, paper); and
- waste from employee activities.

Hazardous waste, which accounts for 15% of total waste (in tons), is mainly generated by the manufacturing processes and includes for example:

- absorbents (filters, activated carbon, etc.);
- chemical substances (solvents, inks, etc.);
- WEEE (lamps, batteries, etc.);
- manufacturing waste (such as paper/cardboard, metal or wood polluted with chemical substances, etc.).

Over the years, BIC has developed a global waste management policy and many programs at factory level to promote waste reduction and ensure waste is suitably recovered.

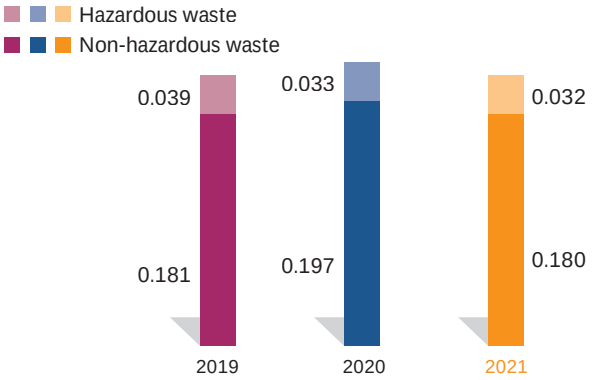
In 2021, various projects were undertaken at BIC plants and in particular at:

- the Graphic Europe facility (Spain), changed the type of cleaning material at the workshop from paper to reusable washable rags;
- the Conte site in France, in partnership with their waste contractor, identified better ways of waste treatment to minimize the landfilled waste;
- the BIC East Africa (Kenya) site reduced the number of purchased cartons for component storage as well as the number of polythene bags for industrial packaging by replacing them with reusable crates.

BIC's achievements in 2021 in terms of waste production and management were as follows:

- a 7.8% decrease in the quantity of waste generated per ton of production between 2020 and 2021; due to waste reduction initiatives such as in BIC East Africa (Kenya) (which led to a 35.6% waste decrease) as well as the increase of the production volumes compared to 2020;
- a stable rate of recovered waste generated per ton of production;
- the percentage of recycled waste remained stable between 64.5% in 2020 and 65.4% in 2021;
- a decrease of 20.5% in the quantity of landfill waste disposal normalized to the total quantity of generated between 2020 and 2021.

ANNUAL PRODUCTION OF WASTE NORMALIZED TO PRODUCTION – IN TONS/TON – BIC

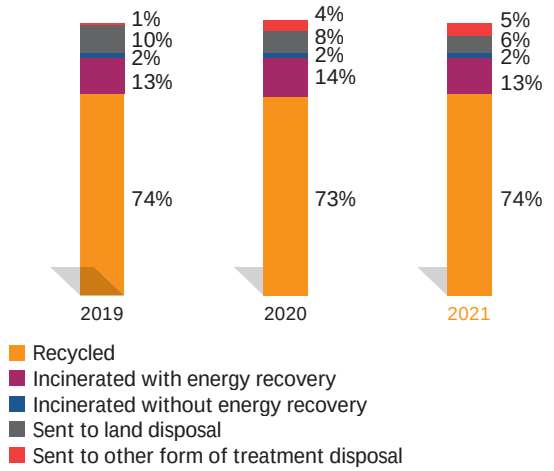


Non-hazardous waste

BIC's achievements in 2021 regarding the production and management of non-hazardous waste were as follows:

- a 8.6% reduction in the quantity of non-hazardous waste per ton of production;
- in the main offices, waste production totaled 104 tons, up 30% in 2021 due to the elimination of archived documents in preparation for the migration of the Clichy office in spring 2022.

BREAKDOWN OF NON-HAZARDOUS WASTE –% OF TOTAL EXPRESSED IN TONS – BIC



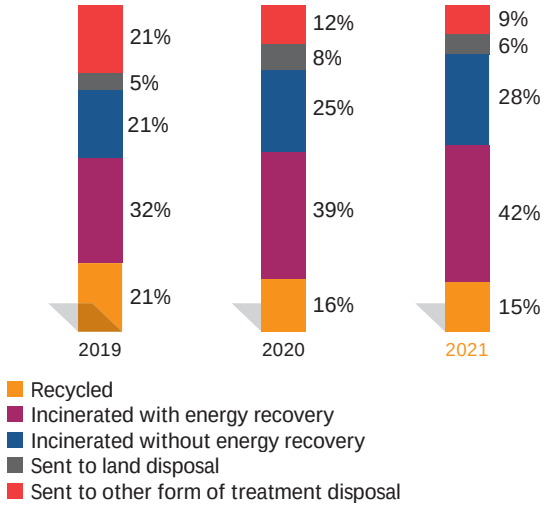
Hazardous waste

Some factories are equipped with wastewater treatment plants to treat hazardous waste. This is the case of water from surface treatment workshops, which is transformed into metal hydroxide sludge that can be processed to eliminate almost all environmental risks.

BIC's achievements in 2021 regarding the production and management of hazardous waste were as follows:

- a 3.8% decrease in the quantity of hazardous waste per ton of production between 2020 and 2021, mainly due to the Group's optimization of industrial processes and equipment.

BREAKDOWN OF HAZARDOUS WASTE TREATMENT –% OF TOTAL EXPRESSED IN TONS – BIC



3

3.4. OUR SOCIAL RESPONSIBILITY *[NFPS]*

The women and men who make up BIC have been the key to its success from the very beginning. With a global manufacturing footprint, distribution teams in 57 countries and approximately 4 million sales outlets worldwide, BIC thrives on a shared corporate culture. The Human Resources team, along with our senior leaders, seeks to continue to nurture this common culture, founded on BIC's Values and Philosophy, while encouraging local initiatives. Protecting and improving the health, safety and well-being of our team members remains the number one priority. BIC remains committed to developing the skills of our team members and creating opportunities for professional advancement, as these are foundational inputs to the achievement of our industrial and commercial goals.

3.4.1 THE WORKFORCE

For the year ended December 31, 2021, BIC had 10,471 permanent team members, 706 fixed-term contracts (FTC) and an average of 2,935 temporary staff.

The following sections describe BIC's workforce in 2021 and its evolution.

3.4.1.1 Breakdown of workforce by region and activity

Aligned with the Invent The Future strategy, BIC's 2021 focus was on the continued transformation of the business and ensuring the right organization is in place to support our growth ambitions. While overall permanent headcount declined, headcount stayed consistent in the two biggest markets, North America and Europe, as BIC focus on driving effective operations and delivering sustained business performance. The increased headcount in Latin America and Middle East and Africa reflects a continued investment in these regions given their importance in delivering against our growth ambitions, from both an industrial and commercial perspective.

The increase in temporary staff reflects the strategy to more effectively meet business needs in an on-demand manner, partnering with external agencies to ensure access to the appropriate talent pools when business needs arise.

From a business unit perspective, the increase in BIC Services headcount reflects the increased capacity of the team in Sofia (Bulgaria) to deliver steady state support in the areas of customer service and finance. Additionally, this headcount reflects the staffing of HR positions to support HR shared services that will centralize transactional processes in the United States, Mexico, Brazil, Spain, Greece, and France.

Changes in staff numbers by region are shown below:

WORKFORCE BY REGION – AS OF DECEMBER 31*

Workforce by region	2019	2020	2021	Change 2021/2020
Europe	3,939	4,025	4,022	-0.07%
North America	750	740	729	-1.49%
Latin America	2,435	2,163	2,297	6.2%
Middle East and Africa	664	683	725	6.15%
India	4,806	3,524	2,606	-26.05%
Asia-Pacific	183	111	92	-17.12%
TOTAL PERMANENT STAFF	**12,777**	**11,246**	**10,471**	**-6.89%**
Temporary staff plus FTC*	4,017	2,506	3,641	45.29%
Average FTE Temps through Agency	NA	1,919	2,935	52.94%
Total Fixed-Term Contracts 31-DEC	NA	587	706	20.27%
TOTAL	**16,794**	**13,752**	**14,112**	**2.62%**

* *Headcount no longer being reported as Full Time Equivalent.*

PERMANENT TEAM MEMBERS – BIC BUSINESS UNIT

Business unit	2020	2021
Group Commercial	2,030	1,931
Graphic	280	230
Group Supply Chain	7,453	6,725
Lighters	941	931
Group Insights & Innovation	194	191
Group BIC Services	104	216
BIC Group	1	1
BIC Foundation	1	1
Corporate Stakeholder Engagement	6	4
Group Communications	13	15
Group Finance	58	41
Group HR	34	41
Group IT	91	98
Group Legal	37	36
Strategy & Business Development	3	10

3.4.1.2 Breakdown of the workforce by age

BREAKDOWN OF THE WORKFORCE BY AGE GROUP

	2020	2021
Under 20 years	0.1%	0.5%
20 to 29 years	12.6%	13.1%
30 to 39 years	33.1%	32.1%
40 to 49 years	33.7%	32.4%
50 to 59 years	17.8%	19.1%
Over 60 years	2.8%	2.7%

3.4.1.3 Recruitment and termination

In recent years, the Group has continued to expand and upskill the recruitment center of excellence (COE) with experienced global team members. This team continues to reinforce recruitment techniques and has developed a more efficient attraction, selection, and tracking process. Specifically, a global applicant tracking system, SmartRecruiters, is used to manage recruitment activity, and implement interview processes shown to decrease bias in the selection process by focusing solely on skills and experiences needed to perform the job. In addition, global assessments, administered by the company SHL, are utilized in the interview process to assess candidates on the skills needed for success in the job, and their alignment with BIC's core competencies.

Global training sessions with managers and interview team members have been facilitated with a focus on the connection between structuring interviews, enhancing candidate experience and reducing unconscious bias in the hiring process.

BIC continues to enhance awareness of BIC in the international employment market using global recruitment attraction tools such as LinkedIn, Glassdoor and Indeed. As part of our recruitment sourcing initiatives within LinkedIn, the Group has chosen to have names and pictures of potential candidates hidden when sourcing the site. This method of sourcing has proven to mitigate bias when searching the professional network for talent.

The Group also partners with internationally known specialized recruitment companies and job aggregators where our jobs are posted externally. In addition, the Group is engaged with an external partner agency helping to curate an employment value proposition that will resonate with global candidates.

The Group has also implemented internal training webinars to educate the human resources communities on the recruitment process and best practices in hiring. Monthly calls are held for the global human resources community highlighting recruitment and talent acquisition projects and process changes. These sessions provide an opportunity for timely reviews of important recruitment topics and allow the human resources community to share ideas on global best practices.

To measure the impact of the improvements the Group has made in its recruitment process, recruitment experience surveys have been implemented at several points in the process. The experience surveys primarily measure the Net Promoter Score (NPS). NPS tracks employee and external candidate satisfaction with their BIC experience and helps to gauge loyalty to the BIC brand. The Group has used the results to improve service, support, delivery, and candidate loyalty. Through NPS scores and survey feedback, BIC can understand what it is doing well and where it could be improving the Company's 'experience'. BIC can track and quantify the scores over time and create internal benchmarks for success. The score can improve service, support, delivery and candidate loyalty. The three main scores tracked are:

- active team members: measures team member's desire to recommend BIC as a great place to work to others. Will require implementation of either a global survey or a pulse survey;
- hiring managers and candidates: measures the willingness of our talent acquisition team 'clients' to recommend the BIC recruitment experience to others. Surveys are initiated by Talent Acquisition;
- new hires: measures the new team member's willingness to recommend the BIC onboarding experience to others. Surveys are initiated by Talent Acquisition.

The Group has consistently received high NPS scores, indicating a healthy relationship with employees/candidates who are likely to act as advocates for the brand and fuel business growth.

Globally, in the event of staff restructuring that results in job cuts and terminations of profiles that are not adapted to the future business, Group policy is to respect local legal obligations as a minimum, in cooperation with social partners. Moreover, BIC strives to reassign team members whenever possible.

3.4.2 SHARING OUR VALUES

Legacy

BIC began simply and humbly – with a vision and a pen. The intent was to address an unmet consumer need: smooth, effortless writing that was both affordable and could free the hand for Creative Expression. The result was BIC making the art of writing accessible for all. By providing millions of people with access to a high quality, everyday item offering significant Value, the BIC® Cristal® ball pen became a symbol of accessibility for people everywhere.

After creating a revolution in writing, BIC went on to innovate in pocket lighters, setting new, ever-improving standards for enhanced consumer safety. BIC continued its innovation journey in Shavers, bringing convenience and ease of access to the category.

At the heart of BIC is great pride in enhancing the daily lives of consumers with simple, well-designed solutions for everyday use. We advocate for sustainability through **smart design**, the long life and versatility of our products, and our philosophy of **minimalism**. We strive for excellence in all aspects of our operations, from ensuring precision manufacturing and the highest safety standards, to delivering high quality products, with a focus on customer satisfaction.

Our **entrepreneurial family heritage** has created a foundation for team members to reimagine consumer solutions. They are passionate about engaging with consumers and customers and honoring the diversity of the communities we serve. As a result, our brand is universally recognized and trusted as a **beacon of reliability and value**.

Vision

Bring simplicity and joy to everyday life

Our ambition is **to create a sense of ease and delight** in the millions of moments that make up the human experience. It is this passion for bringing simplicity and joy to people worldwide that drives our team members each day.

We reimagine **everyday essentials**, designing products that are part of every heart and home.

We believe we **positively impact the world** by offering sustainable solutions that respect the planet through smart design and the creation of products that last.

Mission

We create high quality, safe, affordable, essential products, trusted by everyone.

Our Values

Our values inspire our daily activity

Integrity: We are honest, open and fair, and demand an environment where everyone feels respected, included and heard.

Ingenuity: We dream big and create clever, simple, yet bold solutions for our consumers, customers and teams.

Responsibility: We make courageous, timely decisions and deliver ambitious results that delight consumers across the world.

Sustainability: We drive sustainable growth while making meaningful contributions to our team members, communities and the world.

Simplicity: We believe that simple solutions are often the best solutions when faced with complexity, we respond with clarity.

Teamwork: We set high standards, trust each other, and work together across boundaries, holding ourselves and each other accountable.

Communication

We continue to reinforce our Vision and Values as well as our *Horizon* Strategy through a series of virtual townhalls. These live and recorded Town Halls provide our team members with business and market updates.

Reward and Recognition

As part of our continued commitment to our team members, Vision and Values, BIC brought back its "BIC Team Member Recognition Awards." The awards fall into two categories: Group Excellence Awards and Functional Capability Excellence Awards.

- **Marcel Bich Award:** celebrates an individual with breakthrough ideas that move our business forward. This person delivers tangible and exceptional results that help propel the Company toward achieving the *Horizon* Plan.
- **OneBIC Team Award:** recognizes outstanding cross-functional, cross-business unit partnership and quantifiable impact on the organization, with a clear link to progress on the *Horizon* Plan.

The leadership nominates and selects the Group Excellence Awards based on each award's respective criteria.

3.4.3 HEALTH, SAFETY AND WELL-BEING IN THE WORKPLACE [NFPS]

For the Group, workplace safety means ensuring the physical and mental well-being of team members by preventing accidents and occupational diseases.

For BIC, the health and well-being of team members also means reducing the incidence of work-related diseases, primarily musculoskeletal disorders and psychosocial risks (PSR) such as stress. BIC keeps a close watch on these issues and constantly strives to reduce all forms of job-related suffering.

To this end, in conjunction with the above-mentioned approaches, programs to promote well-being at work are coordinated Group-wide and rolled out locally as required by each facility.

3.4.3.1 Challenges, risks and opportunities related to the health and safety of team members [NFPS]

[NFPS Risk 4] BIC has identified "health-safety in the workplace" as one of the major CSR risks resulting from its operations. BIC's operations, both industrial and commercial, expose workers to various occupational risks (physical, chemical, psychosocial, biological, ergonomic) that differ from function to function (headquarters, factories, sales force). Managing this risk is an opportunity to position BIC as a desirable employer through an ambitious health and safety policy.

For the Group, a commitment to improving safety in the workplace is key to team member engagement. This helps build loyalty.

The information on health and safety in the workplace presented in this chapter covers all the Group's operations.

TEAM MEMBER SECURITY IN TERMS OF GEOPOLITICAL RISKS

For many years, BIC has relied on its world-recognized partner International SOS to help its employees plan business travel in optimum health and safety conditions. This involves providing them with all necessary information and assistance prior to departure and during the completion of travel formalities.

Employees are apprised of all potential health and safety risks as well as political and climatic conditions prior to arrival. International SOS also provides immediate logistical assistance in the case of an unforeseen development affecting international travelers and the health and safety of expatriates. An emergency service is also available to inform BIC of any serious event that may impact its employees.

In 2020 and 2021, as part of BIC's health procedures, employees were instructed to check their travel conditions *via* the International SOS platform prior to departure.

In addition, since 2018, BIC Middle East has been using Travel Tracker, a tool offered by International SOS, to pinpoint each traveler's location without compromising any private information.

These initiatives were created as part of a proactive risk reduction strategy that uses safety and assistance as bywords.

3.4.3.2 Policies, action taken, results and outlook [NFPS]

Writing the Future, Together – #3 Committing to a safe work environment [NFPS]

Safety in the workplace is a fundamental priority for BIC. The "Writing the Future, Together" program embodies this commitment by targeting zero accidents at all BIC facilities by 2025.

The Group uses all available means:

- health and safety management;
- ongoing improvement of working environments;
- working time arrangements;
- raising awareness of safety issues.

Inspired by the "Vision Zero" approach developed by the International Social Security Association (1), the Group is developing a program that incorporates health, safety and well-being at work, at every level. The goal is to achieve zero sick leave days due to on-site accidents for everyone who works for BIC.

This is based on the ISSA's Seven Golden Rules:

1. take leadership – demonstrate commitment;
2. identify hazards – control risk;
3. define targets – develop programs;
4. ensure a safe and healthy system – be well-organized;
5. ensure safety and health in machines, equipment and workplaces;
6. improve qualifications – develop competence;
7. invest in people – motivate by participation.

This "zero accidents" goal requires extra effort on the Group's safety culture and policies across all operations, and includes the implementation of specific local actions.

BIC's Environment, Health & Safety Policy [NFPS]

BIC adopts a Health & Safety program that allows it to guarantee a working environment that protects the physical integrity of team members. In keeping with its Environment, Health & Safety (EH&S) Policy, BIC strives to prevent or at least reduce health and safety risks for its team members, subcontractors and those living or working near its production facilities.

The Group rolls out safety management systems at its production facilities. Each facility has an EH&S manager in charge of the roll-out of the EH&S Policy and following up efforts to reduce health and safety risks faced by team members. They report to the industrial directors.

(1) The International Social Security Association (ISSA) is an international organization uniting social security authorities and institutions around the world.

Within the Global Supply Chain business unit, the Group's health-safety program is built around a number of tools that continue to evolve in line with the organization's needs:

- the **"e-EHS Suite" platform**, which monitors and manages workplace accidents (evaluating risks, recording and documenting accidents, defining corrective action plans), allowing each entity in the organization to define an effective action plan;
- **safety reporting** extended to all BIC facilities (factories and headquarters);
- an **Environment, Health & Safety reference system,** also called the EH&S maturity reference system;
- **safety watch** (behavioral observation visits) are conducted in factories. Carried out with the team members, these visits consist of questioning unexpected behavior in a spirit of ongoing improvement and dialogue;
- **Global Safety Call**, a monthly conference call with the factory directors, their EH&S managers and the management team.

Roll out of the health and safety culture [NFPS]

In 2021, the plan to raise awareness on BIC's safety culture was shared with the Group's sales teams and merger and implemented in the merger and acquisition procedures:

- for the sales teams, the role of safety focal point was established in each continent. This role is held by the HR managers. A procedure for managing and recording accidents was shared with these safety focal points. As well as a road risk prevention program, alongside an e-learning training available on BIC University;
- due diligence for mergers and acquisitions was reinforced and updated to include an HSE aspect. Now, newly acquired entities are accompanied from the outset so they can adopt BIC's HSE requirements;
- delayed health-safety roadmaps for several entities because the health crisis of 2020, were reactivated;
- after the construction of a centralized health-safety management system in 2020, the Group Supply Chain division worked on the implementation of the "Building HSE Capacity" program in 2021 which includes:
  - a skills self-assessment system for the EH&S representatives, including "soft skills" like empathy, communication, strategic vision, etc.,
  - training programs to develop skills in the EH&S population,
  - cross audits applying the new EH&S maturity standard;
- a crisis management protocol was distributed to all factories, which are responsible for deploying it;
- an HSE aspect was integrated into BIC's new employee onboarding process;
- finally, in 2021, the BIC continued to distribute free personal protective masks in response to the Covid-19 pandemic. More than 4.6 million masks were distributed within the Group.

Across all BIC facilities, accidents resulting in lost work time for BIC team members are mainly caused by same-level falls and the handling of materials and machines. In 2021, BIC recorded 50 lost-time injuries for BIC paid employees and 8 more for external temporary workers, while 40 facilities had 0 accidents. These results show no decrease in the number of incidents for BIC employees this year and a significant increase of the incidents where external temporary workers are involved.

The incident rate for BIC employees and temporary workers was 1.99, while the severity rate climbed to 0.11 from 0.07 one year ago.

The development and implementation of actions plans will continue in 2022 with a view to an increased safety culture and a decrease in this rate. A Safety Focus Action Plan for the Top 5 Factories is expected for 2022. Sites will further specify the actions to be applied per site but the main actions considered are:

- analyze the incidents in 2021, especially those with high number of lost workdays, and seek patterns;
- based on the findings of the incidents' analysis, decide on focused actions, prioritizing those that eliminate the risk;
- set targets, monitor, and act upon the leading indicators (first aid cases, near misses, behavior based safety);
- communicate strongly the importance to the teams and urge leadership teams to drive by example.

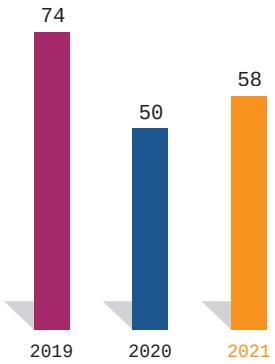
Further to the plan for the Top 5 factories, the actions below for all sites will be prioritized:

- simplify the incidents reporting process;
- improve sharing of knowledge, best practices and lessons learnt among sites.

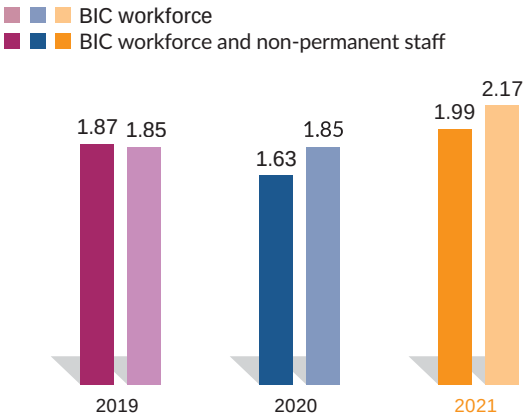
Most of the occupational diseases, which so far have only been monitored in France, are related to musculoskeletal disorders.

> ***"50 lost-time injuries for BIC paid employees and 8 lost-time injuries for external temporary workers and 40 facilities without injuries."***

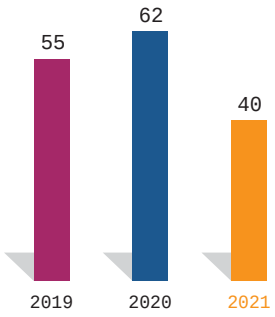
NUMBER OF ACCIDENTS RESULTING IN LOST-TIME – BIC WORKFORCE AND TEMPORARY WORKERS



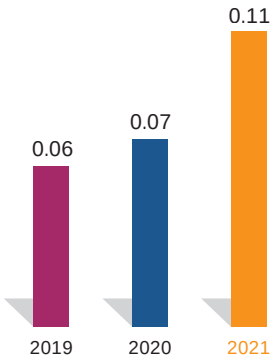
INCIDENT RATE: NUMBER OF ACCIDENTS RESULTING IN LOST-TIME – PER MILLION HOURS WORKED – BIC WORKFORCE AND TEMPORARY WORKERS



NUMBER OF FACILITIES WITHOUT LOST-TIME INJURIES



SEVERITY RATE: NUMBER OF CALENDAR DAYS LOST DUE TO AN ACCIDENT – PER THOUSAND HOURS WORKED – BIC WORKFORCE



Employee wellness campaigns and services

Prevention, screening and awareness campaigns are carried out in all countries in which BIC operates.

In the United States, health and well-being continue to be a large component of the benefits package for team members. 80% of team members are enrolled in a Health Savings Account (HSA), which provides them with the opportunity to set aside money for future health care costs.

BIC partners with ADURO to provide online tools and resources that help BIC team members and their families achieve and maintain a healthy lifestyle. Team members can complete a health assessment that focuses on their strengths and identifies opportunities for improving their personal health.

In **Kenya**, several different initiatives were conducted throughout the year such as stress management trainings to all machine operators in the plant as well as a personal finance management training to all team members. In addition, an employee assistance program was offered geared towards counseling service for team members. Medical insurance coverage was implemented to cover Covid-19 medical support.

In the **Asia-Pacific region**, several initiatives were implemented such as:

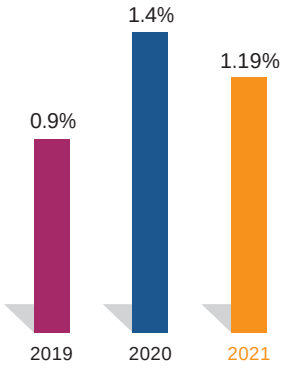
- supporting team members by delivering healthy meals to their home for one week during lockdown;
- four online webinars on mindfulness techniques, which can be used to reduce stress and improve personal performance;
- BIC covered all team members registrations to participate in the StepTember challenge, which raised money for cerebral palsy research. The challenge promoted team members to be physically active and reach 10,000 steps each day. Small teams were created to maintain motivation levels and share encouragement.

The **South America region** offered several different wellness initiatives such as:

- providing a day off for a team member's birthday, and flexible working hours;
- in Brazil: short Friday on summer, activities during the health and safety week, a virtual gym and mindfulness virtual sessions;
- in Argentina: activities during the health and safety week, additional paternity days, snack machine with healthy offers and a recreation room;
- in Mexico, the implementation two key projects to improve workspaces. The Cuautitlan plant reconfigured its offices to take better advantage of open spaces and natural lighting. The site renewed its desks and office furniture to improve workstation ergonomics. The Saltillo plant, as part of the expansion project, improved the offices and common areas such as the cafeteria and locker room.

An Employee Assistance Program (EAP) has been in operation for several years in the United States (at BIC CORPORATION), in France (the PASS program), in the Asia-Pacific region and in Latin America. Set up for the benefit of BIC team members and their families, this service offers a 24-hour helpline plus the possibility of face-to-face meetings with professionals.

ABSENTEEISM RATE FOR ILLNESSES LESS THAN THREE MONTHS OLD (EXCLUDING ON-SITE ACCIDENTS AND MATERNITY) – BIC PERMANENT WORKFORCE



The slight decrease in the absenteeism rate from 2020, not including occupational accidents and maternity leave, is primarily the result of a decrease in Covid-19 cases.

3.4.4 TEAM MEMBER DEVELOPMENT [NFPS]

3.4.4.1 Challenges, risks and opportunities related to team member development [NFPS]

[NFPS Risk 9] BIC has identified risks related to the skills of its team members among its primary CSR risks. This was especially true of the most experienced. BIC relies on the specific skills of its experienced team members, in particular in industrial operations. The loss of experienced team members could slow the Group's development plans and prevent the Group from implementing its strategy. For BIC managing these risks is an opportunity to develop programs that favor the employability of our team members within and outside the Company.

In 2021, although the ongoing Covid-19 pandemic continued to be a significant disruption to the learning offerings as well as a limited number of internal trainers, learning experiences were designed and delivered across the organization. This did necessitate a review of the training catalogue and validate alignment to business priorities and team member development needs.

3.4.4.2 Policies, actions taken, results and outlook [NFPS]

The People & Culture team took on an initiative to assess and evolve the learning strategy driven by the transformation of the organization and team member expectations of development opportunities. A study was launched that included external industrial insights of L&D best practices as well as internal discussions. The findings included:

- redesign of existing offerings to be more agile and more fully integrated;
- prioritization of eLearning A+ content that is customized based on individual team member development priorities;
- align instructor led training offerings to business priorities and internal subject matter expertise;
- transition from one-time live sessions to more robust learning paths incorporating both eLearning, live sessions, assessments and learning activation. The build of these learning paths is now underway and a number of them expected to go live in 2022.

As a result of this study, the LEAD Program was launched in March 2021. 20 high potential team members were chosen to participate in this immersive 12-month program on an accelerated leadership journey. Developed in partnership with ExecOnline and their extensive network of elite business schools in the United States.

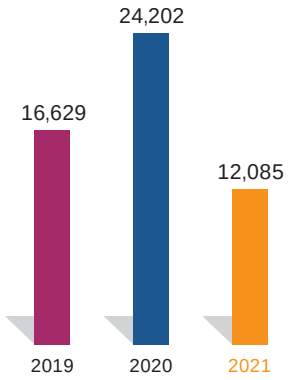
Furthermore, 2021 saw the launch of 2nd cohort of the Global Mentoring Program, where leaders of the organization were partnered with high potential team members in a mentorship relationship for a semester. This has become a staple program, driving capability growth and peer to peer feedback.

Finally, a project to design a new Learning Management System (LMS) has been launched for deployment in 2022. The Group invested in a Learning Experience Platform (LXP), which will be available in 2022 as well. It will provide each employee with personalized content and an expanded library of training courses.

The LXP will make possible custom content to be provided per team member with a library that covers multiple providers and publishers across the learning landscape.

With that in mind, the focus of 2021 was the continued rollout of the core curriculum for key audiences, Diversity, Equity and Inclusion (DE&I) awareness initiatives as well as several functional training courses launched across the organization designed by internal and external subject matter experts mapped to the *Horizon* Plan that including Revenue Growth Management, finance eLearning and marketing capability growth.

NUMBER OF TRAINING DAYS – BIC – PERMANENT WORKFORCE



The decrease in total number of training hours is due to limited offerings during the 2021-2022 learning strategy redesign project.

NUMBER OF TRAINING HOURS (PER THEME) – BIC - 2021 – PERMANENT WORKFORCE

Technical Training	Personal Effectiveness	Management Skills	Crisis Management	Business Skills for Tomorrow	Health and well-being training
46,405	6,498	5,472	2,356	7,298	28,650

Mobility and succession plans

The "Open Positions Review" sessions facilitated by the Group Talent Development team are designed to facilitate the mobility process. Open positions are discussed at these meetings along with role requirements and potential matches suggested in an effort to offer team members the best options for their own development and for the business. Open positions are shared globally in an effort to make optimal use of available talent. In addition to the Open Positions Review discussions, BIC conducts a formal detailed review of high potential team members and potential succession to key positions.

INTERNAL DEVELOPMENT: PROMOTIONS – BIC

Recruitment	2020	2021
External Recruitment	825	1,473
Inter-Company Move	16	95
Promotions	270	223

3.4.5 THE COMPENSATION SYSTEM

BIC seeks to develop a fair and motivating compensation system that can make the Group both competitive and appealing to current and potential team members.

BIC's compensation policy is determined annually by the Human Resources Department in agreement with the Executive Committee. It is based on three principles:

- pay for individual and/or collective performance;
- internal equity;
- external competitiveness.

BIC guarantees a level of remuneration that respects minimum salaries determined by local laws and which is regularly measured against both local and international companies. The difference in pay between team members reflects responsibilities, experience, performance and potential and considers the characteristics of local markets.

To recognize the critical role that each BIC team member plays in the success of the Company, October 2021 saw the launch of the Sharing *Horizon* free share plan. Under this plan, the Company granted five shares to each of our more than 11,000 team members around the world, making every team member a shareholder of the Company and a partner in our future success.

The acknowledgement of the performance of individuals and teams is a key component of BIC's compensation policy. Salary increases for managers are based on individual merit (except in certain countries where legal obligations require general increases).

BIC has two forms of short-term variable compensation:

- periodic (monthly or quarterly) variable compensation for the sales teams, based on quantitative criteria concerning the effectiveness of their commercial performance;
- annual variable remuneration for the Group's non-sales managers, based on the achievement of collective financial performance goals combined with an individual performance element. This policy applies to all BIC managers across the Company, up to and including the CEO and is designed to encourage a profitable growth year-on-year.

Key managers may also benefit from the BIC long term incentive plans, based on shares in the Company (stock options, performance share plan, granted shares), with a vesting period over several years.

3.4.6 PROMOTING DIVERSITY, EQUITY, AND INCLUSION

As stated in the BIC Code of Conduct, the Group values diversity, equity and inclusion (DE&I) and does not tolerate discrimination and harassment based on grounds such as:

- age;
- race;
- religion;
- color;
- ethnicity;
- national origin;
- disability;
- sexual orientation;
- gender;
- gender identity;
- gender expression;
- marital status;

and any other characteristics of which legal protection is afforded by local law.

The Group wants to create an environment in which employees, suppliers, business partners and its communities feel valued and respected. At BIC, cultural and individual diversity is considered an essential part of team culture.

Furthermore, the recent events of racial inequality and social injustice that have garnered a global reaction has made Diversity, Equity and Inclusion even more important as BIC looks to be a positive change agent throughout the many communities it operates in. This ambition entails:

- taking action to ensure that its teams reflect as closely as possible the diversity of the Group's customers and consumers around the world;
- welcoming its team members and giving them a sense of responsibility through a culture of inclusion founded on practices of responsible leadership and management;
- encouraging the diversity and dynamism of its teams as drivers for innovation and a key factor for its success.

The Diversity, Equity & Inclusion Credo, which was signed by the CEO and the CHRO in May 2019, reinforces BIC's commitment to Diversity, Equity, and Inclusion by appreciating that the blending of different backgrounds, experiences and perspectives in a collaborative environment which values open perspectives, will make the organization stronger and better prepared for the challenges ahead. It is shared by all the Group's entities worldwide and has been translated into the main languages used in the Group.

As part of its Diversity, Equity & Inclusion strategy, BIC has made a number of declarations, including:

- signing the UN Standards of Conduct for Business "Tackling Discrimination against Lesbian, Gay, Bi, Trans, & Intersex People" (1);
- social media posts from the CEO and CHRO to recognize Global Pride Month 2021 and International Women's Day;
- in January 2021, Gonzalve Bich, BIC's CEO, joined the "CEO Action for Diversity and Inclusion™" (2), the largest CEO-driven business commitment of its kind. By taking this pledge, Gonzalve Bich is committing to take action to ensure the Company's culture celebrates and welcomes diverse perspectives and experiences and encourages open conversations about DE&I.

The global DE&I strategy has set a series of strategic objectives and KPIs to measure progress in the areas of belonging, attraction, promotion and influence:

Belong: create a culture where all team members feel comfortable that they can bring their full selves to work. The objective is to determine a baseline for the inclusion metric as measured through quarterly pulse surveys. Notable achievements in 2021 include:

- launch of two pulse surveys measuring engagement, inclusion, trust, and manager effectiveness. All business units have developed action plans to address key areas and improve participants sense of belonging, engagement, etc.;

(1) https://www.unfe.org/wp-content/uploads/2017/09/UN-Standards-of-Conduct-Summary.pdf
(2) https://www.ceoaction.com/pledge/ceo-pledge/

- the 100 team members from the Allyship Program participated in the deployment of the Group's DE&I strategy, by organizing local events to celebrate Regional and International Diversity days such as International Women's Day and Pride Month, and many others. In total, 7 external speakers, 4 social media movements, and 19 regional events/awareness campaigns took place;
- launch of mandatory Inclusive Leader learning journey for our allies, general managers, plant managers, directors and above. There will be two more courses launched in 2022 on Being and Inclusive Leader and Building an Inclusive Culture.

Attract: increase representation of women and other underrepresented minorities (as defined by country leadership teams) beginning at entry level through external recruitment and internal promotions. Notable achievements in 2021 include:

- design and launch the new employment brand that highlights key attributes that will attract and retain female talent;
- partner with a women owned consultancy firm called WRK/360 to facilitate a series of listening sessions with 70 level 3 and below women in 22 countries. Feedback has been leveraged to inform the leadership and development of the new leadership signature series to be launched throughout the year in 2022.

Promote: increase diversity in Director and above roles to better represent the workforce focusing on female representation in level 4 and above positions to 40% in 2027. Notable achievements in 2021 include:

- design Human Capital Management System – SuccessFactor – to improve its talent identification and management process and the data to support these processes;
- deliver gender balanced slate of candidates in lever four and above positions with 44% of all hires being female;
- participate in the "Black Leadership" academy, led by McKinsey & Company, to support black executives and leaders around the world. It comprises two distinct programs:
  - the "Black Executive Leadership Program", designed for targeted managers,
  - the "Management Accelerator" that targets leaders at the beginning or middle of their careers.

Influence: improve visibility, demonstration and celebration of BIC's commitment DE&I externally. Notable achievements in 2021 include:

- continued participation in the "Break the Ceiling Touch the Sky Summit" in New York (U.S.) and Dubai which offered companies an opportunity to learn DEI best practices and connect with women leaders from around the world;
- senior Leader involvement and speaking engagements in Network of Executive Women, Break the Ceiling Touch the Sky and Enactus.

PERCENTAGE OF WOMEN IN THE PERMANENT WORKFORCE BY LEVEL – BIC

	2019	2020	2021
Board of Directors	50%	45%	50%
Level 4 and above (Executives, including Executive Committee)	24%	26%	29%
Level 3 (Senior Managers)	37%	39%	40%
Level 1 and 2 (Managers & Professionals)	38%	39%	40%
Non-managers	51%	49%	46%

PERCENTAGE OF WOMEN IN THE PERMANENT WORKFORCE BY REGION – BIC

	2019	2020	2021
Europe	33%	38%	38%
North America	42%	44%	47%
Latin America	49%	49%	51%
Middle East and Africa	47%	38%	37%
India	60%	56%	48%
Asia-Pacific	40%	47%	43%

3.4.7 SOCIAL DIALOGUE

BIC strives to use all the means available to engage in dialogue with its team members. In this spirit, it sets up the initiatives on listening to team members as mentioned in section 3.4.6. To maintain its team members' engagement and remain attentive to their expectations, the Group strives to cultivate a high-quality social dialogue, either directly with the management or with the team members themselves, their representatives, or labor union representatives at unionized sites.

In every country where the Group has operations, it complies with all applicable collective agreements. In addition, each subsidiary strives, insofar as its resources allow, to improve working conditions by:

- offering wages above the legal minimums;
- through superior team member benefits;
- through investments to improve the working environment.

The topics discussed in the negotiations are related either to local obligations or to the previously mentioned management points. For example, many mechanisms to promote safety and health in the workplace and new working conditions like remote work have been initiated through social dialogue.

The following table gives a few examples of such agreements.

Perimeter	Topics
Clichy (France)	On September 29, 2021, several agreements were signed between the Representative Trade Unions and Management in order to improve existing employee savings schemes, including the introduction of a Collective Company Retirement Savings Plan (PACTE Act) with more favorable employer contribution conditions.
Saltillo and Cuautitlán (Mexico)	The good relationship and constant dialogue with the Union in Mexico allowed a good negotiation for the salary review, with a negotiation completely aligned to the global and business situation. During 2021 there was a labor reform in Mexico that implied making some modifications to the workers' contracts. Thanks to constant dialogue and communication with the Union it was possible to sign these documents for ~1,000 people in just two days, ensuring the legal/labor compliance of the Company. The expansion in Saltillo has been well-supported by the union showing the flexibility required to support Manufacturing & Packaging operations. In Cuautitlan, weekly meetings were resumed between the Union - Operations - Security, to have a dialogue and address concerns or opportunities for improvement for all workers. Face-to-face meetings of the "Open Channel" committee were reactivated with the necessary contingency measures, answering questions or proposals from the factory workers.

3.5. ETHICS AND BUSINESS CONDUCT ACROSS THE VALUE CHAIN *[NFPS]*

The challenges faced by BIC include maintaining control over its entire value chain, recognizing the importance of its suppliers and subcontractors involvement in meeting its corporate responsibility to uphold ethics and Human Rights in the workplace and to combat corruption. To meet these challenges, the Group's operations and subcontracting activities incorporate its:

- new general Code of Conduct;
- Code of Ethics;
- Anti-Corruption Policy; and
- since 2020, its Supplier Code of Conduct.

3.5.1 THE RESPONSIBLE PURCHASING APPROACH

In the course of its operations, BIC works with over 15,000 suppliers and subcontractors. For the Group, being a responsible company means maintaining control over the entire value chain. The Purchasing Department analyzes all risks related to the sourcing of products and services:

- inventory levels;
- sourcing zones;
- single sourcing, etc.

3.5.1.1 The Supplier Code of Conduct

In 2020, BIC created a new Supplier Code of Conduct. This Code, which has been shared with all suppliers, explains the Group's responsible purchasing approach, its commitments to its suppliers and the commitments that it requires from them. The latter encompass all aspects of sustainable development:

- integrity in business conduct;
- human rights and labor laws;
- health and safety;
- environmental impact; and
- the development of a sustainable supply chain.

The Supplier Code of Conduct also incorporates the former Responsible Purchasing Charter, which codifies the Group's six basic Values:

Ethics, Responsibility, Teamwork, Simplicity, and Sustainable Development.

All suppliers and subcontractors, as well as their suppliers and subcontractors, must comply with the Supplier Code of Conduct. All suppliers must also comply with all national and local provisions, laws and regulations in force on their respective markets. When local laws or standards differ from the current Supplier Code of Conduct, BIC requires that its suppliers comply with the stricter standards and principles.

In a spirit of ongoing improvement, BIC is committed to working with its suppliers and supporting them in their efforts to meet and exceed the standards of the Supplier Code of Conduct. This Code is one component of the overall BIC Code of Conduct, which also emphasizes the importance of the Group's responsible purchasing approach.

The Supplier Code of Conduct is included with the calls for tenders issued by BIC and is appended to its contracts.

3.5.1.2 Writing the Future, Together – #4 Proactively involving suppliers

BIC has set the goal of making its responsible purchasing approach a central element of its Purchasing function. This ambition is codified in the following commitment: by 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing.

The ambition of the purchasing strategy is to maximize purchasing's contribution to the creation of value for BIC, its suppliers and subcontractors by:

- **securing the created value:** ensuring continuous supply and consistent quality, consumer safety, regulatory compliance, brand protection;
- **increasing the created value:** performance and costs, manufacturing processes, the development of new customer benefits with no technological or material disruption;
- **creating additional value:** innovation that benefits consumers, overhaul of the processes.

A complete review of the supplier database was carried out in 2019 in order to identify suppliers that are considered strategic for BIC based on four criteria:

- representing high volumes of purchases for BIC;
- continuity of operations if the supplier ceases to operate;
- single-source supply;
- a significant impact on BIC's growth.

In 2021, BIC identified 323 strategic suppliers from among the constantly evolving roster of 15,000 suppliers in its database. The strategic supplier list is updated every year.

In 2020, the Purchasing Department hit a milestone in its pursuit of goal #4 of the "Writing the Future, Together" program by launching a pilot campaign to evaluate the sourcing of the strategic materials needed for the production of lighters. The suppliers were included in this in-depth evaluation, which examines national risks and supply chain risks all the way back to the original extraction sites. In 2021, the pilot campaign's phase two was launched with the implementation of transparency and risk assessments, policies and action plans to continue the evaluation and improvement of the Flame for Life division production value chain.

Following this strategic resilience study assessment, the purchasing teams established a roadmap to establish a responsible sourcing for each strategic material. They identified solutions and alternatives as well as conducted risk assessments, due diligence and mapped the value chain for each material.

In addition, in 2020 and 2021, BIC incorporated its existing tools into its responsible purchasing approach, and it continues incorporating a number of new tools such as :

- the guide for assessing and selecting suppliers based on CSR performance. Each purchasing family has its own guide;
- compliance with the Supplier Code of Conduct created in 2020;
- audit programs (see *Section 3.5.2.2*);
- the roll-out of the responsible purchasing training program. This is now incorporated into the required training curriculum for buyers;
- annual EcoVadis campaigns, launched in 2020 and 2021, cover about twenty strategic suppliers per purchasing family, for a total of some 150 suppliers (50% of strategic) evaluated according to CSR criteria;
- program launch to promote supplier diversity by working with suppliers and subcontractors who are representative of minorities: women, lesbian, gay, bisexual, and transgender (LGBT), veterans, people with disabilities and small business. Supplier identification began in late 2021 and the program roadmap will be finalized in 2022;
- development of a supplier management tool designed to create a program of interactions with suppliers and to monitor business relations, audits, etc. It will be operational in 2022;
- participation of the purchasing teams in the working group responsible for the CO_2 emissions reduction plan and contribute to the Group's climate objectives.

In order to monitor progress toward goal #4 Proactively Involving Suppliers, a new indicator was implemented in the Purchasing information system: percentage of strategic suppliers involved in at least one responsible purchasing action. To that end, in 2021 the Purchasing Department kept a recurrent list of "responsible purchasing actions" for each purchasing family in relation to the goal of "ensuring the most secure, innovative and efficient sourcing." These actions include:

- conducting a strategic resilience study;
- the EcoVadis campaign;
- working with suppliers to identify solutions so as to meet BIC's commitments concerning its products (recycled or alternative plastics);
- reducing the use of materials, etc.

All these actions help BIC make progress toward its goals regarding products and energy (see *Section 3.2.1*). This new indicator will reflect the Purchasing function's commitment to developing long-term relations with its suppliers, keeping them informed of the Group's sustainable development challenges and helping them adopt more responsible practices.

In 2021, 52.3% (1) of strategic suppliers were involved in at least one responsible purchasing action(2). BIC is aiming for 100% by 2025.

In 2022, BIC Purchasing Department plans to draft a responsible procurement policy.

3.5.2 ENSURING RESPECT FOR HUMAN RIGHTS IN THE WORKPLACE [NFPS]

Upholding and promoting Human Rights and preventing violations constitute an important aspect of corporate social responsibility. Respect for basic Human Rights is a key concern for BIC, as it is for all corporations and their entire value chain, from the parent company to subsidiaries and subcontractors. Beyond the moral necessity of creating value in an acceptable, sustainable way, it is a matter of protecting the Group's reputation, legal certainty and operational efficiency, as well as the cohesion of its employees.

3.5.2.1 Risks and opportunities [NFPS]

[NFPS risk 5] BIC has identified risks related to the non-respect of Human Rights (child labor, international conventions, ILO) among its main CSR risks. Non-compliance with fundamental Human Rights such as child labor, discrimination or forced labor may result in legal action against BIC and major consequences in terms of reputation and attractiveness.

Controlling its value chain is also a source of opportunities for BIC. These include:

- promoting a culture of quality control, cost and production management put in place by BIC since its origins. 91% of the Group's products are manufactured in its own factories;
- strengthening relations with strategic suppliers.

(1) Excluding Cello, BIC Graphic, new acquisition and certain OEMs.
(2) In 2021, these actions included conducting a strategic resilience study and the EcoVadis campaign.

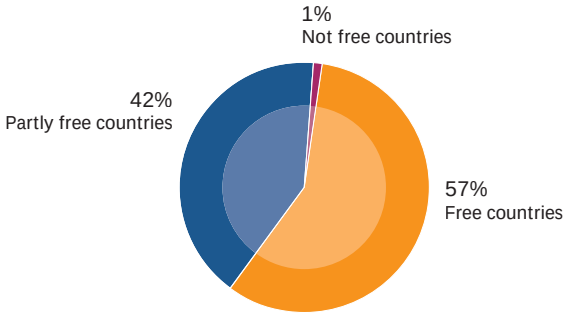
3.5.2.2 BIC's human rights in the workplace policy [NFPS]

Limiting contract manufacturing

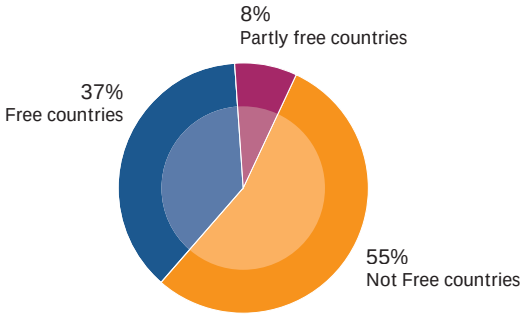
BIC's uses little contract manufacturing. Overall, 91% of the Group's net sales are generated by products made in its own factories. 65% (1) of these factories are located in countries with no Human Rights risk according to Freedom House.

BIC works with subcontractors primarily for Stationery products in the Consumer business and for Advertising and Promotional Products. Subcontracting gives the Group greater flexibility.

PERMANENT WORKFORCE BY CATEGORY OF COUNTRY IN RELATION TO HUMAN RIGHTS RISK (2) IN 2021 – BIC



CONTRACT MANUFACTURERS BY CATEGORY OF COUNTRY IN RELATION TO HUMAN RIGHTS RISK (2) IN 2021 – BIC



The Supplier Code of Conduct

See *Section 3.5.1.1.*

The social audit program [NFPS]

Compliance with the Supplier Code of Conduct (see below) is verified by an audit program covering all the factories where BIC® products are manufactured. BIC has had a specific audit program in place for over 15 years to ensure compliance with the Supplier Code of Conduct. The program applies to global contract manufacturers. It also applies to local contract manufacturers producing BIC® products for local markets for BIC Consumer Products and BIC Graphic (Advertising and Promotional Products). Regular audits are conducted every two years to verify that standards are kept at a satisfactory level.

Audits are carried out by third party Auditors. In 2014, BIC introduced the Workplace Condition Assessment (WCA) platform. This assessment tool is based on national laws, incorporating ILO standards and existing best practice. It is consistent with the Supplier Code of Conduct. The WCA comprises over 180 evaluation criteria covering a range of topics:

- child labor;
- forced labor;
- discrimination;
- harassment;
- freedom of association;
- working hours;
- salaries;
- employment contracts;
- health and safety;
- environmental responsibility.

Contract manufacturers are audited and rated on each criterion and then given an overall score. This platform allows the Group to closely monitor a contract manufacturer's performance for each indicator. Deficiencies in each evaluation criterion are rated as major, moderate or minor, thereby allowing the implementation of targeted corrective action plans. It also includes global benchmarks for each country and each Group business sector.

All contract manufacturers producing BIC® products are audited over a two-year cycle, during which improvement programs will be implemented based on deficiencies identified during the assessment. BIC sees social responsibility as a partnership that requires shared values. In this spirit, BIC favors a common commitment to improvement rather than breaking off relations with a partner. The box below explains the main steps in the evaluation of contract manufacturers.

(1) Change in Freedom House score for India. This country was scored free in 2020.
(2) Source: Freedom House. Change in Freedom House score for India. This country was scored free in 2020.

THE SIX STEPS FOR EVALUATING CONTRACT MANUFACTURERS

1. The BIC contract manufacturer signs the BIC Supplier Code of Conduct.
2. An independent external monitoring agency conducts an initial assessment of the contract manufacturer.
3. BIC presents a corrective action plan (CAP) to the contract manufacturer.
4. The contract manufacturer implements the CAP within an agreed upon, reasonable time frame.
5. The Auditor conducts follow-up assessment(s) to confirm implementation of the CAP.
6. Ongoing assessments are conducted every two years.

In 2021, 30 contract manufacturers (Consumer Products or BIC Graphic) were audited, representing 47% of active contract manufacturers.

3.5.3 BUSINESS CONDUCT AND COMBATTING CORRUPTION [NFPS]

BIC strongly believes that in order to succeed as a business, the Company must uphold the strongest standards and principles at all times – acting responsibly, with the planet, society and future generations in mind. Over the years, BIC has formalized its values and ethical business practices. Integrity, Responsibility, Teamwork, Simplicity, Sustainability and Ingenuity guide BIC's actions, with the goal of building and maintaining relationships with all stakeholders – team members, customers, suppliers, Shareholders and regulators – in a way that fosters a culture of business integrity and ensures the highest standards of conduct globally.

3.5.3.1 Risks [NFPS]

[NFPS risk 6] BIC has identified risks related to corruption among its main CSR risks. The risk of corruption and unfair practices can lead to legal actions against the Group and major consequences in terms of reputation and attractiveness. Managing this risk is an opportunity for BIC to further develop its culture of ethics within the Group.

3.5.3.2 Policy, actions taken, results and outlook [NFPS]

The BIC Code of Conduct

BIC continuously monitors compliance laws and ensures team members are updated on the BIC Code of Conduct through training and awareness campaigns on the following:

- expectations as to how BIC's business is conducted;
- the Group's Vision, Mission and Values;
- proper behavior toward internal and external stakeholders;
- precepts on integrity that focus on the Values being applied in the workplace; and
- guidance on where employees can find relevant policies, procedures and guidelines.

Regardless of their role, seniority or location, all team members are required, at all times, to comply with this Code, the Group's policies and standards. The same is true of all applicable laws, regulations and industry standards that relate to their individual work.

The BIC Code of Conduct covers the following topics:

- **protecting the integrity of BIC and strengthening its reputation:** conflicts of interest, gifts and entertainment, bribery and corruption, relations with governments and political bodies, brand protection, competition, money laundering, trade controls;
- **valuing and respecting employees:** health and safety, discrimination and harassment, Human Rights;
- **protecting data, assets and information:** IT security, company property and resources, data privacy and personal information, business records;
- **maintaining high quality relationships and partnerships with all stakeholders:** quality, environment, charitable contributions, external communications and social media, relationships with customers, suppliers and other business partners.

The Code of Conduct is distributed to all new employees as part of the onboarding process. It is translated into seven languages – English, Spanish, French, Greek, Hindi, Portuguese and Russian – and is available on the BIC Intranet, the central information hub for all team members worldwide, as well as the website www.bic.com.

Training sessions on the Code of Conduct are launched with periodic cadence on a repetitive basis in line with regulatory guidance. All employees are invited to attend these training sessions to ensure a complete and comprehensive understanding of the Code Additionally, an abridged version of the BIC Code of Conduct training was procured and launched for employees in the manufacturing plants globally. There are also micro-learning campaigns throughout the year to remind employees of the principles of the Code Business Conduct and such principles are well embedded in the BIC culture.

BIC Anti-Corruption Policy

Since 2016 and updated in October 2020, the Group Anti-Corruption Policy has defined the appropriate conduct mandatory for all BIC personnel. This includes team members, managers, Directors and all parties acting on the Group's behalf: subsidiaries, affiliate companies, partners under contract, wholesalers and consultants. The Policy describes how business should be conducted with third parties to protect against corrupt practice. BIC does not tolerate corruption or bribery and is committed to fighting them in all their forms. The Anti-Corruption Policy covers the following topics:

- interactions with government officials, private entities and persons who are not government officials;
- gifts, corporate gifts and sponsorship;
- relations with stakeholders;
- donations, contributions to communities and political parties;
- conflicts of interest;
- monitoring, record keeping and reporting of any breaches of anti-corruption laws.

The Group Anti-Corruption Policy is translated into seven languages – English, Spanish, French, Greek, Hindi, Portuguese and Russian – and is on the home page of the BIC Intranet as well as the external website www.bic.com.

The training sessions on the Anti-Corruption Policy are launched with periodic cadence on a repetitive basis in line with regulatory guidance. All employees are invited to attend these training sessions to ensure a complete and comprehensive understanding of the Anti-Corruption Policy. BIC also released internal guidance on conducting business with countries/entities subject to United States sanctions.

"BIC Speak Up", the Group's anonymous and confidential reporting system, is accessible by telephone and Internet to all current and former BIC team members. It is open 24 hours a day and is available in over 200 languages. "BIC Speak Up" was updated in 2021 to add additional features to enhance reporter options (*e.g.* inclusion of Covid-19 inquiries) and a framework for intake options for investigators (*e.g.* email, phone, walk-in, letter/mail, self-reported). Additionally, BIC updated and enhanced its investigations protocol procedures and processes to ensure that investigations are detailed, comprehensive, consistent and well-supported.

BIC is committed to ensuring the confidentiality of the information gathered and that no sanctions are taken against team members who report in good faith a breach of the BIC Anti-Corruption Policy or of the BIC Code of Conduct.

The alert hotline is accessible to third parties and is featured on the BIC Intranet and www.bic.com. This alert mechanism aims to prevent any actions or conduct that would be contrary to integrity, honesty or equity. BIC continues its efforts to continuously monitor and improve compliance with the BIC Anti-Corruption Policy, the BIC Code of Conduct and other legal requirements, policies and guidelines. In 2021, BIC developed and deployed a third-party due diligence program to monitor, identify, mitigate and document any exposure to corruption and unfair practice risks. Such due diligence and mitigating actions are managed and documented through an integrity tool.

The program is a 6-step risk-based approach which categorizes & identifies suppliers, performs risk assessments, understands the risk, evaluates such risk, mitigates any risks and monitors and continuously reviews suppliers and notifies of any risks on an ongoing basis.

The first phase of the program focused on BIC's strategic suppliers and contract manufacturers. There are currently a total of 353 suppliers, representing 50 countries of which 25 countries are identified as high risk. Of the 353 suppliers 150 suppliers have been evaluated and approved as low risk/medium risk and remain continually monitored. The remaining suppliers are currently being evaluated.

It is the responsibility of the CFOs or equivalent Officers in the entities to assess their tax positions and manage all tax filings. The Group Tax Department provides broader support to all entities. In 2021, the internal control procedures did not detect any tax evasion linked to the Group's activities.

BIC will continue to enhance its compliance strategy by monitoring potential risks, identifying ways to mitigate them in time and outlining future courses of action. Programs, processes, and technologies have been implemented to identify, prioritize, investigate and address compliance violations and risks. Strong policies and processes are also in place to mitigate these risks. There will be a strong focus on data privacy, anti-corruption, anti-trust, duty of care, sanctions/export controls, third party due diligence, risk assessment mechanisms and training in 2022.

3.5.4 RESPONSIBLE LOBBYING AND PARTICIPATION IN SECTOR WORKING GROUPS

BIC considers lobbying to be a positive action, making good use of its industrial expertise and market knowledge in its relationships with public authorities. For the Group, lobbying is quite simply communication, targeted at decision makers and important players, on key issues and the lessons learned from its experience to help establish the necessary balance. Its purpose is to help improve the effectiveness of regulatory action, to improve the safety of the products available on the market, thereby improving consumer safety and ensuring fair competition. In this way, BIC seeks to be recognized and consulted as a stakeholder in all decisions and actions affecting its operations.

3.5.4.1 Participation in sector dialogue

BIC pursues its lobbying activities in a responsible, ethical way. This is to ensure that the legal and regulatory decisions, as actions taken to enforce rules, have realistic and effective technical and economic consequences and maintaining or restoring fair and honest relations among market players.

Although BIC has no tradition of making public statements on major industrial or societal topics, the Group does address the public when it feels necessary. It also participates in industry discussions and seeks to exert its influence in four key areas that are directly related to its commitments as a responsible corporation:

- product safety;
- combatting counterfeiting;

- combatting unfair competition; and
- environmental protection.

BIC lobbies primarily as a member of various organizations, participating as needed in their working groups and the development of their positions:

- French, European and American professional federations;
- standardization committees for toys, lighters and writing instruments;
- French watchdog groups and intra-sector associations.

BIC is a member of the Executive Committees of the main industry associations, and in some cases, has been for many years.

Lobbying activities can also take the form of direct contacts with relevant authorities, institutions, governmental agencies and NGOs.

The Group's subsidiaries also cultivate direct relations with the national authorities in their countries of operation. However, the Group has no professional lobbyists on its payroll.

In 2021, in addition to regulatory developments in the area of the circular economy and recycling, BIC has maintained its focus on monitoring ongoing regulatory and standardization issues concerning:

- all products:
  - EU directives and regulations (review),
  - REACH,
  - CLP,
  - e-commerce, DSA;
- stationery:
  - toy safety;
- lighters:
  - lighter standards and market watch.

3.5.4.2 Clearly identified lobbying responsibilities

At the highest level within the Group, CEO Gonzalve Bich and the members of the Executive Committee are responsible for steering and monitoring all lobbying activities on a regular basis.

The operational responsibility for BIC's relationships with public authorities and institutions is delegated to a small number of named managers to represent the Group in the above-mentioned proceedings. The members of the Executive Committee are kept informed of progress of laws and regulations that affect their operations.

BIC ensures strict compliance with local laws and regulations in the pursuit of its lobbying activities. Like all the Group's activities, lobbying is governed by the Anti-Corruption Policy and the BIC Code of Conduct, which names the people to be notified in case of breaches.

3.5.4.3 Team member awareness

The latest developments concerning lighters are shared with the Group's team members at results presentations. The General Managers and Marketing Managers are also kept directly abreast of BIC's lobbying efforts on lighters.

3.6. OUR SOCIETAL COMMITMENT

In September 2015, the UN adopted a new Sustainable Development Program comprising 17 worldwide goals for combating poverty, inequality and injustice. These goals emphasize the crucial role of universal access to education and hygiene. The Group strives to meet these challenges through:

- its local economic presence, with about four million points of sale offering BIC® products worldwide; and
- its global presence: BIC manufactures and distributes its products in 160 countries, supplying the most developed marketplaces as well as some of the most impoverished.

Lastly, BIC seeks to support local communities through the development of philanthropic policies that favor involvement at both Group and individual levels.

3.6.1 MAKING OUR PRODUCTS AFFORDABLE FOR ALL

BIC is guided by a vision: "To offer simple, inventive and reliable choices for everyone, everywhere, every time". For BIC, making products that everyone can afford means adapting them to markets in developing countries. The pens and shavers marketed by BIC in over 160 countries promote access to education and personal care. BIC is thus contributing to social progress around the world.

BIC's approach consists of adapting all possible parameters to make its products affordable:

- building close relations between its production units and their distribution markets;
- creating products for growth markets;
- adapting BIC® products to the buying power of emerging countries;
- completely rethinking the packaging, in order to market products in packs of only one or two items;
- offering the best functionality at the best price, setting an optimal fair price for BIC® products in collaboration with local retailers to reflect local consumption trends and selling price thresholds;
- developing innovative and appropriate distribution models, relying on local retailers such as individual kiosks, micro-shops or service outlets near schools.

3.6.2 THE GROUP'S COMMITMENT TOWARD LOCAL COMMUNITIES

3.6.2.1 Writing the Future, Together – #5 Improving lives through education

UN Sustainable Development Goal No. 4 is to "ensure inclusive and equitable quality education and promote lifelong learning opportunities for all." It underlines the two key challenges for education:

- access to education; and
- equity in learning.

The 2019 UN [(1)] report shows that:

- access remains a major problem: 258 million school-age children (6-17 years old) do not have access to primary or secondary education and recent forecasts show that without major changes, by 2030, one child in six will be outside the school system;
- the quality of education provided is critical: 55% of primary and lower secondary school children and adolescents do not acquire the minimum knowledge in reading. This rises to 60% in mathematics.

Through its activities of designing, manufacturing and distributing writing instruments, BIC has long been involved in the promotion of education. BIC is a firm believer that education is crucial for the development of free will and independence and for combatting poverty. It has in particular been an active advocate of writing by hand, even before its importance in structuring children's thought processes was proven. BIC has set the goal of improving lives through education and has codified this ambition in the following commitment: by 2025, BIC will improve learning conditions for 250 million children globally.

The Group works through three channels:

- actions undertaken by the BIC Corporate Foundation;
- philanthropic actions (donations of products, funding and skills) undertaken by local entities for the benefit of their communities (discussed in Section 3.6.2.3);

(1) UNESCO Institute for Statistics 2019.

- actions to help improve learning conditions, including awareness of the benefits of writing by hand in learning and memorization processes (discussed in Section 3.6.2.2).

At end-2021, BIC estimated that 158 million children have seen their learning conditions improved through direct initiatives either involving children, teachers or parents since 2018.

> ***158 million children saw their learning conditions improve between 2018 and 2021.***

In North America on November 1, 2021, BIC announced the launch of the "BIC-CAUSE WE CARE" online community: a virtual gathering place for anyone who has a passion for improving the learning conditions for students worldwide. The "BIC-CAUSE WE CARE" community will support a multitude of efforts such as:

- monetary donations to educational causes and schools;
- information about local causes and events;
- facilitate discussions about education, and;
- sharing of tools and resources among teachers, parents, caregivers and students.

Members will also receive an invitation to join numerous welcome activities and missions designed to help spread the word of the community and kick-off engagement and participation in a meaningful way.

Examples of projects backed by the BIC Corporate Foundation in each of its main fields of action in 2021:

Play Africa

In South Africa and Sub-Saharan Africa, the Play Africa NGO offers design thinking workshops for children 7 to 12 years old from underserved backgrounds. These workshops allow the development of measurable creative skills in children by teaching them to understand social challenges and how to generate, prototype and test possible scalable solutions. The NGO works together with schools, municipalities and community-based organizations. Play Africa will train 120 facilitators throughout its collaboration with the BIC Corporate Foundation, empowering them to lead participative design thinking workshops. Every year, one solution proposal developed in the workshops will be funded for it to be built in the children's school or community.

Girls Write Now

In the United States, the Girls Write Now program matches underserved high school girls and gender expansive youth with women professional writers for a year-long one-to-one mentorship. Mentees create at the intersection of language, technology, and art, exploring sub-genres within poetry, fiction, memoir, journalism and screen/playwriting, and learning digital skills such as audio and video editing, coding and design. Mentees also participate in Girls Write Now's Writing Works programming, where they receive unique and personalized professional development, strengthening their writing and communication skills, and opening doors, on the pathway to college and career.

Junior Achievement

In South Africa, Spain and France, high-school students participate in this year-long entrepreneurship program. In teams, they develop a business plan, prototype and sell the product or service developed. These students structure their team like a company, having heads of commercial, finance, HR, marketing, production and more. This approach allows youngsters to get to know how a company works, discover professions and develop key soft skills such as: problem-solving, critical thinking, adaptability, entrepreneurial mindset, communication skills and creativity.

LP4Y

The Foundation funds the "professional training for entrepreneurs" program in the training and development center of Saragaon, Raipur. Young adults 17 to 25 years old receive hard and soft skills training as well as the opportunity to develop their own businesses, meet professionals and visit companies. Participants receive an allowance, food and shelter, enabling them to focus on their own personal development, autonomy and empowerment and to have a greater potential of success. After their training, they organize and give workshops to people from their communities. By helping the participants with job-searching as well, 75% are successfully inserted into the professional sector after their participation to the program.

3.6.2.2 Awareness and coaching actions

Writing by hand is a basic skill that helps structure the thought process. For this reason, writing instruments are indispensable tools for advancing learning conditions. In recent years, BIC teams have supported and facilitated handwriting and promoted its importance in children's development, especially through:

- development of activity sheets and workshops for teachers such as motor development, coding, sustainable development and writing exercises;
- promoting education among the communities in need by providing them material for the classrooms (stationery, learning supports, etc.) and support schools refurbishment;
- activities and workshops in schools such as awareness raising on the importance of education and writing, creativity, production of texts or thematic coloring contests for younger children.

3.6.2.3 Philanthropic actions by BIC and its subsidiaries

The philanthropic actions of BIC and its subsidiaries take three forms:

- donation of products;
- monetary gifts; and/or
- volunteer work/skills sponsorship.

BIC and its subsidiaries favor projects that benefit local populations around its facilities.

Each year, BIC develops and markets charity-linked products, some of which are useful in education. For the consumer, these products offer the possibility of spending the same amount of money while making a charitable donation, because part of the purchase price is given to a charity. The organization in turn can diversify its funding sources and benefit from additional publicity. And for BIC, it is an opportunity to underline the Group's civic commitment and boost sales.

BIC Australia is a partner of the "Children's Charity Network" (CCN), which aims to improve the literacy of children across Australia. BIC supports 2 main initiatives of the CCN:

- the OzKids Arts & Literacy Program which promotes and support children's literary and artistic talents and provides a vehicle for children to appreciate and develop their skills and encourage them to continue in the arts;
- Writing & Illustration School Workshops using leading Australian authors and illustrators to further interest in the arts. The focus of CCN is to provide experiences to rural and remote communities that do not otherwise have access to these types of events, which BIC supports with product donations for these disadvantaged schools as well.

BIC's partnership provides financial support – approximately 15,000 euros in 2021.

As part of the global Enactus partnership whose purpose is to help students transform communities and society through real life social action and environmentally responsible enterprises, **BIC UK and BIC Ireland** sponsored events, judged competitions, mentored students and supported student businesses throughout the year. Over 28 employees participated representing 336 volunteer hours.

BIC Amazonia (Brazil) sponsored *Associação Nacional de Desenvolvimento de Esporte Educação*, A sports and inclusion project for young people with Down syndrome and autism. The 70 participants benefited of clinical care, exams, psychologists, physiotherapists, physical education teachers, transport, food and cultural events. BIC's support amounted to 34,000 euros in 2021.

BIC South Africa Stationery partnered with Pick n Pay stores to support Pick n Pay School Club, South Africa's longest existing educational program for primary and high schools and the country's largest brand-funded educational program. The partnership focused on township schools and provided Easter treats and donated Stationery products to students. BIC's support amounted to over 10,000 writing instruments benefiting over 2,500 students.

In 2021, **BIC Morocco** donated of 300,000 units to various NGOs, including the renewed SOS Children's Village program in Morocco.

BIC France in partnership with the *Fédération Nationale des Sapeurs Pompiers de France* (FNSPF) produced an exclusive collection of 5 BIC® 4 color pens specially designed for firefighters. BIC contributed the FNSPF's endowment fund by donating 20 cents for each pen part of Firefighters Collection sold, totaling 9,500 euros in 2021.

During the Global Education Week, **BIC Romania** donated IT equipment to the *Scoala Gimnaziala* primary school in Bucharest. It included one video projector and a screen, one printer and cartridges, books as well as BIC products which benefited over 65 students.

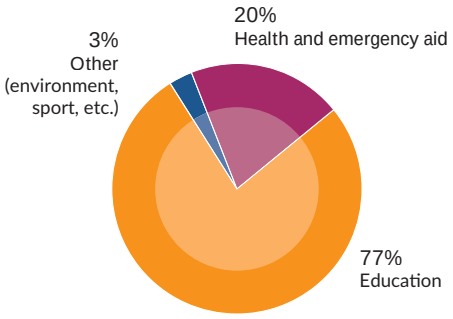
BIC Italy partnered with FAI (*Fondo Ambiente Italiano*) in its mission to enhance and protect Italy's historical, artistic and landscape heritage by developing a limited edition J26 lighter featuring Italian landscapes and natural heritage in its decoration.

In 2021, product donations and financial aid worldwide represented 1 million euros (internal valuation), primarily in education [(1)], environment and health.

> ***1 million euros in donations and financial aid worldwide in 2021.***

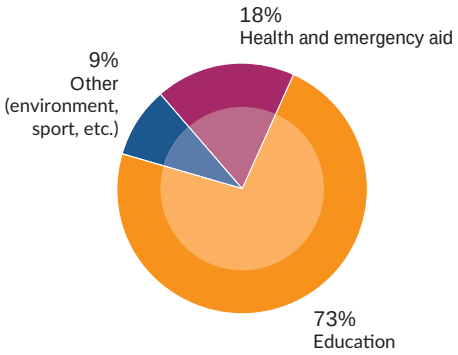
> ***82 philanthropic projects involving volunteer work, product donations and financial aid carried out worldwide in 2021 (all fields combined).***

FINANCIAL BREAKDOWN OF ACTIONS – BIC – 2021



(1) For this indicator, all philanthropic actions promoting education are factored in, including those carried out under commitment # 5.

BREAKDOWN OF ACTIONS BY NUMBER – BIC – 2021



3.6.2.4 The BIC Corporate Foundation

The BIC Corporate Foundation was born out of the Group's desire to go one step further in the support of education while bolstering the sense of pride and belonging of BIC team members. The Foundation's new mission is: "We drive access to high quality education programs for all. With a focus on building creative skills, our programs directly enable and empower our participants to build stronger, more inclusive, more creative communities, while inspiring and equipping our children and young adults to make their mark on our world". The Foundation's actions target children and youth from underserved communities.

In a context of rapid transformation of society, economies and workforces, creativity is one of the key skills to cultivate the spirit of lifelong learning both in kids and during our adult life. Educational systems globally lack initiatives that foster creativity. They often don't encourage kids and adults to take risks, to believe in their capacity to change paradigms, and to do their part and take responsibility for building a better, more sustainable world.

This is why the BIC Corporate Foundation decided to focus on creative skills, as it believes in the power of creativity as the driver of change. The Foundation has prioritized six areas of focus that it considers essential for the development of creative skills among children and youth: art, music, body expression, entrepreneurship, creative writing and the spoken word.

Through a comprehensive grant process, the Foundation identifies partners, in alignment with its mission, and delivers funding to support the delivery of programs across the world. Each not-for-profit partner is carefully selected and funded following a detailed review process. In 2021, the Foundation signed 7 partnerships with NGOs focusing on the development of creativity in children and youth.

In order to build long-lasting and holistic partnerships, the Foundation is convinced that it's key to involve BIC team members with its partner NGOs. In that sense, the Foundation offered volunteering opportunities around mentorship, CV and interview preparation and painting to BIC team members.

The Foundation also seeks to be the bridge between BIC Group and the not-for-profit sector, contributing to the creation of purposeful collaborations with BIC® products, coordination of product donations and more. A great example of this is the limited collection of BIC® 4 Color™ pens launched in www.bic.com France together with the partner NGO *Rêv'Elles* for International Women's Day. This collection was designed by mentees of the Rêv'Elles Empowerment program and a portion of the sales were given back to the NGO.

Supporting a total of 43 projects in 19 countries, the BIC Corporate Foundation has global reach. The Foundation is governed by a Board of Directors comprised of nine members – six internal to BIC and three outside experts. The Board meets formally three times per year and votes to approve the application of the funds of the Foundation.

3.6.2.5 ESG Impact Share Buyback program

As part of its commitment to improving children's learning conditions globally, in late 2020, BIC launched an innovative 40 million euros ESG Impact Share Buyback program. Executed by Exane BNP Paribas and carried out during 2021, the outperformance over the program's execution is allocated in part to the BIC Corporate Foundation and in part to the Abdul Latif Jameel Poverty Action Lab's (J-PAL) tutoring and parental programs in Europe and the U.S. The funding support from BIC will help produce rigorous and scalable insights into effective education programming and policies to improve learning outcomes, particularly for students from disadvantaged backgrounds.

3.7. CLIMATE-RELATED PERFORMANCE REPORT

Anthropogenic climate change constitutes one of the main challenges facing humanity in the 21st century. BIC recognizes that this is a collective challenge and strives to do what it can to reduce its own greenhouse gas emissions. In addition, BIC continues to assess the consequences of climate change on its operations and to implement the best possible adaptive measures.

For over ten years, BIC has been reporting on its response to climate issues by participating in the Carbon Disclosure Project (CDP). In keeping with the positive performances in previous years, in 2021, BIC confirmed the A– rating on the CDP Climate questionnaire and attained Leadership Level, a distinction granted to companies that are taking the lead in the fight against climate change.

In 2020, BIC bolstered its policy of transparency and included a climate-related performance report in its NFPS, based on the guidelines proposed by the Task Force on Climate-related Financial Disclosure (TCFD).

BIC is developing an emissions roadmap to reduce its CO_2 emissions in line with the 2015 Paris Agreement, which aims to limit global warming to well below 2 °C compared to pre-industrial levels. As well as the Science Base Targets Initiative (SBTi) 1.5 °C scenario. BIC will unveil this roadmap at its 2022 Annual Shareholder Meeting.

3

3.7.1 GOVERNANCE

3.7.1.1 Board of Directors

One of the primary responsibilities of the Nominations, Governance and Corporate Social Responsibility (CSR) Committee is to examine the Group's challenges concerning sustainable development. This includes those related to:

- climate change;
- its sustainable development strategy; and
- progress on applying that strategy.

In addition, BIC's Sustainable Development Program, encompassing all related challenges including those linked to climate change, is presented (goals and progress made) to the Board of Directors at least once per year and to the Annual Shareholders' Meeting.

3.7.1.2 Management

The fight against climate change is an integral part of the BIC Sustainable Development Program. Issues concerning sustainable development and climate change are incorporated into the Group's decision-making processes and the related risks are included in the Group risk mapping by the Risk Management Department.

Every year the Executive Committee reviews the implementation of the "Writing the Future, Together" program, which includes goals that contribute to the fight against climate change (commitments #1, #2 and #4). In 2020, the Group achieved its commitment #2 to use 80% renewable electricity for its plants and offices. As a result, a new target of 100% renewable electricity was set for 2025.

In 2021, the CEO renewed the Group's signing of the French Business Climate Pledge, confirming BIC's commitment, alongside a hundred or so other French companies, to combat global warming. In 2021, a Chief Innovation & Sustainability Officer was officially nominated. They report directly to the CEO.

3.7.2 STRATEGY

3.7.2.1 Risks and opportunities related to climate change and their impact [NFPS]

[NFPS risk 2] BIC has identified the following risks related to climate change among its main CSR risks:

Risk type & Primary climate-related risk driver	Climate-related risk	Potential Financial impacts	Time horizon & Likelihood
Emerging regulation: Carbon pricing mechanisms	Development of new regulations and standards regarding product environmental impact assessment and communication (including carbon impact) as well as consumer behavior changes impacting the Group's sales	Increased indirect (operating) costs	Short-term (0 to 3 years) & very Likely
	Increasing global regulation of carbon and energy directly or indirectly impacting BIC's operations or those of its suppliers and contract manufacturers	Increased indirect (operating) costs	Short-term (0 to 3 years) & likely
Acute physical: Increased severity and frequency of extreme weather events such as cyclones and floods	Disruption or interruption of production activities due to extreme weather conditions or availability of natural resources (water, energy, etc.) directly impacting BIC's factories or those of its suppliers and subcontractors	Decreased revenues due to reduced production capacity	Long-term (6 to 20 years) & more likely than not

The challenges to global warming are a source of opportunities for BIC as well. These include:

Opportunity type & Primary climate-related opportunity driver	Climate-related opportunity	Potential Financial impacts	Time horizon & Likelihood
Products and services: Development and/or expansion of low emission goods and services	Improving product environmental performance, in particular through "Writing the Future Together" commitment #1 Fostering sustainable innovation in BIC® products	Increased revenues through access to new and emerging markets	Medium-term (3 to 6 years) & more likely than not
	Standing out on the markets by offering products with a reduced carbon footprint	Increased revenues resulting from increased demand for products and services	Long-term (6 to 20 years) & more likely than not
Products and services: Shift in consumer preferences	Changing consumer behavior creates new market opportunities for products that consume less or use less impacting raw materials	Increased revenues through access to new and emerging market	Short-term (0 to 3 years) & more likely than not

3.7.2.2 Strategy to address the risks and opportunities related to climate change

Using renewable energy at BIC facilities

Electricity consumption at BIC facilities accounts for 8%(1) of the Group's total emissions. Through the commitment Writing the Future, Together – #2 Acting Against Climate Change, BIC aims to use 100% (2) renewable electricity by 2025.

Building on its experience, BIC established a roadmap for this goal. This roadmap reflects a strategy in which each country or facility reviews its opportunities for sourcing renewable electricity, consistent with their regulatory and operational constraints. In keeping pace with the frequent market and regulatory changes affecting this sector, BIC is focusing on renewable energy certificates (3), green contracts and long-term Power Purchase Agreements as well as electricity production potential of certain facilities.

More specifically, in 2021:

- in France, BIC purchased renewable energy certificates (Guarantees of Origin - GoO) for all its factories plus the Clichy headquarters. This means that all BIC® products manufactured in France were produced using renewable electricity;
- in Greece, GoO certificates have been purchased for all the BIC Violex facility's electricity consumption since 2016;
- in Spain, the BIC Iberia and BIC Graphic Europe facilities have been using renewable electricity through the purchase of certificates (GoO) since 2018;
- in the United States, the purchase of renewable wind energy certificates (US RECs) covers the energy needs of most American facilities;
- in Brazil, the Manaus facility has been using wind energy since 2018 through the purchase of iREC certificates;
- in Mexico, BIC launched a tender for the purchase of long-term renewable energy (Power Purchase Agreements), thereby specifically supporting the development of new infrastructure;
- in Manaus (Brazil), solar panels have been installed;
- in South Africa, the purchase of GoO certificate covers all the factory's consumption;
- since 2018, 100% of the lighter factories have been powered by renewable electricity, and research is underway to develop the self-sufficiency of the facilities (recovery of wasted heat, development of photovoltaic and solar thermal energy, etc.);
- the Cello Stationery Products site has installed solar panels since 2019.

Optimizing energy consumption

BIC implemented energy efficiency programs in its factories for many years. As a result, the Group has improved its energy efficiency by 5.9% in ten years.

Fifteen energy efficiency projects were launched in 2021. The projects included light bulbs replacement with LED bulbs, processes optimization and installation of new and more energy efficient equipment.

Since the main BIC offices are equipped with servers, the sustainable development approach adopted by the IT support departments has a direct impact on the environmental footprint of the facilities. In 2021 this approach included the following actions:

- participation by BIC Services in the 6th edition of the Green IT Benchmark:
  - the Group demonstrated lower than average environmental impact on all four key indicators: Biodiversity Depletion potential, Global Warming Potential, Water Depletion, Primary Energy Depletion,
  - amongst BIC strengths are the low equipment rate, longevity of the material used and good management of end of life, as well as the energy consumption and moderate printing (usage 30% below average);
- creation of an IT purchase assessment grid (for material, software, services, etc.) used in all tenders;
- partnership with Web-contractors to develop eco-design practices.

Emissions related to purchases

The emissions in this category are mainly related to the Group's purchases of materials, especially plastics (72%).

In 2020, BIC announced two new ambitious goals as part of its "Writing the Future, Together" program. These two goals, which are also part of the Group's *"Horizon"* corporate strategy plan, will help significantly reduce its GHG emissions:

- by 2025, 100% of BIC consumer plastic packaging will be reusable, recyclable, or compostable;
- by 2030, BIC aims for 50% non-virgin petroleum plastic for its products, with a goal of 20% by 2025.

These goals will be worked on through the implementation of the Group's "4 Rs" philosophy (described in Section 3.2.2.1) and could help reduce its GHG emissions by about 10% (at constant perimeter).

The carbon footprint of our transport operations

The goal of BIC's shipping management system is to ensure product availability while:

- maximizing customer satisfaction;
- reducing the environmental impact of its transport operations; and
- optimizing costs.

BIC has factories worldwide, which tends to limit the need for product shipping. For example, over 78% of the products sold in Europe are manufactured there.

(1) Location-based.
(2) Initial commitment of 80% renewable energy was achieved in 2020 therefore a new target of 100% was established in 2021.
(3) Electricity generated from biomass (including biogas), geothermal, solar, water (including hydro) and wind power is considered renewable.

BIC uses two types of transport for its products:

- "inter-site shipping" which refers to factory-factory and factory-warehouse shipments (inter- and intra-continental);
- "distribution shipping" which refers to shipments from factories or warehouses to the end customer.

Due to the environmental and financial impact of air freight, the Group is striving to minimize its use. In 2021, due to global supply chain challenges and to mitigate business risk and support our customer service levels, 2.82% of total tonnage was shipped *via* air transport which accounted for 70% of group's total emission from the transport of the year.

BIC pays close attention to air freight, with the goal of continuing to keep it under 2.3% for intra-company transport.

BIC has chosen to outsource its transport operations while maintaining a high level of internal expertise in the management of service providers, flow engineering and transport management tools. A specific effort focused on each transport flow is the best way to provide high-quality, competitive shipping while reducing the environmental impact.

The responsible shipping approach comprises three objectives, whose actions are described in the following table:

Objectives of the responsible shipping approach	Actions taken
Raising awareness and controlling emissions	Since 2014, a steering working group has been tasked with identifying solutions to significantly reduce air freight over the long-term. This involves bringing together all relevant functions and working closely with teams across categories and worldwide. Transport companies that are committed to sustainable development are also regularly consulted. Specific monitoring of air transport began in 2014, with quarterly reports to the management teams in each region. In 2020, a system to oversee air freight was rolled out Group-wide. This system requires multiple explanations and approvals prior to authorization of any air shipment. Furthermore, in 2020 and 2021, BIC launched and carried out a project to capture all its downstream transportation flows and thereby better track the associated emissions. Initial results are expected in early 2022.
Optimizing shipments and routes	The main leverage points in shipping to reduce emissions are cutting the distances traveled, the shipping mode used and load optimization. BIC's logistical teams work on all three points in cooperation with other Group departments (such as Production and Sales) and service providers.
Selecting responsible carriers	Logistical operations are carried out by transport companies selected by BIC. Their equipment, methods and management systems are thus determining factors in the level of GHG emissions. These include: • the age of the vehicles; • eco-driving training; • the use of speed governors; • tire technology; • emission measurement capacities, etc. In conjunction with the Group's responsible purchasing policy, BIC selects carriers that can reduce the environmental footprint of its shipping operations. For example, in the United States and Canada, the Group only works with carriers that have received SmartWay® certification, a program designed by the Environmental Protection Agency in the United States. To encourage its transport service providers to adopt responsible practices, BIC has incorporated the reduction of GHG emissions as a criteria for selecting carriers.

Emissions related to product use

The energy used to heat water when using shavers is the largest source of emissions, accounting for 33% of the total. BIC is exploring how to reduce this and hopes to put forward concrete plans in the coming years.

The resilience of BIC's strategy, taking into consideration different climate related scenarios, including a 2 °C or lower scenario

The RCP 8.5 scenario was used in a model among other sources such as risk statistics and the geographic locations of the sites to evaluate physical risks resulting from high temperatures, flooding, storms, hydric stress and rising sea levels. As a result, the level of risks was evaluated for each site and the hotspots were identified and analyzed. The results were communicated to relevant leadership members. Consequently, for the sites most at risk, the Group plans to review any measures already implemented to counter the risk and define an action plan when appropriate.

Furthermore, BIC reviewed the IEA WEO 45 scenario to better understand the risks, opportunities and potential impact on the business strategy, and to confirm the trends that were anticipated. The assumptions of the selected scenario have been used with some adaptation, especially in the identification of policies specific to BIC's sector that could be implemented at the national or more global level. This includes, for example, policies on plastics, marine litter and disposable products, like the European Strategy for Plastics in a Circular Economy, as well as environmental labeling on consumer products in France or Europe.

The results of this qualitative scenario analysis were used by the Sustainable Development Department to confirm the transitional risks and opportunities identified in the past.

3.7.3 RISK MANAGEMENT

3.7.3.1 Identifying and evaluating risks related to climate change

Climate-related risks are incorporated into the Group-wide processes for risk identification, evaluation and management. The Risk Management Department is in charge of identifying and analyzing risks.

The identification process highlights risks arising from both external and internal sources. The key consideration for identification is the potentially significant impact on the Group's strategy, objectives, personnel, assets, environment and/or reputation. To enable a fluid approach, the risk identification and analysis process comprises two complementary components: a "bottom-up" free approach and a "top-down" structured approach. This two-fold approach makes it possible to identify redundancies and discrepancies.

3.7.3.2 Management of risks related to climate change and incorporation of climate-related risks in the overall risk management system

The Executive Committee is in charge of managing the risks identified in BIC's major risk mapping. Updates on the progress of the action plans for addressing certain key risks are also reviewed at meetings of the Board of Directors.

The Executive Committee and the central departments, including the Legal Department and the Sustainable Development Department, monitor the risks on an ongoing basis.

3.7.4 MEASUREMENT METHOD, INDICATORS AND GOALS

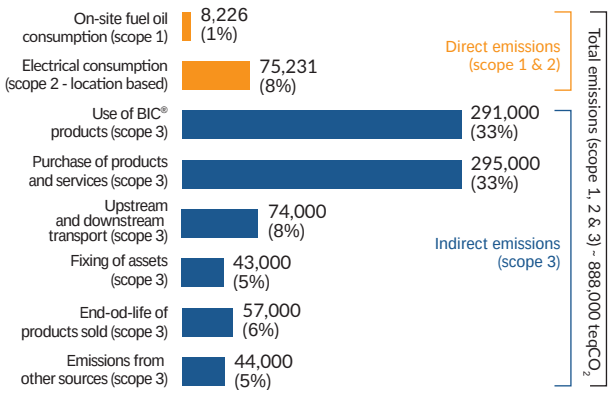
Measurement method

In 2020, BIC reviewed its method for evaluating scope 3 emissions. This was to provide an annual report on all types of emissions related to its operations in addition to those on which the Group has communicated in previous years (purchasing of raw materials and intra-company transport). This effort was undertaken in line with the GHG Protocol.

The biggest sources of emissions for BIC are:

- the product use phase. The main impact is from the consumption of energy to heat water used in shaving;
- the impact of the raw materials purchased, in particular the impact of plastics used in the products;
- the impact related to the end-of-life of products after their use by the consumer.

DECLARATION OF GREENHOUSE GAS EMISSIONS (GHG) SCOPES 1, 2 AND 3 AND OTHER INDICATORS



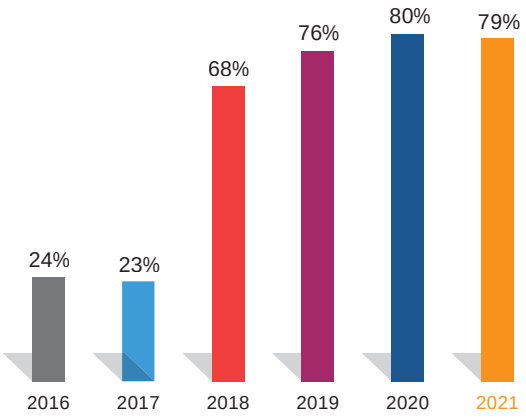
GREENHOUSE GAS (GHG) EMISSIONS – IN $TEQCO_2$

	2019	2020	2021	Change 2021/2020
Direct GHG emissions (scope 1)	9,278	7,659	8,226	7.4%
Indirect GHG emissions (scope 2 location-based)	88,432	70,435	75,231	6.8%
Indirect GHG emissions (scope 2 market-based)	36,549	25,277	27,086	7.2%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED])	**97,711**	**78,046**	**83,456**	**6.93%**
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 MARKET-BASED)	**45,827**	**33,097**	**35,311**	**6.6%**
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED]) NORMALIZED TO PRODUCTION*	**1.070**	**1.031**	**0.91**	**-11.74%**
GHG emissions from use of BIC® products (scope 3)	327,000	300,000	291,000	-3%
GHG from upstream and downstream transport (scope 3)	71,000	43,000	74,000	75%
GHG emissions from to intra-company transport [(a)] (scope 3)	*34,000*	*18,000*	*49,000*	*172%*
GHG emissions from fixed assets (scope 3)	63,000	38,000	43,000	13%
GHG emissions from end of life of products sold (scope 3)	61,000	49,000	57,000	16%
GHG emissions from purchase of products and services (scope 3)	289,000	236,000	295,000	25%
GHG emissions from purchases of raw materials (scope 3)	*254,000*	*232,000*	*292,000*	*26%*
GHG emissions from other sources (scope 3)	49,000	41,000	44,000	7%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 3)	**862,000**	**710,000**	**805,000**	**13%**

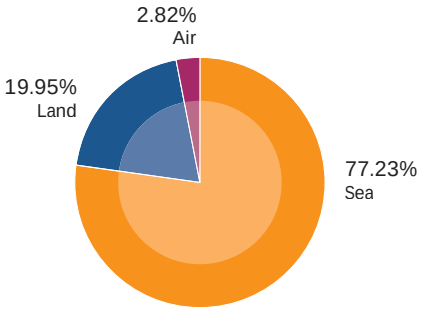
* *$TeqCO_2$/ton.*

(a) Excluding road transport in sea and air freight.

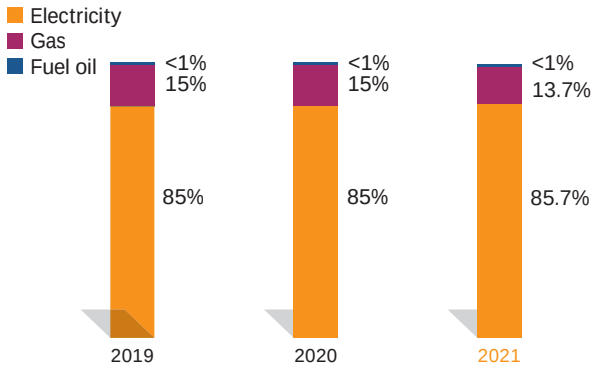
SHARE OF RENEWABLE ENERGY – AS OF TOTAL CONSUMPTION



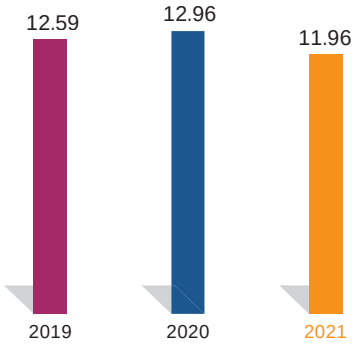
BREAKDOWN OF TONNAGE SHIPPED BY MODE OF TRANSPORT – AS % OF TOTAL



BREAKDOWN OF BIC ENERGY CONSUMPTION

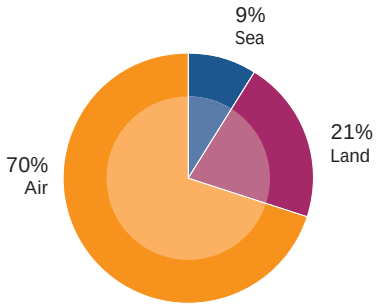


ANNUAL ENERGY CONSUMPTION NORMALIZED TO BIC PRODUCTION – IN GIGAJOULES/TON

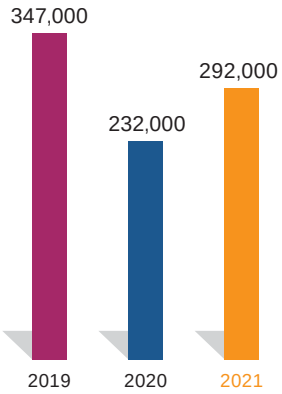


Variation 2021/2020: -8%.

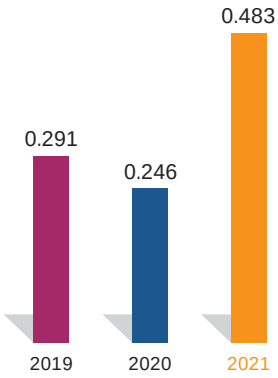
BREAKDOWN OF GHG EMISSIONS BY MODE OF TRANSPORT – AS % OF TOTAL



GHG EMISSIONS FROM PURCHASES OF PRODUCTS AND MATERIALS – IN $TEQCO_2$ – BIC



GHG EMISSIONS FROM INTRA-COMPANY TRANSPORT [1] – $TEQCO_2$/TON OF PRODUCTS



3

(1) *Excluding transport by road, as part of sea and air travel.*

GOALS AND RESULTS

Goal	Perimeter	Deadline	2019	2020	2021
100% electricity from renewal sources [a]	Facilities	2025	76%	80%	79%
Keep air freight below 2.3% for intra-company transport [b]	Transport	Annual	0.75%	0.84%	2.82%
BIC's goal is to use:					
• 20% recycled or alternative plastics in its products	BIC® products	2025	3%	4.3%	4.0%
• 50% recycled or alternative plastics in its products	BIC® products	2030	3%	4.3%	4.0%
100% of BIC plastic packaging will be reusable, recyclable or compostable [c] [d] [e]	Packaging	2025	ND	42.5%	59.6%
100% of BIC paper and cardboard packaging will be from certified and/or recycled sources [d]	Packaging	2025	95.7%	97.3%	97.4%
100% of BIC plastic packaging will be PVC-free [d]	Packaging	2025	92.1%	94.4%	95.6%
75% of the materials used in BIC plastic packaging will be recycled [c] [d]	Packaging	2025	ND	48.9%	52.1%

(a) In % of total consumption.
(b) In ton-kilometers –% of the total.
(c) Indicator calculated for the first time in 2020 following the Group's commitment that year.
(d) BIC Graphic, recent acquisitions and certain OEMs are excluded.
(e) The 2020 figure (49.3%) was revised following a test audit in 2021. BIC decided to publish the revised figure.

3.8. MILESTONES [NFPS]

This follows the methodological recommendations of the Global Reporting Initiative (GRI). The GRI indicators used herein are included in the cross-reference table of ESG information on page 331.

3.8.1 SUMMARY TABLE OF THE NON-FINANCIAL PERFORMANCE STATEMENT

Non-financial risks	Description of the risks and opportunities	Policies and actions taken	Main results/indicators*
R1 - Risks related to plastics: plastic waste and resource depletion.	Section 3.2.1.1	**BIC's policies** Writing the Future, Together #1 Fostering sustainable innovation in BIC® products. Writing the Future, Together: #2 Acting against climate change. **BIC's approaches** The "4 Rs" philosophy (Reduce, use Recycled and alternative materials, Refill, Recycle). An eco-design approach incorporating environmental and societal criteria. An approach to increase the use of recycled and alternative materials in all products. Systematic evaluation of all products based on environmental and societal criteria. Developing an innovative circular economy model. Partnerships for innovation approach.	• 4.0% of recycled or alternative materials in BIC® products (4.3% in 2020). • 59.6% of reusable, recyclable or compostable plastic in consumer packaging. • 52.1% recycled content in plastic packaging. • 95.6% PVC-free packaging. • 97.4% of BIC cardboard packaging comes from a certified and/or recycled source. • 12 products improved. • 16 BIC® products have earned the *NF Environnement* label. • At end-2021, over 64 million pens collected through TerraCycle in Europe, the United States, Australia and New Zealand. • 18 alternative materials tested.
R2 - Risks related to climate change.	Section 3.3.3.1	**BIC's** Writing the Future, Together #1 Fostering sustainable innovation in BIC® products. Writing the Future, Together #2 Acting against climate change. Environment, Health & Safety Policy. **BIC's approaches** Purchasing electricity from renewable sources. Eco-design approach. Action plan with measures to mitigate climate-related risks at facilities. Environmental management systems at facilities. Energy efficiency approach.	• 4.0% of recycled or alternative materials in BIC® products (4.3% in 2020). • 79% share of renewable energy. • 83,456 teqCO_2 (location-based) direct and indirect GHG emissions (scopes 1 and 2), *i.e.*, +6.93% compared to 2020. • 0.91 teqCO_2/ton of production (scopes 1 & 2). • 11.96 gigajoules/ton of production, *i.e.*, -8% compared to 2020. • 2.82% share of air freight (in tons/kilometers) (vs. 0.84% in 2020).

Non-financial risks	Description of the risks and opportunities	Policies and actions taken	Main results/indicators*
R3 - Risks related to product safety and consumer health & safety.	Section 3.2.4.1	**BIC's policies** Writing the Future, Together #1 Fostering sustainable innovation in BIC® products. Product Safety Policy. The seven BIC commitments to ensure the quality and safety of its lighters. **BIC's approaches** Regulatory watch and compliance. Process for marketing safe products that comply with health and environmental standards. Process for evaluating recycled materials. Systematic testing and evaluation programs.	• 130 team members from the Legal, Group Insights & Innovation, Marketing Europe and Sales France departments were trained on product safety [(a)].
R4 - Risks related to health and safety of team members.	Section 3.4.3.1	**BIC's policies** Writing the Future, Together #3 Committing to a safe work environment. Environment, Health and Safety (EH&S) Policy. **BIC's approaches** Roll-out of the EH&S Suite platform. Health-Safety reporting. Environment-Health-Safety guidelines. Safety watch. Safety certification (OHSAS 18,001) for four Stationery factories. "Quality of Life at Work" program.	• 58 Lost-Time Injuries. • 40 facilities without injuries. • 1.99 on-site accident incidence rate–BIC team members and temporary employees. • 0.11 severity rate of on-site accidents–per thousand hours worked–BIC team members.
R5 - Risks related to non-respect of human rights (child labor, international conventions, ILO).	Section 3.5.2.1	**BIC's policies** Writing the Future, Together #4 Proactively involving suppliers. BIC's Code of Conduct. Supplier Code of Conduct **BIC's approaches** Social audit program. EcoVadis evaluation.	• 57% of permanent employees work in "free countries" with respect to human rights. • 91% of all BIC® products are produced in the Group's own factories. • 47% of contract manufacturers audited between 2020 and 2021. • 65% of BIC factories are located in countries with no Human Rights risk.
R6 - Risks related to unfair practices (corruption).	Section 3.5.3.1	**BIC's policies** BIC Group Code of Conduct. BIC Group anti-corruption policy. **BIC's approaches** Anti-corruption training. Deployment of the Group's Code of Conduct. BIC Speak-up hotline.	

Non-financial risks	Description of the risks and opportunities	Policies and actions taken	Main results/indicators*
R7 - Risks related to our operations and the environment.	Section 3.3.1	**BIC's policies** Environment, Health & Safety (EH&S) Policy. **BIC's approaches** Environmental management systems at the facilities (internal or ISO 14001). Various certifications for certain facilities: • ISO 50001; • European Water; • Stewardship Gold; • BREEAM; • LEED. Water consumption reduction approach. Waste reduction approach. See also Risk 2.	• 4.62 m^3/ton annual water consumption. • 0.180 tons of non-hazardous waste/ton of production. • 0.032 tons of hazardous waste/ton of production. • 74% of non-hazardous waste recycled (in tons). • 42% of hazardous waste incinerated with energy recovery (in metric tons). • 82 volunteer operations, product donations and financial donations worldwide in 2021 (all areas combined). • 1 million euros in product donations and financial aid worldwide.

R8 - Risks related to reputation and brand.	Section 3.2.5.1	**BIC's policies**
		Writing the Future, Together #1 Fostering sustainable innovation in BIC® products.
		Responsible Communication Charter.
		BIC's approaches
		The "4 Rs" philosophy (Reduce, use Recycled and alternative materials, Refill, Recycle).
		An eco-design approach incorporating environmental and societal criteria.
		Increased use of recycled and alternative materials in all products.
		Systematic evaluation of all products based on environmental and societal criteria.
		Development of an innovative circular economy model.
		Partnerships for innovation.
			• BIC® products' performance in use:
			  • more than 2-km of writing for most ballpoint pens.
			  • up to 3,000 flames for a lighter.
			  • 17 shaves for a triple-blade shaver.
			• 16 BIC® products have earned the NF Environnement ecolabel.
			• 100% of the environmental claims for BIC® products on packaging, in catalogues and on websites are validated by the Legal Department.
			• 4.0% of recycled or alternative materials in BIC products (4.3% in 2020).
			• 59.6% of reusable, recyclable or compostable plastic in consumers' packaging.
			• 52.1% recycled content of plastic packaging.

R9 - Risks related to experienced team members and skills.	Section 3.4.4.1	**BIC's approaches** Succession Plans. Team member training.	• 12,085 training days–permanent employees.

* *See also Section 3.8.5 Indicator table.*

(a) Excluding Flame for division.

3.8.2 NON-FINANCIAL RATINGS

In 2021, BIC was listed on the following socially responsible investment indexes:

- CDP Climate 2021: Leadership Level A- (see §Section 3.7);
- CDP Supplier Engagement Rating 2021: Management level: B.

In 2021, the rating agency Sustainalytics assigned BIC an ESG risk rating of 24.2 (-0.8 vs. 2020).

3.8.3 PERIMETER AND SELECTION OF INDICATORS

The reporting period covered by this report is from January 1 to December 31, 2021.

3.8.3.1 Information not included in the Non-Financial Performance Statement

In compliance with Article L. 225-102-1 of the French Commercial Code, BIC does not include the following topics in its Non-Financial Performance Statement, because they do not represent major challenges, risks or opportunities for the Group.

Impact on biodiversity

The Group's impact on biodiversity is primarily through its land use (industrial, logistical and administrative facilities). To evaluate this impact, BIC relies on a "facility approach". A cartographic analysis of the physical surroundings of each BIC 22 factory was done in 2011[(1)]. The majority of BIC's factories are in non-sensitive (in most cases industrial) zones, and neither their land use nor their operations pose any evident risk to their surroundings. In places where there are specific obligations, the management systems address the problem and enable follow-up.

Air, water and soil releases that seriously affect the environment

The nature of the Group's manufacturing operations, primarily the molding and assembly of plastic products and printing of products, has a relatively low local environmental impact compared with other manufacturing sectors. Nevertheless, the BIC Sustainable Development Program, based on the EH&S Policy, requires each facility to measure, evaluate and reduce any significant environmental impact.

Conditions for use of soil

In Europe and the United States, where most of the Group's facilities are located, whenever an industrial facility is closed, BIC ensures it is decommissioned in accordance with local laws and best environmental practice. When appropriate or when required by law, BIC studies the soil and subsoil although this is not required for most facilities. Pollution studies at European plants in operation for many years show that the Group's activities do 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 operating plan.

Noise and odor impact

Odor is considered an insignificant aspect in the Group's product molding, assembly and printing activities.

As regards noise impact, measures are taken within the property limits to meet local administrative limits. If any noise pollution is brought to the Group's attention in the future, studies will be conducted and appropriate corrective action taken.

Combatting food waste and food insecurity and promoting responsible, fair trade, sustainable food

Although these are not key issues for BIC, the Group holds regular awareness events for team members in its company restaurants, especially in Brazil and France.

3.8.3.2 Reporting perimeter of indicators

Regarding indicators that refer to HR, the reporting perimeter encompasses all permanent employees at all French and foreign operational units within the Group.

The environment indicators concern operations that have a significant impact, namely the industrial activities owned by the Group. These indicators therefore concern BIC factories that produce finished or semi-finished products. They also apply to its engineering units and packaging operations with over 50 employees or where operations are subject to government regulations such as SEVESO (EU), PSM or RMP (United States). Group headquarters with over 200 permanent employees are also included in the reporting. Any new site meeting the perimeter thresholds established above should aim to meet program requirements within five years following its first financial consolidation.

BIC Nantong is excluded from the reporting perimeter because this plant produces less than 1% of the Group's total lighter volume. Djeep and BIC Bulgaria is excluded as well.

For health and safety indicators, all Group facilities (offices or industrial facilities) are included in the perimeter except the SBJNET site.

In 2021, Cello Writing Instruments & Containers and Pimaco, were removed from the environment-health-safety perimeter due to their closure.

Lucky STATIONERY NIG. Ltd entity is excluded from the perimeter for all indicators.

3.8.3.3 Indicators

The published indicators are chosen to best represent BIC's main social and environmental challenges.

The inventory of BIC's activities for communities is compiled from information and data sent annually by management at each subsidiary. This reporting is an estimate of project numbers and value.

Financial indicators, those referring to HR, occupational accidents and the environment are compiled using multiple data collection systems that give favor the dedicated Intranet tools, under the responsibility of their respective departments. The consistency of the data is verified before consolidation.

Concerning environmental and health and safety reporting, and for packaging data, to ensure that the published data is more reliable, information from previous years may be corrected when necessary.

(1) Excluding Cello Pens

The environmental indicators are normalized to production so that their measurements are less affected by changing production volumes. However, it should be noted that these indicators also include elements that are not correlated to production, such as energy consumption for the heating and lighting of buildings, which correlates more closely to climatic conditions. The classification of such waste treatment is based on the channels to which they are directed.

In addition, for BIC, the term "water consumption" is understood to mean total water inputs, regardless of any subsequent treatment or wastewater discharge.

Concerning the reporting of GHG emissions, the conversion factors for scope 1 are from the French Environment and Energy Management Agency (ADEME) carbon database (version 2.20.0). Conversion factors for scope 2 "location-based" emissions are those proposed annually by the International Energy Agency (IEA). Unless otherwise indicated, the indirect emissions correspond to scope 2 emissions using a location-based approach.

Concerning the reporting of indirect emissions (scope 3), BIC provides an annual report on its emissions. The underlying assumptions and emission factors are reviewed regularly to ensure they continue to be relevant.

In addition, to ensure transparency, further information is provided on some indicators below.

GHG emissions related to raw material purchases

This indicator includes the main raw materials used in the products of the three main categories. That includes Cello (since 2018).

It also uses raw materials used in packaging reported under the indicators: percentage of reusable, recyclable or compostable consumer plastic packaging, percentage of responsibly sourced cellulose packaging, PVC free plastic packaging and recycled plastic packaging.

Share of the BIC® product portfolio assessed using EMA

In 2021, the perimeter of application for this indicator is as follows:

- Human Expression: all writing, marking, coloring and correction products excluding:
  - Cello® products,
  - Sheaffer® products,
  - products under licence,
  - unbranded writing instruments,
  - sticky notes,
  - certain specific writing products (Stypen® EasyClic®, Fountain Xpen®, Gilbert ® products, Velleda® whiteboards),
  - some coloring products (paints, gouache, glitter pens);
- Blade Excellence: one-piece products, hybrid products excluding products in the System family;
- Flame for Life: pocket lighters, and excluding products from the Utility family;
- And the exclusion of the following entities: BIC Graphic, BIC Nigeria, OEM/Trading products, and by-products.

Number of products improved

Each year, only products that are intended to be launched on the market or that are already marketed are included in the calculation of this indicator.

Percentage of non-virgin petroleum plastic for BIC® products

This indicator concerns the recycled or alternative plastics purchased for the manufacture of BIC® products. It is calculated on weight of plastic raw material and component purchased for products manufactured in the factories operated by BIC (excluding BIC Graphic, Nigeria and Djeep).

Percentage of reusable, recyclable or compostable consumer plastic packaging

This indicator corresponds to consumer packaging that is either reusable, recyclable or compostable. It is calculated on material weight and concerns the consumer plastic packaging (pouch, blisters, etc.). The indicator reported for 2021 concerns the products in the three main categories (excluding BIC Graphic and recent sales and acquisitions and certain OEMs).

Percentages of responsibly sourced(1) cellulose packaging, PVC free plastic packaging and recycled plastic packaging

This indicator includes all packaging for packaged BIC® products delivered to the Group's customers worldwide (except pallets):

- consumer packaging (pouch, blister, cardboard box);
- outer/inner;
- shrink-wrap;
- lighter displays, etc.

It is calculated on material weight and concerns the products of the three main categories (excluding BIC Graphic and recent sales and acquisitions, and certain OEMs).

(1) A cellulose package is considered to be responsible sourced if at least 50% mass of the cellulose is certified or recycled.

Percentage of air freight

The scope of this indicator is the inter-site shipping, *i.e.*, all the factory to factory and factory to warehouse shipments (BIC factories and warehouses, contract manufacturers; inter and intra-continental). It is expressed in tons/kilometer and concerns all Group activities (excluding recent sales and acquisitions). In 2018, the activities of Cello Pens were included in the reporting perimeter for this indicator. This indicator does not take into account road transport in sea and air freight.

Emission factors were updated in 2019: the relevant emission factors are from the French Environment and Energy Management Agency (ADEME) carbon database (version 2.20.0).

Percentage of contract manufacturers audited

The indicator applies to all contract manufacturers of finished products. The rating system measures the level of performance of each contract manufacturer based on the social indicators in the Group Code of Conduct. This indicator concerns all Group activities except Cello Pens.

Writing the Future, Together #4 Proactively involving suppliers

The indicator "percentage of strategic suppliers that have joined the sustainable purchasing program" is also calculated excluding Cello, BIC Kenya, Nigeria, Djeep, BIC Graphic, and certain OEMs.

Writing the Future, Together #5 Improving lives through education

The number of children whose learning conditions have been improved by BIC is an estimate of children impacted by direct actions and/or programs targeting teachers, deans or parents.

This number is a minimum because some of BIC's efforts may not be reported.

Since 2019, the methodology for estimating the number of children impacted by an action *via* teachers is as follows: one teacher directly impacted is reported as 90 children (indirect impact). This corresponds to the impact of the action on a teacher for at least three years and to the worldwide average of a class of 30 children (3 × 30 = 90 children per teacher).

3.8.4 EUROPEAN TAXONOMY: SCOPE AND METHODOLOGY

Scope

The revenue, capital expenditures and operating expenses considered cover all of BIC's activities corresponding to the financial consolidation scope.

The financial data is taken from the accounts as of December 31, 2021 and the revenue and capital expenditures can therefore be reconciled with the financial statements.

Companies in which the Group exercises joint control or significant influence are excluded from the calculation of the ratios defined by the delegated act known as "Article 8" of the taxonomy regulation [(1)].

Methodology used to determine the ratio of eligible activities

BIC's assessment of its business activities and eligible costs and investments and the determination and allocation of revenue, Capital expenditure (CapEx) and operating expenditure (OpEx) with reference to the climate delegated acts of the taxonomy, has been carried out in the following manner.

BIC compiled the NACE codes of its subsidiaries and compared them with those of the activities listed in the taxonomy's delegated climate acts. Finding no matching codes, BIC decided to proceed with a detailed analysis of each activity presented in the taxonomy in order to identify the categories for which BIC activities might be eligible.

Then, the environmental coordinators, using the structure and data from existing non-financial reporting, R&D and sustainability initiatives, identified "potential" eligible BIC activities in these categories. Verification work was done to confirm the eligibility of the BIC activities in these categories.

In consultation with the Finance Department, these eligible BIC activities were classified by taxonomy objective (adaptation or mitigation), along with their revenue, Capital expenditure (CapEx) and operating expenditure (OpEx).

After identifying the eligible activities and their revenue, Capital expenditure (CapEx) and operating expenditure (OpEx), BIC calculated the share of eligible activities in 2021.

(1) Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021.

3.8.5 INDICATOR TABLE

Environmental indicators	Unit	2019	2020	2021
Management systems of factories				
Factories with environmental and health & safety management systems (or being implemented)	%	83.0	87.5	82.2
Energy consumption				
Annual energy consumption	Gigajoules	1,149,930	981,437	1,097,484
Writing the Future, Together #2 Share of renewable electricity	%	76	80	79
Annual energy consumption normalized to production	Gigajoules per ton	12.59	12.96	11.96
Greenhouse Gas (GHG) emissions				
Total amount of annual GHG emissions (location-based)	tCO_2eq	97,711	78,046	83,456
• Direct GHG emissions (Scope 1) (location-based)	tCO_2eq	9,278	7,659	8,226
• Indirect GHG emissions (Scope 2) (location-based)	tCO_2eq	88,432	70,387	75,231
Total amount of annual GHG emissions GES (market-based)	tCO_2eq	45,827	33,185	35,311
• Indirect GHG emissions (Scope 2) market-based	tCO_2eq	36,549	25,438	27,086
Total ratio of annual GHG emissions to production (Scope 1 & 2)	tCO_2eq/ton	1.07	1.03	0.91
GHG emissions related to raw material purchases (Scope 3)	tCO_2eq	347,000	232,000	292,000
GHG emissions related to intra-company transport [a] (Scope 3)	tCO_2eq	34,000	18,000	49,000
Water consumption				
Annual water consumption	m^3	444,840	394,821	423,679
Ratio of annual water consumption to production	m^3 per ton	4.87	5.22	4.62
Waste production				
Annual waste production	Tons	20, 049	17,453	19,487
• Non-hazardous waste	Tons	16,526	14,931	16,548
• Hazardous waste	Tons	3,522	2,522	2,939
Ratio of annual production of waste to production	Tons/tons	0.220	0.230	0.212
Recycled waste	%	65	64.5	65.4
Recovered waste (recycled or incinerated with energy recovery)	%	81	82	82.4
Transportation				
GHG emissions related to intra-company transport [a]	tCO_2eq/ton	0.291	0.246	0.483
Intra-company transport without air freight	%	99.25	99.16	97.18
Products				
Writing the Future, Together #1 Share of recycled or alternative materials in BIC® products	%	3	4.3	4.0
Number of products certified with the French NF *Environnement* ecolabel	Number	19	19	16
Number of products whose environmental and/or societal footprint improved.	Number	ND	9	12
Packaging [b]				
BIC cardboard packaging from a certified and/or recycled source	%	95.7	97.3	97.4
BIC plastic packaging PVC free	%	92.1	94.4	95.6
Writing the Future, Together #1 Reusable, recyclable or compostable plastic in consumer packaging [c] [e]	%	NA	42.5	59.6
Writing the Future, Together #1 Recycled content of plastic packaging [c]	%	NA	48.9	52.1
Other Indicators		-	-	
Provisions and guarantees for environmental risks [d]	Million euros	-	-	-
Compensation paid during the fiscal year under court order	Million euros	-	-	-

(a) Excluding transport by road in sea and air travel.

(b) 2021 figures excludes BIC Graphic, recent acquisitions and certain OEMs.

(c) Indicator measured for the first time in 2020 as part of BIC's commitment that year.

(d) Environmental guarantees are listed in Note 26 "Off-balance sheet commitments: sureties, deposits and guarantees" to the consolidated financial statements for the year.

(e) The 2020 figure (49.3%) was revised following a test audit in 2021. BIC decided to publish the revised figure.

Social indicators	Unit	2019	2020	2021
Group workforce				
Total workforce		16,794	13,752	14,113
• Permanent employees	Number of employees [a]	12,777	11,246	10,471
• Fixed-term contracts	Number of employees	incl. in temporary workers	587	706
• Temporary workers	FTE	4,017	1,919	2,936
Voluntary turnover	%	13	14	16
Permanent workforce by region				
Percentage of permanent workforce by region				
• Europe	%	31.0	35.8	38.4
• North America	%	6.0	6.6	7
• Latin America	%	NA	19.2	22
• Middle East & Africa	%	NA	6.1	6.9
• India	%	NA	31.3	24.9
• Asia-Pacific	%	NA	0.99	0.88
Permanent workforce by activity				
Percentage of permanent workforce by activity				
Group Commercial	%	NA	18	18.44
• Graphic	%	NA	2.5	2.2
• Group Supply Chain	%	NA	66.3	64.2
• Lighters	%	NA	8.4	8.89
• Group Insights & Innovation	%	NA	1.7	1.82
• Group BIC Services	%	NA	0.92	2.06
• BIC Group	%	NA	0.01	0.08
• BIC Foundation	%	NA	0.01	0.01
• Corporate Stakeholder Engagement	%	NA	0.05	0.04
• Group Communications	%	NA	0.12	0.14
• Group Finance	%	NA	0.52	0.39
• Group HR	%	NA	0.3	0.39
• Group IT	%	NA	0.8	0.94
• Group Legal	%	NA	0.3	0.34
• Strategy & Business Development	%	NA	0.03	0.10
Training, career management and engagement				
• Percentage of employees that have received training	%	60	70	71
• Number of training days [b]	Days	16,629	24,202	12,085
• Number of training days per employee [b]	Days	2.2	3.1	1.6
Number of training hours per theme [b]	Hours	133,035	193,614	96,680
• Technical training	Hours	100,725	124,634	46,405
• Leadership skills	Hours	5,607	NA	NA
• BIC culture	Hours	11,814	NA	NA
• Health & Wellbeing	Hours	14,889	22,960	28,650
• Personal Effectiveness	Hours	NA	33,508	6,498
• Management Skills	Hours	NA	4,009	5,472
• Crisis Management	Hours	NA	4,095	2,356
• Business Skills for Tomorrow	Hours	NA	4,408	7,298
Internal Development				
• External Recruitment	%	41	NA	NA
• Inter-Company Move	%	59	NA	NA

Social indicators	Unit	2019	2020	2021
Number of Total Promotions (Superior Level)	Number	NA	270	223
Diversity				
Percentage of women in management and workforce	%	48	46	44
• Board of Directors	%	50	46	50
• Executive Committee	%	25	22	30
• Managers (highest levels: 3 to 6)	%	32	NA	NA
• Level 4 and above (Executives & ExCom)	%	24	26	29
• Level 3 (Senior Managers)	%	37	39	40
• Level 1 and 2 (Managers & Professionals)	%	38	39	40
• Non-managers	%	51	49	46
• Europe	%	33	38	38
• North America	%	42	44	47
• Latin America	%	49	49	51
• Middle East & Africa	%	47	38	37
• India	%	60	56	48
• Asia-Pacific	%	40	47	43
Safety				
Writing the Future, Together #3 Lost-time injuries	Number	74	50	58
Sites without lost-time injuries	Number	55	62	40
Incidence rate of workers' accidents – BIC workforce (accidents with temporary or permanent incapacity)	Number/million hours worked	1.85	1.85	2.17
Incidence rate of workers' accidents - BIC workforce and temporary workers	Number/million hours worked	1.87	1.63	1.99
Severity rate of workers' accidents – BIC workforce (days of temporary incapacity)	Number/thousand hours worked	0.06	0.07	0.1
Absenteeism				
Absenteeism rate (excluding on-site accidents and maternity)	%	0.9	1.4	1.19

(a) In FTEs for 2019, in number of employees for 2020 and 2021.

(b) The decrease in total number of training hours in 2021 is due to limited offerings during the 2021-2022 learning strategy redesign project.

Societal indicators	Unit	2019	2020	2021
Supplier relationships				
Writing the Future, Together #4 Percentage of strategic suppliers integrated in the responsible purchasing program	%	NA	25.8	52.3
Respect for Human Rights in the workplace				
BIC permanent employees working in countries with no Human Rights risk [(a)]	%	87	85	58
BIC factories located in countries with no Human Rights risk [(a)]	%	83	84	65
Sponsorship				
Contribution to communities (percentage of the Group's pretax profit)	%	>0.7	0.9	0.7
Improving lives through education				
Writing the Future, Together #5 Children with improved learning conditions (cumulative)	Million	61	118	158

(a) Source: Freedom House.

3.8.6 REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

This is a free translation into English of the Statutory Auditor's report issued in French. It is solely provided for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the fiscal year ended December 31, 2021

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of BIC SA (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1048 (Cofrac Inspection Accreditation, no. 3-1048, scope available at www.cofrac.fr) and currently adapting our management system as required by the Cofrac for this accreditation (from ISO17020 to ISO 17029), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2021 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (code de commerce).

Conclusion

Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Comments

Without qualifying the conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comments:

- as mentioned in the methodological milestones of the non-financial statement, the reporting perimeter is limited for some indicators (including those related to the strategic suppliers reached by a responsible purchasing action and to the products that have been improved compared to their baseline version) that do not cover Cello Pens.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on the Company's website or on request from its headquarters.

Limits inherent in the preparation of the information relating to the Statement

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Company's responsibility

The Board of Directors is responsible for:

- selecting or determining the appropriate criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the duty of vigilance and the fight against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* relating to this engagement and acting as the verification programme and with the international standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and French Code of Ethics for Statutory Auditors *(Code de déontologie)*. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* relating to this engagement.

Means and resources

Our work engaged the skills of 5 people between September 2021 and March 2022 and took a total of 20 weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around a dozen of interviews with people responsible for preparing the Statement.

Nature and scope of procedures

We planned and performed our work taking account of the risk of material misstatement of the Information. We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector;
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion;
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented; and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important[(1)], for certain information, our work was carried out on the consolidating entity, while for other risks, our work was carried out on the consolidating entity and on a selection of entities.
- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.

(1) Business conduct and the fight against corruption ; Respect for Human Rights ; Promoting Diversity, Equity and Inclusion ; Products designed to meet and anticipate consumers' expectations.

- For the key performance indicators and other quantitative outcomes(1) that we considered to be the most important, we implemented:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
  - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities(2) and covered between 19% and all the consolidated data selected for these tests.
- We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)*; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, March 24, 2022

One of the Statutory Auditors,

Deloitte & Associés

Jean-Pierre Agazzi
Partner

Julien Rivals
Partner, Sustainability Services

(1) ***Progress of the Writing the Future, Together program in 2021:*** *Share of electricity of renewable origin (commitment #2), Incidence rates of workers' accidents for BIC workforce and temporary workers (commitment #3), % of strategic suppliers have integrated the responsible purchasing program (commitment #4), Estimated number of children whose learning conditions have been improved (commitment #5).* ***Other quantitative information: Products and packaging:*** *Number of BIC products that have been improved compared to their baseline version, Percentage of recycled/alternative plastics in BIC® products, Percentage of cardboard packaging from a certified and/or recycled source, Percentage of plastic packaging PVC free, Reusable, recyclable or compostable in consumer plastic , Recycled content in plastic packaging.* ***Environment:*** *Annual energy consumption normalized to production, Percentage of intra-company transport operated without air freight, Direct (scope 1) and indirect (scope 2) GHG emissions (location-based and market-based), GHG emissions related to intra-company transport (scope 3), Evaluation of indirect greenhouse gas emissions (scope 3), Ratio of annual production of non-hazardous and hazardous industrial waste to production, Percentage of recovered waste (recycled or incinerated with energy recovery).* ***Safety:*** *Severity rate of workers' accidents for BIC workforce.* ***Human resources:*** *Workforce as of December 31st, Percentage of women managers, Number of recruitments and terminations, Percentage of employees that have received training, Absenteeism rate.*

(2) *BIC Cello (India), BIC Milford (USA), BIC Rasoirs (France), BIC BJ75 (France), BIC Bizerte (Tunisia).*

4

CORPORATE GOVERNANCE

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The Board of Directors and its team members were deeply saddened to announce Bruno Bich's passing, at the age of 74, on May 30, 2021.

Son of Marcel Bich, founder of the Company, Bruno Bich devoted his entire professional life to BIC and served as Chair and Chief Executive Officer from 1993 to 2006, and Chair of the Board of Directors until 2018.

This chapter has been prepared with the support of the:

- Remuneration Committee;
- Nominations, Governance and Corporate Social Responsibility (CSR) Committee; and
- Audit Committee.

It includes the Corporate Governance Report referred to in Article L. 225-37 of the French Commercial Code. The Board of Directors approved it on February 15, 2022.

The Corporate Governance cross-reference table (page 332) indicates the sections of the Universal Registration Document corresponding to the sections of the Corporate Governance Report that do not appear in this chapter.

The Company refers to the AFEP-MEDEF's Corporate Governance Code for listed companies (version dated January 2020 available at www.medef.com/en). The Company complies with this Code except when indicated otherwise in this report (*Section 4.1.2.7*).

4.1. ADMINISTRATIVE AND MANAGEMENT BODIES

4.1.1 COMPOSITION AND FUNCTIONING OF ADMINISTRATIVE AND MANAGEMENT BODIES

4.1.1.1 Governance structure

Since its creation, the Company has been a public limited company (*société anonyme*) with a Board of Directors.

Our philosophy

The Group's history is deeply rooted in an entrepreneurial spirit. This has led to inventive expansion into new categories and dynamic expansion into new regions. We consider entrepreneurship to be in our DNA. It is vitally important for the Board and the Chief Executive Officer to foster that spirit and keep it alive for future generations.

The Board works with the Chief Executive Officer to build a Vision and a set of expectations and guidelines. This includes setting our growth aspirations, determining what lines of business we should be in, setting our margin expectations, and determining how acquisitive we should we be in pursuit of our goals.

The Chief Executive Officer and his team construct the long-term strategy and annual plans to achieve these goals. In turn the Board reviews these plans, challenges them, and ultimately approves them. Upon approval, the Board joins with the Chief Executive Officer as accountable for the execution of Company's long-term strategy.

Our Mission is to create high quality, safe, affordable, essential products trusted by everyone. Our Vision is to bring simplicity and joy to everyday life. Our Values are Integrity, Ingenuity, Responsibility, Sustainability, Simplicity and Teamwork.

The Board also carries responsibility for monitoring the performance of the business. Establishing expectations and scope of activity is one of the most important Board functions. It is the Chief Executive Officer's responsibility to provide the necessary information, analysis and insight so that the Board can effectively discharge its duties.

The information includes:

- macro-economic trends;
- competitive landscapes;
- new technologies;
- potential acquisitions;
- SWOT analyses;
- ROI projections; and
- post-analyses.

Last, it must be said that we always conduct ourselves consistently with the values and DNA that has come to differentiate BIC: responsibility, simplicity, agility, entrepreneurship, anti-bureaucratic spirit, quick decision-making, long-term thinking, measured risk taking, respect of the strong family heritage and the Company's code of conduct, belief in the Brand, product-focus, manufacturing excellence, low production costs, consistently high quality, solid balance sheet.

Corporate management

Since 2018, the roles of Chair and Chief Executive Officer are separated. Gonzalve Bich holds the position of Chief Executive Officer since May 16, 2018. John Glen, successor to Pierre Vareille in May 2021, is serving as interim non-executive Chair of the Board during the process of recruitment. Elizabeth Bastoni is serving as

interim independent Lead Director. After studying the Group's major challenges for the coming years, the Nominations, Governance and CSR Committee worked for several months to identify a diverse slate of highly skilled candidates. The Board of Directors announced on November 19, 2021 its intention to submit the appointment of Nikos Koumettis as an Independent Director for election to the 2022 Annual Shareholder Meeting. Subject to the Shareholders' approval, the Board intends to appoint Nikos Koumettis as Independent Non-Executive Chair.

The Chair of the Board is responsible for the leadership, governance and overall functioning of the Board and its Committees. The Chief Executive Officer is responsible for business operations and reports to the Board of Directors. The responsibilities of the Board of Directors, the Chair and the Chief Executive Officer are described in more detail in Section 4.1.2.1. – *Remit of the Board of Directors and Chair* and Section 4.1.2.2 - *Limitations of the powers of Management*.

The Executive Committee reports to the Chief Executive Officer. A complete chart of the Executive Committee can be found in Section 2.4.3.2. – *The Executive Committee*.

Changes in the Administrative and Management Bodies up to the date of publication of the Universal Registration Document

	Departure	Appointment	Renewal
Board of Directors	• Expiration of Pierre Vareille's mandate as Director and Chair of the Board on *May 19, 2021*	• Appointment of John Glen as interim non-executive Chair of the Board on *May 19, 2021* • Appointment of Elizabeth Bastoni as interim independent Lead Director on *May 19, 2021*	• Renewal of Marie-Aimée Bich-Dufour, John Glen (for a term of one year), and the company SOCIÉTÉ M.B.D. represented by Edouard Bich, as Directors on *May 19, 2021*
Audit Committee			• Renewal of the company SOCIÉTÉ M.B.D. represented by Edouard Bich as member of the Audit Committee on *May 19, 2021*
Nominations, Governance and CSR Committee			• Renewal of Marie-Aimée Bich-Dufour to the Nominations, Governance and CSR Committee on *May 19, 2021*

4.1.1.2 Membership of the Board of Directors

The Board of Directors is chaired by John Glen until May 18, 2022. The Directors are appointed by the shareholders at the Annual Shareholders' Meeting. A Director serves for three years. This may be shortened to allow for the staggered reappointment of Directors.

In accordance with the Company's Articles of incorporation, the Board of Directors must have between three and twelve members, not including Directors representing employees.

Diversity policy applicable to Board membership

The Board strives for a balanced membership that reflects the challenges the Group is facing. The Board can rely on the recommendations of the Nominations, Governance and CSR Committee to perform this task. The Board members thus have management experience, expertise in a particular field (such as finance, manufacturing and HR) and/or governance experience. Moreover, the Board of Directors has at least one-third Independent Directors.

Information on the Company's efforts on gender balance on the Executive Committee and on the gender parity performance in the top 10% of positions can be found in Section 3.4.6. – *Promoting Diversity, Equity and Inclusion*.

The twelve members of the Board of Directors of SOCIÉTÉ BIC include:

- five women: Elizabeth Bastoni, Marie-Aimée Bich-Dufour, Maëlys Castella, Marie-Pauline Chandon-Moët and Candace Matthews, representing 50% (1) female Board members;
- two employee representatives: Inna Kostuk (Ms.), Vincent Bedhome (Mr.);
- four different nationalities;
- four Independent Directors within the meaning of the AFEP-MEDEF Corporate Governance Code: Elizabeth Bastoni, Maëlys Castella, Candace Matthews and Jacob (Jake) Schwartz, representing 40% (1) independent Board members.

(1) Excluding the Directors representing employees.

	Personal information					Experience	Position on the Board				
	Main position	Age	Gender	Nationality	Number of shares	Number of directorships in listed companies [a]	Indepen-dence	Initial date of appoint-ment	Term of office	Length of service on the Board	Participation in Board committees
Company Officers											
John Glen (non-Executive)	Chair of the Board of Directors of SOCIÉTÉ BIC	62	M	UK	500	-		2008	2022	13 years	
Gonzalve Bich (Executive)	Chief Executive Officer	43	M	FR U.S.	[b]	-		2018	2022	4 years	
Directors											
Elizabeth Bastoni	Chair of the Board of Directors and of the Nominations and Remuneration Committee of Limeade Inc.	56	F	U.S.	500	2	√	2013	2022	9 years	Remuneration Committee (Chair) Nom., Gov. and CSR Committee (Chair)
Timothée Bich	Analyst	36	M	FR	[b]	-		2019	2023	3 years	
Marie-Aimée Bich-Dufour	Director of SOCIÉTÉ BIC	63	F	FR	[b]	-		2019	2024	3 years	Nom., Gov. and CSR Committee
Maëlys Castella	Director of SOCIÉTÉ BIC	55	F	FR	500	-	√	2019	2022	3 years	Audit Committee (Chair) Remuneration Committee
Marie-Pauline Chandon-Moët	President of Château de Ferrand SAS	55	F	FR	[b]	-		2003	2023	19 years	
Jacob Schwartz	Co-Founder of Brave Health	42	M	U.S.	500	-	√	2020	2023	2 years	Audit Committee
Candace Matthews	Director	63	F	U.S.	500	1	√	2017	2023	5 years	Audit Committee Nom., Gov. and CSR Committee
SOCIÉTÉ M.B.D. (Édouard Bich)	Managing Director of SOCIÉTÉ M.B.D.	57	M	FR	12,886,000	-		2006	2024	16 years	Audit Committee
Directors representing employees											
Inna Kostuk	Group Tax Director	46	F	FR/UKR	605	-		2020	2023	2 years	
Vincent Bedhome	Stationery Project Manager	56	M	FR	100	-		2017	2023	5 years	Remuneration Committee

(a) Number of directorships held by the Director in listed companies outside the Group, including foreign companies, assessed in accordance with the recommendations of the AFEP-MEDEF Code.

(b) Holds over 100,000 BIC shares directly and indirectly BIC shares through the family holding company, SOCIÉTÉ M.B.D. On December 31, 2021, the holding company had 12,886,000 shares, i.e. 28.84% of SOCIÉTÉ BIC's share capital and 39.18% of the voting rights.

Independence of Directors

Based on the recommendations of the Nominations, Governance and CSR Committee, the Board of Directors reviewed the classification of Independent Directors at its meeting of February 15, 2022, using the criteria set out in the AFEP-MEDEF Corporate Governance Code (§ 9):

Criterion 1	**Not an employee or corporate officer within the past 5 years**	Not be and not have been within the previous five years: • an employee or executive officer of the Company; • an employee, executive officer or Director of an entity consolidated within the Group; • an employee, executive officer or Director of the Company's parent company or a company consolidated within this parent company.
Criterion 2	**No cross-directorships**	Not be an executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the Company [(a)] holds a directorship.
Criterion 3	**No material business relationships**	Not be a customer, supplier, commercial banker, investment banker or consultant: • that is significant to the Company or its Group; • or for which the Company or its Group represents a significant portion of its activity. The assessment of the significance or otherwise of the relationship with the Company or its Group must be reviewed by the Board. Any quantitative and qualitative criteria resulting in such an assessment (continuity, economic dependence, exclusivity, etc.) must also be explicitly stated in the annual report.
Criterion 4	**No family ties**	Not have close family ties with a company officer.
Criterion 5	**Not an Auditor**	Not have been a company Auditor within the previous five years.
Criterion 6	**Period of office not exceeding 12 years**	Not have been a company Director for over 12 years. Independent Director status is lost on the date of the 12th anniversary.
Criterion 7	**No compensation linked to the Company's or Group's performance**	A non-executive officer cannot be considered independent if he or she receives variable compensation in cash or securities or any compensation linked to the performance of the Company or Group.
Criterion 8	**Not representing a major shareholder**	Directors representing major shareholders in the Company or its parent company may be considered independent, provided these shareholders do not have control over the Company. Nevertheless, in excess of 10% of the share capital or voting rights, the Board, upon a report from the Nominations Committee, should systematically review independence in the light of the shareholding structure and the existence of a potential conflict of interest.

(a) In office or having held such office within the past five years.

Criteria	John Glen	Gonzalve Bich	Elizabeth Bastoni	Inna Kostuk	Vincent Bedhome	Timothée Bich	M-A. Bich-Dufour	Maëlys Castella	M-P. Chandon-Moët	Jacob Schwartz	Candace Matthews	SOCIÉTÉ M.B.D. (E. Bich)
1: *Not an employee or corporate officer within the past 5 years*	√		√			√		√	√	√	√	
2: *No cross-directorships*	√		√	√	√	√	√	√	√	√	√	√
3: *No material business relationships*	√		√			√	√	√	√	√	√	√
4: *No family ties*	√		√	√	√			√		√	√	
5: *Not an Auditor*	√	√	√	√	√	√	√	√	√	√	√	√
6: *Period of office not exceeding 12 years*		√	√	√	√	√	√	√		√	√	
7: *No compensation linked to the Company's or Group's performance*	√		√			√	√	√	√	√	√	√
8: *Not representing a major shareholder*	√		√	√	√			√		√	√	

Independent Directors do not have any relationship with the Company, Group or management that would color their judgment. As to the significance of the business relationship, the Audit Committee carries out a quantitative and qualitative analysis, adopting a wide multicriteria approach in light of the commitments, transaction size for the interested company as well as for the Company.

According to the Internal Rules and Procedures, Directors classified as independent make every effort to maintain this status. However, if a Director believes that s/he can no longer or will soon no longer be classified as independent under the AFEP-MEDEF Corporate Governance Code, the Director must immediately notify the Chair. The Chair will add the item to the agenda of the subsequent Board Meeting.

Having been on the Board for more than 12 years, John Glen ceased in 2020 to fulfill one of the recommended independence criterion under the AFEP-MEDEF Corporate Governance Code.

Nevertheless, the Board of Directors is of the opinion that this is not likely to color John's Glen's judgment and has been a valuable asset in this transitional period for the Chair of the Board.

Director training

Each Director is provided access with additional training on:

- the Company's specific characteristics;
- businesses;
- business sector; and
- social and environmental responsibilities.

In addition, they have access to resources and training provided by several associations of corporate Directors of which the company is a member.

4.1.1.3 Changes to the Board of Directors following the Shareholders' Meeting of May 18, 2022

The terms of office of John Glen, Gonzalve Bich, Elizabeth Bastoni and Maëlys Castella expire following the Shareholders' Meeting of May 18, 2022.

The Shareholders will be asked to nominate Nikos Koumettis as an Independent Director and to reappoint Gonzalve Bich, Elizabeth Bastoni and Maëlys Castella as Directors for three years.

Subject to the decision of the Board and the approval of the Shareholders' Meeting, the Board will have the following members:

- Nikos Koumettis – Director and Independent Non-Executive Chair;
- Gonzalve Bich – Director and Chief Executive Officer;
- Elizabeth Bastoni – Director (independent);
- Vincent Bedhome – Director representing employees;
- Timothée Bich – Director;
- Marie-Aimée Bich-Dufour – Director;
- Maëlys Castella – Director (independent);
- Marie-Pauline Chandon-Moët – Director;
- Inna Kostuk – Director representing employees;
- Candace Matthews – Director (independent);
- SOCIÉTÉ M.B.D. (Édouard Bich) – Director;
- Jake Schwartz – Director (independent).

4.1.1.4 Offices and responsibilities of the Corporate Officers and Directors as of December 31, 2021

JOHN GLEN

Director



62 years old

Nationality: British

Number of BIC shares held: 500

Independent Director: No

Basis of the appointment:
Article L. 225-18
of the French Commercial Code

Date of 1st appointment:
Board Meeting of December 10, 2008 ratified by the Annual Shareholders' Meeting of May 14, 2009

Expiration date:
Annual Shareholders' Meeting in 2022 for FY 2021

Member of a committee: No

Professional address:
SOCIÉTÉ BIC –
14, rue Jeanne d'Asnières –
92110 Clichy – France

Biography

John Glen was Chief Executive Officer of Buccleuch, the holding company of a family-owned group with industrial and agro-business holdings from November 2008 to March 2019. He continued to develop and commercialize a portfolio of major sustainable energy on the Buccleuch family lands until December 2019.

He previously held positions at Unilever and was Group Finance Director at Air Liquide (listed company) from 2000 to September 2008.

He was Vice-Chair of the Supervisory Board at EFRAG (European Financial Reporting Advisory Group) for four years.

From January 2020 to April 2020, John Glen has been Chief Operating Officer for DC Thomson, a Scottish media and publishing group.

John Glen is a member of the Chartered Institute of Certified Accountants and holds a Master's degree in Accounting and Economics from the University of Edinburgh.

Main position

- Chair of the Board of Directors of SOCIÉTÉ BIC

Other current positions

- Director – The Three Stills company – United Kingdom

Former positions in the previous five years (non-BIC Group companies)

- Chief Operating Officer – DC Thomson– United Kingdom
- Chief Executive Officer of Buccleuch Group – United Kingdom
- Director – Thames River Property Investment Trust – United Kingdom (listed company)

GONZALVE BICH

Director and Chief Executive Officer



43 years old

Nationalities: French/American

Independent Director: No

Number of BIC shares held:
Directly owns over 100,000 BIC shares and shares indirectly through the family holding company, SOCIÉTÉ M.B.D.

On December 31, 2021, SOCIÉTÉ M.B.D. held 12,886,000 shares, *i.e.* 28.84% of SOCIÉTÉ BIC's share capital and 39.18% of the voting rights.

Basis of the appointment:
Article L. 225-18 of the French Commercial Code

Date of 1st appointment:
Director: Annual Shareholders' Meeting of May 16, 2018 Chief Executive Officer: Board Meeting of May 16, 2018

Expiration date:
Director: Annual Shareholders' Meeting in 2022 for FY 2021

Chief Executive Officer: indefinite duration

Member of a committee: No

Professional address:
SOCIÉTÉ BIC – 14 rue Jeanne d'Asnières -
92110 Clichy – France

Biography

Gonzalve Bich was appointed Director and Chief Executive Officer of SOCIÉTÉ BIC in May 2018. He served as Executive Vice-President from June 2016 to May 2018. He was Chief Operating Officer (COO), responsible for the Group Consumer Products business, Human Resources and Information Technology from January 2017 to May 2018.

Gonzalve Bich joined BIC Asia in 2003, where he developed the regional business for four years. He moved on to serve as Group People Development Director before joining the Shaver category as Group Shaver Marketing Director. From 2008 to 2012, he led the Northern European business.

In 2012, he was named Deputy General Manager, responsible for Middle East, Africa, Oceania and Asia Pacific. He was promoted to General Manager, Developing Markets (including Latin America) in July 2013. He took responsibility for BIC Consumer business categories operations in Spring 2016, while leading the completion of the acquisition of Cello Pens (India's #1 Stationery brand).

Gonzalve Bich holds a Bachelor of Arts degree in History from Harvard University.

Main position

- Chief Executive Officer – SOCIÉTÉ BIC

Other current positions

- Director – BIC Cello (India) Private Ltd. [(a)] – India
- Director – BIC UK Ltd. [(a)] – United Kingdom
- President, Chief Operating Officer and Director – BIC International Co. [(a)] – United States
- Director – Enactus Association – United States
- Director – Stewardship Foundation – Switzerland

Former positions in the previous five years (non-BIC Group companies)

- None

(a) BIC Group.

ELIZABETH BASTONI ●

Director



56 years old

Nationality: American

Number of BIC shares held: 500

Independent Director: Yes

Basis of the appointment:
Article L. 225-18 of the French Commercial Code

Date of 1st appointment:
Annual Shareholders' Meeting of May 15, 2013

Expiration date: Annual Shareholders' Meeting in 2022, for FY 2021

Member of a committee:
Chair of the Remuneration Committee
Chair of the Nominations, Governance and CSR Committee

Professional address:
SOCIÉTÉ BIC -
14, rue Jeanne d'Asnières -
92110 Clichy – France

Biography

Elizabeth Bastoni has over 20 years' experience as executive and director on Boards in Europe and the United States. Having held all positions in the boardroom, Elizabeth Bastoni has expertise in establishing governance boundaries, enabling strategy development and leading effective oversight.

An experienced Board Chair and former Chief Human Resources Officer (CHRO) Elizabeth Bastoni has a history of working successfully across the consumer goods, tech and hospitality industries. She combines her board and executive experience to create value at the intersection of business and people strategy.

Before joining BIC, she served on the boards and chaired the Remuneration Committee of The Rezidor Hotel (Stockholm) Group and CarlsonWagonlit Travel (Paris). As an executive, Elizabeth held C-Suite roles in HR and Communications with BMGI and Carlson.

Earlier in her career she held global leadership positions with The Coca-Cola Company and Thales. Elizabeth began her career at the International Tax Practice in KPMG in Europe.

Elizabeth Bastoni became an Independent Director of SOCIÉTÉ BIC in 2013. She is Chair of the Remuneration Committee and of the Nominations, Governance and CSR Committee.

Elizabeth Bastoni has a Bachelor of Arts from Providence College in Providence, Rhode Island (United States). She studied French at the Alliance Française (Paris) and French history and culture at La Sorbonne (Paris). She is a graduate of L'École du Louvre.

Main position

- Chair of the Board of Directors and Chair of the Nominations and Remuneration Committee – Limeade Inc. – United States (Listed company)

Other current positions

- President of Bastoni Consulting Group, LLC – United States
- Member of the Audit Committee – Jerónimo Martins – Portugal (listed company)
- Chair of the National Association of Corporate Directors – Seattle Chapter – United States

Former positions in the previous five years (non-BIC Group companies)

- Chair, Compensation Committee – Jerónimo Martins – Portugal (listed company)

● *Independent Director*

INNA KOSTUK

Director representing employees



46 years old

Nationality: French and Ukrainian

Number of BIC shares held: 605

Independent Director: No

Basis of the appointment:
Article L. 225-27-1 of the French Commercial Code

Date of 1st appointment:
Board Meeting of November 9, 2020 (appointed by the Group Works Council on October 16, 2020)

Expiration date: November 9, 2023

Member of a committee: No

Professional address:
SOCIÉTÉ BIC –
14, rue Jeanne d'Asnières –
92110 Clichy – France

Biography

Inna Kostuk began her career as a tax Auditor with the Ukrainian Tax Authority.
She became tax manager at the Delphi subsidiary in France before joining BIC in 2010 as Tax Manager Europe.
Since 2013, she has been Group Tax Director supervising all international taxation aspects.

Main position

- Director, Group Tax

Other current positions

- None

Former positions in the previous five years (non-BIC Group companies)

- None

VINCENT BEDHOME

Director representing employees



56 years old

Nationality: French

Number of BIC shares held: 100

Independent Director: No

Basis of the appointment:
Article L. 225-27-1 of the French Commercial Code

Date of 1st appointment:
Board Meeting of December 13, 2017 (appointed by the Group Works Council on November 9, 2017)

Expiration date: December 13, 2023

Member of a committee:
Remuneration Committee

Professional address:
BIC Conté –
Rue de Carly, ZAC de la Plaine de la Ruelle -62830 Samer – France

Biography

A Group employee since 1989, Vincent Bedhome has been a Project Manager in the Stationery category since 2003.

He previously held various positions at the BIC plant in Boulogne-sur-Mer, including R&D engineer, Industrial Project Manager and Production Manager.

Vincent Bedhome has a chemical engineering degree from HEI Lille (France) and a PhD in Spectrochemistry from the University of Lille (France).

Main position

- Project Manager in the Stationery category

Other current positions

- None

Former positions in the previous five years (non-BIC Group companies)

- None

TIMOTHÉE BICH

Director



36 years old

Nationality: French

Number of BIC shares held:
Directly owns over 100,000 BIC shares and shares indirectly through the family holding company, SOCIÉTÉ M.B.D.

On December 31, 2021, SOCIÉTÉ M.B.D. held 12,886,000 shares, *i.e.* 28.84% of SOCIÉTÉ BIC's share capital and 39.18% of the voting rights.

Independent Director: No

Basis of the appointment:
Article L. 225-18 of the French Commercial Code

Date of 1st appointment:
Board Meeting of December 10, 2019

Expiration date:
Annual Shareholders' Meeting in 2023, for FY 2022

Member of a committee: No

Professional address:
SOCIÉTÉ BIC -
14, rue Jeanne d'Asnières -
92110 Clichy – France

Biography

Timothée Bich has been an analyst at Moore Europe Capital management since 2020, supporting a team of macro portfolio managers.

From 2012 to 2019, Timothée Bich held various roles, including execution trader, Head of Execution and portfolio manager at Stone Milliner. Before joining Stone Milliner, he worked as an analyst at Moore Europe Capital Management, supporting credit and macro portfolio managers (2010-2011).

Timothée Bich holds a Master's of Science in Risk and Asset Management from EDHEC and a degree in Finance from University Paris Dauphine.

Main position

- Analyst - Moore Europe Capital Management

Other current positions

- None

Former positions in the previous five years (non-BIC Group companies)

- Portfolio manager at Stone Milliner

MARIE-AIMÉE BICH-DUFOUR

Director



63 years old

Nationality: French

Number of BIC shares held:
Directly owns over 100,000 BIC shares and shares indirectly through the family holding company, SOCIÉTÉ M.B.D.

On December 31, 2021, SOCIÉTÉ M.B.D. held 12,886,000 shares, *i.e.* 28.84% of SOCIÉTÉ BIC's share capital and 39.18% of the voting rights.

Independent Director: No

Basis of the appointment:
Article L. 225-18 of the French Commercial Code

Date of 1st appointment:
Annual Shareholders' Meeting of May 22, 2019

Expiration date:
Annual Shareholders' Meeting in 2024, for FY 2023

Member of a committee:
Nominations, Governance and CSR Committee

Professional address:
SOCIÉTÉ BIC -
14, rue Jeanne d'Asnières -
92110 Clichy – France

Biography

Marie-Aimée Bich-Dufour was Delegate for general affairs and President of the BIC Corporate Foundation for Education until she retired on October 1, 2020.

From March 22, 1995 to March 31, 2019, she was Executive Vice-President of SOCIÉTÉ BIC and Secretary to the Board of Directors.

She was Group General Counsel until February 1, 2016.

She was responsible for BIC's Sustainable Development program between 2004 and 2018.

Before joining BIC Group, Marie-Aimée served at the Paris bar for 12 years.

She holds a Master's degree in Private Law from Paris Panthéon-Assas University and a Professional Lawyer's Certificate (CAPA).

Main position

- Director – SOCIÉTÉ BIC

Other current positions

- Representative of SOCIÉTÉ BIC on the Board – ANSA (Association Nationale des Sociétés par Actions) – France
- Representative of SOCIÉTÉ BIC on the Board – METI (Mouvement des Entreprises de Taille Intermédiaire) – France

Former positions in the previous five years (non-BIC Group companies)

- None

MAËLYS CASTELLA ●

Director



55 years old

Nationality: French

Number of BIC shares held: 500

Independent Director: Yes

Basis of the appointment:
Article L. 225-18 of the French Commercial Code

Date of 1st appointment:
Annual Shareholders' Meeting of May 22, 2019

Expiration date:
Annual Shareholders' Meeting in 2022, for FY 2021

Member of a committee:
Chair of the Audit Committee, member of the Remuneration Committe

Professional address:
Delistraat 67,
2585VX Den Haag,
The Netherlands

Biography

Maëlys Castella is an experienced finance and business leader with a strong track record in B2B and B2C businesses. This is both in C-level executive and non-executive roles.

She has expertise in finance, strategy, marketing, innovation and sustainability and has been working for international listed companies since 1992.

She is the founder and CEO of a consulting firm Aminona Consulting specializing in finance, strategy and executive coaching.

She is also an independent Board member, chair of the Audit Committee and Sustainability Committee of C&A, a leading global fashion retail business.

She began her career in the oil and gas industry working in finance for Elf, now part of Total Group, for 8 years.

In 2000, Maëlys Castella joined Air Liquide and held various Senior Management positions in Finance and Marketing before being appointed Group Deputy Chief Financial Officer in 2013. She later became Chief Financial Officer and member of the Board of Management of AkzoNobel from 2014 until 2017. She was subsequently Chief Corporate Development Officer and Member of the Executive Committee from 2018 until 2019.

Maëlys Castella is a graduate of École Centrale de Paris and holds a Master's degree in Energy Management and Policy from the University of Pennsylvania (United States) and the French Institute of Petroleum (IFP).

Main position

- CEO and Director – Aminona Consulting

Other current positions

- Independent Director, Chair of the Audit Committee and member of the Sustainability Committee – C&A

Former positions in the previous five years (non-BIC Group companies)

- Chief Corporate Development Officer, Member of the Executive Committee – AkzoNobel – The Netherlands (listed company)
- Chief Financial Officer and Member of the Board of Management – AkzoNobel – The Netherlands (listed company)
- Member of the Board of Directors of AkzoNobel's Art foundation – The Netherlands

● *Independent Director.*

MARIE-PAULINE CHANDON-MOËT (MAIDEN NAME: BICH)

Director



55 years old

Nationality: French

Number of BIC shares held:
Directly owns over 100,000 BIC shares and shares indirectly through the family holding company, SOCIÉTÉ M.B.D.

On December 31, 2021, SOCIÉTÉ M.B.D. held 12,886,000 shares, *i.e.* 28.84% of SOCIÉTÉ BIC's share capital and 39.18% of the voting rights.

Independent Director: No

Basis of the appointment:
Article L. 225-18 of the French Commercial Code

Date of 1st appointment:
Annual Shareholders' Meeting of May 28, 2003

Expiration date:
Annual Shareholders' Meeting in 2023, for FY 2022

Member of a committee: No

Professional address:
SOCIÉTÉ BIC -14, rue Jeanne d'Asnières -92110 Clichy – France

Biography

Marie-Pauline Chandon-Moët has been on the Board of SOCIÉTÉ BIC since May 28, 2003.

She was European Real Estate Projects Manager for BIC Group until December 31, 2010.

Before this, she worked in a series of positions from 1991 on:

- Sales Administration Assistant,
- Sales Administration Manager (France then Europe), as well as
- Supply Chain Manager for Europe.

Marie-Pauline Chandon-Moët has a Bachelor of Science degree from Northeastern University in Boston (United States).

Main position

- President – Château de Ferrand SAS – France

Other current positions

- Member and treasurer of the office of the Academy of Bordeaux Wines

Former positions in the previous five years (non-BIC Group companies)

- Member of the Supervisory Board – SOCIÉTÉ M.B.D. – France

CANDACE MATTHEWS ●

Director



63 years old

Nationality: American

Number of BIC shares held: 500

Independent Director: Yes

Basis of the appointment:
Article L. 225-18 of the French Commercial Code

Date of 1st appointment:
Annual Shareholders' Meeting of May 10, 2017

Expiration date:
Annual Shareholders' Meeting in 2023 for FY 2022

Member of a committee:
Audit Committee Nominations, Governance and CSR Committee

Professional address:
700 Kovi Oaks Ct NE, Ada MI 49301 – United States

Biography

Candace Matthews was Chief Reputation Officer of Amway. From November 2014 to May 2020, Candace Matthews was Region President, The Americas, at Amway. She was hired by Alticor, the parent company of Amway, in December 2007, as Global Chief Marketing Officer.

Prior to joining Amway, she was President of Soft Sheen-Carson, the Consumer Products Division of L'Oreal from 2001 to 2007.

Before that, she held positions in Marketing at General Mills, Procter & Gamble, Bausch & Lomb and in Management at Novartis and The Coca-Cola company, in the United States.

Candace Matthews has a Bachelor of Science degree in Metallurgical Engineering from Carnegie Mellon University in Pittsburgh, Pennsylvania (United States). She also has an MBA in Marketing from Stanford University Graduate School of Business in Palo Alto, California (United States).

Main position

- Director

Other current positions

- Member of the Board – Herman Miller Inc. (U.S. listed company),
- Member of the Board –Fifth Third Bank, Western Michigan – United States (listed company)

Former positions in the previous five years (non-BIC Group companies)

- Chief Reputation Officer – Amway – United States
- Member of the Board – Popeyes Louisiana Kitchen Inc. – United States (listed company)

● *Independent Director.*

SOCIÉTÉ M.B.D.

Director



Type of legal entity:
Partnership limited by shares (*Société en Commandite par Actions*)

Registration:
389 818 832 – Nanterre (France) Trade and Companies Register

Number of BIC shares held:
12,886,000 shares, *i.e.* 28.84% of SOCIÉTÉ BIC's share capital and 39.18% of the voting rights (as of December 31, 2021).

Basis of the appointment:
Article L. 225-18 of the French Commercial Code

Independent Director: No

Date of 1st appointment:
Annual Shareholders' Meeting of May 24, 2006

Expiration date:
Annual Shareholders' Meeting in 2024, for FY2023

Member of a committee:
Audit Committee

Address:
1 place Paul Verlaine - 92100 Boulogne-Billancourt – France

Permanent representative:
Édouard BICH
57 years old

Nationality: French

Professional address:
SOCIÉTÉ M.B.D. – 1 place Paul Verlaine -92100 Boulogne-Billancourt – France

Biography

Édouard Bich spent eight years in the Finance Department of Procter & Gamble – France and holds an MBA in Finance from The Wharton School (United States).

Main position

- Managing Director of SOCIÉTÉ M.B.D.

Other current positions

- Member of the Supervisory Board – Stockage Plus SAS – France
- Member of the Strategy Committee – UnifAI SAS – France
- Managing Director – Platypus Capital SPRL – Belgium

Former positions in the previous five years (non-BIC Group companies)

- Member of the Supervisory Board – Digital Fashion Group SAS – France
- Member of the Executive Board for Europe, the Middle East and Africa – The Wharton School – United States

Other current positions

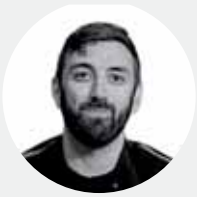
- None

Former positions in the previous five years (non-BIC Group companies)

- None

JACOB SCHWARTZ ●

Director



42 years old

Nationality: American

Number of BIC shares held: 500

Independent Director: Yes

Basis of the appointment:
Article L. 225-18 of the French Commercial Code

Date of 1st appointment:
Annual Shareholders' Meeting of May 20, 2020

Expiration date:
Annual Shareholders' Meeting in 2023 for FY 2022

Member of a committee: Audit Committee

Professional address:
SOCIÉTÉ BIC –
14, rue Jeanne d'Asnières –
92110 Clichy – France

Biography

Jacob (Jake) Schwartz is a serial entrepreneur, investor and advisor. Until 2020, Jake Schwartz served at CEO of General Assembly (GA), the global leader in education and career transformation, which he co-founded in 2011. He grew GA to over 1,000 employees on 5 continents. In 2018, GA was acquired by The Adecco Group.

Jake Schwartz co-founded and serves as Chair of Brave Health, a mission-driven company focused on expanding access to high-quality, affordable care for mental health and addiction.

Jake Schwartz was named E&Y Entrepreneur of the Year in 2014 and one of Crain's "40 under 40" in 2015. Jake holds a BA from Yale and an MBA from The Wharton School of Business at the University of Pennsylvania. He is a former CFA Charterholder.

Main position

- Co-founder – Brave Health

Other current positions

- Chair – Brave Health

Former positions in the previous five years (non-BIC Group companies)

- CEO – General Assembly (GA)

● *Independent Director.*

Positions that expired in 2021

Pierre Vareille

Director from May 14, 2009 to May 19, 2021 and Chair of the Board of Directors from May 16, 2018 to May 19, 2021.

No conflict of interests for Directors and Corporate Officers

There is no conflict of interest between any duties to the issuer, of any of the persons referred to above, and their private interests and/or other duties [(1)].

Family ties

Marie-Aimée Bich-Dufour, Marie-Pauline Chandon-Moët, Édouard Bich, Gonzalve Bich and Timothée Bich are relatives. There is no family relationship between the other Corporate Officers of SOCIÉTÉ BIC.

Service contracts providing benefits

There is no service contract between any Corporate Officer and SOCIÉTÉ BIC or any of its subsidiaries providing for benefits at the end of said contract.

4.1.1.5 Trading in Company shares by Corporate Officers and Related Persons in 2021

Summary of notifications pursuant to Article L. 621-18-2 of the French Monetary and Financial Code [(2)]:

	Type and number of trades					Balance of trades involving transfer of ownership over the year
Declaring	Purchase	Sale	Exchange	Gift	Other	
Gonzalve Bich, Chief Executive Officer	2	2				5,618
SOCIÉTÉ M.B.D., Director	1					8,000

(1) For further details, see Section 4.1.2.3. Rights and duties of Directors – Insider Trading – Conflicts of interests -Shareholder Relations.
(2) Details available on www.amf-france.org.

4.1.2 FUNCTIONING OF THE BOARD OF DIRECTORS

Internal Rules and Procedures formalize the responsibilities, organization and ethical principles guiding the work of the Board of Directors. Internal Rules and Procedures are available on the Company's website (https://investors.bic.com/en-us/reginfo).

4.1.2.1 Remit of the Board of Directors and Chair

Board of Directors

The Board of Directors lays down the guiding principles governing the Company's business activities and ensures they are implemented in its best interests. This is done while having regard to the social and environmental challenges facing its business. It deals with all matters relating to the proper conduct of the Company's business and makes all relevant decisions.

The Board of Directors has to give its opinion on matters that can have a significant impact on the Group's development, strategy or operations.

The responsibilities of the Board of Directors as updated in 2021 are as follows:

- agree the "vision and Strategic direction" as articulated/elaborated by the Chief Executive Officer and the executive team;
- define the Company's business perimeter and appetite for risk;
- select and perform evaluation of the Chair, all Board members, the Chief Executive Officer, and Executive Vice-Presidents;
- plan the succession for all Board members, including the Chair, the Chief Executive Officer and the Executive Vice-Presidents;
- install the proper governance structure and ensure its ethical operation;
- evaluate, challenge, and approve both long-term strategy and annual plans put forward by the Chief Executive Officer and his management team;
- ensure that the strategic plan is consistent with the Values and DNA of the Company, and aligned with the interests of Shareholders and other stakeholders;
- long term planning of the necessary human resources, focusing on Senior Management;
- ensure that the Strategic Plan is thoroughly encompassing a study of the macro economic trends, the competitive landscape, possible acquisition targets, SWOT analyses of BIC and its main competitors, financial plans including ROI's and cash generation, industrial footprint, capacity plans, new technologies and post analysis;
- ensure that the key risks to which the Company is exposed are in keeping with its strategies and objectives;
- establish margin parameters to the CEO, and total shareholder return parameters;
- ensure adequate resources have been arranged for successful business operations;
- measure and monitor implementation of the strategy.

The Board endeavors to promote long-term value creation by the Company by having regard to the social and environmental aspects of its activities. Where applicable, it proposes any changes to bylaws it considers appropriate.

The Board regularly reviews its strategy along with opportunities and risks, including financial, legal, operational, social and environmental risks, as well as the subsequent steps taken. To this end, the Board of Directors receives all the information needed to carry out its work, notably from the executive officers.

It ensures the taking of steps to prevent and detect corruption and influence peddling. It receives all the information needed for this purpose.

It also ensures that the executive officers implement a policy of non-discrimination and diversity, particularly with regard to gender balance on the governing bodies.

Chair

The Chair is responsible for organizing and directing the work of the Board. S/he reports to the Shareholders' Meeting as provided for by law. S/he also ensures that the Company's bodies function properly and that the Directors are able to fulfill their responsibilities.

The Chair is careful to maintain a close and trusting relationship with Executive Management and to provide the team with assistance and advice while respecting their executive responsibilities. The schedule is organized to ensure the Chair's availability and make best use of his/her experience for the Group.

Lead Director

The responsibilities of the Lead Director were defined in 2021.

When the need arises, and at times when the Chair does not fulfill all independence criterion recommended under the AFEP-MEDEF Code, the Board may decide to appoint a Lead Director, while the said Chair remains in office. The Lead director is chosen among the Independent Directors.

Should the Chair not be able to fulfil his missions, the Lead Director will chair the Board until the Chair resumes his missions or until a new Chair is appointed.

The Lead Director's mission is to assist the Chair in ensuring a smooth running of the Company's governance bodies and preventing conflicts of interests. In doing so, the Lead Director may:

- suggest to the Chair items for the agenda of any Board of Directors Meeting, thus he/she is consulted by the Chair on the agenda of Board Meetings;
- attend any meeting of the Committees of the Board of Directors, including those of which he/she is not a member and to have access to the information which these Committees have gathered during their work;
- organize meetings of the non-Executive Directors as often as necessary;
- implement the necessary measures for the identification of conflicts of interests within the Board of Directors and inform the Board of any conflict situation identified;

- ensure that the Directors can exercise their missions in the best conditions.

While performing his/her duties, the Lead Director should not overlap or interfere with the roles and responsibilities of the Company's other governance bodies. The Lead Director reports annually to the Board of Directors.

4.1.2.2 Limitation of the powers of Management

The Chief Executive Officer has the broadest powers to act in all circumstances on behalf of the Company, and to represent it in its dealings with third parties.

S/he exercises his/her powers within the limitations of the corporate purpose. This is also subject to any powers expressly attributed by law to the Shareholders' General Meeting and Board of Directors.

The Internal Rules and Procedures specify the types of transactions that must be subject to prior authorization by the Board of Directors at all times:

- transactions outside SOCIÉTÉ BIC's stated strategy;
- decisions to set up French or foreign operations involving the creation of an establishment, direct or indirect subsidiary, the acquisition of a holding, as well as any decisions to discontinue such operations, where the amount in question exceeds 50 million euros;
- internal reorganization where the cost of such an operation exceeds 50 million euros.

The Internal Rules and Procedures specify that these rules are related not only to external acquisitions or disposals, but also to major internal investments or restructuring.

4.1.2.3 Rights and duties of Directors – Insider trading – Conflicts of interests – Shareholders Relations

Notification of the Board

To successfully carry out its duties, the Board of Directors must have complete, accurate and timely information. This is particularly the case regarding the performance of each business, and the Company's financial and cash position. In this respect, the Internal Rules and Procedures provide that the Board of Directors must be informed of the Company's financial position, cash flow position and off-balance sheet commitments at December 31 and June 30 each year. The Rules also provide that each Director has the duty to keep up to date and to guarantee that s/he receives sufficient and relevant information in due time.

Stock ownership and insider trading

The Internal Rules and Procedures stipulate that all Directors must be Shareholders and own at least 500 shares. If they do not hold these shares when they take office, they shall use the compensation received under Article L. 225-45 of the French Commercial Code to purchase them. Moreover, the Chief Executive Officer, Executive Vice-President and the Directors are subject to obligations to hold and keep shares (see *Section 4.2.2.5. – Award of performance-based shares*). Any Director, as well as the permanent representatives of Corporate Directors, must register the Company shares they hold upon appointment plus any shares that may be purchased subsequently.

In addition, the Internal Rules and Procedures outline the rules concerning the restrictions and/or prohibitions on actions by Directors with regard to Company shares[1]. This is in particular due to Directors holding information on the Company that, if made public, may have a significant impact on the share price, or during critical periods of which the Company apprises Directors.

Finally, Directors must inform the Company and the AMF of any trading by them in BIC's shares. The declaration also concerns trading by persons closely related to the Directors as identified by applicable laws and regulations.

Conflict of interests

According to the Internal Rules and Procedures, a Director must inform the Board, in full and in advance, of any actual or potential conflict of interest. In such case, the Director cannot take part in either the related discussions or decision. Directors make an annual declaration regarding the absence of conflicts of interest. In 2021, the prevention of any conflict of interest has been strengthened by the implementation of the practice of a Declaration of Interests among the Directors for any item discussed by the Board.

At the date of preparation of this document and to the Company's knowledge:

- no potential conflicts of interest are identified between the private interests and/or other duties of members of the Board of Directors or the Executive Committee with regard to the Company;
- there are no arrangements or agreements with any of the main Shareholders, customers, suppliers or any other third party under which any member of the Board of Directors or the Executive Committee has been appointed as such;
- subject to the below, no restrictions have been accepted by members of the Board of Directors and the Management Team regarding the sale, within a certain period of time, of the Company shares they hold. However, SOCIÉTÉ M.B.D., holding company of the Bich family and owner of over 20% of the Company's share capital and voting rights has entered into various collective agreements whereby it would retain at least 12 million shares. These agreements were entered into subsequent to December 17, 2003 for the oldest one. They bring together several members of the family concert to allow them, if needed, to benefit from Article 787 B of the *Code Général des Impôts*. The following officer is a party to some or all of these agreements: Gonzalve Bich. All signatories have close relationships with Gonzalve Bich, none of whom, except SOCIÉTÉ M.B.D., holds over 5% of the Company's share capital or voting rights.

(1) See section 4.1.1.5 - Transactions in Company shares by Corporate Officers and Related Persons in 2021.

Shareholder relations

Dialogue between shareholders and the Board of Directors is entrusted to the Chair during Shareholders' Meetings. During the year, this dialogue is handled either directly by Gonzalve Bich, Director and Chief Executive Officer, or by BIC teams (Stakeholder Engagement, Financial Communication, Legal, Finance...) in accordance with securities laws, in particular with equal access to information. Key comments, questions, points of interest and concerns from Shareholders and advisors are reported to the Board of Directors.

Negative statements concerning members of the Board of Directors and the Executive Corporate Officers

To the best of the Company's knowledge over the past five years:

- no Director or member of the Executive Corporate Officer has been convicted of fraud;
- no Director or member of the Executive Corporate Officer has been party to a bankruptcy, receivership or liquidation or company being put into administration;
- no Director or Executive Corporate Officer member has been investigated and/or officially sanctioned by statutory or regulatory authorities;
- no Director or member of the Executive Corporate Officer has been disqualified by a court from serving as a member of an administrative, management or supervisory body of an issuer or from involvement in the management or running of an issuer.

4.1.2.4 Organization and work

Board members may be invited to and notified of upcoming meetings by any means. Confirmation is always in writing.

The Board of Directors meets at least six times a year, and at any time as required by the Group's business activities. Executive Committee members or any other person having particular expertise regarding matters on the agenda, may, at the Chair's request, attend some or all of the Board Meeting. The Statutory Auditors may also be invited other than to meetings that they are legally required to attend.

At least once a year, an informal meeting is held by the Board of Directors without the Executive Officers in attendance. As these meetings are informal, no minutes are taken. In 2021, these meetings dealt, *inter alia*, with the functioning of the Board, participation to the Board, strategy construction and main acquisitions (performance and integration).

In 2021, the Board of Directors met eleven times with an average length of 3 hours 57 minutes. The attendance rate at the meetings was 99.3%.

Most of the meetings were held online due to the pandemic. Onsite meetings were held at the headquarters and in Athens where 100% of the Directors were physically attending.

ATTENDANCE OF MEMBERS OF THE BOARD OF DIRECTORS

	Attendance at Board Meetings	Attendance at Audit Committee Meetings	Attendance at Remuneration Committee Meetings	Attendance at Nominations, Governance and CSR Committee Meetings
Gonzalve Bich	100%	n/a	n/a	n/a
John Glen	100%	n/a	n/a	n/a
Elizabeth Bastoni	100%	n/a	100%	100%
Vincent Bedhome	100%	n/a	100%	n/a
Inna Kostuk	100%	n/a	n/a	n/a
Jacob Schwartz	100%	100%	n/a	n/a
Timothée Bich	100%	n/a	n/a	n/a
Marie-Aimée Bich-Dufour	91%	n/a	n/a	100%
Maëlys Castella	100%	100%	100%	n/a
Marie-Pauline Chandon-Moët	100%	n/a	n/a	n/a
Candace Matthews	100%	100%	n/a	100%
SOCIÉTÉ M.B.D. (Édouard Bich)	100%	100%	n/a	n/a

n/a: non-applicable.

Apart from the regular duties undertaken by the Board (*e.g.* closing the accounts, review of the quarterly results, approval of the annual budget, approval of the compensation of Executive Officers, etc.), in 2021 the Board also discussed the:

- appointment of interim Chair and Independent Lead Director;
- succession planning for Non-Executive Chair;
- review of the Roles and Responsibilities for CEO, Board of Directors, Non-Executive Chairman and Lead Director;
- development of the Group's *Horizon* strategic plan;
- monitoring of Group strategy and progress in e-commerce;
- the sale of its Clichy headquarters;

- revised key KPIs and communication agenda;
- launch and completion of a 40 million euros impact share buyback program;
- approval of free share grants to employees;
- approval and extension of stock-options plans;
- definition of BIC carbon roadmap;
- internal evaluation of Board membership and performance and the implementation of subsequent actions;
- review of the process to change Auditors in 2023.

The Board and its Committees have been actively overseeing the Company's response to and risk management of the ongoing Covid-19 pandemic.

4.1.2.5 Evaluation of the Board and Committees

The Internal Rules and Procedures prescribe that, once a year, the Board of Directors must devote part of its agenda to discussing its membership, organization and how it operates. It can take the opportunity to make changes. This assessment must allow for discussion that includes the functioning of the Board of Directors:

- to increase its efficiency;
- to ensure that the important matters are suitably prepared and discussed; and
- to measure the actual contribution of each Director to the Board's work based on his/her expertise and involvement in discussions.

In 2021, a self-evaluation of the Board's membership and performance (both collective and individual) was conducted. It was carried out by the Nominations, Governance and CSR Committee on the initiative of its Chair. This evaluation has provided valuable insights on continuous improvement as a functioning body. Subsequent actions focus on the design of the meetings, Board materials and individual trainings.

4.1.2.6 Board Committees

The Board of Directors benefits from the preparatory work done by three Board Committees:

- the Audit Committee;
- the Remuneration Committee;
- the Nominations, Governance and CSR Committee.

The Committees act strictly within the remit given to them by the Board. They are actively involved in preparing the Board's work. They make proposals, but do not have any decision-making powers. In order to fulfil their responsibilities, the Committees may contact the Company's main executives after having informed the Chair of the Board of Directors. They must also report to the Board on any discussions with said executives.

Once they have informed the Chair of the Board of Directors that they intend to do so, Committees may request external technical studies at the Company's expense, on matters within their remit. The findings must also be reported to the Board.

a) Audit Committee

Membership

- Maëlys Castella - Chair (Independent Director);
- Candace Matthews (Independent Director);
- Édouard Bich (permanent representative of SOCIÉTÉ M.B.D.);
- Jake Schwartz (Independent Director).

Three of the four Directors are independent, *i.e.* 75%. The Committee may not include any Executive Board members. The majority of the members must have expertise in accounting and/or auditing.

The backgrounds of Audit Committee members mean that they have the financial and accounting skills necessary to fulfil their responsibilities.

Maëlys Castella, Chair of the Committee, is an experienced finance and business leader with a strong track record in B2B and B2C businesses both in C-level executive and non-executive roles. She has expertise in finance, strategy, marketing, innovation and sustainability and has been working for international listed companies since 1992. She is the founder and CEO of a consulting firm Aminona Consulting specializing in finance, strategy and executive coaching. She is also an independent Board member, chair of the Audit Committee and Sustainability Committee of C&A, a leading global fashion retail business.

She began her career in the oil and gas industry working in finance for Elf, now part of Total Group, for eight years. In 2000, Maëlys Castella joined Air Liquide and held various Senior Management positions in Finance and Marketing before she was appointed Group Deputy Chief Financial Officer in 2013. She was Chief Financial Officer and member of the Board of Management of AkzoNobel from 2014 until 2017. She was subsequently Chief Corporate Development Officer and Member of the Executive Committee from 2018 until 2019.

Maëlys Castella graduated from École Centrale de Paris and holds a Master's degree in Energy Management and Policy from the University of Pennsylvania (United States) and the French Institute of Petroleum (IFP).

Candace Matthews was Chief Reputation Officer of Amway. From November 2014 to May 2021, Candace Matthews was Region President, The Americas, at Amway. She was hired by Alticor, the parent company of Amway, in December 2007, as Chief Marketing Officer. Prior to joining Amway, she was Executive President of Soft Sheen-Carson, acquired by L'Oréal, from 2001 to 2007. Before that, she held positions in Marketing at General Mills, Procter & Gamble, Bausch & Lomb and in Management at Novartis and The Coca-Cola company, in the United States.

Candace Matthews has a Bachelor of Science degree in Metallurgical Engineering from Carnegie Mellon University in Pittsburgh, Pennsylvania (United States) and an MBA in Marketing from Stanford University Graduate School of Business in Palo Alto, California (United States).

Édouard Bich spent eight years in the Finance Department of Procter & Gamble in France. He holds an MBA in Finance from Wharton University – United States.

Jacob (Jake) Schwartz is a serial entrepreneur, investor and advisor. Until 2020, Jake Schwartz served as CEO of General Assembly. Jake co-founded and serves as Chair of Brave Health, a mission-driven company focused on expanding access to high-quality, affordable care for mental health and addiction. Jake was named E&Y Entrepreneur of the Year in 2014 and one of Crain's "40 under 40" in 2015. Jake holds a BA from Yale and an MBA from The Wharton School of Business at the University of Pennsylvania. He is a former CFA Charterholder.

Main remit

The Audit Committee's primary mission is to ensure that the accounting principles applied to the Company's consolidated and statutory financial statements comply with current standards and are consistently applied. It is also tasked with ensuring that the internal consolidation procedures and controls yield financial statements that fairly represent business results.

The Audit Committee's review of the financial statements is accompanied by a presentation from the Statutory Auditors on their audit reports and the accounting methods chosen. It is also accompanied by a presentation from the Chief Financial Officer on:

- the Company's risks and significant off-balance sheet items; and
- a review of the valuations and principles of on-balance sheet items which are based on market and economic valuations of the Company.

The Audit Committee reviews the draft financial market communications and provides input and advice. It is responsible for:

- giving its opinion on the appointment of Statutory Auditors; as well as;
- attesting to the quality of the Auditors' work and their independence. This includes verifying there is no potential conflict of interest between the Auditors and the Company.

It interviews the Statutory Auditors, and the people responsible for finance, accounting, treasury, and Internal Audit & Risk Control.

These interviews can be held, if the Committee so wishes, without the Company's executive management in attendance. Furthermore, the Chair of the Audit Committee meets (alone) with the Statutory Auditors at least once a year.

Key work in 2021

In 2021, the Audit Committee met eight times in the presence of its Chair and all other members (*i.e.* attendance rate of 100%). Representatives from both audit firms attended the meetings that reviewed Company results. Whenever feasible, the meetings of the Audit Committee relating to the review of the financial statements are held several days prior to examination by the Board. This gives management time to make any necessary adjustments before the Board Meeting.

The Audit Committee also regularly monitors the provisions and requirements relating to new accounting and financial rules applying to the Group and the Company's action plan to meet these requirements. The Audit Committee also reviews any change to the:

- International Financial Reporting Standards;
- Internal Control structure; and
- any other financial reporting matters, including the Universal Registration Document.

In 2021, the Audit Committee also worked on:

- the Group's Internal Control and Audit findings;
- the Group's insurance coverage and costs;
- a request for proposal for External Auditors;
- the review of a new M&A process;
- the new approach on risk management;
- the review of the Finance Organization;
- a Business Development review;
- against the background of the pandemic, reviewing related risks, cash collection & liquidity.

In February 2022, the Audit Committee reviewed the 2021 financial statements and notes. They contained a presentation and review of risks, including social and environmental risks, and significant off-balance-sheet commitments as well as the accounting options chosen.

b) Remuneration Committee

Membership

- Elizabeth Bastoni – Chair (Independent Director);
- Maëlys Castella (Independent Director);
- Vincent Bedhome (Director representing employees).

The Committee is considered to be composed of 100% Independent Directors as the Director representing employees is not taken into account to determine the percentage of Independent Directors.

Main remit

The role of the Remuneration Committee is to study, review and prepare the discussions of the Board of Directors on compensation policies and their implementation.

The Remuneration Committee regularly reviews and challenges management proposals and, when relevant, makes recommendations to the Board of Directors regarding:

- the remuneration philosophy and policy for the Board of Directors, Chief Executive Officer and the Executive Vice-Presidents;
- the procedures underpinning the compensation and/or benefits for the Chair of the Board, the Chief Executive Officer and the Executive Vice-Presidents;
- the overall policy, budget and allocation of Directors' remuneration;
- the inclusion and measurement of performance metrics related to incentives, in collaboration with the Audit Committee;
- the Long-Term Incentive Plans and any share-based program proposed for all team members, including the Company's Executive Corporate Officers and Executive managers; and
- the competitiveness of the individual remuneration packages of Executive Committee members.

The Committee is also kept informed of the application of the remuneration policy within the Group.

The Committee annually contributes to the chapter in the Annual Report updating Shareholders on the remuneration of Executive Officers (*mandataires sociaux exécutifs*) and Non-Executive Directors (*mandataires sociaux non exécutifs*). It also reviews the relevant resolutions for the Shareholders' Meeting.

Key work in 2021

The Remuneration Committee met five times in 2021 with an attendance rate of 100%. The Committee's work during the year focused on discussions and/or recommendations regarding the:

- level of remuneration for the Chair of the Board and Board members and related payouts;
- level and competitiveness of remuneration for the Chief Executive Officer and the Executive Vice-Presidents, related details (peer group review) and payouts;
- criteria and related targets to be used for the variable remuneration of the Chief Executive Officer and the Executive Vice-Presidents;
- design, level and granting of long-term stock-based incentive plans, including the Achieving *Horizon* Stock Option Plan;
- review of the remuneration of Executive Committee members;
- review of the shareholding guidelines and current and anticipated status for each Executive Committee member;
- review of the incentive philosophy and structure. This includes the possibility of using different stock-based awards to further engage and reward our employees, including the Sharing *Horizon* employee share plan;
- review of remuneration-related documentation to be disclosed in the Universal Registration Document (Say on Pay) and the resolutions on remuneration policy for the General Meeting of Shareholders' Meeting;
- review of benchmark companies for remuneration packages for the Board, Chair and all executives.

The non-executive Chair of the Board of Directors, and the Chief Executive Officer, attended Committee meetings for certain topics. The Chief Executive Officer did not attend any discussion regarding his own remuneration.

c) Nominations, Governance and CSR Committee

Membership

- Elizabeth Bastoni – Chair (Independent Director);
- Marie-Aimée Bich-Dufour;
- Candace Matthews (Independent Director).

Two Independent Members out of three.

Main remit

The Nominations, Governance and CSR Committee's role includes:

1. Nominations

- To regularly examine issues concerning membership of the Board of Directors, the required skills mix and opportunities to further strengthen the skill set of Board members.
- To propose the criteria for selecting the members of the Board of Directors and to make a recommendation on the renewal of sitting Directors [(1)].
- To propose development plans for the Board both individually and collectively.
- To organize and implement a process for selecting Directors and the Chair of the Board of Directors [(2)].
- To lead the objective setting and annual performance and development review of the CEO.
- To prepare a succession plan for the Chair of the Board, the CEO and for Executive Corporate Officers in the event of an unforeseeable vacancy, as well as the long-term succession [(3)].

The Committee is informed of the succession plan and the appointment of Leadership Team Members/EXCOM and in some cases has participated in the recruitment of key Leadership Team Members.

In some cases, the Chair of the Board and the CEO worked alongside the Committee.

2. Governance

- To evaluate the classification of Directors as Independent.
- To ensure that the Board of Directors makes a regular assessment of its operating methods and those of the Committees.
- To monitor and actively participate in corporate governance compliance.
- More generally, to deal with any issue posing a significant risk in terms of human capital or involving governance referred to it by the Board of Directors.

3. Corporate Social Responsibility

- To review and discuss the report on social, societal and environmental responsibility, the steps taken by the Group and its policy.
- To review and monitor the progress made against the strategy and commitments taken.
- To ensure the Group's compliance with laws and regulations pertaining to gender and wage equality and review the related indicators.

The members of the committee each holds specific expertise on CSR matters: Elizabeth Bastoni for HR issues, Candace Matthews for ethics and Company reputation and Marie-Aimée Bich-Dufour for Sustainable Development matters.

(1) The selection criteria are based on a desired skills mix on the Board of Directors. The Board introduced a skills matrix to ensure that the skills on the Board are properly aligned with the business strategy and the work of the Board.
(2) The Committee works with the Chair and CEO, as appropriate, on any such search.
(3) The Chair of the Board of Directors and the CEO are involved, as appropriate, in such matters.

Key work in 2021

The Nominations, Governance and CSR Committee met twelve times in 2021. The attendance rate was 100%.

The Committee's work focused specifically on:

- evaluation of the Board's performance (implementation of previous year action plan and 2021 self-evaluation); reviewing results; identifying areas for improvements; and actions taken;
- calibration, search and selection of a new independent Director to become Chair of the Board;
- the identification of critical areas of development for the Board and of specific skills for continued development based on the newly introduced Board Skills matrix;
- the review of the Independence of Directors;
- the annual performance and development review of the Chief Executive Officer;
- the setting of objectives for the Chief Executive Officer;
- the emergency and long-term succession plans for the Chair and Chief Executive Officer;
- the review of the Roles and Responsibilities for CEO, Board of Directors, Non-Executive Chair and Lead Director;
- the implementation of new policy concerning Gender and Equality Policy;
- the commitments of the Sustainable Development Program;
- the implementation of the new Code of Conduct (replacing BIC Code of Ethics and Guide);
- the annual review of the organization and its human capital (including diversity policy within the Group and top management). This included a review of progress and a focus on the development and succession plans for key roles.

4.1.2.7 Summary table of the implementation of the AFEP-MEDEF Code

The Company abides by the AFEP-MEDEF Code, except for the following recommendations:

Recommendation of the AFEP-MEDEF Code		
No.	**Paragraph**	**Justification**
25.6.2	Supplementary pension schemes	
	The supplementary pension scheme may not grant entitlement to more than 45% of the benchmark income (fixed and variable annual remuneration due in respect of the reference period).	The pension plan of Gonzalve Bich is not governed by Article L. 137-11 of the French Social Security Code. The structure of Pension entitlements in the United States cannot compare to the ones in France [(a)]. The 45% limitation cannot therefore apply. If he does not resign before the age of 52, Gonzalve Bich will have accrued a pension benefit equivalent to 27.52% of the average remuneration over the last three years of service. In addition, as of December 31, 2021, he is entitled to a vested lump sum cash balance benefit of 30,800 U.S. dollars. Further details on these Pension plans can be found in Chapter 4.2.2.6 Pension plans.

(a) The Chief Executive Officer has his personal interests in the U.S., has spent the essential part of his career there and has his contractual relationship with the Group in the United States.

4.1.2.8 Description of the procedure for assessing current agreements

In accordance with Article L. 22-10-12 of the French Commercial Code and AMF recommendation DOC-2012-05, the Company has drafted a procedure to periodically assess whether ordinary agreements entered into on standard market terms fulfil the conditions for classification as such. This procedure was adopted by the Board of Directors on December 8, 2020. The procedure provides that the Legal Department must be informed of the signing, amendment or renewal of these "unrestricted" agreements.

Once a year the Legal Department provides the Audit Committee with a list and description of any new unrestricted agreement. The Audit Committee subsequently assesses these unrestricted agreements and may, as part of this review, seek the opinion of the Statutory Auditors in the event of doubt. Following this review, the Audit Committee must issue a report to the Board of Directors on the unrestricted agreements signed during the fiscal year. The Board of Directors must conduct an annual review of the criteria used to classify unrestricted agreements to assess their relevance.

4.2. CORPORATE OFFICER REMUNERATION

In accordance with the French Commercial Code [(1)], this report of the Board of Directors details the remuneration and benefits provided to Corporate Officers for or during FY 2021, as well as the applicable Remuneration policy. At the 2022 Shareholders' Meeting, Shareholders will be asked to vote on the following resolutions:

- approval of the remuneration information on Corporate Officers for 2021;
- approval of the remuneration of Pierre Vareille, Chair of the Board up to May 19, 2021;
- approval of the remuneration of John Glen, Chair of the Board from May 20, 2021;
- approval of the remuneration of Gonzalve Bich, Chief Executive Officer, for 2021;
- approval of the remuneration policy for the Chair of the Board for FY 2022;
- approval of the remuneration policy for Executive Corporate Officers for FY 2022;
- approval of the remuneration policy for Directors for FY 2022;
- approval of the envelope for the compensation to be allocated among members of the Board of Directors for 2022.

4.2.1 REMUNERATION POLICY FOR DIRECTORS AND CORPORATE OFFICERS OF SOCIÉTÉ BIC

The remuneration policy for Corporate Officers is determined by the Board of Directors upon the recommendation of the Remuneration Committee and following the principles and criteria in the AFEP-MEDEF Code of Corporate Governance. The Remuneration policy follows the Code except in the instances discussed in Section 4.1.2.7 Summary table of the implementation of the AFEP-MEDEF Code.

The Board of Directors ensures that the compensation policy is directly aligned with the Company's overall strategy and is in line with Shareholders' interests to support the Company's performance and competitiveness over the medium and long-term. Social and environmental issues related to the Company's business are also taken into account.

4.2.1.1 Remuneration Policy for Non-Executive Corporate Officers and Directors

4.2.1.1.1 Chair of the Board

The Chair of the Board is the only Non-Executive Corporate Officer.

The remuneration policy for the Chair of the Board has a single fixed component. It is set based on market practice.

The fixed annual gross remuneration of the Chair of the Board is set at 300,000 euros. It is excluded from the yearly amount of Directors' remuneration presented below.

4.2.1.1.2 Directors

At the Shareholders' Meeting of May 19, 2021, Shareholders set the maximum amount of Directors' remuneration for FY 2021 at 600,000 euros. The increase compared to previous years was decided upon to allow for the compensation of the Employee Directors, and for the creation of a Lead director position during the search for a new Chair of the Board. The envelope for the FY 2022 will revert to a total of 550,000 Euros.

During 2021, the Remuneration Committee worked with Willis Towers Watson on establishing a benchmark for the compensation policy for the Directors. The benchmark was established by looking at three different lenses, to take into account the composition of the Board of Directors – the first lens is that of a SBF 120 listed company, with a second lens to look at family-owned companies with family members on the Board of Directors, and the final lens introducing the notion of International Boards.

The review of the benchmark data has led the Board of Directors to determine a new structure for Directors fees, fixed for the three-year period covering financial years 2022 to 2024.

The new fee structure includes adjustments to Board fees to align more closely with market practices and for the Remuneration and the Nomination, Governance, and Corporate Social Responsibility Committees, to take into account the increase in responsibility and workload over the past three years.

The sum continues to be allocated between the Directors based on role(s) (membership of committees etc...) and attendance. The variable part of the director's remuneration is intended to represent the majority of their remuneration as Directors.

(1) Articles L. 22-10-28, L. 22-10-9, L. 22-10-34 and R. 22-10-14 in particular.

As a result of this review, the allocation of Directors' remuneration will be based on the following amounts:

Board of Directors		Fixed remuneration	14,000 euros *per annum* – prorated for duration of membership during the year
		Variable remuneration	25,000 euros *per annum* for participation in all Board Meetings – prorated in case of absence.
Intercontinental meeting allowance		Variable remuneration	3,000 euros additional per meeting on continent other than that of residence*
Lead Director (until May 2022 only)		Fixed Remuneration	36,000 euros *per annum* – prorated for duration of office during the year
Audit Committee	Chair	Fixed remuneration	19,100 euros *per annum* – prorated upon duration of time in role during the year
	Committee member	Fixed remuneration	14,000 euros *per annum* – prorated upon duration of membership during the year
Nomination Committee	Chair	Fixed remuneration	15,000 euros *per annum* – prorated upon duration of time in role during the year
	Committee member	Fixed remuneration	11,000 euros *per annum* – prorated upon duration of membership during the year
Remuneration Committee	Chair	Fixed remuneration	15,000 euros *per annum* – prorated upon duration of time in role during the year
	Committee member	Fixed remuneration	11,000 euros *per annum* – prorated upon duration of membership during the year

* *Candace Matthews benefits from a specific arrangement for a fixed amount of 30,000 euros instead of the travel allowance, as per prior agreement.*

The Chief Executive Officer does not receive any remuneration for his role as a Director.

Directors representing the Employees receive the Fixed component of Directors' remuneration in recognition of their duties as Directors. Their work on Committees is considered as remunerated through their employment compensation.

No member of the Executive Committee receives Directors' remuneration for serving as Corporate Officers or Directors of any Company subsidiary.

4.2.1.2 Remuneration Policy for Executive Corporate Officers

The Chief Executive Officer is the only Executive Corporate Officer. The remuneration policy detailed in this document would also apply to any future Executive Corporate Officer should such an appointment be made.

4.2.1.2.1 General principles governing remuneration policies

Principles of the Remuneration Policy

The remuneration policy for Executive Corporate Officers of SOCIÉTÉ BIC is based on the same Total Rewards philosophy that applies to all BIC Group team members and the framework criteria set out in the Code of Corporate Governance:

- comprehensiveness;
- balance between the remuneration components;
- comparability;
- consistency;
- clarity of the rules; and
- proportionality.

Comprehensive and Balanced

The overall remuneration package is composed of four components. These components are balanced between fixed and at-risk elements of remuneration:

1. base salary: placed at levels that are competitive for the location, the position and the level of responsibility in order to attract and retain talent;
2. variable remuneration: designed with target levels and performance indicators that:
   - motivate and reward performance for the year,
   - align with Shareholder interests, and
   - encourage sustainable growth and profitability.

Performance criteria are clear, aligned with both short and long-term objectives, and contribute to the realization of the Company's long-term strategy;

3. long-term incentives: additional at-risk remuneration, directly tied to business results on key performance metrics over a defined period of time and delivered in the form of Company shares. The long-term incentives serve to attract, motivate and retain key talent over a longer time frame;
4. benefits: aligned with local market practice, benefits policies are designed to provide additional non-monetary remuneration and protection to team members and their families through programs covering but not limited to:
   - life and disability insurance,
   - health care,
   - savings and retirement plans.

Comparability

The overall remuneration package, and the mix between fixed and at-risk remuneration, is determined in the context of the local and global markets in which BIC competes for talent and the level of responsibility and impact of the team member. The competitiveness of the remuneration package is benchmarked both locally and globally, with our industry peers but also more broadly with companies of similar scope.

Method of determining competitiveness of the remuneration for Executive Corporate Officers

The Executive Corporate Officer and senior executives of BIC are located essentially in France and the United States. The Company seeks to ensure that our remuneration policy is both attractive and in line with the markets in which our top executives are based. To ensure appropriate global benchmarks that match BIC's global business, WillisTowersWatson, a leading global remuneration consultancy, has been engaged to provide peer group surveys in France and the United States. The peer groups used as a reference in prior years included companies that were significantly larger than BIC, be it in terms of revenue, headcount and market capitalization.

During 2021, the Remuneration Committee has worked closely with WillisTowersWatson and the Board of Directors to propose a revised panel of companies to be used for the peer group surveys. The revised comparison panels are based on direct business competitors and other listed companies with which BIC competes for senior executive talent. The companies chosen to constitute the peer group have a global scope and transformation challenge that is considered similar to that BIC.

The peer group panels for the Executive Corporate Officers are as follows:

- **France:** Albioma**,** Alten, Aperam, CGG, Derichebourg, Elior, Elis, Eramet, Eutelsat, Fnac Darty, GTT, Imerys, Korian, Lagardere, Maisons du Monde, Mcphy Energy, Metropole Television, Nexans, Solutions 30, Spie, TechnipEnergies, TF1, Trigano, Vallourec, Valneva, Virbac;
- **United States:** Acco Brands Corporation, Central Garden & Pet Company, Church & Dwight, Crocs, Edgewell Personal Care, Energizer Holdings, Hasbro, Helen of Troy, Lifetime Brands, Mattel, Revlon, Reynolds Consumer Products, Spectrum Brands, Tupperware Brands, WD-40, Weber, YETI.

Competitive position of the Chief Executive Officer

COMPARATIO OF EACH COMPENSATION ELEMENT	Base Salary	Target Total Cash	Long-Term Incentive	Total Direct Remuneration
Chief Executive Officer (2020 reminder)	83%	96%	56%	90%
Chief Executive Officer (2021)	79%	81%	39%	54%

The percentages in the table above reflect the compa-ratio, which is a comparison versus the median of the peer group data on the United States market for each component of the compensation package. A ratio of 100 would indicate that the incumbent remuneration level is at the median level of the survey data. While each component of remuneration is benchmarked, overall focus is on the comparatio for Total Direct Remuneration (TDR = salary + bonus + LTI).

The median of the Total Direct Remuneration is not equal to the sum of the separate component medians (Target Total Cash, Long-Term Incentive) as the pay mix differs among companies in the benchmark.

For Gonzalve Bich, Chief Executive Officer, the results shown for 2021 are based on the revised CEO peer group mentioned above. The 2020 benchmark was based on the Willis Towers Watson general industry survey, but as was indicated in the URD the total Direct Remuneration was further off market compared to the custom peer groups used in 2020.

As disclosed in previous years, the Board of Directors had defined a plan to align the global remuneration of the CEO to the market practice over several years based on his performance and that of the Company. Due to the Covid-19 related conditions, the plan was put on hold and no change to remuneration was made in 2021.

As a company, BIC targets market median, with a minimum comparatio at 80 for team members new to their position, moving towards comparatio at 100, in line with performance in the role. The Board of Directors considers that, as the mandate of Chief Executive Officer will be renewed at the Shareholders Meeting of 2022, the plan to align his remuneration to market should be restarted and this proposal is outlined in Paragraph 4.2.1.2.2.

Internal Consistency and Proportionality

The same overall remuneration principles apply for all team members. Remuneration is differentiated to reflect:

- the level of responsibility;
- individual and collective performance;
- team member potential; and
- differing competitive market practices.

At the most senior levels, the proportion of remuneration at risk under the variable remuneration and long-term incentive plans represent significant components of the executive's overall package. The interest of the executive is thereby aligned to the interests of the Shareholders. To reinforce the importance of our Sustainability objectives, underlined in the 4R philosophy and the Writing the Future, Together commitment, all Executive Committee members have an element of their annual variable compensation calculated on CSR criteria. These CSR criteria are included in their individual objectives, and range from improving the Diversity and Inclusion of the teams to the improvement of the environmental footprint of the product ranges under their responsibility.

Understanding the Rules

Remuneration policies are clearly communicated to management and executives, both in terms of their structure and the alignment with BIC's strategy and business objectives. Each executive receives a detailed statement on a yearly basis confirming the performance levels taken into account in their variable remuneration calculation, and individual grant letters outline the performance criteria for the long-term incentive plans.

Payment of variable remuneration

Under the provisions of the French Commercial Code [(1)], payment of variable remuneration to Corporate officers requires a positive *ex post* vote at the Shareholders' Meeting. The assessment criteria for the 2021 financial year are outlined in paragraph 4.2.2.2 Variable Remuneration of Executive Corporate Officers.

4.2.1.2.2. Specific principles governing remuneration policies

Dialogue with shareholders

The Company has continued the dialogue initiated in previous years with its main minority Shareholders, and/or their Proxies. The intention is to understand their perspectives and discuss solutions to concerns regarding remuneration policy.

Discussions highlighted a perceived lack of transparency regarding:

- the stringency of the targets; and
- the measurement of achievement of the variable remuneration and long-term incentive performance criteria for Executive Corporate Officers.

The Company has taken these remarks into consideration and has adapted the information provided in this document on the targets and results achieved.

In line with the general principles of remuneration outlined in this document, and upon the recommendation of the Remuneration Committee, the Board of Directors applies a specific remuneration structure for the Executive Corporate Officer of SOCIÉTÉ BIC. It includes the following components:

- fixed remuneration;
- variable remuneration;
- long-term incentives;
- supplementary pension plans;
- benefits in kind.

No employment contract was entered into between SOCIÉTÉ BIC and the Executive Corporate Officer. Given the personal situation of the Executive Corporate Officer, his remuneration is paid by BIC International in the United States.

Fixed remuneration

At the beginning of each year, the Board, on the recommendation of the Remuneration Committee, sets the fixed remuneration for the fiscal year.

The fixed remuneration for Executive Corporate Officers of SOCIÉTÉ BIC reflects their responsibilities and the compensation practices of the relevant peer group.

Since his nomination as Chief Executive Officer in 2018, the Board of Directors has taken into consideration that Gonzalve Bich has navigated the company through the ongoing impact of Covid-19 pandemic and launched the Horizon strategy, the results of which are beginning to flow through into the results of the Company.

The Board of Directors has proposed to review the compensation package of Gonzalve Bich and as part of this revision will increase the fixed remuneration to USD 850,000 per annum with effect January 1, 2022. This represents an increase of just over 10% and the base salary will be fixed at this level for the next three years. The Board reserves the right to review this amount as the case may be, subject to exceptional events.

The Board of Directors will undertake a further review of the compensation package prior to the renewal of the mandate in 2025 to continue its policy of aligning compensation to market.

(1) Article L. 22-10-34 I.

Short- term Variable remuneration

The annual short-term variable remuneration for the Executive Corporate Officers of SOCIÉTÉ BIC is determined as a percentage of their fixed remuneration.

Position	Annual variable remuneration as a percentage of fixed remuneration, if objectives are 100% achieved	Maximum variable remuneration, as a percentage of fixed remuneration (150% of target)
Chief Executive Officer - 2022 policy	130%	195%
Chief Executive Officer - 2021 policy	125%	187.5%
Executive Vice-President (if appointed)	75%	112.5%

As part of the review of the compensation package of the Chief Executive Officer, it is proposed to increase the at-risk cash component of the compensation package to represent a larger portion of the overall compensation package, reinforcing focus on the delivery of short-term goals in line with the longer-term Horizon plan.

With effect January 1, 2022 the at-target annual variable compensation will be increased from 125% to 130% of base salary, with a maximum variable remuneration of 195% of fixed remuneration.

The variable remuneration for 2022 will be calculated based on three quantitative objectives which measure the achievement of financial objectives in line with the guidance issued externally, and a qualitative measure which will focus on measurable, qualitative goals focused on the success of the transformation of the Company, the growth initiatives, and ESG targets in line with the Writing the Future, Together commitment taken by the company.

Variable remuneration criteria (all at Group level)	2021	2022
Financial Objectives		
Net Sales, in value	25%	25%
Adjusted EBIT, in value	25%	25%
Cash Conversion Cycle, in number of days [1]	20%	20%
Qualitative Objectives	30%	30%
• **Strategy**		
◦ Horizon Plan Execution - lead the delivery of the second year of the Horizon Plan with consistent, balanced and sustainable performance, ultimately driving continued momentum in 2023.		
◦ M&A - continue to drive growth projects within the comprehensive M&A roadmap in line with the Horizon strategy. Ensure appropriate focus is given to Risk, Operational and Management topics, and post-merger integration planning.		
◦ Environment and Social - lead the execution of BIC's Environmental, Social and Societal commitments, including the Writing the Future, Together targets, BIC's DE&I female representation targets, and the definition of a CO_2 emission reduction roadmap.		
• **Operations and Management:**		
◦ Operational Excellence - lead the collaborative focus on key operating metrics and processes to ensure the success of the Company's transformation process.		
◦ Leadership Team & Horizon Capabilities Development - drive the development and the integration of the capabilities needed to successully deliver the Horizon strategy.		
TOTAL	**100%**	**100%**

The financial objectives are based on the operating plan recommended by the Audit Committee and approved by the Board of Directors, at budgeted foreign currency exchange rates. The achievement of each financial criteria will be assessed individually and the target for 100% payout will be equivalent to any guidance communicated externally.

Payout of the bonus will be strongly aligned with business results. For each financial objective:

- each objective has a minimum level of performance, which is the level of business performance achieved in the prior year;
- the target for payout of 100% will be the budget approved by the Board of Directors;
- the Board of Directors will fix the level of performance beyond the target that would trigger maximum payout of 150%;
- between each milestone, the payout is calculated by linear interpolation.

(1) Cash Conversion Cycle = Days Sales Outstanding (DSO) + Days Inventory Outstanding (DIO) - Days Payable Outstanding (DPO)

The year-end assessment of the qualitative objectives is performed by the Nomination Committee, with the participation of all Directors, based on specific targets for the year, and presented to the Board of Directors for review, discussion and approval. The annual targets are decided by the Board of Directors, acting on the recommendation of the Nomination Committee, according to the priorities set by the Board of Directors.

The assessment considers the overall achievement during the year of each criteria and results in a payout aligned with achievement.

Long-Term Incentives

Long-term incentive grants to executives and other critical team members are a core part of BIC's total rewards strategy. These grants align remuneration with business results and are an integral part of a competitive remuneration strategy.

Since 2005, the Board of Directors has, in line with the authorization granted by the Shareholders' Meeting, maintained a policy of granting shares (or options). Payout is typically based on business performance over a three-year period, aligning the interests of Shareholders and our team members. For the Achieving *Horizon* exceptional stock option grant detailed below, a five-year performance period was fixed to align with the timing of the *Horizon* plan.

Grant of Performance Shares

For the Executive Corporate Officers, the maximum market value at grant for each individual is as indicated below. This practice was put in place in February, 10th 2020 following a decision by the Board of Directors to come into line with market practice and grant Performance Shares in value and not in units.

Position	Maximum Market Value of Performance Shares at Grant Date
Chief Executive Officer	2,000,000 euros, representing circa 3 times the fixed remuneration
Executive Vice-President (if appointed)	800,000 euros

The total number of Performance shares granted to the Executive Corporate Officers (over the period covered by the resolution approved by the Shareholders' Meeting) will not exceed 0.4% of the share capital as of the date of the decision to grant the shares by the Board of Directors.

Performance conditions for performance shares

The Board of Directors set the performance targets at the beginning of each performance period. Actual performance is assessed according to the achievement *versus* the operating plan approved by the Board, each year, over the three-year plan. For the 2022 performance year, the objectives are as follows:

- Free Cashflow (FCF) defined as Cash from Operating Activities less Capital Expenditure, consistent with Group's focus on Net Cash Generation. This performance condition is weighted at 50% of the total grant;
- Innovation Vitality Rate defined as Net Sales from innovations launched over the past three years divided by total Net Sales, consistent with the *Horizon* strategy. This performance condition is weighted at 40% of the total grant;
- Rate of Reusable, Recyclable or Compostable Packaging, also consistent with the *Horizon* strategy and related to Corporate Social Responsibility. This performance condition is weighted at 10% of the total grant.

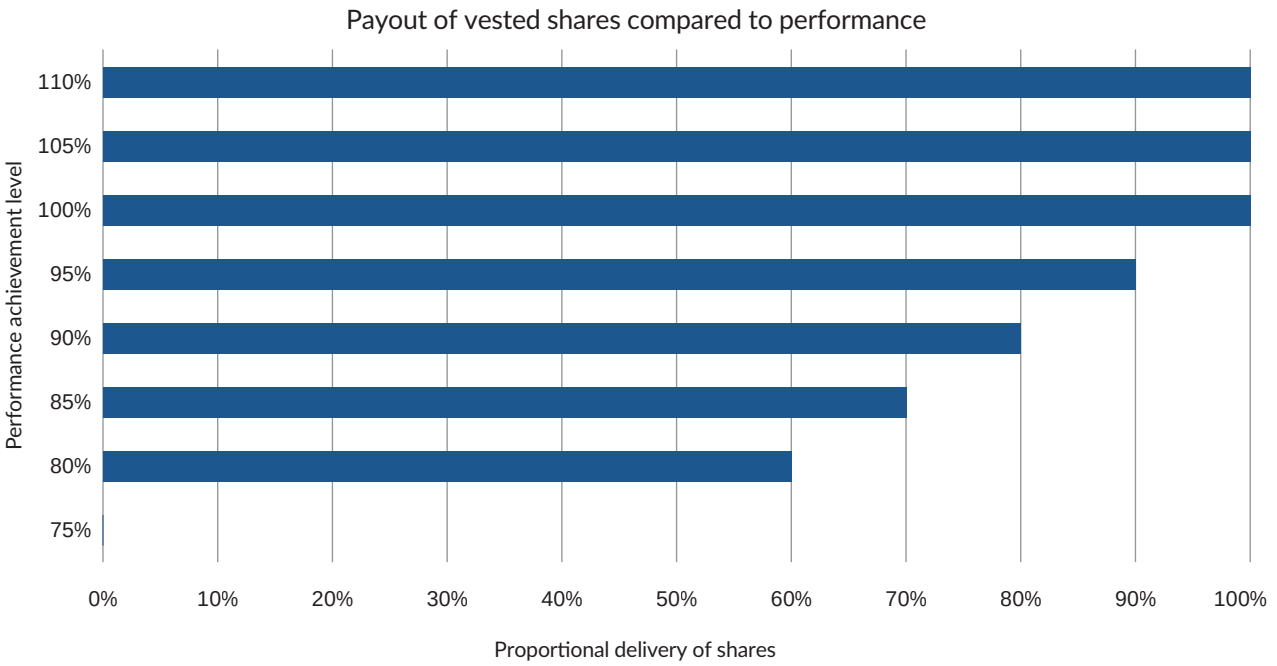
Actual performance is assessed separately for each objective *versus* a yearly target set at the beginning of the performance period by the Board of Directors.

Payouts are dependent on the business performance and follow stringent payout calculation rules. Payout calculation for each objective is as follows:

- for every 1% below the target objective, the number of shares vested is reduced by 2%;
- if the average achievement percentage of the objective is less than 80%, no shares will be delivered;
- the vesting related to each objective is capped at 100% of the related target number of shares.

CALCULATION RULES OF PERFORMANCE CONDITIONS FOR THE VESTING OF PERFORMANCE SHARES

(for 100 shares)



Shareholding Requirement Guidelines

BIC Executive Corporate Officers and Executive Committee members are required to retain 20% of shares granted as registered shares throughout their time in office. The 20% holding requirement applies to each grant and:

- is reduced to 10% when the Chief Executive Officer and the Executive Vice-President own the equivalent of five or three years, respectively, of their base remuneration in BIC shares;
- is waived when, and so long as, Executive Committee members own the equivalent of two years of their base remuneration in BIC shares [(1)].

Achieving Horizon Stock Option Plan

In 2021, the Board decided to leverage the use of stock options to strengthen the alignment of Senior Management and Shareholders with regard to the delivery of the *Horizon* strategy. After approval of the Annual General Shareholders Meeting in May 2021, a one-time exceptional grant of options, restricted to the Leadership Team, including the CEO, was decided, based on performance conditions and a 5-year vesting period.

For the Executive Corporate Officers, the maximum IFRS value at grant is as indicated below.

Position	Maximum IFRS Value of Stock Options at Grant Date
Chief Executive Officer	2,500,000 euros, representing circa 1.4 times the annual target remuneration

Performance conditions for Achieving *Horizon* Stock option Plan

The Achieving *Horizon* Stock options plan is based on demanding long-term performance conditions directly linked to the delivery of the *Horizon* plan. Objectives were set by the Board at the beginning of the vesting period focused on growth and profitability in line with the *Horizon* plan mid-single digit annual growth trajectory announced in November 2020. The Board will assess achievement of the performance conditions when FY 2025 results are published. No progressive or phased vesting is considered for this plan (cliff effect). To this effect, if the performance conditions are not met no options may be exercised. The vesting is capped at 100% of the total target number of options regardless of whether the performance conditions are overachieved.

(1) The reference for base salary is the annual gross base salary at December 31 in the previous year (Year Y-1).
The number of shares that must be held is calculated using the average share price at close of market for the final 30 trading days in the previous year (Year Y-1), multiplied by the average closing exchange rate in the previous year (Year Y-1) as published by BIC Group Treasury.
On December 31, 2021, the CEO had already fulfilled this minimum requirement with the equivalent of over five years of base salary in BIC shares.

Conditions for retaining share-based entitlements in the event of departure

Performance shares

If an Executive Corporate Officer leaves the Company, the Board of Directors will assess whether s/he may retain entitlement, in full or in part, to previously granted and un-vested performance shares, subject to the following limits and conditions:

- retention of the award is only possible in case of retirement or forced departure, *i.e.* not in the event of resignation;
- no delivery is authorized before the vesting date specified in the relevant plan rules. Consequently, performance shares cannot vest early;
- the performance conditions continue to apply throughout the specified vesting period.

Stock Options

If an Executive Corporate Officer leaves the Company during the vesting period (except in case of death), s/he may not retain any right to be delivered unvested Stock Options. In the event of death or retirement during the exercise period, stock options might be maintained.

Supplementary pension plans

The Chair of the Board is not eligible to any supplementary pension plan.

The Executive Corporate Officers enjoy supplementary pension plans as detailed in *Section 4.2.2.6* below.

Benefits in kind

Executive Corporate Officers may receive a company car or an equivalent car allowance and standard health, life and disability coverage, equivalent to the benefits granted to other BIC Executive leaders based in the same country.

Termination Payment and Sign-on Bonus

The Chief Executive Corporate Officer will not receive a Termination Payment upon leaving the Company. The position can also be terminated at any time (ad nutum). The Board reserves the right to:

- consider pre-established potential termination payments for other Executive Corporate Officers in line with AFEP-MEDEF Code recommendations and ceilings for future appointments;
- make provision for sign-on bonus for newly hired Executive Corporate Officers reflecting the personal circumstances of Executive Corporate Officers hired (*e.g.*, change in status, termination of an employment contract, etc.).

Other components

There are no other components in the policy, and specifically:

- no exceptional payments will be made to Corporate Officers otehr than those specifically mentioned in this document,
- no non-compete agreements.

Claw back clause

Where a beneficiary is found guilty of misconduct by the Board while employed by or providing services to the Company, the Board of Directors may, at its sole discretion, seek the repayment of:

- the last annual variable remuneration paid to the incumbent;
- the last long-term incentive delivered to Executive Corporate Officers.

4.2.2 REMUNERATION AND BENEFITS FOR FY 2021

4.2.2.1 Remuneration of Non-Executive Corporate Officers and Directors

Pierre Vareille received gross remuneration of 125,000 euros for his duties as Chair of the Board in 2021.

John Glen received gross remuneration of 200,000 euros for his duties as Chair of the Board in 2021.

Applying the rules defined by the Board of Directors and detailed in Section 4.2.1.1 Remuneration Policy for Non-Executive Corporate Officers and Directors, Directors received the following remuneration for their duties. As of the 2021 Financial year, and in application of the remuneration policy, the Directors representing BIC employees received a fixed element of remuneration for their role.

TABLE C – SUMMARY OF DIRECTORS' REMUNERATION

(Table 3 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

Board members (in 2020 and 2021)	Directors' remuneration relating to 2020 *(in euros)*	Directors' remuneration relating to 2021 *(in euros)*
John Glen (until his nomination as President)	55,600	16,087
Elizabeth Bastoni (Chair of the Remuneration and Nomination Committees)	58,700	91,700
Marie-Pauline Chandon-Moët	36,500	36,500
Maëlys Castella (Chair of the Audit Committee)	57,600	62,700
Candace Matthews [(a)]	87,600	87,600
Marie-Aimée Bich-Dufour [(b)]	10,900	41,491
SOCIÉTÉ M.B.D.	50,500	50,500
Jake Schwartz	24,333	53,500
Timothée Bich	36,500	36,500
Vincent Bedhome	-	13,300
Inna Kostuk	-	13,300
TOTAL FROM AUTHORIZED SUM	**418,233**	**503,178**

(a) Candace Matthews benefits from a specific arrangement for a fixed amount of 30 thousand euros instead of the travel allowance, as per prior agreement.

(b) Marie-Aimée Bich-Dufour, as an employee of BIC Services, received gross remuneration and an end-of-career indemnity totaling 110,428 euros for her duties from January 1, 2020 to her retirement on September 30, 2020. She started receiving remuneration as a Director on October 1, 2020.

4.2.2.2 Variable Remuneration of Executive Corporate Officers

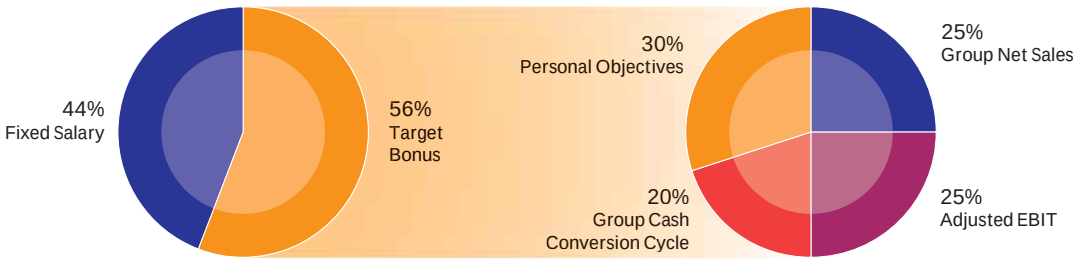
The Board of Directors set the fixed and target variable remuneration of the Executive Corporate Officer for 2021. This remuneration was unchanged compared to 2020.

Corporate Officer	Fixed remuneration in 2021 *(in U.S. dollars)**	Target variable remuneration in 2021 *(corresponds to 100% achievement of the objectives)*
Gonzalve Bich	770,000 U.S. dollars	
Chief Executive Officer	(650,778 euros)	125% of the fixed remuneration

* *Amounts in U.S. dollars were converted into euros at the average exchange rate for 2021 (1 EUR = 1.1832 USD). See Note 3 to the consolidated financial statements.*

The variable remuneration to be paid to the Chief Executive Officer, Gonzalve Bich, was calculated on the basis of three financial objectives in addition to individual objectives including social and environmental objectives linked to the Writing the Future, Together commitment. All objectives – financial and individual – were reviewed and approved by the Board, after recommendation by the Nomination Committee.

STRUCTURE OF THE TARGET VARIABLE REMUNERATION OF GONZALVE BICH IN 2021



AMOUNT OF THE ACTUAL VARIABLE REMUNERATION OF GONZALVE BICH FOR 2021

Gonzalve Bich							% cible 125 %
		2021 Bonus Targets					
Criteria	Weight of criteria	Minimum 2020 Actuals	Target	Maximum	Achievement level	Payout level (Achievement x weight)	Actual 2021 to be paid as a % of the fixed compensation
Group Net Sales	25 %	1,628 m€	+6.5% increase at constant currencies	+ 10.4% increase at constant currencies	150 %	37.5%	46.88 %
Group Adjusted Ebit	25 %	229.1 m€	+11.8% increase at constant currencies	+23.1% increase at constant currencies	150 %	37,5 %	46.88 %
Group Cash Conversion Cycle	20 %	199 days	192 days	185 days	0 %	0 %	0 %
Personal objectives	30 %	15,0 %	37,5 %	56,25 %	100 %	30 %	37,5 %
TOTAL	**100 %**					**105 %**	**131.25 %**

For 2021, the personal objectives represent 30% of the target variable remuneration and a maximum of 56.25% of the fixed remuneration. As disclosed previously, the individual objectives for the Chief Executive Officer were set around several qualitative elements, considered to be of equal importance. These objectives focused on, but were not limited to, the implementation of the Horizon strategy, growth initiatives and ESG Criteria.

From an ESG perspective, a 3-point progress in the % of women among the director population was registered, with the 30% of these positions now being held by women. The level of reusable, recyclable or compostable consumer packaging progressed beyond targets, but progress still needs to be made on the reduction of the share of non-virgin petroleum plastic in our products.

The Horizon plan is on or above target on both Net Sales and aBIT margin, and Free CashFlow was above the commitment requested from the team.

Based on the recommendation of the Nomination Committee, and as approved by the Board of Directors on February 15, 2022, the personal objectives will be paid at 100% of target, resulting in a payout of 1,010,625 US dollars.

4.2.2.3 Individual remuneration

Total remuneration and fringe benefits awarded for FYs 2020 and 2021 by SOCIÉTÉ BIC and by the companies it controls [(1)] to members of the Management bodies of SOCIÉTÉ BIC in respect of their duties within the Group amounted to:

TABLE A – SUMMARY OF REMUNERATION, OPTIONS AND SHARES AWARDED TO EACH CORPORATE OFFICER

(Table 1 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

Pierre Vareille Chair (non-executive) January 1 – May 19, 2021	FY 2020 *(in euros)*	FY 2021 *(in euros)*
Remuneration due in respect of the year (detailed in table B)	300,000	125,000
Amount of multi-year variable remuneration awarded during the year	-	-
Amount of stock options awarded during the year (detailed in table D)	-	-
Amount of performance shares awarded during the year (detailed in table G)	-	-
TOTAL	**300,000**	**125,000**

(1) Within the meaning of Article L. 233-16 of the French Commercial Code.

John Glen Chair (non-executive) May 19 – December 31, 2021	FY 2020 *(in euros)*	FY 2021 *(in euros)*
Remuneration due in respect of the year (detailed in Table B)	-	216,087
Amount of multi-year variable remuneration awarded during the year	-	
Amount of stock options awarded during the year (detailed in Table D)	-	
Amount of performance shares awarded during the year (detailed in Table G)	-	
TOTAL		**216,087**

Gonzalve Bich Chief Executive Officer		FY 2020 *(in U.S. dollars)* [a]	FY 2021 *(in U.S. dollars)* [b]
Compensation due in respect of the year (detailed in table B)	USD	1,672,519	1,852,394
	EUR	1,466,479	1,565,580
Amount of multi-year variable compensation awarded during the year		-	-
Amount of stock options awarded during the year (detailed in table D)	USD		2,676,398
	EUR	-	2,262,000
Amount of performance shares awarded during the year (detailed in table G)	USD	1,647,717	1,538,980
	EUR	1,444,732	1,300,693
TOTAL	**USD**	**3,320,236**	**6,067,772**
	EUR	*2,911,211*	5,128,273

TABLE B – SUMMARY OF THE REMUNERATION OF EACH CORPORATE OFFICER

(Table 2 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

Pierre Vareille Chair (non-executive) January 1 – May 19, 2021	Amounts for FY 2020 *(in euros)* Due	Paid	Amounts for FY 2021 *(in euros)* Due	Paid
Fixed remuneration	300,000	300,000	125,000	125,000
Annual variable remuneration	-	-	-	-
Multi-year variable remuneration	-	-	-	-
Extraordinary remuneration	-	-	-	-
Directors' fees	-	-	-	-
Fringe benefits	-	-	-	-
TOTAL	**300,000**	**300,000**	**125,000**	**125,000**

John Glen Chair (non-executive) May 19 – December 31, 2021	Amounts for FY 2020 *(in euros)* Due	Paid	Amounts for FY 2021 *(in euros)* Due	Paid
Fixed remuneration	-	-	200,000	200,000
Annual variable remuneration	-	-	-	-
Multi-year variable remuneration	-	-	-	-
Extraordinary remuneration	-	-	-	-
Directors' fees	-	-	16,087	16,087
Fringe benefits	-	-	-	-
TOTAL	**-**	**-**	**216,087**	**216,087**

* *Fixed Remuneration 2021 as chair and directors fees prior to nomination*

		Amounts for FY 2020 *(in U.S. dollars)* [a]		Amounts for FY 2021 *(in U.S. dollars)* [b]	
Gonzalve Bich		**Due**	**Paid**	**Due**	**Paid**
Fixed compensation	USD	770,000	770,000	770,000	770,000
	EUR	*675,142*	*675,142*	*650,778*	*650,778*
Annual variable compensation	USD	801,291	798,431	1,010,625	801,291
	EUR	*702,579*	*700,071*	*854,146*	*677,224*
Multi-year variable compensation		-	-	-	-
Other compensation [c]	USD	15,742	15,742	5,484	5,484
	EUR	*13,803*	*13,803*	*4,635*	*4,635*
Directors' compensation		-	-	-	-
Benefits		1) Car allowance:		1) Car allowance:	
	USD	14,400	14,400	15,600	15,600
	EUR	*12,626*	*12,626*	*13,185*	*13,185*
		2) Company contributions to U.S. savings plan		2) Company contributions to U.S. savings plan	
		a) 401K:	a) 401K:	a) 401K:	a) 401K:
	USD	7,088	7,088	8,700	8,700
	EUR	*6,215*	*6,215*	*7,353*	*7,353*
		b) Exec Comp Plan:		b) Exec Comp Plan:	
	USD	30,800	30,800	-	-
	EUR	*27,006*	*27,006*	-	-
		3) Other:		3) Other:	
	USD	33,198	33,198	41,985	41,985
	EUR	*29,108*	*29,108*	*35,485*	*35,485*
TOTAL	**USD**	**1,672,519**	**1,669,659**	**1,852,394**	**1,643,060**
	EUR	***1,466,479***	***1,463,971***	**1,565,580**	***1,388,658***

(a) Amounts in U.S. dollars were converted into euros at the average exchange rate for 2020 (1 EUR = 1.1405 USD).
(b) Amounts in U.S. dollars were converted into euros at the average exchange rate for 2021 (1 EUR = 1,1832 USD).
(c) Compensation equivalent to the dividends unpaid on the shares acquired and held by SOCIÉTÉ BIC until the end of the compulsory holding period.

Pay equity ratio

In accordance with the requirements of the French PACTE law, the following table presents the pay equity ratio and the annual evolution of compensation, pay equity ratio and company performance since 2018. The compensation date prior to 2018 is not available due to a change in the payroll system.

The scope for calculating the ratio includes all legal entities in France, constituting a scope cpvering the different activities of teh group. Only employees present thoughout the year were included in the calculation.

The following elements of compensation were taken into account:

- fixed and variable compensation paid during the year in question [(1)];
- share awards recognized at IFRS value at the grant date;
- gross profit sharing awards;
- benefits in kind such as company cars;
- divided equivalents paid during the year.

All figures are in Euros	2018	2019	2020	2021
FX rate EUR/USD	1,8110	1,1196	1,1405	1,1832
TOTAL COMPENSATION				
Chair of the Board	187,500	300,000	300,000	300,000
Chief Executive Officer	2,061,961	2,728,952	2,846,374	2,943,533
Executive Vice President	1,470,572	1,608,130	789,665	-
Executive Vice President	571,187	464,915	-	-
Average compensation BIC employees	54,934	55,781	49,682	48,931
Median compensation BIC employees	37,780	38,353	35,169	33,983
RATIO ON AVERAGE SALARY				
Chair of the Board	3	5	6	6
Evolution N-1	-	*+2 points*	*+ 1 point*	=
Chief Executive Officer	38	49	57	60
Evolution N-1	-	*+11 points*	*+ 8 points*	*+ 3 points*
Executive Vice President	27	29	32	-
Executive Vice President	10	8	-	-
RATIO ON MEDIAN SALARY				
Chair of the Board	5	8	9	9
Evolution N-1	-	*+3 points*	*+ 1 point*	=
Chief Executive Officer	55	71	81	84
Evolution N-1	-	*+16 points*	*+10 points*	*+ 3 points*
Executive Vice President	39	42	45	-
Executive Vice President	15	12	-	-
Net sales (m€)	**1,949.8**	**1,949.4**	**1,627.9**	**1,813.9**

(1) The variable compensation paid in 2021 for FY 2020 is included in the 2021 data.

4.2.2.4 Allocation of stock options

In 2021, after approval of the Annual General Shareholders Meeting, a one-time exceptional grant of stock options, restricted to Executive Committee members, including the CEO, was decided, based on performance conditions and a 5-year vesting period. The performance conditions are detailed in Section 4.2.1.2.2. under the Specific principles governing remuneration policies

TABLE G – STOCK OPTION GRANT IN FY 2021 TO EACH EXECUTIVE CORPORATE OFFICER

(Table 6 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

Stock options granted during the fiscal year to each Corporate Officer by the issuer and by any Group company (Nominative list)	Name and date of the plan	Number of options granted during the fiscal year	Valuation of the shares according to the method used for the consolidated financial statements *(in euros)*	Exercise date	Availability date	Performance conditions
Gonzalve Bich	Achieving *Horizon* (May 19, 2021)	300,000	2,262,000	February 28, 2026	February 28, 2026	1) 2025 fiscal year Net Sales in line with *Horizon* growth trajectory 2) 2025 fiscal year Adjusted EBIT.

SUMMARY OF STOCK OPTIONS GRANTED WITH PERFORMANCE CONDITIONS

(Table 8 following the format of the French Financial Markets Authority Position-Recommandation n°2009-16 de l'AMF)

	Achieving Horizon	Achieving Horizon
Date of Shareholders Meeting	19-May-21	19-May-21
Date of Board Meeting	19-May-21	9-Dec-21
Total number of options granted, of which options granted to :	1,224,500	170,000
Gonzalve Bich, Chief Executive Officer	300,000	
First possible date of exercise	28-Feb-26	28-Feb-26
Expiry date	19-May-31	9-Dec-31
Exercice price (Euros)	65	65
Exercise conditions	Performance conditions must be achieved as detailed in 4.2.1.2.2.	
Number of options exercised at December 31, 2021	-	-
Number of options cancelled	75,000	-
Stock options outstanding	1,149,500	170,000

4.2.2.5 Award of performance-based shares

Since 2005 the Board of Directors has, in line with the power granted it by the Shareholders' Meeting, opted, upon the recommendation of the Remuneration Committee, for a policy of three-year performance-based share grants. The Executive Corporate Officers mentioned in the table below benefit from this policy.

For performance share plans granted in years up to and including 2020, performance is assessed according to the achievement of two objectives:

- net sales growth on a comparative basis;
- net cash flow from operations and change in inventory, as a percentage of net sales.

The payout of each performance criteria is assessed independently and subject to the following payout calculation:

- if the average percentage over the three-year period is between 75% and 100%, the number of shares acquired by each beneficiary on the vesting date is reduced by 2% compared to the initial grant for each percent below 100%;
- if the average percentage of each performance condition over the three-year period is less than 75%, no shares are acquired.

RESULTS OF THE PLANS VESTED THROUGH TO 2021: INDEX OF ACHIEVEMENT OF PERFORMANCE CONDITIONS, PER CRITERIA AND PER PLAN

	Plan 10 (2014 -2015-2016)	Plan 11 (2015 - 2016-2017)	Plan 12 (2016 -2017-2018)	Plan 13 (2017 -2018-2019)	Plan 14 (2018 -2019-2020)	Plan 15 (2019 - 2020-2021)	Average of the plans
Net sales growth	96.7	71.9	48.6	23.6	47.8	67.6	82.1
Cash Flow	98.6	100.6	102.2	100.2	99.2	99	99.2
Vesting as % of the initial grant	96%	72%	50%	-	49%	49%	73%

For performance share plans granted from 2021 onwards, performance will assessed according to the achievement of three objectives:

- 50% – Free Cash Flow (Cash from Operating Activities less Capital Expenditures);
- 40% – Innovation Vitality Rate (Net Sales from innovations launched over the past 3 years divided by total Net sales);
- 10% – Rate of reusable, recyclable or compostable packaging.

The payout of each performance criteria is assessed independently and subject to the following payout calculation:

- if the average percentage over the three-year period is between 80% and 100%, the number of shares acquired by each beneficiary on the vesting date is reduced by 2% compared to the initial grant for each percent below 100%;
- if the average percentage of each performance condition over the three-year period is less than 80%, no shares are acquired.

To the best of the Company's knowledge, no hedging instruments have been put in place by the Corporate Officers mentioned in tables G and H below. Moreover, these Corporate Officers have made a formal commitment not to use hedging instruments.

The total number of shares granted is reported in Note 23 to the consolidated financial statements.

TABLE G – PERFORMANCE SHARES AWARDED IN FY 2021 TO EACH EXECUTIVE CORPORATE OFFICER

(Table 6 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

Performance shares awarded during the fiscal year to each Corporate Officer by the issuer and by any Group company (Nominative list)	Number and date of the plan	Number of shares awarded during the fiscal year	Valuation of the shares according to the method used for the consolidated financial statements *(in euros)*	Award date	Availability date	Performance conditions
Gonzalve Bich	17 (February 16, 2021)	30,298	1,300,693	March 31, 2024	March 31, 2024	1) Free Cashflow 2) Innovation Vitality Rate 3) Rate of reusable, recyclable or compostable packaging

TABLE G – PERFORMANCE SHARES AWARDED IN FY 2020 TO EACH EXECUTIVE CORPORATE OFFICER

(Table 6 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

Performance shares awarded during the fiscal year to each Corporate Officer by the issuer and by any Group company (Nominative list)	Number and date of the plan	Number of shares awarded during the fiscal year	Valuation of the shares according to the method used for the consolidated financial statements *(in euros)*	Award date	Availability date	Performance conditions
Gonzalve Bich	16 (February 11, 2020)	24,781	1,444,732	March 31, 2023	March 31, 2023	1) Net sales growth 2) Cash flow from operations and change in inventory as a percentage of net sales
James DiPietro	16 (February 11, 2020)	8,017	467,391	March 31, 2023	March 31, 2023	as above

TABLE H – PERFORMANCE SHARES THAT BECAME AVAILABLE IN FY 2021 TO EACH CORPORATE OFFICER

(Table 7 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

Performance shares that became available for each Corporate Officer (nominative list)	Number and date of the plan	Number of shares that became available during the fiscal year	Award terms	Award year
Gonzalve Bich	11 M (Feb. 10, 2015)	3,240	72% of the initial allocation vests, based on the achievement of performance conditions	2015
Gonzalve Bich	14 M (May 16, 2018)	7,350	49,1% of the initial allocation vests, based on the achievement of performance conditions	2018

M = Main.
S = Secondary.

TABLE H – PERFORMANCE SHARES THAT BECAME AVAILABLE IN FY 2020 TO EACH CORPORATE OFFICER

(Table 7 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

Performance shares that became available for each Corporate Officer (nominative list)	Number and date of the plan	Number of shares that became available during the fiscal year	Award terms	Award year
Gonzalve Bich	10 M (Feb. 11, 2014)	3,120	96% of the initial allocation vests, based on the achievement of performance conditions	2014
Gonzalve Bich	13 M (Feb. 10, 2017)	-	0% of the initial allocation vests, based on the non-achievement of performance conditions	2017
James DiPietro	10 M (Feb. 11, 2014)	7,680	96% of the initial allocation vests, based on the achievement of performance conditions	2014
James DiPietro	13 M (Feb. 10, 2017)	-	0% of the initial allocation vests, based on the non-achievement of performance conditions	2017

M = Main.
S = Secondary.

TABLE I – HISTORY OF PERFORMANCE SHARE PLAN ALLOCATIONS

(Table 9 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

	Plan No. 10	Plan No. 11	Plan No. 12	Plan No. 13	Plan No. 14	Plan No. 15	Plan No. 16	Plan No. 17
Date of Shareholders' Meeting	May 15, 2013	May 15, 2013	May 18, 2016	May 18, 2016	May 16, 2018	May 16, 2018	May 16, 2018	May 19, 2021
Date of Board Meeting	February 11, 2014	February 10, 2015	May 18, 2016	February 10, 2017	May 16, 2018	February 12, 2019	February 11, 2020	February 16, 2021
Grant	M	M	M	M	M	M	M	M
Number of free shares granted	159,660	176,740	159,680	155,790	170,720	162,025	234,118	244,181
• Of which, shares granted to Corporate Officers (% of BIC shares as of Dec. 31, 2021)								
• Gonzalve Bich	3,250	4,500 (0.01%)	5,000 (0.01%)	8,000 (0,02%)	15,000 (0,03%)	17,000 (0.04%)	24,781 (0.05%)	30,298
End of Vesting Period	March 11, 2017	March 10, 2018	May 18, 2019	March 31, 2020	May 16 , 2021	March 31, 2022	March 31, 2023	March 31, 2024
End of Holding Period	March 11, 2020	March 10, 2021	March 31, 2022	March 31, 2020	May 16, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Performance conditions	1) Net sales growth 2) Net cash from operating activities as a percentage of net sales							1) Free Cashflow 2) Innovation Vitality Rate 3) Rate of reusable, recyclable or compostable packaging
Total number of shares vested as of December 31, 2021	139,542	105,096	64,365	-	58,434	-	-	
Total number of void or lapsed shares as of December 31, 2021 [(a)]	20,118	71,884	94,025	155,790	112,286	111,870	55,499	27,269
TOTAL NUMBER OF PERFORMANCE SHARES OUTSTANDING AS OF DECEMBER 31, 2021	**-**	**-**	**-**	**-**	**-**	**50,155**	**178,619**	**216,912**

(a) The performance share grants are void due to the beneficiary leaving the Company or to all performance conditions not being achieved.

M = Main.

S = Secondary.

Shares allocated with or without performance conditions

The Board of Directors, in line with the power granted by the Shareholders' Meeting, and on the recommendation of the Remuneration Committee, grants eligible executives three-year performance-based share grants. The vesting period and performance conditions linked to these grants are the same as those for the Chief Executive Officer.

On the recommendation of the Remuneration Committee, and with the aim of rewarding team members selected by Management and key contributors during the year, the Board of Directors implemented a policy of free share grants, linked to the continued presence of the team member over the three-year and one month vesting period but with no performance conditions.

In 2021, the Board of Directors approved the grant of free standard shares to all employees of the Company, with the exception of the Chief Executive Officer, under the Sharing *Horizon* Employee Share Plan. These standard shares have no performance conditions attached and will be delivered to all employees still present with the Company at the end of the three-year vesting period.

The summary of the grants under these plans is provided below:

	Performance Shares	Standard Shares	Sharing *Horizon*
2021 Grants	244,181 shares	137,322 shares	59,720 shares
	158 beneficiaries	660 beneficiaries	11,944 beneficiaries
2020 Grants	234,118 shares	30,613 shares	
	501 beneficiaries	242 beneficiaries	
2019 Grants	162,025 shares	17,550 shares	
	496 beneficiaries	239 beneficiaries	

The total number of shares is reported in Note 23 to the consolidated financial statements.

FREE SHARES GRANTED AND TRANSFERRED IN 2021 TO THE TOP TEN MEMBERS OF THE GROUP WHO ARE NOT CORPORATE OFFICERS

Free shares granted and transferred to the top 10 employees who are not Corporate Officers	**Number of shares**	**Valuation of the shares according to the method used for the consolidated financial statements** *(in euros)*	**Vesting date**	**Availability date**	**Plan No**
• Shares granted during the fiscal year by the issuer or by any company included in the perimeter of allocation of shares to the 10 employees of the issuer and of any such company allocated the highest number of shares [(a)]	72,846	3,127,279	March 31, 2024	March 31, 2024	17 M
• Shares transferred during the fiscal year by the issuer or by any company included in the perimeter of allocation of shares to the 10 employees of the issuer and of any such company who are transferred the highest number of shares [(a)]	11,465	492,192	March 31, 2021	March 31, 2021	14 M

(a) These shares are all allocated subject to performance conditions.

M = Main.

S = Secondary.

4.2.2.6 Pension plans

Gonzalve Bich is a member of the BIC CORPORATION Restoration Plan (a U.S. supplementary pension plan). This has existed since 2006 and benefits selected Company executives whose remuneration taken into account in the U.S. Qualified Pension Plan is restricted by regulations.

The plan benefits are subject to having been a participant in the plan for at least five years.

- Method for determining the pensionable remuneration: the pensionable remuneration is the average remuneration based on the highest three consecutive years within the last 10 years.
- Rate at which pension rights vest:
  - this plan provides for a single life annuity, payable at normal retirement age (65) equal to:
    - 1.1% of the Social Security ceiling plus 1.5% of average pay in excess of the Social Security ceiling,
    - multiplied by the number of years of service (not to exceed 35 years),
    - plus 1.4% of average pay per year of service in excess of 35 years.

  The plan also includes the pension granted by the U.S. Qualified Pension Plan. Full vesting at age 52 with 15 or more years of service or at age 60 with five years of participation. Full vesting in the U.S. Qualified Plan occurs at five years of service:
  - in addition, the Plan provides early retirement benefits for beneficiaries prior to age 65 (age 62 if they retire, or after age 55 with 10 or more years of service),
  - in accordance with IAS 19, provisions are funded by BIC CORPORATION for the commitments arising from this plan.
- Maximum Payments:
  - not applicable.
- Method of funding:
  - the Restoration Plan is unfunded. The U.S. Qualified Pension Plan is funded through a trust.
- Other expenses paid by the Company:
  - BIC pays the cost of administration, accounting valuations under IAS 19 and funding valuations for the U.S. Qualified Pension Plan.

As of December 31, 2021, Gonzalve Bich had accrued a pension benefit equivalent to 27.52% of the average remuneration over the last three years of service out of his 18.9 years of service. For reference, this is equal to an annual pension of 422,071 U.S. dollars payable at age 65, inclusive of the U.S. Qualified Pension Plan benefit. In addition, he has also accrued a cash balance benefit of 30,800 U.S. dollars as of December 31, 2021, which is based on compensation credits equal to 4% of base pay, accumulated with interest, for each year beginning with January 1, 2021. He has elected to receive his Restoration Plan benefit as a lump sum.

4.2.2.7 Total remuneration

All amounts mentioned in this section take into consideration the length of service of the Board member or Executive Corporate Officer, or of membership of the Executive Committee during the fiscal years in question.

The total amount of fixed and variable remuneration awarded to the Chair of the Board and the Executive Corporate Officers for FY 2021 is equal to 975,778 euros in fixed remuneration (base) and 854,146 euros in variable remuneration. For FY 2020, the three Corporate Officers received 1 231 171 euros in fixed remuneration (base) and 859,931 euros in variable remuneration.

The team members on the Executive Committee (10 team members including the Chief Executive Officer) received 3,526,392 euros in fixed remuneration (base) and 1,792,292 euros in variable remuneration. For FY 2020, the Executive Committee had 9 team members and the amounts were 3,560,257 euros in fixed remuneration (base) and 1,681,832 in variable remuneration.

4.2.2.8 Commitments concerning Corporate Officers (related to the start or end of a term of office)

TABLE J

(Table 11 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

	Employment contract		Supplementary pension plan		Indemnities and benefits due or likely to be due because of a termination or change in positions		Non-competition indemnities	
Corporate Officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
John Glen Chair of the Board (Interim) Initial date of appointment: May 19, 2021 Term: 2022 AGM		X		X		X		X
Gonzalve Bich Chief Executive Officer Initial date of appointment: June 2, 2016 Term: indefinite		X [(a)]	X (See *Section 4.2.2.6*)			X		X

(a) No employment contract was signed by SOCIÉTÉ BIC and Gonzalve Bich. His remuneration is paid by BIC International. No termination payments are provided for these roles, which can be terminated at any time.

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COMMENTS ON THE YEAR

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5.1. OPERATIONS AND CONSOLIDATED RESULTS

THE GROUP IN 2021

2021 Key Events	
February	On February 11, completion of the sale of its Clichy-La-Garenne-based (France) Headquarters and BIC technologies sites. On February 26, completion of the divestiture of PIMACO, its Brazilian Adhesive Label business.
March	On March 12, launch of a 40 million euros ESG Impact Share Buyback program executed by Exane BNP Paribas and carried out during 2021.
May	In May, upgrade of our renewable electricity target and committment to achieving 100% by 2025. Pledge to define a CO_2 emissions reduction roadmap by the 2022 Annual General Meeting.
October	On October 19, development with Avient of a recycled material incorporated into the handle of the future refillable BIC Click Soleil 5 shaver, with a launch planned in the spring of 2022.
July	In July, expansion of the partnership with TerraCycle® with the launch of our first razor recycling program in Spain.
November	On November 3, completion of the ESG Impact Share Buyback program announced in December 2020 and launched in March 2021, followed by the sponsoring of the Abdul Latif Jameel Poverty Action Lab's Tutoring and Parental Program. On November 19, nomination of Nikos Koumettis for election to BIC Board of Directors and upcoming Non-Executive Chair of the Board.
December	On December 17, joining of the United Nations Global Compact, the world's largest Corporate Sustainability initiative.

FY 2021 Net Sales increased 12.5% at actual currencies, 12.2% on a comparative basis and 15.9% at constant currencies. The unfavorable impact of currency fluctuations (-2.8 points) was mainly due to the decrease of the U.S. Dollar against the Euro. Excluding the impact of acquisitions and divestitures, growth on a comparative basis was 12.2%.

CONDENSED PROFIT AND LOSS ACCOUNT

(in million euros)	FY 2020	FY 2021
Net sales	**1,627.9**	**1,831.9**
Cost of goods	845.5	901.1
Gross Profit	**782.4**	**930.8**
Administrative & other operating expenses	652.6	478.8
EBIT	**156.8**	**452.0**
Finance revenue/costs	(1.4)	(4.2)
Income before tax	**155.3**	**447.8**
Income tax expense	(61.6)	(133.6)
Net Income Group Share	**93.7**	**314.2**
Earnings per share Group share *(in euros)*	**2.08**	**7.02**
Average number of shares outstanding (net of treasury shares)	44,975,070	44,778,191

FY 2021 Gross Profit margin increased by 2.7 points to 50.8% compared to 48.1% in 2020. Excluding the 2020 under-absorption of fixed costs due to the Covid-19 pandemic, the Gross Profit margin was flat, notably driven by the increase in North America Lighter sales, a decrease in Brand Support above Net Sales, manufacturing and procurement efficiencies, offset by higher raw material costs and unfavorable Forex from Latin American currencies against the U.S. Dollar.

FY 2021 adjusted EBIT was favorably impacted by operating leverage from Net Sales growth. Freight and Distribution costs were higher due to the increase in customer demand.

FY 2021 non-recurring items included:

- 167.7 million euros from Clichy Headquarters sale gain in Q1 2021;

- 3.0 million euros from Pimaco divestiture gain in Q1 2021;
- -4.2 million euros of restructuring costs related to BIC's transformation plan;
- -0.4 million euros of earn-out adjustment following Rocketbook acquisition in 2020;
- 6.9 million euros of pensions favorable adjustments;
- -0.8 million euros of acquisition costs related to Inkbox announced in January 2022.

KEY COMPONENTS OF THE CHANGE IN ADJUSTED EBIT MARGIN

(in % points)	Q4 2020 vs. Q4 2021	FY 2020 vs. FY 2021
• Change in cost of production [(a)]	(2.1)	+0.1
• Brand Support	(1.5)	(0.3)
• OPEX and other expenses [(a)]	(2.2)	+1.4
Total change in Adjusted EBIT margin	**(5.8)**	**+1.2**

(a) For Gross Profit this excludes under-absorption of fixed costs due to the pandemic;
For OPEX and other expenses this excludes restructuring costs, Cello impairment, Pensions adjustment in the U.S.; and non-recurring items mostly commercial force underactivity. Other expenses include notably freight, distribution and R&D.

NON-RECURRING ITEMS

(in million euros)	FY 2020	FY 2021
EBIT	**156.8**	**452.0**
As % of Net Sales	**9.6%**	**24.7%**
Restructuring costs (Transformation plan), Ecuador factory closure in Q2 2020 and LAM commercial operations restructuring in Q3 2020	+27.2	+4.2
Cello impairment	+41.7	-
Some Expenses related to the Covid-19 pandemic - primarily absorption of fixed costs	+45.4	-
Pensions adjustment favorable in the U.S. in 2020 and favorable in France, UK and unfavorable in Greece in 2021	(44.1)	(6.9)
Clichy Headquarters sales capital gain	-	(167.7)
Pimaco divestiture capital gain	-	(3.0)
Acquisition costs	+2.1	+1.2
Adjusted EBIT	**229.1**	**279.8**
As % of Net Sales	**14.1%**	**15.3%**

NET INCOME AND EPS

(in million euros)	FY 2020	FY 2021
EBIT	**156.8**	**452.0**
Finance revenue/costs	(1.4)	(4.2)
Income before Tax	155.3	447.8
Net Income Group share	93.7	314.2
Adjusted Net Income Group Share [(a)]	**159.4**	**191.7**
Adjusted EPS Group Share *(in euros)*	3.54	4.29
EPS Group Share *(in euros)*	2.08	7.02

(a) Excluding non-recurring items & Argentina hyperinflationary accounting for 2020.

FY 2021 finance revenue decrease was mainly due to 2020's strong favorable impact of the fair value adjustments to financial assets denominated in U.S. Dollar against the Brazilian Real.

FY 2021 effective tax rate was 29.8% *vs.* 39.7% in 2020. FY 2020 effective tax rate excluding Cello impairment was 31.2%.

2021 GROUP NON-FINANCIAL PERFORMANCE

Water consumption: There was a 11.5% reduction in water consumption per ton of production between 2020 and 20201. BIC production is not water intensive and most of the consumption is due to domestic use. 2020 was an exceptional year, due to the pandemic which increased water demand from personnel for hygiene reasons.

Energy consumption: BIC implemented energy efficiency programs in its factories many years ago. As a result, the Group has improved its energy efficiency by 5.9% in ten years. Fifteen energy consumption projects were launched in 2021. The projects included light bulbs replacement with LED bulbs, processes optimization and installation of new and more energy efficient equipment.

Renewable energy: In 2021, 79% of the Group's electricity was renewable. This is a slight decrease from 2020 due to an increase in the electric consumption from non-renewable sources in factories not covered by energy certificates.

Greenhouse gas emissions: Total direct and indirect GHG emissions were estimated at 83,456 teqCO2 in 2021. This represents a 6.93% increase in total direct and indirect (scopes 1 and 2) GHG emissions, mainly due to an increase in production.

Waste: There was a 7.8% decrease in the quantity of waste generated per ton of production between 2020 and 2021.

Headcount: In 2021, 71% of the headcount received training (as of December 31, 2021) with an average of 1.6 days per employee.

Diversity: In 2021, women accounted for 44% of permanent team members in the Group:

- 38% of the workforce in Europe;
- 47% in North America;
- 51% in Latin America;
- 37% in Middle East Africa;
- 43% in Asia-Pacific/Oceania; and
- 48% in India.

Health and Safety: In 2021, health and safety management systems were operational on 82% of BIC's sites.

The frequency rate of accidents resulting in lost work time for BIC employees and temporary workers increased from 1.63 to 1.99 in 2021. The development and implementation of actions plans will continue in 2022 and create a stronger safety culture and reduce this rate.

Across the full organization in 2021, there were 58 accidents involving BIC team members and one for external temporary workers. The incident rate for BIC team members was 0.11 in 2021.

Human Rights: 91% of the Group's Net Sales are of products produced in its factories. 65% of these factories are located in countries with no Human Rights risk according to Freedom House [(1)].

Sponsorship: In 2021, product donations and financial aid worldwide totaled 1 million euros (internal valuation), primarily in education [(2)], environment and health.

Education: At end-2021, BIC estimated that 158 million children had their learning conditions improved through direct actions with children or activities with teachers and parents since 2018.

2021 GROUP PERFORMANCE BY CATEGORY

NET SALES AND INCOME FROM OPERATIONS (EBIT) BY PRODUCT CATEGORY 2020-2021

	Net Sales		EBIT	
(in million euros)	2020	2021	2020	2021
Human Expression	575.6	683.8	(31.1)	41.0
Flame for Life	618.1	718.5	226.4	268.5
Blade Excellence	404.2	401.2	50.6	56.2
Other Products	30.0	28.4	(5.2)	(5.2)

(1) Source: "Freedom in the World 2018", a study by the non-governmental organization Freedom House.
(2) This indicator includes all philanthropic educational actions, including those under commitment # 5.

ADJUSTED EBIT AND EBIT BY PRODUCT CATEGORY 2020-2021

	aEBIT		EBIT	
(in million euros)	2020	2021	2020	2021
Human Expression	33.3	36.8	(31.1)	41.0
Flame for Life	216.1	270.2	226.4	268.5
Blade Excellence	50.1	57.4	50.6	56.2
Other Products	(1.9)	(5.5)	(5.2)	(5.2)

ADJUSTED EBIT MARGIN AND EBIT MARGINS BY PRODUCT CATEGORY 2020-2021

	aEBIT Margin		EBIT Margin	
(in %)	2020	2021	2020	2021
Human Expression	5.8	5.4	(5.4)	6.0
Flame for Life	35.0	37.6	36.6	37.4
Blade Excellence	12.4	14.3	12.5	14.0

Human Expression - Stationery

Full Year 2021 Net Sales totaled 683.8 million euros, up 18.8% as reported, +13.6% on a comparative basis and +21.3% at constant currency. Performance was driven by commercial execution in Europe, Latin America, Middle East & Africa, and India, and the performance of Rocketbook.

- **In Europe**, Net Sales were up high-single digits on a comparative basis, and growth was led by a rebound in all distribution channels, including Office Suppliers and Modern mass market, and good performance during Back-to-School season. We gained market share in both classic and premium segments in key countries, notably France and the U.K.
- **In North America**, Net Sales were unchanged year-on-year on a comparative basis, and up double digit at constant currency (notably including Rocketbook). Product shortages resulting from supply chain issues affected our shipments to customers, notably during the Back-to-School season. While the market grew 16.1%, we lost 1.1 points market share [(1)] overall due to product availability constraints, despite the success of innovative launches such as the BIC® Prevaguard, and the eco-friendly BIC® ReVolution line. Rocketbook's reusable digital notebooks Net Sales grew by 55%, exceeding expectations in all channels, including Pure players and B2B, and boosted by solid growth in international sales.
- **In Latin America**, Net Sales were up double digits on a comparative basis. Following a soft start to the year, the Mexican market grew more than 7% [(2)] year-to-date, boosted by a solid Back to School season. We gained 0.8 points market share, outperforming classic and added-value segments, such as coloring. In Brazil, despite a gradual recovery throughout the year, the market declined 8.5%, strongly affected by a weak Q1 as Back-to-School season was impacted by lockdown measures such as homeschooling.
- **In India**, Net Sales grew high double-digit on a comparative basis. Driven by improved Indian domestic market conditions, Cello Net Sales were driven by a solid performance in e-commerce and successful investments in Brand Support.
- **In Middle East and Africa**, Net Sales grew high double-digit on a comparative basis. Morocco, Nigeria, and Kenya were the main contributors to the region's performance, showing the successful integration of our recent acquisitions and the deployment of a direct route to market strategy in these countries.

The Full Year 2021 Human Expression division adjusted EBIT margin was 5.4% compared to 5.8% in 2020. The increase in Raw Material, Sea and Air Freight import, and Freight and Distribution costs were partly offset by Net Sales growth (including Rocketbook), combined with manufacturing and procurement efficiencies.

Flame for Life - Lighters

Full Year 2021 Net Sales were at 718.5 million euros, up 16.2% as reported, up 18.2% on a comparative basis and up 20.3% at constant currency. In Lighters, the overall performance was driven by improved market dynamics in the U.S. pocket lighter market, solid performance in Latin America and Europe, combined with the success of innovative added-value products.

- **In Europe**, Net Sales were up low double digit on a comparative basis. Growth was driven by the rebound in traditional channels and Modern mass market and successful new listings in Eastern Europe.
- **In North America**, Net Sales were up low double digit on a comparative basis. Performance was driven by improved market dynamics in the U.S., where the Pocket Lighters market declined 3.5% in volume but grew 4.4% in value thanks to product mix and price increases [(3)]. We gained market share in both volumes (+2.5 points) and value (+1.2 points), fueled by further distribution gains in the convenience channel, low-single-digit price increases in Pocket Lighters, the execution of our Revenue Growth Management strategy, and the success of the BIC EZ Reach Pocket Utility lighter (4.3% total market share). The U.S. Utility lighters market growth

(1) NPD Data – YTD December 2021.
(2) For Brazil and Mexico, Nielsen data - YTD December 2021.
(3) For the U.S.: IRI data YTD December 2021.

slowed from a unique performance in 2020. We lost 1.5 points of value share year-to-date due to lack of product availability resulting from sea freight challenges and longer lead times. However, we remain the leader in this segment, with over 50% market share in value.

- **In Latin America**, Net Sales were up double-digits on a comparative basis. Performance was driven by more demand for smoking and non-smoking usages, with strong sell-out in both Brazil and Mexico. In Brazil, Net Sales were also positively impacted by lower imports of lighters due to cost increases in international sea freight and adverse currency fluctuation (devaluation of the Brazilian Real).

The Full Year 2021 Flame for Life division adjusted EBIT margin improved to 37.6% compared to 35.0% in 2020, boosted by the strong increase in Net Sales and the favorable impact of price increases in U.S. Lighters. This was partially offset by higher Brand Support investments compared to last year and higher Freight and Distribution costs.

Blade Excellence - Shavers

Full Year 2021 Net Sales were at 401.2 million euros, down by 0.7% as reported, up 2.5% on a comparative basis, and up 3.0% at constant currency. Net Sales growth was overall driven by added-value products, good performance in Latin America and Europe, and the success of shavers with environmental benefits.

- **In Europe**, Net Sales were up high-single digits. Results were affected by global supply chain issues, notably in France, the U.K., and Italy, where product availability issues negatively impacted performance, partially offset by solid growth in Eastern Europe. Despite these headwinds, we successfully launched our new Hybrid range in France.
- **In North America**, Net Sales were down mid-single digits. Performance was impacted by a challenging competitive environment in the U.S., where the in-store Disposable market declined 0.7% in value [(1)] with aggressive promotional activity and new products launched by competition since the beginning of 2021, including value positioning items. BIC lost 2.1 points market share globally. In line with the *Horizon* strategy, we focused on premium segments and gained 2.7 points in value in the 4 blade segment.
- **In Latin America**, Net Sales were up low double digits, driven by the success of our trade-up strategy. Brazil's market grew 2.7% in value [(2)], and we maintained our market share. We gained market share in the 3-blade segment, driven by male and female products, including our flagship BIC® Soleil range. In Mexico, we were flat in value in a growing market and successfully gained in the female segment with +1.8 points for the BIC® Soleil range.

FY 2021 Blade Excellence division adjusted EBIT margin improved to 14.3% compared to 12.4% in 2020, positively impacted by operating leverage from Net Sales growth, manufacturing and raw material procurement efficiencies, and more efficient Brand Support, notably in the U.S.

Other Products

Full Year 2021 Net Sales for Other Products totaled 28.4 million euros. This was down 5.3% as reported and down 5.6% on a comparative basis.

Full Year 2021 Adjusted EBIT for Other Products was a negative 5.5 million euros, compared to a negative 1,9 million euros in 2020.

Unallocated costs

Adjusted EBIT for FY 2021 unallocated costs were negative 79,1 million euros, compared to negative 68,4 million euros in 2020. FY 2021 unallocated costs are mainly related to Corporate headquarters costs and Clichy Headquarters sales capital gain amounting to 167.7 million euros. **The decrease in Adjusted EBIT** is due to the costs of implementing the transformation plan.

(1) IRI YTD December 2021.
(2) Nielsen YTD December 2021 for both Brazil and Mexico data.

2021 GROUP PERFORMANCE BY REGION

NET SALES BREAKDOWN BY REGION

(in million euros)	FY 2020	FY 2021	Change as reported	Change on a comparative basis
Group				
Net Sales	1,627.9	1831.9	+12.5%	+12.2%
Europe				
Net Sales	517.3	570.6	+10.3%	+9.4%
North America				
Net Sales	703.1	779.0	+10.8%	+8.6%
Latin America				
Net Sales	230.1	275.9	+19.9%	+26.0%
Middle East & Africa				
Net Sales	87.2	111.7	+28.0%	+29.2%
Asia & Oceania (Including India)				
Net Sales	90.2	94.8	+5.1%	+9.1%

IMPACT OF CHANGE IN PERIMETER AND CURRENCY FLUCTUATIONS ON NET SALES

(in %)	FY 2020	FY 2021
Perimeter	+0.2	+2.9
Currencies	(4.2)	(2.8)
• Of which USD	(0.7)	(2.1)
• Of which BRL	(2.0)	(0.7)
• Of which MXN	(0.4)	+0.1
• Of which RUB and UAH	(0.3)	(0.2)
• Of which ZAR	(0.2)	+0.1

SENSITIVITY OF NET SALES TO KEY CURRENCY FLUCTUATIONS

(in %)	2020	2021
+/-5% change in USD	+/-2.0	+/-2.0
+/-5% change in BRL	+/-0.3	+/-0.3
+/-5% change in MXN	+/-0.2	+/-0.2

Europe

Europe includes Western and Eastern Europe. In 2021, Net Sales in Europe totaled 570.6 million euros, a year-on-year increase of 9.4% on a comparative basis.

- **Human Expression**: Net Sales were up high-single digits, driven by a rebound in all distribution channels, including Office Suppliers and Modern mass market, and good performance during Back-to-School season. We gained market share in both classic and premium segments in key countries, notably France and the U.K.
- **Flame for Life**: Net sales were up low double digits, driven by the rebound in traditional channels and Modern mass market notably in Italy and France and by successful new listings in Eastern Europe such as in Russia.
- **Blade Excellence**: Net Sales were up high-single digits, affected by global supply chain issues, notably in France, the U.K., and Italy, where product availability issues negatively impacted performance, partially offset by solid growth in Eastern Europe.

North America

The North America region includes the United States and Canada. In 2021, Net Sales in North America totaled 779.0 million euros, up 8.6% on a comparative basis.

- **Human Expression**: Net Sales were unchanged *versus* last year. Performance was affected by product shortages resulting from supply chain issues which impacted shipments to customers, notably during the Back-to-School season. We lost share in a growing market due to product availability constraints, despite the success of innovative launches. Rocketbook's reusable digital notebooks Net Sales grew by 55%, exceeding expectations in all channels, including Pure players and B2B, and boosted by solid growth in international sales.
- **Flame for Life**: Net Sales were up low double digit. Performance was driven by improved market dynamics in the U.S.[(1)] BIC gained market share in both volume and value thanks to further distribution gains in the convenience channel, low-single-digit price increases in Pocket Lighters, the execution of our Revenue Growth Management strategy, and the success of the BIC EZ Reach Pocket Utility lighter. In the U.S. Utility lighter market, we lost market share in value due to lack of product availability resulting from sea freight challenges and longer lead times. However, we remain the leader in this segment, with over 50% market share in value.
- **Blade Excellence**: Net Sales were down mid-single digits. Performance was impacted by a challenging competitive environment in the U.S., where the in-store Disposable market declined 0.7% in value [(2)] with aggressive promotional activity and new products launched by competition since the beginning of 2021, including value positioning items. BIC lost market share in value globally but gained in added-value segments such as the 4-blade, in line with its *Horizon* strategy towards premiumization.

Latin America

In 2021, Latin America Net Sales totaled 275.9 million euros, a year-on-year increase of 26.0% on a comparative basis.

- **Human Expression**: Net Sales were up double digits. Following a soft start to the year, the Mexican market grew more than 7% year-to-date [(3)], boosted by a solid Back-to-School season and BIC gained market share in value. In Brazil, despite a gradual recovery throughout the year, the market declined 8.5%, strongly affected by a weak Q1 as Back-to-School season was impacted by lockdown measures such as homeschooling.
- **Flame for Life**: Net Sales were up double-digits. Performance was driven by more demand for smoking and non-smoking usages, with strong sell-out in both Brazil and Mexico. In Brazil, Net Sales were also positively impacted by lower imports of lighters due to cost increases in international sea freight and adverse currency fluctuation (devaluation of the Brazilian Real).
- **Blade Excellence**: Net Sales were up low double digits, driven by the success of our trade-up strategy towards 3 blade in both Brazil and Mexico. In Brazil, we gained market share in the 3-blade segment, driven by male and female products, including our flagship BIC® Soleil range. In Mexico, we were flat in value in a growing market and successfully gained in the female segment thanks to the BIC® Soleil range.

Middle East and Africa

In 2021, Net Sales for Middle East and Africa totaled 111.7 million euros, a year-on-year increase of 29.2% on a comparative basis.

- **Human Expression**: Net Sales were up high double digits. Performance was driven by Morocco, Nigeria, and Kenya showing the successful integration of our recent acquisitions and the deployment of a direct route to market strategy in these countries. Lucky Stationery Net Sales more than doubled in Nigeria in 2021.

(1) IRI YTD December 2021.
(2) IRI YTD December 2021.
(3) Nielsen – YTD December 2021.

Asia and Oceania (including India)

In 2021, Net Sales for Asia Oceania (including India) totaled 94.8 million euros, a year-on-year increase of 9.1% on a comparative basis.

- **Human Expression**: In India, Cello Net Sales were up high double digits, driven by improved Indian domestic market conditions, solid performance in e-commerce and successful investments in Brand Support. In Australia, the stationery market grew mid-single digit in value thanks to healthy Back to School season, BIC lost share mainly attributed to Ball Pen segment, but outperformed in the Coloring and Highlighter segments.
- **Flame for Life**: In Oceania, performance was negatively impacted by lockdowns during the third quarter in Australia.
- **Blade Excellence**: In Australia, in a declining non-refillable shaver market, performance was impacted by a tough competitive environment and BIC underperformed the market especially in female but gained share in the 4 blades segment. Net Sales performance was also impacted by store closures due to lockdowns as well as supply issues.

5.2. FINANCIAL AND CASH POSITIONS

At the end of December 2021, **the Group's Net Cash position** was 400.1 million euros, positively impacted by the sale of Clichy Headquarters. Net Cash from operating activities was 280.6 million euros and driven by improved operational performance partly offset by the increase in inventory levels due to higher raw material and freight costs.

MAIN BALANCE SHEET ITEMS

(in million euros)	December 31, 2020	December 31, 2021
Shareholders' equity	**1,456.4**	**1,723.8**
Current borrowings and bank overdrafts	90.0	76.3
Non-current borrowings	28.0	23.8
Cash and cash equivalents – Assets	265.7	468.9
Other current financial assets and derivative instruments	26.1	1.7
Net cash position [(a)]	**183.9**	**400.1**
Goodwill and intangible assets	309.8	322.1
TOTAL BALANCE SHEET	**2,169.4**	**2, 495.8**

NB: SOCIÉTÉ BIC did not request any rating from any credit rating agency nor, to the best of its knowledge, has it been the object of any unsolicited rating by any credit rating agency.
(a) See glossary.

CONDENSED CASH FLOW STATEMENT

(in million euros)	2020	2021
Cash flow from operations	**294.2**	**410.3**
(Increase)/Decrease in net working capital	129.7	(20.0)
Other operating cash flows	(66.3)	(109.7)
Net cash from operating activities [(a)]	357.6	280.6
Net cash from investing activities	(149.3)	57.6
Net cash from financing activities	(61.1)	(148.3)
Net increase/(decrease) in cash and cash equivalents net of bank overdrafts	147.2	189.9
Closing cash and cash equivalents	**264.7**	**468.4**

(a) See glossary.

5.3. DIVIDENDS

The Board of Directors of SOCIÉTÉ BIC proposes the distribution of dividends primarily based on:

- company earnings;
- its investment policy;
- balance sheet strength; as well as
- comparisons with industry peers.

BIC does not foresee a material change in this dividend distribution policy.

At the Annual Shareholders' Meeting on May 18, 2022, the Board of Directors will propose 2.15 euros of Ordinary Dividend per share for 2021. The Dividend pay-out ratio was 87% in 2021 and 63% in 2020.

The dividends paid for the last three fiscal years were as follows:

	Net ordinary dividend *(in euros)*	**Net ordinary dividend divided by earnings per share (pay-out ratio)**
2021	**1.80**	**87%**
2020	2.45	63%
2019	3.45	91%

5.4. INVESTMENTS

KEY INVESTMENTS IN RECENT YEARS

Regarding industrial investments, BIC has split its manufacturing activities into two areas for several years:

- first, in continuous quality improvement for each production line, including ongoing investments in manufacturing processes and new technologies;
- second, in the specialization of focused production sites.

In 2006, it opened a distribution subsidiary in Turkey, and acquired PIMACO, Brazil's leading manufacturer and distributor of adhesive labels.

In December 2008, BIC announced its intent to acquire Antalis Promotional Products entities (Sequana group). The acquisition was completed on March 11, 2009, with an agreement for a total enterprise value of 33.5 million euros. After the purchase of Antalis Promotional Products, in June 2009, the Group announced the acquisition of Norwood Promotional Products. The acquisition was completed on July 6, 2009.

On January 21, 2009, BIC and Cello announced they had signed a definitive agreement whereby the Group acquired 40% of the Cello Writing Instrument business for 7.9 billion Indian rupees. Under the agreement, BIC had a call option in 2013 to increase its stake to 55%. This agreement was partially completed on March 5, 2009, for 3.8 billion Indian rupees.

In April 2009, BIC launched a worldwide cost reduction plan in response to the market slowdown. This initiative negatively impacted the full year 2009 EBIT by 34.4 million euros. The impact on profit was partially offset by the negative goodwill from the acquisition of Antalis Promotional Products. The net impact was 24.1 million euros.

On November 30, 2011, BIC acquired the assets of Angstrom Power Incorporated, a company specializing in the development of portable fuel cell technology.

In February 2012, BIC acquired land for the construction of a writing instrument facility in the fast-growing African and Middle-East region. Located in Tunisia (region of Bizerte). The total investment was 12 million euros.

In September 2013, BIC completed the acquisition of 40% of the final (7th) Stationery Cello Group entity for 3.7 billion Indian rupees (43.3 million euros) [(1)]. On September 27, 2013, the Group announced it had exercised the call option on September 17 to increase its stake in the seven Cello Pens entities from 40% to 55% for 2.9 billion Indian rupees (35.2 million euros) [(2)].

In October 2013, BIC acquired land in Nantong, China (North of Shanghai) for the construction of a Lighter facility. The total investment is around 14 million euros.

In July 2014, BIC purchased shares to increase its stake from 55% to 75% in the seven Cello Pens entities for 4.3 billion Indian rupees (approximately 53 million euros) [(3)]. This was as a result of the exercise by Cello Group of its put option in March 2014, allowing it to sell 20% of Cello Pens to the Group.

In October 2015, BIC presented an investment proposal intended to modernize its industrial facilities in the North of France (Pas-de-Calais). Planned for a five-year period, the project includes a 12 million euro investment to extend the production facility at Samer.

In December 2015, BIC increased its stake in Cello Pens to 100% for 5.4 billion Indian rupees (approximately 74 million euros) [(4)].

In October 2017, BIC's Indian subsidiary BIC Cello (India), acquired land and buildings for a new writing instrument facility in Vapi (Gujarat state). The total investment is around 28 million euros.

On December 31, 2018, BIC announced the transfer of the manufacturing facilities of Haco Industries Kenya Ltd. in Kenya and the distribution of Stationery, Lighters and Shavers in East Africa to BIC. This acquisition is in line with BIC's continued growth strategy in Africa, one of the most promising markets for BIC® products worldwide.

On January 16, 2019, BIC's Indian subsidiary BIC Cello, inaugurated the new writing instrument facility in Vapi (Gujarat state).

On October 23, 2019, BIC completed the acquisition of Lucky Stationery in Nigeria (LSNL), Nigeria #1 Writing Instrument manufacturer. This acquisition is consistent with BIC's continued growth strategy in Africa.

On July 1, 2020 BIC announced the completion of the acquisition of Djeep. This acquisition aims to strengthen BIC's position in the pocket lighters market and offers substantial growth opportunities in Europe and North America.

On December 15, 2020, BIC acquired Rocketbook, the leading smart and reusable notebook brand in the United States, entering the Digital Writing segment, a fast-growing market.

On February 11, 2021, BIC completed the sale of its Clichy Headquarters (France).

On February 26, 2021, BIC completed the sale of its Brazilian Adhesive Label business, PIMACO, to Grupo CCR, for 40 million Brazilian Real.

(1) 84.53 INR = 1 EUR (September 13, 2013, ECB Reference rate).
(2) 83.80 INR = 1 EUR (September 26, 2013, ECB Reference rate).
(3) 81.17 INR = 1 EUR (July 4, 2014, ECB Reference rate).
(4) 72.69 INR = 1 EUR (December 08, 2015, ECB Reference rate).

KEY INVESTMENTS IN 2021

2021 Capex totaled 74.9 million euros.

- In **Human Expression,** BIC invested mostly in new molds and machinery.
- In **Flame for life**, BIC invested in new machines and molds to improve quality and productivity, accelerated investments in Sustainable Development and continued the construction of a new storage warehouse for finished products near its Redon plant.
- In **Blade Excellence,** major investments were related to new products.

KEY ONGOING INVESTMENTS: GEOGRAPHIC DISTRIBUTION AND FINANCING METHODS

Not applicable.

KEY FUTURE INVESTMENTS

Not applicable.

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1. CONSOLIDATED INCOME STATEMENT

(in thousand euros)	Notes	December 31, 2020	December 31, 2021
Net sales	2-2	1,627,910	1,831,895
Cost of goods	4	(845,487)	(901,142)
Gross profit [(a)]		**782,423**	**930,753**
Distribution costs	4	(242,896)	(270,886)
Administrative expenses	4	(210,236)	(220,123)
Other operating expenses	4	(143,603)	(160,000)
Other income	5	51,007	180,372
Other expenses	5	(79,942)	(8,108)
Earnings before interest and taxes (EBIT)		**156,753**	**452,006**
Income from cash and cash equivalents	6	3,118	3,709
Net finance income/(net finance costs)	6	(4,536)	(7,926)
Income before tax		**155,335**	**447,789**
Income tax expense	7	(61,611)	(133,595)
Net income from consolidated entities		**93,724**	**314,195**
Net income from continuing operations	8	93,724	314,195
Net income from discontinued operations		-	-
Consolidated income of which:		**93,724**	**314,195**
Non-controlling interests		-	-
Net income Group share	**8**	**93,724**	**314,195**
Earnings per share Group share *(in euros)*		2.08	7.02
Diluted earnings per share Group share *(in euros)* [(b)]		2.08	6.99

(a) Gross profit is the margin that the Group realizes after deducting its manufacturing costs.
(b) The dilutive elements taken into account are free shares.

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousand euros)		Notes	December 31, 2020	December 31, 2021
GROUP NET INCOME	**A**		**93,724**	**314,195**
OTHER COMPREHENSIVE INCOME				
Actuarial differences on post-employment benefits not recyclable to the income statement [(a)]			(13,823)	46,158
Deferred tax on actuarial differences on post-employment benefits		7-2	3,075	(10,543)
Other comprehensive income not recyclable to the income statement – net of tax	**B**		**(10,748)**	**35,615**
Gain/(Loss) on cash flow hedge			23,347	(26,523)
Exchange differences arising on translation of overseas operations [(b)]			(142,303)	43,868
Equity instruments at fair value			3	10
Deferred tax and current tax recognized on other comprehensive income		7-2	(5,842)	7,422
Other comprehensive income recyclable to the income statement – net of tax	**C**		**(124,795)**	**24,777**
TOTAL COMPREHENSIVE INCOME	**D = A + B + C**		**(41,819)**	**374,587**
Attributable to:				
• BIC Group			(41,819)	374,587
• Non-controlling interests			-	-
TOTAL			**(41,819)**	**374,587**

(a) The impact of actuarial differences is mainly due to U.S. plans.

(b) The main items impacting the translation reserve variance for the period, by currency, are as follows : U.S. dollar (+43.3 million euros) and Mexican peso (+5.9 million euros).

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(in thousand euros)	Notes	December 31, 2020	December 31, 2021
Goodwill	10	243,829	256,058
Other intangible assets	11	65,997	66,032
Property, plant and equipment	9	613,374	588,799
Investment properties		1,454	1,892
Other non-current assets	12	23,695	25,788
Deferred tax assets	13	114,302	131,458
Derivative instruments	24-4, 24-5	976	62
Non-current assets		**1,063,627**	**1,070,090**
Inventories	14	379,021	490,222
Income tax advance payments		11,152	30,475
Trade and other receivables	14, 22-5	409,625	418,186
Other current assets		14,185	16,259
Derivative instruments	24-4, 24-5	26,081	1,694
Other current financial assets	20, 22-6	1	-
Cash and cash equivalents	20, 22-4	265,744	468,914
Current assets		**1,105,809**	**1,425,750**
TOTAL ASSETS		**2,169,436**	**2,495,840**

Equity and liabilities

(in thousand euros)	Notes	December 31, 2020	December 31, 2021
Share capital	15-1	171,809	169,665
Reserves and retained earnings		1,284,399	1,554,155
Shareholders' equity Group share		**1,456,208**	**1,723,820**
Non-controlling interests		-	-
Shareholders' equity	**SHEQ**	**1,456,208**	**1,723,820**
Non-current borrowings	16, 22-6	27,985	23,782
Other non-current liabilities		12,707	12,866
Employee benefits obligation	18-3	122,964	80,016
Provisions	17	25,560	20,328
Deferred tax liabilities	13	60,914	68,654
Derivative instruments	24-4, 24-5	53	14
Non-current liabilities		**250,183**	**205,660**
Trade and other payables	14	99,470	149,154
Current borrowings	16	89,976	76,287
Current tax due		18,801	35,265
Other current liabilities	19	251,504	292,154
Derivative instruments	24-4, 24-5	3,294	13,499
Current liabilities		**463,045**	**566,360**
TOTAL EQUITY AND LIABILITIES		**2,169,436**	**2,495,840**

SHEQ: see consolidated statement of changes in equity.

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousand euros)	Notes	Share capital	Accumulated profits	Additional paid in capital	Actuarial differences recognized in equity	Translation reserve	Cash flow hedge derivatives	Cost of hedging through OCI	Share-holders' equity Group share	Non-controlling interests	Share-holders' equity
At January 1, 2020		**171,869**	**1,642,195**	**12,342**	**(101,231)**	**(113,183)**	**(3,909)**	**-**	**1,608,082**	**-**	**1,608,082**
Dividends paid	*21*	*-*	*(110,214)*	*-*	*-*	*-*	*-*		*(110,214)*	*-*	*(110,214)*
Decrease in share capital [(a)]		*(521)*	*(6,832)*	*-*	*-*	*-*	*-*		*(7,353)*	*-*	*(7,353)*
Increase in share capital		*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Treasury shares		*461*	*(639)*	*-*	*-*	*-*	*-*	*-*	*(178)*	*-*	*(178)*
Recognition of share-based payments	*23*	*-*	*-*	*5,444*	*-*	*-*	*-*	*-*	*5,444*	*-*	*5,444*
Hyperinflation impact in Argentina		*-*	*2,173*	*-*	*-*	*-*	*-*	*-*	*2,173*		*2,173*
Other		*-*	*72*	*-*	*-*	*-*	*-*	*-*	*72*	*-*	*72*
Total transactions with Shareholders		***(60)***	***(115,440)***	***5,444***	***-***	***-***	***-***	***-***	***(110,056)***	***-***	***(110,056)***
Net income for the period		*-*	*93,724*	*-*	*-*	*-*	*-*	*-*	*93,724*	*-*	*93,724*
Other comprehensive income		*-*	*936*	*-*	*(10,748)*	*(142,303)*	*16,572*	*-*	*(135,543)*	*-*	*(135,543)*
Total comprehensive income		***-***	***94,660***	***-***	***(10,748)***	***(142,303)***	***16,572***		***(41,819)***	***-***	***(41,819)***
At December 31, 2020		**171,809**	**1,621,415**	**17,786**	**(111,979)**	**(255,486)**	**12,663**	**-**	**1,456,208**	**-**	**1,456,208**
At January 1, 2021		**171,809**	**1,621,415**	**17,786**	**(111,979)**	**(255,486)**	**12,663**	**-**	**1,456,208**	**-**	**1,456,208**
Dividends paid	*21*	*-*	*(80,919)*	*-*	*-*	*-*	*-*		*(80,919)*	*-*	*(80,919)*
Decrease in share capital [(a)]		*(2,742)*	*(36,487)*	*-*	*-*	*-*	*-*		*(39,229)*	*-*	*(39,229)*
Increase in share capital		*-*	*-*	*-*	*-*	*-*	*-*		*-*	*-*	*-*
Treasury shares		*598*	*(482)*	*-*	*-*	*-*	*-*		*116*	*-*	*116*
Recognition of share-based payments	*23*	*-*	*-*	*10,446*	*-*	*-*	*-*	*-*	*10,446*	*-*	*10,446*
Hyperinflation impact in Argentina		*-*	*2,523*	*-*	*-*	*-*	*-*	*-*	*2,523*	*-*	*2,523*
Other		*-*	*89*	*-*	*-*	*-*	*(1)*	*-*	*88*	*-*	*88*
Total transactions with Shareholders		***(2,144)***	***(115,276)***	***10,446***	***-***	***-***	***(1)***	***-***	***(106,975)***	***-***	***(106,975)***
Net income for the period		-	314,195	-	-	-	-	-	314,195	-	314,195
Other comprehensive income		-	(42)	-	35,615	43,868	(19,049)	-	60,392	-	60,392
Total comprehensive income		***-***	***314,153***	***-***	***35,615***	***43,868***	***(19,049)***	***-***	***374,587***	***-***	***374,587***
At December 31, 2021		**169,665**	**1,820,292**	**28,232**	**(76,364)**	**(211,618)**	**(6,387)**	**-**	**1,723,820**	**-**	**1,723,820**

(a) 717,928 shares have been cancelled during the year 2021.

5. CONSOLIDATED CASH FLOW STATEMENT

(in thousand euros)	Notes	December 31, 2020	December 31, 2021
Operating activities			
Net income Group share	IS	93,724	314,195
Elimination of expenses and income with no impact on cash flows or non-business related expenses:			
Argentina hyperinflationary accounting		1,642	1,943
Depreciation and amortization of intangible and tangible assets and investment properties	2, 9-2, 11	115,154	111,794
Impairment loss on tangible and non-tangible assets	9-2, 11 [a]	44,063	2
Subsidiaries acquisition costs		2,368	-
Provision for employee benefits	18	(26,828)	3,226
Other provisions (excluding provisions on current assets)	17	4,026	(1,683)
Unrealized foreign currency gain/loss	20 [b]	(3,814)	(1,445)
Hedging and derivative instruments		(5,353)	8,637
Option premium expense		888	491
Recognition of share-based payments	23, SHEQ	5,444	10,446
Financial expense/(income)		1,440	(372)
Income tax expense	7	58,915	140,965
Deferred tax variation		2,697	(7,370)
(Gain)/loss from disposal of other fixed assets	5, 20 [c]	(128)	140
Gain on sale of Clichy headquarters	5, 20 [c]	-	(167,711)
Gain on disposal of PIMACO	5, 20 [c]	-	(3,027)
Cash flow from operations		**294,240**	**410,231**
(Increase)/decrease in net working capital	14, 20 [d]	129,751	(19,928)
Payments related to employee benefits	18-2, 20 [e]	(16,317)	(9,325)
Income tax paid		(50,028)	(100,421)
NET CASH FROM OPERATING ACTIVITIES		**357,646**	**280,556**
Investing activities			
Diposal of PIMACO		-	4,600
Sale of Clichy headquarters		-	127,944
Disposal of other fixed assets	20 [c]	2,726	6,644
Purchases of property, plant and equipment	9-1, 20 [g]	(76,730)	(66,178)
Purchases of intangible assets	11, 20 [g]	(6,365)	(8,691)
(Increase)/Decrease in other investments		(211)	408
Sale of other current financial assets	20 [h]	3,861	-
Acquisition of subsidiaries	20 [i]	(72,542)	(7,154)
NET CASH FROM INVESTING ACTIVITIES		**(149,259)**	**57,573**
Financing activities			
Dividends paid	SHEQ, 21.20 [j]	(110,214)	(80,919)
Borrowings/(repayments)	16, 20 [k]	77,237	(11,992)
Interest (paid)/received		(1,236)	364
Payments of obligations under leases	16	(18,865)	(16,650)
Purchase of financial instruments		(496)	(222)
Increase in treasury shares	20 [l]	(7,532)	(38,854)
NET CASH FROM FINANCING ACTIVITIES		**(61,106)**	**(148,273)**
Net cash variation		147,281	189,856
Opening cash and cash equivalents net of bank overdrafts	BS, 16, 22	146,846	264,733
Exchange difference		(29,394)	13,824
CLOSING CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	**BS, 16, 22**	**264,733**	**468,413**

IS: see consolidated income statement.
SHEQ: see consolidated statement of changes in equity.
BS: see consolidated balance sheet.
References from (a) to (l) explained in Note 20.

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SOCIÉTÉ BIC is a French public limited company (*société anonyme*), subject to the regulatory corupus governing commercial companies in France, and particularly to the provisions of the French Commercial Code. Its headquarters are located at 14, rue Jeanne d'Asnières, (92110) Clichy in France and the Company is listed on Euronext. The principal place of business is located at the same address.

The annual consolidated financial statements reflect the accounting position of SOCIÉTÉ BIC and its subsidiaries (the "Group"). They are presented in euros and rounded to the nearest thousand. The Group's business is the production and sale of stationery, lighters and shavers.

NOTE 1 MAIN RULES AND ACCOUNTING POLICIES

Approval of the financial statements

The Group's consolidated financial statements for FY 2021 were approved by the Board of Directors' Meeting of February 15, 2022 and are submitted for approval to the Annual Shareholders' Meeting to be held on May 18, 2022.

1-1 Accounting policies

1-1-1 General policies

Pursuant to European regulation (EC) n° 1606/2002 of July 19, 2002 on the application of international accounting standards, the consolidated financial statements of the Group have been prepared in accordance with accounting principles as defined by the International Accounting Standards Board (IASB) as adopted by the European Union as of December 31, 2021.

The international standards include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards), as well as their SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

At the end of the year, the reference standards used and the standards adopted by the IASB, for which application is mandatory for the period presented, matched.

The financial statements have been prepared on a historical cost basis, except for the valuation of certain financial instruments measured at the fair value. The main accounting policies remained unchanged compared to the 2020 fiscal year, except for the following policies, effective since January 1, 2021.

1-1-2 Adoption of new and revised IFRS, interpretations and amendments

Standards, interpretations and amendments effective for periods starting January 1, 2021

The following standards and amendments, effective since January 1, 2021, were applied to the consolidated financial statements for the period ended December 31, 2021:

- amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 et IFRS 16 (Interest Rate Benchmark Reform – Phase 2);
- amendments to IFRS 16 – Leases – Covid-19 Related rent concessions beyond June 30, 2021.

Standards, interpretations and amendments with mandatory application after 2021 and adopted by the European Union

- Amendments to IFRS 3 – Business Combinations – Reference to the conceptual framework;
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before intended use;
- Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets (Onerous contracts – Cost of fulfilling a contract);
- Annual improvements – 2018-2020 cycle:
  - amendment to illustrative examples accompanying IFRS 16 Leases – Lease incentives,
  - amendment to IFRS 9 – Financial instruments – Fees in the "10 per cent" test for derecognition of financial liabilities,
  - amendment to IFRS 1 – First time adoption of IFRSs – Subsidiary as a first-time adopter.

In 2021, the Group did not elect to apply early any standard, interpretation or amendment approved by the European Union.

Standards, interpretations and amendments issued with mandatory application after 2021 but not yet adopted by the European Union that may have an impact on the Group's financial statements

- Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice statement 2: Disclosure of Accounting policies;
- Amendments to IAS 8 – Accounting policies, changes in accounting estimates and errors – Definition of Accounting Estimates;
- Amendments to IAS 12 – Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- Amendments to IAS 1 – Presentation of Financial Statements: Classification of liabilities as current or non-current;
- Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

Analysis on the practical consequences of these new amendments is in progress.

The application of the IFRS IC decision on IAS 19 relating to the allocation of benefits to periods of service published in May 2021 does not have a significant impact on the Group's financial statements.

1-1-3 Consolidation of subsidiaries

The consolidated financial statements include the financial statements of the parent company, SOCIÉTÉ BIC, and of the entities controlled by SOCIÉTÉ BIC ("its subsidiaries"). An investor controls an investee if it has the exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those used by other entities of the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

1-1-4 Estimates and judgments

In preparing the consolidated financial statements, the Group formulates estimates and assumptions that impact the financial statements and information in certain notes to the financial statements. The Group regularly reviews these estimates and assumptions in order to take into account past experience as well as changes in the economic environment, especially in some key countries of the Group. The results of these reviews could lead to the amounts published in future consolidated financial statements differing from those previously disclosed.

The assumptions on which the main estimates are based and the assessment made are explained in the following notes:

- Note 1-2 – *Change in Group structure*;
- Note 10 – *Goodwill*;
- Note 17 – *Provisions*;
- Note 18 – *Pensions and other employee benefits*;
- Note 22-6 – *Fair value of financial assets and liabilities*;
- Note 24 – Derivative financial instruments and hedge accounting.

1-2 Change in Group structure

Accounting policies

- In accordance with Revised IFRS 3 – Business Combinations, business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities assumed are measured at fair value at the acquisition date and, when appropriate, non-controlling interests in the acquiree are measured at either fair value or at the proportionate part in the fair value of the assets and liabilities of the acquired entity. This option is available on an individual basis for each business combination transaction.
- Any share previously held in the acquiree before the takeover, should be reassessed at fair value and the corresponding profit or the loss recorded in the income statement.
- Badwill is recorded immediately in the income statement.
- When incurred, acquisition costs are recognized immediately as expenses, except those relating to equity instruments (which are recognized as a deduction to the Shareholders' equity).
- Any potential price adjustment is estimated at fair value as of the acquisition date and this initial assessment can only later be adjusted against goodwill in the case of new information related to facts and circumstances existing at the date of acquisition and to the extent that the assessment was still described as provisional (assessment period limited to 12 months); any subsequent adjustments that do not meet these criteria are recorded as a liability or receivable through the Group income statement.
- Put options granted to non-controlling interests of fully consolidated subsidiaries are considered as financial debt. The value of the debt is estimated using the formulas or prices set contractually. When utilizing formulas based upon multiples of earnings minus debt, the Group uses the actual profit/loss of the entity in the period and its debt at the closing date of the fiscal year.
- The Group enters these put options as a financial debt at the present value of the put exercise price with Group Shareholders' equity as a counterpart; subsequent changes in debt are treated similarly.

6

Change in the consolidation scope

On February 26, 2021 – BIC announced the closing of the sale of its Brazilian adhesive label business, PIMACO, to Grupo CCRR for 40 million Brazilian Real (approximately 6.0 million euros). The transaction has been approved by the Brazilian antitrust authorities.

1-3 Significant events

On February 11, 2021 – BIC announced that it has signed with BNP Paribas Real Estate and CITALLIOS the sale of its Clichy-la-Garenne-based (France) Headquarters and BIC Technologies sites for an amount of 175 million euros, representing a 167.7 million euros gross capital gain.

1-4 Subsequent events

BIC has announced on February 1st, 2022 that is has completed the acquisition of Inkbox Ink Incorporated for 65 million USD (57 million euros), and a deferred consideration based on Inkbox's future sales and profitability growth.

This investment was fully consolidated in the financial statements as of February 1, 2022. This acquisition has been treated as a business combination.

A preliminary goodwill amounting 77.8 million USD (69 million euros as of February 1,2022) has been determined based on the fair value of net assets of Inbox at the acquisition date. This amount is provisional as of February 1,2022. The preliminary goodwill was allocated to the assets as follows:

- the Inbox trademark amounting 24.2 million USD, i.e. 21.5 million euros as of February 1,2022;
- the patent and the software amounting 13.4 million USD, i.e. 11.9 million euros as of February 1,2022;
- a non-compete agreement amonting 1.1 million USD, i.e. 0.9 million euros as of February 1,2022;
- the related deferred tax liability amounting 3.9 million USD, i.e. 3.5 million euros as of February 1,2022.

The preliminary goodwill amounts thus 43.1 million USD, i.e. 38.3 million euros as of February 1,2022.

NOTE 2 OPERATING SEGMENTS

Accounting policies

IFRS 15 requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is presented in a five-step model:

1) identify the contract(s) with a customer;
2) identify the performance obligations in the contract;
3) determine the transaction price;
4) allocate the transaction price to the performance obligations in the contract;
5) recognize revenue when (or as) the entity satisfies a performance obligation.

The impact on the consolidated financial statements is limited and concerns certain contractual clauses in the sales agreements. The main impact is related to business development funds that consist of general brand promotions or advertising services (that the Group could have also acquired from a third-party advertising supplier) and is accounted for as an operating expense instead of net sales.

2-1 General information

According to IFRS 8, the Group operating segments have been determined based on the reports regularly provided to the management and used to make strategic decisions.

The measurement policies that the Group uses for segmental reporting under IFRS 8 are the same as those used in its financial statements.

The management, composed of operational representatives responsible for the continents, representatives of the categories and cross-functional areas, considers the business from a product category perspective, knowing that each category can be reviewed for a specific geographic area if necessary.

These operating segments receive their revenues from the production and distribution of each product category.

Following the new organization announced at the time of BIC's transformation plan launched in February 2019, a new financial information structure was put in place starting in 2020.

The unallocated costs have been excluded from Categories' Income From Operations and Normalized Income From Operations, and will be presented separately:

- stationery;
- lighters;
- shavers;
- other products;
- unallocated costs.

Unallocated costs include the following:

- net costs (balance of income and expenses),
  - corporate headquarters costs including information technology, finance, legal and HR costs,
  - shared services center costs;
- other net costs that can't be allocated to Categories, notably restructuring costs, gains or losses on assets' divestiture, etc.

2-2 Information on the income statement and assets by activity

As of Q1 2021, BIC has evolved its financial communication and KPIs to adapt to the *Horizon* plan.

Normalised income from operations is replaced by Adjusted EBIT

All indicators are determined according to IFRS, except for:

- adjusted income from operations, which is the EBIT restated for non-recurring items (in particular real estate gains, the gain or loss on the sale of businesses and restructuring costs).

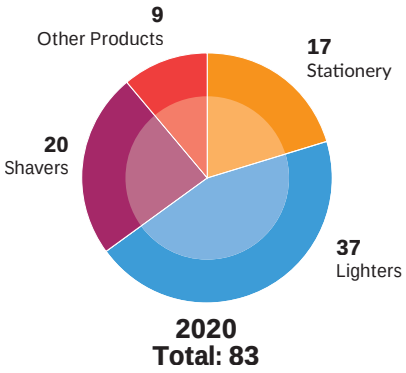
It constitutes the key financial metrics used within the Group;

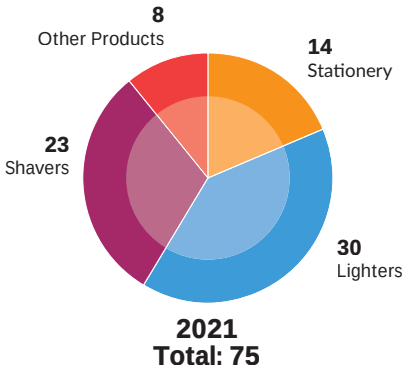
- capital additions, which are the purchases and internal generation of property, plant and equipment and intangible fixed assets for the period.

	At December 31, 2020						At December 31, 2021					
(in million euros)	Stationery	Lighters	Shavers	Other Products	Unallocated costs	Total	Stationery	Lighters	Shavers	Other Products	Unallocated costs	Total
Income statement												
• Net sales	576	618	404	30	-	1,628	684	719	401	28	-	1,832
• Depreciation and amortization	(34)	(26)	(33)	(21)	-	(115)	(31)	(28)	(27)	(26)	-	(112)
• Impairment loss	(42)	-	(2)	-	-	(44)	-	-	-	-	-	-
• EBIT	(31)	226	51	(5)	(84)	157	41	267	56	(5)	92	452
Restatements made to obtain adjusted EBIT												
• *Cello impairment on property, plant & equipment and trademark impairment in 2020 (see Note 9)*	*42*	-	-	-	-	*42*	-	-	-	-	-	-
• *Restructuring costs*	*4*	*3*	*3*	*2*	*15*	*27*	*1*	*2*	-	-	*1*	*4*
• *Impact of Covid-19*	*29*	*7*	*8*	*1*	-	*45*	-	-	-	-	-	-
• *Acquisition costs Rocketbook*	*2*	-	-	-	-	*2*	-	-	-	-	-	-
• *Acquisition costs - Other*	-	-	-	-	-	-	*1*	-	-	-	-	*1*
• *US Pensions*	*(12)*	*(20)*	*(12)*	-	-	*(44)*	-	-	-	-	-	-
• *Europe Pensions*	-	-	-	-	-	-	*(4)*	-	*1*	-	*(4)*	*(7)*
• *Clichy headquarters sales capital gain*	-	-	-	-	-		-	-	-	-	*(168)*	*(168)*
• *PIMACO divestiture capital gain*	-	-	-	-	-	-	*(3)*	-	-	-	-	*(3)*
Adjusted EBIT	**33**	**216**	**50**	**(2)**	**(68)**	**229**	**37**	**270**	**58**	**(5)**	**(80)**	**280**

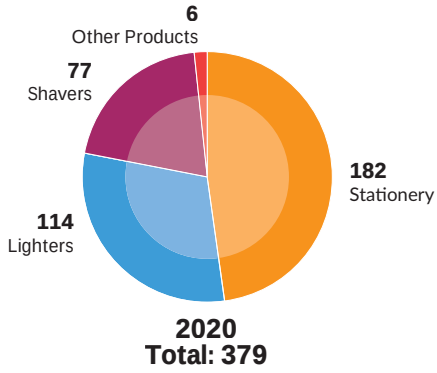
As of December 31, 2021, BIC had identified Walmart group as a major customer with which it realized 10% of its net sales over the period.

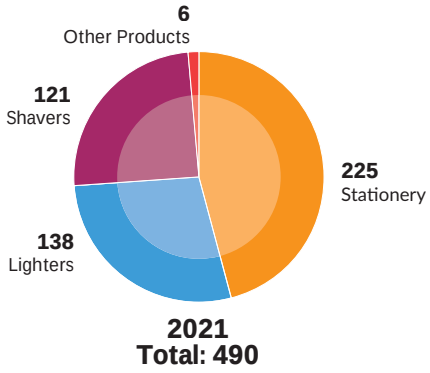
CAPITAL ADDITIONS [1] [2] **(Without rights of use)**
(in million euros)





NET INVENTORIES
(in million euros)

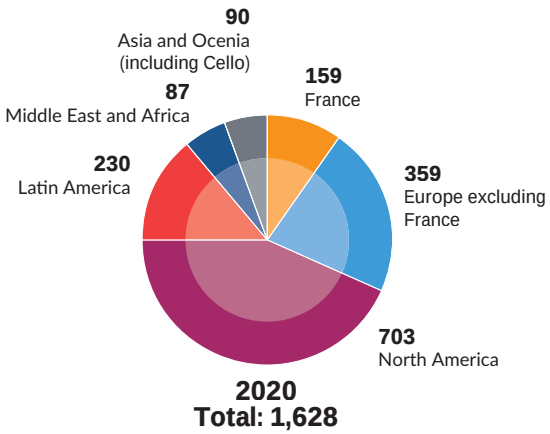


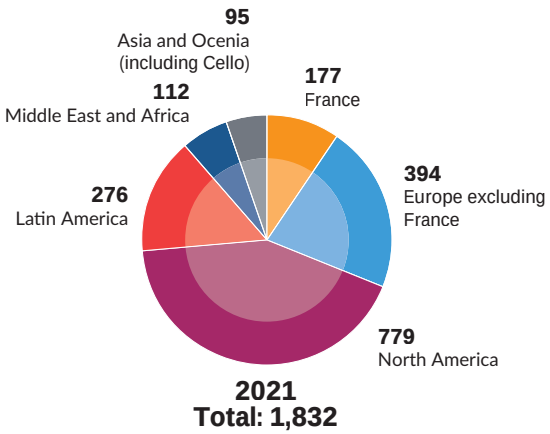


2-3 Informations by geography

The regions identified by the management are: France, Europe (excluding France), North America and Developing markets.

NET SALES
(in million euros)





(1) Excluding 2021 capital additions not cashed out end of December 2021 and including capital additions cashed out in 2021 related to 2020 for a net amount of +6.1 million euros.
(2) Excluding 2020 capital additions not cashed out end of December 2020 and including capital additions cashed out in 2020 related to 2019 for a net amount of -12.9 million euros.

The Group may grant year-end rebates. These rebates are booked in net sales and amounted 124 million euros as of December 31, 2021 compared to 91 million euros as of December 31, 2020.

NON-CURRENT ASSETS [1]
(in million euros)



NOTE 3 EXCHANGE RATES OF FOREIGN CURRENCIES

Accounting policies

- The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the result and financial position of each entity are expressed in a common currency, the euro, which is the functional currency of SOCIÉTÉ BIC as well as the presentation currency for the consolidated financial statements.
- In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At each closing date, monetary items denominated in foreign currencies are translated at the closing rate. Non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the transaction date. Non-monetary items that are measured at fair value are translated using the exchange rates prevailing at the date of the measurement.
- Exchange differences arising from the settlement of monetary items, and on the translation of monetary items, are recognized in profit or loss for the period.
- To hedge its exposure to certain foreign exchange risk, the Group enters into forward contracts and options (see Note 24 for details of the Group's accounting policies regarding derivative financial instruments).
- For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are converted into euros using the exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized as a separate line item in equity under the Group's translation reserve and are recognized in profit or loss in the period in which the foreign operation is disposed of.

(1) Other than financial instruments (0.1 million euros in 2021 and 1.0 million euros in 2020), deferred tax assets (131.4 million euros in 2021 and 114.2 million euros in 2020) and deferred pensions (4.4 million euros in 2021 and 0.6 million euros in 2020).

The following table shows foreign currency equivalents of one euro (for instance: average 2021 is 1 euro = 1.18 U.S. dollars).

Foreign currency	Average 2020	Average 2021	As of December 31, 2020	As of December 31, 2021
	Euro	Euro	Euro	Euro
U.S. dollar – USD	1.14	1.18	1.23	1.13
Australian dollar – AUD	1.66	1.57	1.59	1.56
Canadian dollar – CAD	1.53	1.48	1.56	1.44
Swiss franc – CHF	1.07	1.08	1.08	1.03
Chinese renminbi – CNY	7.87	7.62	8.02	7.19
British pound – GBP	0.89	0.86	0.90	0.84
Hong Kong dollar – HKD	8.85	9.19	9.51	8.83
Indian rupee – INR	84.52	87.39	89.66	84.23
Japanese yen – JPY	121.73	129.91	126.49	130.38
Korean won – KRW	1,344.90	1,353.80	1,336.00	1,346.00
Malaysian ringgit – MYR	4.79	4.90	4.93	4.72
New Zealand dollar – NZD	1.76	1.67	1.70	1.66
Philippine peso – PHP	56.57	58.27	59.13	57.76
Polish zloty – PLN	4.44	4.57	4.56	4.60
Swedish krona – SEK	10.49	10.15	10.03	10.25
Kenyan Shilling – KES	121.31	129.85	133.76	128.67
Nigerian Naira – NGN	434.00	481.54	466.30	480.35
South African rand – ZAR	18.74	17.47	18.02	18.06
Argentinian peso – ARS[1]	82.07	116.32	103.19	116.32
Brazilian real – BRL	5.88	6.38	6.37	6.31
Mexican peso – MXN	24.49	23.99	24.42	23.14
Ukrainian hryvnia – UAH	30.81	32.30	34.81	30.94
Russian ruble – RUB	82.48	87.13	91.47	85.30

To date, there is no significant impact attributable to Brexit to report. The British subsidiary of BIC, BIC UK, has been importing most of its products from BIC factories located in the Euro zone for years and is invoiced in euros by these entities.

The fluctuation of the GBP/EUR exchange rate is fully integrated into our foreign exchange risk management processes.

The exposure of the United Kingdom amounted to 19.2 million euros as of December 31, 2021.

At the closing date, non-monetary assets and liabilities are restated using the general price index IPIM (Internal Wholesale Price Index).

Income statement items are restated by applying the change in this general price index from the initial recognition of income and expense items in the financial statements.

(1) As of December 31, 2021, Argentina is still considered a "hyperinflationary" country. As a result, the Group continues to apply IAS 29.

NOTE 4 OPERATING EXPENSES

Accounting policies

- Government grants are recognized systematically in profit or loss over the periods necessary to match them with the associated costs and presented as a reduction to the related expenses.
- Research expenses are recognized as expenses in the period in which they are incurred.

(in thousand euros)	As of December 31, 2020	As of December 31, 2021
Raw materials, consumables used and change in inventory	449,852	497,399
Staff costs	465,499	488,984
Depreciation and amortization expenses	115,144	111,794
Other operating expenses	412,284	469,110
Impairment loss on manufacturing equipment	(40)	2
Profit/(loss) on operational foreign currency translation	(2,917)	(15,137)
TOTAL	**1,439,822**	**1,552,152**

Other income and expenses are not included in the total amount and are disclosed in Note 5.

Other operating expenses mainly include outside services.

Research and development costs recognized under "Other operating expenses" for 2021 amounted to 25.7 million euros, *versus* 24.2 million euros during 2020.

They include the French research tax credit for 1.5 million euros, same as 2020.

NOTE 5 OTHER INCOME AND EXPENSES

(in thousand euros)	As of December 31, 2020	As of December 31, 2021
Royalty income	95	5
Gain on sale of Clichy's headquarters	-	167,711
Gain on disposal of fixed assets	128	2,038
France and UK favorable pensions adjustement	-	7,040
Favorable Pensions adjustment in the U.S.	44,059	-
PIMACO divestiture gain	-	3,027
Other	6,726	551
Other income	**51,007**	**180,372**
Impairment on property, plant & equipment and trademark – Cello	(41,729)	-
Other impairment	(2,374)	-
Cost reduction plans	(27,153)	(4,248)
Other	(8,686)	(3,860)
Other expenses	**(79,942)**	**(8,108)**
TOTAL	**(28,935)**	**172,264**

Other income and expenses incurred in 2021 mainly include:

- 167.7 million euros from Clichy Headquarters sale;
- 7.0 million euros of favorable pensions adjustment in France linked to the change in the collective agreement to be effective in 2024 and in th UK;
- PIMACO divestiture gain for 3.0 million euros;
- 4.2 million euros of restructuring costs, of which the transformation plan is the main driver.

Other income and expenses incurred in 2020 mainly included:

- Property, plant and equipment along with trademark impairment of Cello for 41.7 million euros;
- 27.2 million euros of restructuring costs, of which transformation plan, BIC Ecuador factory closure, Latin America and Asia commercial operations restructuring are among the main drivers;
- 44.1 million euros of favorable Pensions adjustment in the U.S., linked to a change of medical and pension plan, see Note 18-2;
- the expenses linked to the Covid-19 impact during 2020 for -3.6 million euros.

NOTE 6 FINANCIAL INCOME

Accounting policies

- Interest income is accrued on a time basis, by reference to the effective yield on the asset, namely the interest rate, which exactly discounts estimated future cash receipts over the expected life of the financial asset to the asset's initial value.
- Dividend income from investments is recognized when the Shareholder's right to receive payment has been established.
- Considering the nature of the BIC Group's activities, interest and dividends received are disclosed as financial income in the income statement.
- All borrowing costs are recognized as expenses in the period in which they are incurred.
- For lease contracts falling within the scope of IFRS 16, the rental expense is replaced by a depreciation charge on the right of use booked in operating expenses (see Note 4) and an interest expense recorded in financial expense.

(in thousand euros)	As of December 31, 2020	As of December 31, 2021
Interest income from cash and cash equivalents	1,728	966
Interest on bank deposits	1,390	2,743
Income from cash and cash equivalents	**3,118**	**3,709**
Interest expense	(3,204)	(2,548)
Cost of financial debt – IFRS 16	(1,352)	(1,188)
Argentina hyperinflation accounting – IAS 29	(3,266)	(5,505)
Net financial foreign exchange difference	3,285	1,315
Net finance income/(net finance costs)	**(4,536)**	**(7,926)**
FINANCE (COSTS)/REVENUE	**(1,418)**	**(4,217)**

Financial income decreased during 2021 compared to 2020. It comes from several factors:

- during 2020, the depreciation of mexican peso and brazilian real against the U.S. dollar generated a much favorable impact on the valuation of financial assets denominated in U.S. dollars;
- 2021 was more negatively impacted by Argentina hyperinflation accounting than in 2020;

partly offset by:

- income from cash and cash equivalents increase compared to the previous period due to higher interest rates.

In fiscal year 2020, the Group has improved its access to short and medium-term liquidity through the implementation of a 3-year, 200 million euro Revolving Credit Facility (R.C.F.) and a 200 million euro NeuCP program.

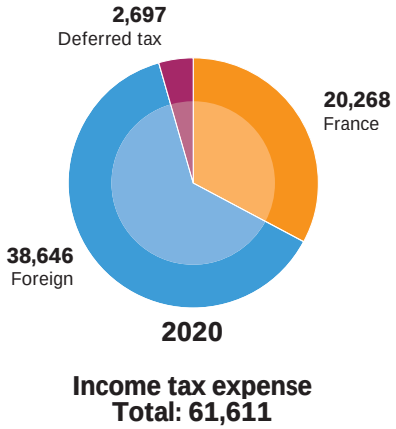
To date, the R.C.F. has not yet been drawn down, and NeuCP's outstanding balance amounts to 59 million euro. Given the special interest rate environment currently prevailing in the euro zone, NeuCP's issues have taken place in negative territory and therefore do not create any additional financial expenses.

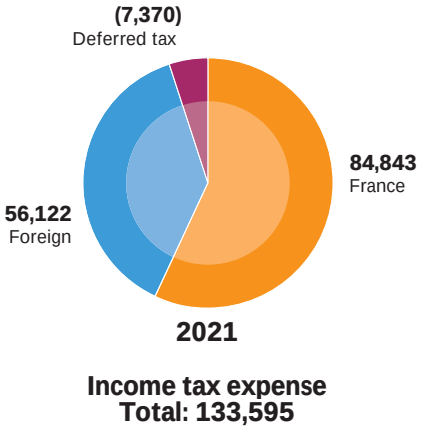
NOTE 7 INCOME TAX

Accounting policies

- Income tax expense represents the sum of the tax currently payable and deferred tax.
- The tax currently payable is based on taxable profit for the year. Taxable income differs from income as published in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Liability for current tax is calculated using tax rates that have been enacted as of the balance sheet date.

7-1 Income tax expense





The normal income tax rate in France is 28.41% (including social contributions) for the fiscal year 2021.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective countries.

The Group uses the French tax rate as the theoretical base for the reconciliation between the theoretical income tax expense and the effective income tax expense. Reconciliation primarily involves the effect of differences in tax rates.

As of December 31, 2021, the main contributors are the U.S., Greece, Brazil and India. (As of December 31, 2020, the main contributors were the U.S., United Kingdom, Greece, Spain and Slovakia).

The main tax consolidation groups are France and Spain.

Reconciliation between the theoretical and effective income tax expense:

(in thousand euros)	December 31, 2020	December 31, 2021
Income before tax	155,336	447,789
Tax rate	32.02%	28.41%
Theoretical tax expense	**49,739**	**127,217**
Effects of:		
• differences in tax rates	(11,196)	(6,986)
• income taxed at reduced rate	(64)	(215)
• initial recognition exemptions	20,784	15,777
• intra-Group accruals eliminations	139	(2,044)
• tax assets not recognized on tax losses	6,663	6,885
• tax assets/liabilities not recognized on prior years	615	998
• tax assets recognized on prior year tax losses	71	-
• tax credits	(5,417)	(6,891)
• foreign exchange differences	277	(1,145)
INCOME TAX EXPENSE	**61,611**	**133,595**
EFFECTIVE TAX RATE	**39.66%**	**29.83%**

In addition, as of December 31, 2021, the Group has 47 million euros of unrecognized deferred tax assets relating to unused tax losses mostly in India, *versus* 42 million euros in 2020.

7-2 Deferred and current tax recognized in other comprehensive income

Accounting policies

See: Note 13

Deferred and current taxes recognized in other comprehensive income result from the following items:

As of December 31, 2021

(in thousand euros)	Other comprehensive income	Deferred taxes
Actuarial differences on defined-benefit plans (1)	46,158	(10,543)
Other comprehensive income (2)	17,355	7,422
Cash flow hedge	*(26,523)*	*7,474*
Foreign exchange impact	*43,868*	*(52)*
Other	*10*	-
TOTAL (1)+(2)	**63,513**	**(3,121)**

As of December 31, 2020

(in thousand euros)	Other comprehensive income	Deferred taxes
Actuarial differences on defined-benefit plans (1)	(13,823)	3,075
Other comprehensive income (2)	(119,538)	(5,842)
Cash flow hedge	*22,763*	*(6,775)*
Foreign exchange impact	*(142,303)*	*933*
Other	*3*	-
TOTAL (1)+(2)	**(133,361)**	**(2,767)**

NOTE 8 EARNINGS PER SHARE GROUP SHARE

Earnings per share (Group share) and diluted earnings per share (Group share) correspond to the Group net income divided by the relevant number of shares.

The number of shares used to calculate the earnings per share (Group share) is the weighted average number of ordinary shares outstanding during the period less the weighted average number of shares held in treasury stock by SOCIÉTÉ BIC during the period and presented as a reduction to equity.

The number of shares used to calculate the diluted earnings per share (Group share) is the weighted average number of shares potentially in circulation during the period, which corresponds to the number of shares used for basic earnings per share Group share, adjusted for the dilutive effect of free shares and stock options.

As of December 31, 2021, there are no shares with relutive impact and the maximum dilutive effect from unvested free shares and stock-options are around 3.3% of the share capital.

Numerator *(in thousand euros)*	As of December 31, 2020	As of December 31, 2021
Net income Group share from continuing operations	93,724	314,195
Denominator *(in number of shares)*		
Weighted average number of ordinary shares in circulation	44,975,070	44,778,191
Dilutive effect of free shares	148,265	175,620
Diluted weighted average number of ordinary shares in circulation	45,123,335	44,953,811
Earnings per share Group share from continuing operations *(in euros)*		
Earnings per share Group share from continuing operations	2.08	7.02
Diluted earnings per share Group share from continuing operations	2.08	6.99

NOTE 9 PROPERTY, PLANT AND EQUIPMENT

Accounting policies

Land and buildings held by the Group for use in the production or supply of goods or services, or for administrative purposes, are recognized in the balance sheet at their initial acquisition cost, less any accumulated depreciation and impairment losses.

Depreciation is booked to profit or loss so as to reduce the carrying amount of assets, other than land and properties under construction, over their estimated useful life, using the straight-line method. Property, plant and equipment in the course of construction for production, rental or administrative purposes, are carried at cost, less any identified impairment loss. Depreciation of these assets, on the same basis as other property, plant and equipment, starts when the assets are ready for their intended use.

Fixtures and equipment are stated at initial acquisition cost less accumulated depreciation and impairment losses.

Leases that convey to the customer ("lessee") the right to control the use of an identified asset for a period of time in exchange for consideration fall within the scope of IFRS 16 – *Leases*. The lessee entities of the Group recognize a right of use under assets with a lease liability as a counterpart, for all leases.

The term used corresponds to the non-cancellable period, the periods covered by an extension option, the exercise of which is reasonably certain, and the periods covered by a termination option, the non-exercise of which is reasonably certain.

For 3, 6, 9 leases in France, the term used is the most probable period of use, *i.e.* the period during which the lessee is reasonably certain of continuing the lease.

The Group applies the exemptions permitted by IFRS 16 for contracts with a duration of less than 12 months or where the underlying asset is of low value (less than 5,000 dollars).

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in profit or loss.

The depreciation method is the straight-line method, on the following basis:

- buildings: 25 years;
- fixtures, machinery and equipment: 5 to 8 years;
- vehicles: 3 to 5 years.

9-1 Property, plant and equipment – Gross value

(in thousand euros)	Land & buildings	Machinery & equipment	Construction in progress	Other fixed assets	Land & buildings – Right of use	Machinery & equipment – Right of use	Vehicles – Right of use	Other tangible fixed assets – Right of use	Total
At January 1, 2020	**469,125**	**1,316,567**	**149,018**	**26,462**	**51,806**	**4,847**	**15,876**	**634**	**2,034,335**
Acquisitions	1,074	10,506	51,556	714	12,170	2,475	1,788	58	80,341
Acquisition – Djeep	1,850	1,269	-	39	-	-	-	-	3,158
Acquisition – Rocketbook	-	-	-	10	-	-	-	-	10
Disposals/Write-offs	(6,050)	(15,448)	1,509	(2,542)	(6,692)	(685)	(1,792)	(4)	(31,704)
Constructions in progress put in use	9,479	45,831	(55,751)	682	(241)	-	-	-	-
Exchange differences	(18,032)	(52,854)	(20,838)	(1,169)	(4,566)	(258)	(1,215)	(11)	(98,944)
At January 1, 2021	**457,446**	**1,305,870**	**125,494**	**24,196**	**52,477**	**6,379**	**14,657**	**677**	**1,987,196**
Acquisitions	1,730	13,868	56,122	85	5,153	1,114	4,129	30	82,231
Business disposal	(1,309)	(1,572)	(31)	-	-	(12)	-	-	(2,924)
Disposals/Write-offs	(32,329)	(85,564)	497	(3,118)	(4,210)	(1,177)	(4,701)	(59)	(130,661)
Constructions in progress put in use	(5,730)	55,744	(50,922)	908	-	-	-	-	-
Exchange differences	8,596	19,097	2,688	20	2,373	192	(94)	1	32,872
At December 31, 2021	**428,404**	**1,307,443**	**133,848**	**22,091**	**55,793**	**6,496**	**13,991**	**649**	**1,968,715**

9-2 Property, plant and equipment- Depreciation and impairment loss

Accounting policies

At each balance sheet date, the Group examines the carrying amount of its property, plant and equipment and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine, if applicable, the amount of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately as an expense in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses or is reduced, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount. However, the increased carrying amount should not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognized immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation decrease.

(in thousand euros)	Land & buildings	Machinery & equipment	Construction in progress	Other	Land & buildings – Right of use	Machinery & equipment – Right of use	Vehicles – Right of use	Other leases	Total
At January 1, 2020	**260,634**	**1,010,340**	**654**	**18,494**	**20,129**	**2,523**	**7,139**	**933**	**1,320,846**
Amortization for the period	18,166	72,171	-	1,562	9,480	1,956	3,907	473	107,715
Impairment loss	-	1,953	26,875	-	21	-	2	-	28,851
Disposals/Write-offs	(5,676)	(12,051)	(169)	(2,048)	(4,201)	(601)	(1,430)	-	(26,176)
Constructions in progress put in use	2,529	(2,477)	(51)	-	-	(44)	-	43	-
Exchange differences	(10,194)	(42,739)	(1,322)	(844)	(1,506)	(157)	(651)	-	(57,413)
At January 1, 2021	**265,459**	**1,027,197**	**25,987**	**17,164**	**23,923**	**3,677**	**8,967**	**1,449**	**1,373,823**
Depreciation for the period	15,409	72,478	-	1,460	9,995	1,447	2,718	118	103,625
Impairment loss	-	149	-	54	-	-	-	-	203
Disposals/Write-offs	(25,756)	(82,097)	-	(2,303)	(3,320)	(916)	(3,653)	(59)	(118,104)
Business disposal	(1,016)	(1,522)	-	-	-	(3)	-	-	(2,541)
Constructions in progress put in use	(7,879)	8,026	-	(61)	-	-	1,116	(1,114)	88
Exchange differences	4,169	15,330	1,649	379	1,246	124	(76)	1	22,822
At December 31, 2021	**250,386**	**1,039,561**	**27,636**	**16,693**	**31,844**	**4,329**	**9,072**	**395**	**1,379,916**
NET VALUE									
At December 31, 2021	**178,019**	**267,883**	**106,212**	**5,398**	**23,949**	**2,166**	**4,919**	**254**	**588,799**
At December 31, 2020	**191,987**	**278,673**	**99,506**	**7,032**	**28,554**	**2,703**	**5,690**	**(772)**	**613,374**

As of December 31, 2021, the gross value of fully depreciated but still used property, plant and equipment is 821.5 million euros.

NOTE 10 GOODWILL

Accounting policies

- Goodwill arising from the acquisition of a subsidiary represents the excess of the acquisition price over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognized at the date of acquisition. Goodwill is calculated in the currency of the acquired company. It is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.
- Goodwill and fair value adjustment arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.
- For the purpose of impairment testing, goodwill is allocated to cash-generating units ("CGU") representing the lowest level at which the goodwill is monitored at Group level. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is first allocated to the reduction in the carrying amount of any goodwill allocated to the cash-generating unit and then to the other assets of the unit prorated on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.
- On disposal of an activity, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

(in thousand euros)	Notes	Gross value	Impairment loss	Net value
At January 1, 2020		**313,737**	**(110,032)**	**203,705**
Djeep acquisition		29,885	-	29,885
Rocketbook Acquisition		22,048	-	22,048
Exchange differences		(23,118)	11,309	(11,809)
At January 1, 2021		**342,552**	**(98,723)**	**243,829**
Rocketbook		2,509	-	2,509
PIMACO disposal		(3,651)	3,651	-
Exchange differences		14,946	(5,226)	9,720
At December 31, 2021		**356,356**	**(100,298)**	**256,058**

The balance, as of December 31, 2021, includes the following principal net goodwill:

(in thousand euros)	December 31, 2020	December 31, 2021
BIC CORPORATION [(a)] – Stationery	49,168	52,352
BIC CORPORATION [(a)] – Lighters	38,819	41,578
BIC Violex – Shavers	69,281	70,718
Kenya – Stationery	4,852	5,057
Nigeria – Stationery	12,937	12,558
Djeep – Lighters	29,885	29,885
Rocketbook – Papeterie	21,851	26,178
Other [(a)]	17,037	17,733
TOTAL	**243,829**	**256,058**

(a) These goodwill amounts are linked to cash-generating units represented by distribution subsidiaries.

To perform the impairment tests, the Group used the following discount and perpetual growth rates:

	Weighted average cost of capital (WACC) before tax		Perpetual growth rate	
	2020	2021	2020	2021
BIC CORPORATION				
Stationery	8.5%	9.9%	1.5%	1.5%
Lighters	8.4%	9.6%	1.5%	1.5%
Cello Pens – Stationery	14.7%	14.2%	3.4%	4.0%
BIC Violex – Shavers	12.05%	13.8%	1.9%	1.9%
Kenya – Stationery	18.7%	17.9%	6.0%	5%
Nigeria – Stationery	24.6%	28.2%	8.1%	10.3%
PIMACO	22.9%	-	- 1.5%	-
Djeep – Lighters	-	9.2%	-	-
Rocketbook – Stationery	-	9.1%	-	1.5%

Each goodwill item has been allocated to a cash-generating unit ("CGU") representing the lowest level at which goodwill is monitored by the Group.

The goodwill on BIC CORPORATION is thus mainly allocated to cash-generating units linked to the distribution by BIC CORPORATION of stationery products and lighters.

The goodwill on Cello Pens is allocated to the cash-generating units linked to the production and distribution of stationery products by Cello.

The remaining goodwill on BIC Violex is allocated to the cash-generating unit linked to shavers developed and/or produced by BIC Violex and sold all over the world. This cash-generating unit also includes the portion of BIC CORPORATION goodwill allocated to shavers.

The goodwill on the Kenya subsidiary is allocated to the cash-generating unit linked to the production and distribution of stationery products by BIC East Africa.

The goodwill on the Nigeria subsidiary is allocated to the cash-generating unit linked to the production and distribution of stationery products by Lucky Stationery Limited.

The goodwill on Djeep is allocated to the cash-generating unit linked to the production and distribution of lighters by Djeep.

The goodwill on Rocketbook is allocated to the cash-generating unit linked to the distribution of the Core and Fusion notebooks, reusable notebooks used with erasable pens by Rocketbook.

Provisional goodwill amounting 26.9 million dollars (21.9 million euros as of December 31, 2020) has been recognized in 2020. The purchase price allocation has been finalized in 2021. Goodwill now amounts to 29.6 million dollars (26.2 million at December 31, 2021).

As every year, as of June 30, 2021, the Group performed annual impairment tests on these goodwill amounts.

The goodwill impairment test methodology is based on a comparison between the recoverable amount of each of the Group's cash-generating units and the corresponding assets' net book value (including goodwill).

Such recoverable amounts correspond to the value in use and are determined using discounted future cash flow projections over a maximum of five years and a terminal value using the perpetual annuity method, including notably the following:

- the discount rate before taxes used is the weighted average cost of capital. Particular attention has been paid to the analysis of the main market items used for the calculation of the discount rates;
- the perpetual growth rates were determined based on external (inflation rate) and internal (business growth) sources. Perpetual growth rates above 2% take into account market specifics, notably in Nigeria and India.

Considering the impairment on part of the assets on the CGU Cello, any negative variance of drivers (discount rate, performance and perpetual growth rates) would lead to an additional impairment of other assets.

The sensitivity of the other impairment tests to changes in the key assumptions indicates that no reasonably likely change would lead to impairment, taking into account the observed headroom on the other tests conducted.

NOTE 11 OTHER INTANGIBLE ASSETS

Accounting policies

Internally-generated intangible assets – research and development expenditure

An internally-generated intangible asset arising from the development or a development phase of an internal project is only recognized on the balance sheet if an entity can demonstrate all of the folowing:

- the company can guarantee the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the company's intention to complete the intangible asset and use or sell it;
- the company's ability to use or sell the intangible asset;
- the way in which the intangible asset will generate probable future economic benefits must be demonstrated. Among other things, the entity must ensure the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the company can guarantee the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the company has the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally-generated intangible assets are amortized on a straight-line basis over their estimated useful life.

When the requirements for recognition of internally-generated intangible assets are not satisfied, development expenditure is charged to profit or loss in the period in which it is incurred.

Patents, trademarks, licenses and software

Patents, trademarks, licenses and softwares are measured initially at purchase cost less accumulated amortization and impairment loss. Amortization is booked to proft or loss so as to reduce the carrying amount of assets over their estimated useful life, using the straight-line method.

Impairment of intangible assets (excluding goodwill)

See Note 9-2

(in thousand euros)	Software	Trademarks & patents	Research & development	Intangible assets in progress	Other	Total
GROSS VALUE						
At January 1, 2020	**72,311**	**95,235**	**4,287**	**6,715**	**11,657**	**190,205**
Acquisitions	54	147	-	5,863	301	6,365
Acquisition of subsidiaries – Djeep	-	553	-	-	11,453	12,006
Acquisition of subsidiaries – Rocketbook	-	17,070	-	-	676	17,746
Disposals/Write-offs	-	(1,490)	-	(1,640)	28	(3,102)
Constructions in progress put in use	782	-	-	(771)	(11)	-
Exchange differences	(4,062)	(5,669)	(210)	399	(625)	(10,167)
At January 1, 2021	**69,086**	**105,847**	**4,077**	**10,566**	**23,478**	**213,054**
Acquisitions	404	66	-	8,216	5	8,691
Disposals/Write-offs	(1,655)	-	-	(2)	34	(1,623)
Business disposal	(465)	(2,607)	-	-	-	(3,072)
Constructions in progress put in use	7,110	-	-	(6,778)	(332)	0
Exchange differences	1,606	5,819	190	56	735	8,406
At December 31, 2021	**76,086**	**109,125**	**4,267**	**12,058**	**23,920**	**225,456**

(in thousand euros)	Software	Trademarks & patents	Research & development	Intangible assets in progress	Other	Total
AMORTIZATION AND IMPAIRMENT LOSS						
At January 1, 2020	**61,573**	**67,974**	**4,287**	**353**	**2,040**	**136,227**
Amortization for the period	4,980	492	-	4	1,852	7,329
Impairment loss	9	15,203	-	-	-	15,212
Disposals/Write-offs	(1,601)	(1,490)	-	-	-	(3,091)
Other transfers	302	-	-	(302)	-	-
Exchange differences	(3,454)	(4,577)	(210)	(55)	(323)	(8,619)
At January 1, 2021	**61,809**	**77,602**	**4,077**	**-**	**3,569**	**147,057**
Amortization for the period	5,096	761	-	-	2,205	8,062
Impairment loss	-	-	-	-	-	-
Disposals/Write-offs	(1,523)	(14)	-	-	-	(1,537)
Business disposal	(442)	(20)	-	-	-	(462)
Other transfers	-	-	-	-	-	-
Exchange differences	1,545	4,471	190	-	98	6,304
At December 31, 2021	**66,485**	**82,800**	**4,267**	**-**	**5,872**	**159,424**
NET VALUE						
At December 31, 2021	**9,601**	**26,325**	**-**	**12,058**	**18,048**	**66,032**
At December 31, 2020	**7,277**	**28,245**	**-**	**10,566**	**19,909**	**65,997**

Software

Internally-generated software is principally related to investments linked to the upgrade of information technology systems.

Trademarks and patents

Following the acquisition of Rocketbook 2020, purchase price allocation work were performed and enabled the identification of intangible assets amounting to 20.5 million U.S. dollars (17.4 million euros at December 31, 2020), mainly trademark for an amount of 14.8 million U.S. dollars (12.1 million euros at December 31, 2020) and the patent amounting 5.7 million U.S. dollars (4.6 million euros as of December 31, 2020). These assets were allocated to the cash-generating units constituted by the subsidiary Rocketbook.

The main trademarks booked in the balance sheet as of December 31, 2021 are the Rocketbook® trademark for 13.1 million euros and the Cello® trademark for 9.7 million euros.

These trademarks have an infinite lifetime. For impairment test purposes, they are linked to the Rocketbook and Cello Pens subsidiaries' cash-generating units. With regard to the latter, an impairment amounting to 14.9 million euros was recognized as of June 30, 2020, and in the amount of 21 million euros in 2019.

Other

Following the acquisition of Djeep en 2020, purchase price allocation work were performed and enabled the identification of intangible assets amounting to 12.0 million at December 31, 2020, mainly customer relationships for the amount of 11.5 million. This customer relationship is amortized over a period of fifteen years. This asset is allocated to the cash-generating units constituted by the subsidiary Djeep. As of December 31, 2021, the net amount of these assets was 10.7 million euros, mainly customer relationships amounting 10.2 million euros.

NOTE 12 OTHER NON-CURRENT ASSETS

(in thousand euros)	December 31, 2020	December 31, 2021
Guarantee deposits	4,265	3,519
Deferred pensions	555	4,398
Deferred compensation in the U.S. (other than pensions)	9,744	10,412
Other non-current assets	9,131	7,459
TOTAL	**23,695**	**25,788**

NOTE 13 DEFERRED TAX

Accounting policies

- Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases using the balance sheet liability method, and tax rates enacted or nearly enacted at the balance sheet date.
- Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that profits will be available against which deductible temporary differences can be utilized.
- Such assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.
- Deferred tax liabilities are recognized for taxable temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures and branches, except when the date on which temporary differences will be reversed can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- Deferred tax is calculated at the tax rates that are expected to apply in the periods when the liability will be settled or the asset realized.
- Deferred tax is charged or credited to profit or loss in the period, except when it relates to a transaction or an event directly credited or charged to equity, in which case the deferred tax is also recognized in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.
- Following the application of IFRIC 23 "Uncertainty over income tax treatments" as of January 1, 2019, uncertain tax positions relating to IAS 12 income taxes are recognized as deferred tax liabilities (respectively assets) or as current tax liabilities if it is considered probable that the tax authorities will reject (accept) the position.

(in thousand euros)	December 31, 2020	December 31, 2021
Deferred tax assets	114,302	131,458
Deferred liabilities	(60,914)	(68,654)
NET POSITION	**53,388**	**62,804**

The movement for the year in the Group's deferred tax position was as follows:

(in thousand euros)	Notes	December 31, 2021
Net position at January 1, 2021		**53,388**
Deferred tax income/(expense) for the period [(a)]	CF	7,370
PIMACO divestiture		639
Reclassification from deferred to current tax in the balance sheet		1,375
Booked in Shareholders' equity and other comprehensive income		(3,133)
Exchange differences		3,165
Net position at December 31, 2021		**62,804**

(in thousand euros)	Notes	December 31, 2020
Net position at January 1, 2020		**78,966**
Deferred tax income/(expense) for the period [(a)]	CF	(2,697)
Djeep acquisition		(4,454)
Rocketbook acquisition		(5,962)
Booked in Shareholders' equity and other comprehensive income		(2,765)
Exchange differences		(9,701)
Net position at December 31, 2020		**53,388**

(a) Excluding amounts booked to provision for risks and charges.

Origin of deferred tax

(in thousand euros)	December 31, 2020	December 31, 2021
Pension and other employee benefits	29,351	18,652
Intra-Group profit elimination	22,489	29,482
Tax losses carried forward	126	126
Other temporary differences	38,325	57,396
Tax risks under IFRIC 23	(36,903)	(42,853)
NET DEFERRED TAX	**53,388**	**62,804**

NOTE 14 CHANGE IN NET WORKING CAPITAL

Accounting policies

- Inventories are stated at the lower of cost and net realizable value. Cost comprises direct raw material costs and, where applicable, direct labor costs, as well as those overheads that have been directly incurred in bringing the inventories to their present location and condition. Cost is generally calculated using the weighted average cost method. Net realizable value represents the estimated selling price in the normal course of business less all estimated costs of completion and costs to be incurred in the sale (marketing, selling and distribution).
- Impairment of financial assets (particularly trade receivables) is based on expected credit losses (no longer on observed losses), starting from initial recognition.
- To determine the expected credit losses, the Group used the simplified method and a provision matrix based on its historical observed default rates over the expected remaining life of the trade receivables, adjusted for forward-looking estimates.
- Trade payables are initially measured at fair value.

(in thousand euros)	December 31, 2020	Cash flows impact Operating	Cash flows impact Investing [a]	PIMACO disposal	Price adjustment & earn-out clauses Haco/ Rocketbook	Price adjustment Djeep & Sibjet	Cash to be received from PIMACO sale	Reclassification of PSE Provision from LT to ST	Foreign exchange and other	December 31, 2021
Net inventory	379,021	97,039	-	(715)	-	-	-	-	14,877	490,222
• *Inventory – Gross value*	*394,319*	*97,269*	-	*(715)*	-	-	-	-	*15,278*	*506,151*
• *Inventory – Impairment*	*(15,298)*	*(230)*	-	-	-	-	-	-	*(401)*	*(15,930)*
Trade and other receivables	409,625	(1,181)	-	(1,906)	-	-	912	-	10,736	418,186
Trade and other payables	(99,470)	(41,242)	(6,094)	517	-	-	-	-	(2,864)	(149,154)
Other receivables and payables [b]	(231,182)	(34,687)	-	(673)	1,645	3,000	-	(3,493)	(5,552)	(270,943)
NET WORKING CAPITAL	**457,993**	**19,928**	**(6,094)**	**(2,777)**	**1,645**	**3,000**	**912**	**(3,493)**	**17,197**	**488,311**

(a) Cash flows impact Investing includes capital additions cashed out in 2021 relating to 2020 and excludes 2021 capital additions not yet cashed out for a net amount of 6.1 million.
(b) Other receivables and payables are composed of:

	Note	December 31, 2020	December 31, 2021
+ Other current assets	Asset	14,186	16,259
+ Other non-current assets	Asset	23,695	25,788
- Guarantee deposits	12	(4,265)	(3,519)
- Deferred pensions	12	(555)	(4,398)
- Other		(32)	(54)
- Other current liabilities	Liabilities	(251,504)	(292,154)
- Other non-current liabilities	Liabilities	(12,707)	(12,866)
TOTAL		**(231,182)**	**(270,943)**

The working capital is used to finance the Group's operating cycle. Its composition is presented above.

NOTE 15 SHARE CAPITAL

15-1 Share capital

(in thousand euros)	December 31, 2020	December 31, 2021
Authorized, issued and fully paid-up share capital	173,412	170,670
Repurchase of shares of the Company	(1,603)	(1,004)
SHARE CAPITAL	**171,809**	**169,665**

As of December 31, 2021, the share capital of SOCIÉTÉ BIC was 170,669,688.78 euros divided into 44,677,929 shares of 3.82 euros each. Bearer shares held for more than two years carry double voting rights.

In addition, SOCIÉTÉ BIC holds 262,906 treasury shares, acquired at an average price of 114.25 euros in accordance with Article L. 225-209 of the French Commercial Code, which represent 0.59% of the share capital.

The share capital breakdown is shown in section 7-3 "Shareholding" of the Universal Registration Document.

15-2 SOCIÉTÉ BIC shares held in treasury stock and share repurchase program as of December 31, 2021

Purpose of the repurchase	Number of shares	Average acquisition price *(in euros)*	% of the share capital
Liquidity agreement [(a)]	36,616	46.84	0.08%
Free share grants [(a)]	226,290	125.16	0.51%
TOTAL	**262,906**	**114.25**	**0.59%**

(a) Article L. 225-209 of the French Commercial Code.

In accordance with the liquidity agreement, transferred by Natixis to ODDO on June 27, 2018, in respect of SOCIÉTÉ BIC shares, as of December 31, 2021, the liquidity account contained the following:

- 36,616 BIC shares;
- 911,218.04 euros.

At initial contract set-up, the liquidity account contained the following:

- 2,312 BIC shares;
- 912,744.48 euros.

SOCIÉTÉ BIC obtained authorization from the Annual Shareholders' Meeting on May 19, 2021, to renew its share repurchase program (see 2020 Universal Registration Document, chapter 8, p. 310).

Number of shares purchased in 2021 [(b)]	
• Share repurchase program authorized by the Annual Shareholders' Meeting held on May 20, 2020	180,211
• Share repurchase program authorized by the Annual Shareholders' Meeting held on May 19, 2021	537,717
Average share repurchase price for the purchases during the year 2021 *(in euros)*	54.64

(b) Excluding shares repurchased under the liquidity contract.

During the year 2021, SOCIÉTÉ BIC cancelled 717,928 shares.

To the best of the Company's knowledge, as of December 31, 2021, Shareholders holding respectively more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% or 95% of the share capital and/or of the voting rights of the Company were as follows:

	At December 31, 2021	
	% of shares (approx.)	% of voting rights (approx.)
SOCIÉTÉ M.B.D.	28.84%	39.18%
Bich family	17.49%	23.64%

NOTE 16 BORROWINGS AND FINANCIAL LIABILITIES

(in thousand euros)	Bank overdrafts	Short-term borrowings	Current borrowings and financial liabilities	Non-current borrowings and financial liabilities	Current lease liability	Non-current lease liability	Total
At January 1, 2020	**51,710**	**-**	**1,157**	**2,897**	**12,660**	**29,434**	**97,856**
Cash Flows	(50,423)	75,000	(120)	2,357	(16,173)	(2,692)	7,949
"Non cash" changes	(275)	-	137	(544)	16,305	(3,463)	12,159
• *Changes in lease liabilities*	-	-	-	-	*17,613*	*(1,081)*	*16,532*
• *Djeep Acquisition*	-	-	*139*	-	-	-	*139*
• *Rocketbook Acquisition*	*62*	-		-	-	-	*62*
• *Exchange difference*	*(338)*	-	*(1)*	*(544)*	*(1,308)*	*(2,382)*	*(4,574)*
At January 1, 2021	**1,011**	**75,000**	**1,174**	**4,710**	**12,792**	**23,275**	**117,961**
Cash Flows	*(525)*	*(16,000)*	*4,008*	-	*(15,817)*	*(832)*	*(29,167)*
"Non-cash" changes	15	-	(817)	186	15,448	(3,557)	11,275
• *Variations in obligations under leases*	-	-	-	-	*15,069*	*(4,350)*	*10,719*
• *PIMACO disposal*	-	-	-	-	*(6)*	*(3)*	*(9)*
• *Exchange difference*	*15*	-	*(817)*	*186*	*385*	*796*	*565*
At December 31, 2021	**501**	**59,000**	**4,364**	**4,896**	**12,422**	**18,886**	**100,069**

Bank overdrafts are due within one year.

Bank loans and financial liabilities come due as following:

(in thousand euros)	December 31, 2020	December 31, 2021
On demand or within one year	76,174	63,263
In the 2nd year	-	-
In the 3rd year	-	4,896
In the 4th year	4,710	-
In the 5th year	-	-
After five years	-	-
TOTAL	**80,884**	**68,159**

Main bank loans/credit lines and financial liabilities are as follows:

Borrowing country		Euro equivalents	
(in thousand euros)	Currency	December 31, 2020	December 31, 2021
• France	EUR	75,000	59,000
• Turkey	TRY	1,042	1,696
• Kenya	KES	4,710	4,896
• India	INR	-	2,567
• Other		132	-
TOTAL		**80,884**	**68,159**

Information on interest rates

As of December 31, 2021, outstanding loans and credit lines, apart from NeuCP bonds, were contracted with floating rates ranging between 5.8% and 29%.

The borrowings indicated for France consist exclusively of NeuCP issues, issued on average at -0.10%

Relative exposure, deemed not significant, has not been hedged.

Information on covenants:

None of the current loans contains any covenant that could trigger early repayment of the debt.

IFRS 16 Liability

BIC has opted to use an incremental borrowing rate for discounting debt. The rate used for each lessee is the rate he would have to pay to borrow, over a similar period and with similar security, the funds necessary to obtain an asset of similar value to the leased asset in a similar economic environment.

Lease payment under IFRS 16 in 2021

Lease payments in 2021 in respect of leases falling within the scope of IFRS 16 for an amount of 15.5 million euros break down as follows:

- depreciation: 14.3 million euros;
- interest: 1.2 million euros.

Cash Flows for future years

The Group is expected to pay 15.1 million euros in 2022.

Expected total lease payments, in millions of euros, are as follows:	
2022	15.1
2023	11.8
2024	9.8
2025	6.2
2026	5.3
Beyond 2026	17.2

NOTE 17 PROVISIONS (NON-CURRENT LIABILITIES)

Accounting policies

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that an economic outflow will be required to settle said obligation and such outflow can be reliably measured. Provisions will be measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date, and will be discounted to present value where the effect is material

(in thousand euros)	Tax and social risks and litigation	Litigation	Product liability	Other risks and charges	Total
At January 1, 2020	**5,019**	**10,958**	**339**	**6,270**	**22,586**
Acquisition of subsidiary – Djeep	180	10	-	786	975
Additional provisions	762	5,450	-	2,225	8,438
Reversals of provisions utilized	(664)	(1,939)	-	(819)	(3,422)
Reversals of provisions not utilized	(38)	(924)	-	(25)	(987)
Exchange differences	(430)	(1,141)	(28)	(431)	(2,030)
Reclassification	(984)	961	-	23	-
At January 1, 2021	**3,845**	**13,375**	**311**	**8,029**	**25,560**
Additional provisions	985	5,289	-	362	6,636
Reversals of provisions utilized	(821)	(3,575)	-	(1,798)	(6,194)
Reversals of provisions not utilized	(889)	(305)	-	(820)	(2,014)
Exchange differences	(6)	464	26	(39)	445
PIMACO disposal	(9)	(492)	-	-	(501)
Reclassification	-	(2,098)	-	(1,395)	(3,493)
Discount	-	-	-	(111)	(111)
At December 31, 2021	**3,105**	**12,658**	**337**	**4,228**	**20,328**

Tax (excluding income tax) and social risks and litigation

Provisions for tax (excluding income tax) and social risks and litigation relate mainly to:

- tax risks;
- U.S. workers' compensation.

Uncertain tax positions relating to IAS 12 income taxes are recognized as deferred tax liabilities (respectively assets) if it is considered probable that the tax authorities will reject (accept) the position (see Note 13).

Tax audits are carried out regularly by local tax authorities which may dispute positions taken by Group subsidiaries. In accordance with the Group's accounting policies, it may be decided to record provisions when tax-related risks are considered likely to generate a payment to local tax authorities.

The Group reviews the evaluation of all its tax positions on a regular basis, using external counsels and considers that its tax positions are adequately provided for. However, the Group cannot predict the ultimate outcome of future audits.

Litigation

As of December 31, 2021, the litigation provision mainly represents distributor and commercial agent risks for 1.9 million euros (as at December 31, 2020).

Other risks and charges

As of December 31, 2021, other provisions for risks and charges are mainly related to the restructuring provisions for an amount of 1.2 million euros.

Product liability

Product liability mainly relates to the U.S.

NOTE 18 PENSION AND OTHER EMPLOYEE BENEFITS

Accounting policies

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit plans are dealt with as payments to defined contribution plans where the Group's obligation under these plans are equivalent to those arising in defined contribution retirement benefit plans.

For defined benefit retirement plans, the amount of provision is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. All actuarial differences are recognized in other comprehensive income in the period in which they occur. Past service costs are recognized for their full amount as a component of cost of services (in the income statement), whether benefits are vested definitively to their beneficiaries or are being acquired.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation reduced by the fair value of plan assets. Any net asset resulting from this calculation is limited to the present value of available refunds and reduction in future contributions to the plan.

Turnover rate is calculated by taking the number of departures including contractual terminations and dismissals during the year divided by the headcount as of January 1.

18-1 Plan characteristics

Types of post-employment benefits and other long-term benefits

Pursuant to the laws and practices in force in the countries where it operates, the Group has obligations in terms of employee benefits, in particular post-employment benefits:

- **In the U.S.**

Two pension plans ("Salaried Pension Plan" and "Local 134L Pension Plan") are effective (depending on the site) and are funded by their respective pension funds. In addition to these plans, medical and life insurance plans exist ("Salaried Retiree Medical and Life Insurance Plan" and "Local 134L Retiree Medical and Life Insurance Plan" depending on the site):

a) Salaried Pension Plan

Retirement benefits under a combined average reference salary and years of service formula and including Social Security retirement benefits will be granted to Beneficiaries hired prior to 2007. The formula provides for a life annuity, payable at normal retirement age (65), equal to 1.1% of the Social Security ceiling plus 1.5% of average pay in excess of the Social Security ceiling, multiplied by the number of years of service, which may not exceed 35 years, plus 1.4% of average pay per year of service in excess of 35 years (average pay is based on the highest three consecutive years within the last 10 years). In addition, the Plan provides reduced early retirement benefits for beneficiaries who retire prior to age 65 (or age 62 if they retire at or after age 55 with 10 or more years of service). Eligible beneficiaries who retire after January 1, 2015 are eligible for a lump sum payment from the plan.

Benefits under a Cash Balance Arrangement are granted to employees hired after 2006. These participants receive annual credits of 5% of their year's pay for plan years before January 1, 2013, and for plan years after December 31, 2012, eligible beneficiaries receive annual credits of 5% per year for less than five years of service, 6% per year for at least five but less than 10 years of service, 7% per year for at least 10 but less than 15 years of service, 7.5% for at least 15 but less than 20 years of service and 8% for 20 or more years of service, which are accumulated with guaranteed interest equal to 30-year Treasury rates, to retirement. Participation in this plan is closed for BIC Graphic employees hired after January 1, 2011. The Plan is subject to minimum legal funding requirements.

On July 29, 2020, the Company announced a change to the salaried pension benefit for active team members hired prior to January 1, 2007. The BIC Corporation Salaried Pension Plan Final Average Earnings Formula was frozen on December 31, 2020 and future pension benefits for these team members will be accrued under the BIC Corporation Salaried Pension Plan Cash Balance Formula (same formula used for team members who joined BIC after January 1, 2007).

The long-term objective of the Plan's investment policy is to provide sufficient funding to cover expected benefit obligations, while assuming a prudent level of portfolio risk relative to the Plan's liability. The Plan's assets are invested in the BIC Corporation Master Trust – with a target asset allocation of 20% equities and 80% fixed income.

b) Local 134L Pension Plan

For beneficiaries hired before December 4, 2007, benefits under the Plan are based on a participant's years of service multiplied by a fixed set amount (47.00 U.S. dollars per month for 2020, 47.25 U.S. dollars per month for 2021 and 47.50 U.S. dollars per month for 2022 and 47.75 U.S. dollars per month from January 1, 2022).

Employees hired after December 4, 2007 accrue benefits under a Cash Balance Arrangement. These participants receive annual credits equal to 3.00% of pay through November 30, 2012, 3.75% of pay from December 1, 2012 through November 30, 2017, 4.75% of pay beginning on December 1, 2017 and 5% of pay beginning on December 1, 2020, which are accumulated with interest, equal to 30-year Treasury rates, to retirement.

These two schemes are subject to American legal minimum funding requirements.

The long-term objective of the Plan's investment policy is to provide sufficient funding to cover expected benefit obligations, while assuming a prudent level of portfolio risk relative to the liability. The Plan's assets are invested in the BIC Corporation Master Trust – with a target asset allocation of 10% equities, and 90% fixed income.

c) Salaried Retiree Medical and Life Insurance Plan

Employees hired prior to 2007 benefit from medical coverage for their entire retirement if they are at least 55 and have 20 or more years of service at retirement. The Plan is closed to new employees. Effective October 1, 2013, as part of an exchange, certain covered retirees and future retirees, age 65 and over, are granted a fixed payment of 3,500 U.S. dollars annually to purchase retiree medical coverage. This amount was increased to 4,020 on January 1, 2019.This benefit will be reviewed in the future to reflect the upward trends in healthcare costs.

Retiree life insurance is available to employees who retire at or after age 55 with 10 or more years of service. Employees hired on or after January 1, 2018 are no longer eligible for this benefit. The death benefit is equal to 100% of final salary with a cap ranging from 10,000 U.S. dollars for non-managerial employees to 100,000 U.S. dollars for BIC Level 4s and above.

On July 29, 2020, the Company announced changes to the salaried retirement benefits for active team members who were eligible for retiree medical and retiree life insurance benefits. With limited exceptions, if active team members leave BIC after December 31, 2021, they will no longer be eligible for these benefits.

The Plan does not have any assets.

d) Local 134L Retiree Medical and Life Insurance Plan

Employees who retire at or after age 60 with 10 or more years of service are eligible to receive medical and life insurance coverage throughout their retirement.

Retirees prior to December 1, 2002 are granted fixed annual payments ranging from 2,600 U.S. dollars to 3,500 U.S. dollars to purchase retiree medical coverage. Post-age 65 retirees who retire on or after December 1, 2002, receive a fixed annual payment of 900 U.S. dollars to purchase prescription drugs. The amounts will be reviewed in the future to reflect the upward trends in healthcare costs. The Plan is closed to new employees hired after November 30, 2012.

For pre-age 65 eligible retirees and spouses, BIC pays 50% and the retiree pays 50% of the premium.

Retiree life insurance benefits include a death benefit of 12,500 U.S. dollars for employees who retire on or after December 1, 2019.

The Plan does not have any assets.

- **In the United Kingdom**

There is a closed defined-benefit plan which is not accessible to a specified list of beneficiaries (plan closed to new entrants) and closed to the acquisition of further rights. An independent professional Trustee, an employer-representative Trustee and an employee-representative Trustee oversee the governance of the scheme. Plan assets are currently invested in a portfolio of stocks, bonds and real estate. Asset allocation is reviewed regularly to ensure that the assets held are still appropriate and sufficient to cover future pension obligations.

Both schemes are subject to the same risks as the majority of final salary occupational pension schemes, *i.e.* inflation risks, investment risks, life expectancy risks, etc. The strategic asset allocation must comply with the investment guidelines laid out in the "Statement of Investment Principles" set up by the Trustee to limit the risks.

- **In France**

The payment of an indemnity on retirement is mandatory in France. The amount of the indemnity is determined by the applicable national collective bargaining agreement and is expressed in a number of months salary, based on company seniority at date of retirement. BIC is responsible for the payment of the indemnity only if the employee is working for the company at the time of retirement.

The defined-benefit supplementary pension plan, which provides a percentage of the final salary for each year of service to senior managers working for BIC's French companies, is now closed to new beneficiaries. The benefits are vested only if the beneficiary is working for the company when he/she retires.

- **In Canada**

The Plan is funded chiefly through employer contributions and investment earnings on Plan assets. Prior to 1992, beneficiaries were required to contribute to the Plan, however since January 1, 1992; they are no longer required or permitted to make contributions to the Plan. BIC Inc. contributions to the Plan comply with the minimum funding requirements of the "Pensions Benefits Act of Ontario".

The Pension fund set up to finance the retirement scheme for employees of BIC Inc. is held by an Independent Trust in the interests of beneficiaries. This fund is not part of the income or assets of BIC Inc.

This Plan is closed to new employees hired after November 14, 2011.

For hourly paid employees, the retirement benefit is defined as a fixed amount per year of service, whose value varies according to the date on which the beneficiary retires (400 CAD per year for retirement after January 1, 2010). For employees receiving a regular salary, the formula for calculating the retirement benefit is 1.5% of final average salary per year of service (the calculation of the final average salary is based on the highest three consecutive years out of the last 10 years preceding retirement). The total benefit under the Plan is capped by the limits imposed by the Income Tax Act in Canada. The normal retirement age is 65, however beneficiaries can retire from age 55, with a reduced benefit for early retirement. The benefit is unreduced at age 63 for members who commence their pension immediately following employment at BIC.

To monitor and control the performance of the Fund, BIC Inc. and the Investment Manager must comply with the objectives set out in the "Statement of Investment Policy and Objectives". The basic goal underlying the establishment of these guidelines is to ensure that the Fund assets, together with the expected contributions and investment returns, are invested in a prudent manner so that the Fund can meet the obligations of the Plan as they come due. The long-term investment strategy is to invest approximately 48% in bonds, 10% in Canadian equities, 30% in global equities, 10% in emerging markets equities and 2% in cash and cash equivalents.

- **For other countries**, the plans depend on local legislation, the activity and other historical practices of the subsidiary.

18-2 Change in the net obligation of defined-benefit plans

(in thousand euros)		Pension	*Including United States Pension*	Other employee benefits	*Including other employee benefits in the United States*	Total employee benefits	*Including total employee benefits in the United States*
PRESENT VALUE OF OBLIGATION							
At January 1, 2021		**505,149**	**382,082**	**88,081**	**87,700**	**593,230**	**469,782**
Reclassification		-	-	-	-	-	-
Acquisition of subsidiaries		-	-	-	-	-	-
Period costs:		11,308	12,832	2,597	2,537	13,905	15,370
• *Current service costs*		*6,941*	*3,813*	*521*	*471*	*7,462*	*4,284*
• *Past service costs (including curtailment)*		*(6,700)*	*177*	*11*	*11*	*(6,688)*	*188*
• *Settlement*		*322*	-	-	-	*322*	-
• *Interest costs*		*10,745*	*8,842*	*2,065*	*2,055*	*12,810*	*10,897*
Benefits paid		(75,123)	(69,114)	(3,847)	(3,544)	(78,970)	(72,657)
Actuarial difference on gross obligation		(29,432)	(17,637)	(8,092)	(8,099)	(37,525)	(25,736)
• *Financial assumptions*		*(25,065)*	*(15,744)*	*(5,446)*	*(5,452)*	*(30,511)*	*(21,197)*
• *Demographic assumptions*		*(4,367)*	*(1,893)*	*(2,647)*	*(2,647)*	*(7,014)*	*(4,540)*
Taxes paid included in DBO		(4)	-	-	-	(4)	-
Contributions paid		7	-	-	-	7	-
Administrative expenses		39	-	39	-	78	-
Exchange differences		35,337	29,701	7,073	7,065	42,410	36,766
At December 31, 2021	**A**	**447,281**	**337,865**	**85,852**	**85,660**	**533,133**	**423,525**
FAIR VALUE OF PLAN ASSETS							
At January 1, 2021		**470,821**	**394,068**	**-**	**-**	**470,821**	**394,068**
Reclassification		-	-	-	-	-	-
Total period income:		10,680	9,303	-	-	10,680	9,303
• *Interest income*		*10,680*	*9,303*	-	-	*10,680*	*9,303*
• *Curtailment and settlement*		-	-	-	-	-	-
Benefits paid		(72,055)	(69,114)	(3,544)	(3,544)	(75,599)	(72,657)
Contributions paid by participants		7	-	-	-	7	-
Contributions paid by employer		3,982	1,557	3,544	3,544	7,525	5,101
Taxes paid from plan assets		(4)	-	-	-	(4)	-
Administrative expenses		(1,493)	(1,340)	-	-	(1,493)	(1,340)
Return on assets (excluding interest income)		8,634	6,606	-	-	8,634	6,606
Exchange differences		36,942	31,744	-	-	36,942	31,744
At December 31, 2021	**B**	**457,514**	**372,825**	**-**	**-**	**457,514**	**372,825**
NET LIABILITY IN THE BALANCE SHEET AS OF AT DECEMBER 31, 2021	**C = A-B**	**(10,233)**	**(34,960)**	**85,852**	**85,660**	**75,619**	**50,700**
NET LIABILITY IN THE BALANCE SHEET AS OF AT DECEMBER 31, 2020		**34,328**	**(11,986)**	**88,081**	**87,700**	**122,409**	**75,714**

(in thousand euros)		Pension	*Including United States Pension*	Other employee benefits	*Including other employee benefits in the United States*	Total employee benefits	*Including total employee benefits in the United States*
PRESENT VALUE OF OBLIGATION							
At January 1, 2020		**530,325**	**403,821**	**107,871**	**107,428**	**638,196**	**511,249**
Reclassification		(87)	-	-	-	(87)	-
Acquisition of subsidiaries		399	-	-	-	399	-
Period costs:		1,822	(5,236)	(16,232)	(16,359)	(14,410)	(21,595)
• *Current service costs*		*10,613*	*6,062*	*1,359*	*1,238*	*11,972*	*7,300*
• *Past service costs (including curtailment)*		*(22,515)*	*(22,361)*	*(20,353)*	*(20,353)*	*(42,868)*	*(42,714)*
• *Settlement*		*470*	-	-	-	*470*	-
• *Interest costs*		*13,255*	*11,062*	*2,762*	*2,756*	*16,016*	*13,818*
Benefits paid		(38,313)	(27,939)	(3,299)	(3,145)	(41,611)	(31,083)
Actuarial difference on gross obligation		52,216	47,076	9,573	9,573	61,789	56,649
• *Financial assumptions*		*56,299*	*50,887*	*16,362*	*16,369*	*72,661*	*67,256*
• *Demographic assumptions*		*(4,083)*	*(3,812)*	*(6,789)*	*(6,796)*	*(10,873)*	*(10,608)*
Taxes paid included in DBO		(622)	-	-	-	(622)	-
Contributions paid		7	-	-	-	7	-
Administrative expenses		(4)	-	-	-	(4)	-
Exchange differences		(40,595)	(35,640)	(9,832)	(9,797)	(50,427)	(45,437)
At December 31, 2020	**A**	**505,149**	**382,082**	**88,081**	**87,700**	**593,230**	**469,782**
FAIR VALUE OF PLAN ASSETS							
At January 1, 2020		**474,608**	**397,172**	**-**	**-**	**474,608**	**397,172**
Reclassification		(87)	-	-	-	(87)	-
Total period income:		12,418	10,839	-	-	12,418	10,839
• *Interest income*		*12,418*	*10,839*	-	-	*12,418*	*10,839*
• *Curtailment and settlement*		-	-	-	-	-	-
Benefits paid		(34,334)	(27,939)	(3,145)	(3,145)	(37,478)	(31,083)
Contributions paid by participants		7	-	-	-	7	-
Contributions paid by employer		10,119	4,081	3,145	3,145	13,264	7,226
Taxes paid from plan assets		(622)	-	-	-	(622)	-
Administrative expenses		(1,084)	(975)	-	-	(1,084)	(975)
Return on assets (excluding interest income)		47,963	45,052	-	-	47,963	45,052
Exchange differences		(38,168)	(34,163)	-	-	(38,168)	(34,163)
At December 31, 2020	**B**	**470,821**	**394,068**	**-**	**-**	**470,821**	**394,068**
NET LIABILITY IN THE BALANCE SHEET AS OF DECEMBER 31, 2020	**C = A-B**	**34,328**	**(11,986)**	**88,081**	**87,700**	**122,409**	**75,714**
NET LIABILITY IN THE BALANCE SHEET AS OF DECEMBER 31, 2019		**55,717**	**6,649**	**107,871**	**107,428**	**163,588**	**114,077**

18-3 Funded/unfunded obligations

(in thousand euros)	Notes	Pension	Other employee benefits	Total
At December 31, 2021				
Amount of funded obligations		440,798	-	440,798
Fair value of plan assets		(457,514)	-	(457,514)
Surplus of obligation over assets		**(16,716)**	**-**	**(16,716)**
Fair value of unfunded obligations		6,482	85,851	92,334
Net value in the balance sheet		**(10,234)**	**85,851**	**75,618**
• **Assets**	**12, 18-7**	-	-	**4,398**
• **Liabilities**	**18-7**	-	-	**80,016**

(in thousand euros)	Pension	Other employee benefits	Total
At December 31, 2020			
Amount of funded obligations	510,349	-	510,349
Fair value of plan assets	(470,821)	-	(470,821)
Surplus of obligation over assets	**39,528**	**-**	**39,528**
Fair value of unfunded obligations	(5,200)	88,081	82,881
Net value in the balance sheet	**34,328**	**88,081**	**122,409**
• **Assets**	**-**	**-**	**555**
• **Liabilities**	**-**	**-**	**122,964**

18-4 Period costs

(in thousand euros)	December 31, 2020	December 31, 2021
Current service costs	11,972	7,462
Past service costs (including plan curtailment)	(42,868)	(6,688)
Settlement	470	322
Net interest costs	3,598	2,130
TOTAL PERIOD COSTS	**(26,828)**	**3,226**

As indicated in the Note 18-1, following the change in medical and pension regimes in the U.S., a favorable impact of 52 million dollars was recognized in the U.S. accounts in 2020 (see Note 5 – *Other Income and Expense*).

18-5 Additional information

Nature of plan assets

December 31, 2021 *(in thousand euros)*		Fair value of plan assets		Including fair value of plan assets with a quoted price on an active market
Equity	105,635	23.1%	105,635	23.1%
Bonds and other fixed income	320,901	70.1%	320,901	70.1%
Cash and cash equivalents	28,607	6.3%	28,607	6.3%
Real Estate	467	0.1%	467	0.1%
Assets held by insurance companies	1,904	0.4%	1,904	0.4%
Other	-	-	-	-
TOTAL	**457,514**	**100%**	**457,514**	**100%**

December 31, 2021 *(in thousand euros)*		U.S. fair value of plan assets		Including fair value of plan assets with a quoted price on an active U.S. market
Equity	63,333	17.0%	63,333	17.0%
Bonds and other fixed income	281,507	75.5%	281,507	75.5%
Cash and cash equivalents	27,984	7.5%	27,984	7.5%
TOTAL	**372,824**	**100%**	**372,824**	**100%**

December 31, 2020 *(in thousand euros)*		Fair value of plan assets		Including fair value of plan assets with a quoted price on an active market
Equity	165,079	35.1%	165,079	35.1%
Bonds and other fixed income	274,593	58.3%	274,593	58.3%
Cash and cash equivalents	4,621	1.0%	4,621	1.0%
Real Estate	24,292	5.2%	24,292	5.2%
Assets held by insurance companies	1,861	0.4%	1,861	0.4%
Other	375	0.1%	375	0.1%
TOTAL	**470,821**	**100%**	**470,821**	**100.0%**

December 31, 2020 *(in thousand euros)*		Fair value of American plan assets		Including fair value of plan assets with a quoted price on an active American market
Equity	151,108	38.3%	151,108	38.3%
Bonds and other fixed income	238,971	60.6%	238,971	60.6%
Cash and cash equivalents	3,990	1.0%	3,990	1.0%
TOTAL	**394,068**	**100%**	**394,069**	**100.0%**

18-6 Actuarial assumptions for main countries

Actuarial assumptions used to calculate the benefit obligations vary according to the economic conditions of each respective country. They have been adjusted according to the change in interest rates and the mortality table. Assumptions for plans representing the main obligations are set out below:

December 31, 2021	United States	United Kingdom	France
Discount rate	2.74%	1.90%	0.90%
Inflation rate	2.50%	3.80%	1.50%
Expected rate of salary increases	3.60%	N/A	1.75%
Average plan duration *(years)*	12.0	16.5	12.7

At December 31, 2020	United States	United Kingdom	France
Discount rate	2.32%	1.35%	0.50%
Inflation rate	2.50%	3.10%	1.50%
Expected rate of salary increases	3.60%	N/A	1.75%
Average plan duration *(years)*	13.5	18.0	13.3

The discount rates for our United States and United Kingdom retirement plans were developed using the Mercer Pension Discount Yield Curve, which is based on the yields of the bonds of AA-rated companies. For our other international plans, the discount rates were set by benchmarking against the corporate bonds of companies rated AA or better on the various markets.

The discount rate for the French obligation is based on the IBOXX AA 10+ index. The rate shown for France is that of the main plan (retirement indemnities).

The rate shown for the U.S. is for the main plan, each U.S. plan being valued with a specific discount rate (from 2.20% to 2.91%).

Sensitivity of the obligation to a change in discount rate

According to the Group's estimates, a +/-1% change in the discount rate would result in a change of -11.40% and +13.74% in the obligations, respectively. This change would not, however, impact the Group's total net liability on employee benefits, as a change in plan assets may partly offset the impact.

Sensitivity of the obligation to a change in inflation rate

According to the Group's estimates, a +/-0.5% change in the inflation rate would result in a change in the obligations for the following countries, of respectively:

- -0.02% and +0.01% for the U.S.;
- +4.25% and -4.12% for the U.K.

This change would not, however, fully impact the Group net liability on employee benefits, as a change in plan assets fair value may partly offset the impact.

Cash Flows for future years

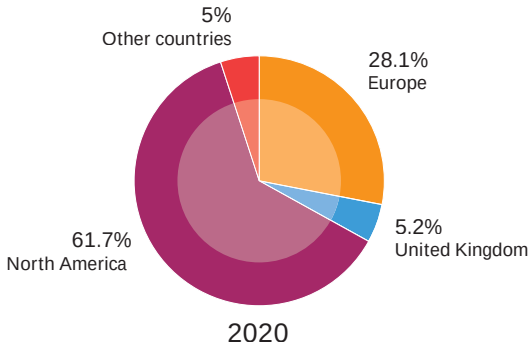
The Group is expected to pay 18.2 million euros in employer contributions for 2022.

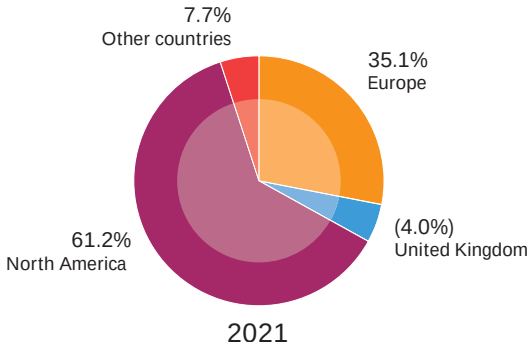
The expected total benefit payments, in million euros, is:	
2022	39
2023	30
2024	30
2025	30
2026	31
Beyond 2026	153

18-7 Information by geography

At December 31, 2021 *(in thousand euros)*		Obligation		Plan assets		Net liability
Europe	35,446	6.7%	8,937	2.0%	26.509	35.1%
United Kingdom	43,286	8.1%	46,313	10.1%	(3,028)	(4.0%)
North America	447,976	84.0%	401,673	87.8%	46,303	61.2%
Other countries	6,424	1.2%	590	0.1%	5,834	7.7%
TOTAL	**533,132**	**100%**	**457,513**	**100%**	**75,619**	**100%**

At December 31, 2020 *(in thousand euros)*		Obligation		Plan assets		Net liability
Europe	43,448	7.3%	9,006	1.9%	34,443	28.1%
United Kingdom	48,109	8.1%	41,750	8.9%	6,359	5.2%
North America	495,278	83.5%	419,811	89.2%	75,467	61.7%
Other countries	6,394	1.1%	255	0.1%	6,140	5.0%
TOTAL	**593,230**	**100%**	**470,821**	**100%**	**122,409**	**100%**





For plans located in North America and Europe (mainly the United Kingdom), plan assets levels as of December 31, 2021 comply with minimum funding obligations, as legally or contractually defined.

NOTE 19 OTHER CURRENT LIABILITIES

(in thousand euros)	December 31, 2020	December 31, 2021
Social liabilities	86,766	111,706
Other tax liabilities	10,132	9,641
Accrued business development fund	75,516	87,419
Provision for restructuring	17,252	8,563
Other current liabilities	61,512	74,825
OTHER CURRENT LIABILITIES	**251,178**	**292,154**

NOTE 20 COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT

References from (a) to (l) refer to the consolidated cash flow statement on page 208.

As of December 31, 2021 cash and cash equivalents amounted to 468.9 million euros and bank overdrafts to 0.5 million euros.

Net cash from operating activities

2021 net cash from operating activities amounted to 280.6 million euros, compared to 357.6 million euros during 2020.

As of December 31, 2020 property, plant and equipment of Cello Pens were impaired for 26.8 million euros and the trademark for 14.9 million euros [(a)].

The Group recorded foreign exchange (gains)/losses with no cash impact in financial income and restated these in the consolidated cash flow statement [(b)].

In 2021, the sale of Clichy headquarters generated a capital gain of 167.7 million euros [(c)].

The divestiture of PIMACO generated a capital gain of 3.0 million euros [(c)].

No individually significant disposals of fixed assets were recorded during 2020 [(c)].

The working capital requirement (see Note 14 for the definition) increased by 19.9 million euros compared to an decrease during 2020 of 129.7 million euros. 2021 trend is mainly due to inventories increase (including raw material price increases and sea freight increase costs) partly offset by trade payables and other current liabilities increase [(d)].

The 2020 variance is mainly explained by a decrease in trade receivables and inventories [(d)].

The payments related to employee benefits were mainly driven by the U.S. and United Kingdom [(e)].

Net cash from investing activities

Net cash from investing activities amounted to 57.6 million euros during 2021 compared to -149.3 million euros in 2020.

During 2021, the headquarters of Clichy were sold for a net amount of 127.9 million euros that represent the proceed on disposal net of related costs and also income tax paid on the capital gain for 45.9 million euros.

During 2021, PIMACO was disposed of for a net amount of 4.6 million euros that represents the proceed on disposal followed by some price adjustments, net of cash & cash equivalent of the divested entity, related costs and also income tax paid on the capital gain.

During 2020, there was no disposal of individually significant fixed assets [(c)].

During 2021, BIC disbursed 74.9 million euros on property, plant and equipement and intangible assets (including +6.0 million euros related to the change in fixed asset supplier accounts) [(g)] compared to 83.1 million euros in 2020 (including -12.9 million euros related to change in fixed asset supplier accounts).

Purchases of property, plant and equipment do not include finance leases booked as a counterpart to a financial debt, as these transactions do not have any impact on cash [(g)].

During the first half of 2021, payments were made in respect of Haco Kenya earn-out for 2.7 million dollars, Rocketbook price adjustment for 2.2 million dollars and Djeep price adjustment for 3 million euros [(i)] .

An additional amount of 2.7 million euros related to the acquisition of Haco Industries Kenya was disbursed in 2020 [(i)].

"Other current financial assets" referred to investments not eligible for classification as cash & cash equivalents under IAS 7. These investments consisted of units of UCITS and negotiable debt securities, all of which are liquid within 5 days. They were sold during 2020 [(h)].

Net cash from financing activities

Net cash from financing activities amounted to -148.3 million euros during 2021 compared to -61.1 million euros in 2020.

The dividends paid represent the dividends paid by SOCIÉTÉ BIC to its Shareholders (see Note 21) [(j)].

During 2021, net borrowings repayment amounted to 12.0 million euros mainly due to 16.0 million euros of France repayment partly offset by increase in India, compared to 77.2 million euros of net increase in 2020 [(k)].

During 2021, 717,928 shares were repurchased by SOCIÉTÉ BIC for 39.2 million euros. Under the liquidity agreement, SOCIÉTÉ BIC bought 546,989 shares for 29.2 million euros, and sold 566,079 shares for 29,6 million euros [(l)].

During 2020, 136,383 shares were repurchased by SOCIÉTÉ BIC for 7.4 million euros. Under the liquidity agreement, SOCIÉTÉ BIC bought 426,844 shares for 21.1 million euros, and sold 421,226 shares for 20.1 million euros [(l)].

NOTE 21 DIVIDENDS

For the 2020 fiscal year, an ordinary dividend of 1.80 euro per share was distributed to Shareholders on June 2, 2021.

For the 2019 fiscal year, an ordinary dividend of 2.45 euros per share was distributed to Shareholders on June 3, 2020.

NOTE 22 EXPOSURE TO MARKET RISKS

22-1 Counterpart risk

All financial instruments are set up with banking institutions awarded top ratings by international rating agencies, making counterparty risk very low. The minimum Standard & Poor's long-term rating of the main banking counterparties is A-, the rating range being from A+ to A-.

Cash investment decisions are subject to strict counterparty risk assessment (both depositories and custodians). The majority of the portfolio as of December 31, 2021 is on investment grade-rated supports. Counterparty risk is estimated not significant as of December 31, 2021.

22-2 Foreign exchange risk

See Note 24-2.

22-3 Interest rate risk

See Note 24-3.

22-4 Liquidity risk

The Group manages its equity such as to maintain a positive and liquid cash position, so as to be able to carry out its development and/or external growth strategy.

The excess cash and the funding needs of the Group are directly managed by the Treasury Department, following prudent policy guidelines that aim to preserve capital and to maintain a satisfactory liquidity position.

Excess cash is mainly invested in money market UCITS, negotiable debt securities and cash equivalents whose volatility is below 0.5, with a recommended holding period of less than three months.

The more structural portion of the cash can be invested in money market funds qualified as "dynamics", with a holding period that can be in excess of six months.

The market value of mark-to-market securities is assessed twice a month by the Group Treasury Department and the target is to reach an average annual performance that outperforms the capitalized Eonia rate.

As of December 31, 2021, total investments managed by Group Treasury amounted to 232.6 million euros, divided between three positions. 88.5 million euros in term accounts in euros or american dollars, 52.9 million euros of marketable debt instrument and 44.2 million in money market UCITs in american dollars, the remaining 47 million euros is held on several current acounts that do not suffer from negative rate taxation.

Keeping cash on hand in a bank account is relevant in view of the negative interest rates currently being paid on short-term investments in euros. Indeed, thanks to regular dialogue and good management of the allocation of its surpluses between its historical banks, to date the company has not been charged on its excess cash on current accounts.

As previously mentioned in Note 6, BIC has also lowered its liquidity risk by setting up a confirmed credit line of 200 million euro for a period of three years, which also secures a NeuCP program of 200 million euro, with an initial issuance in September 2020. During 2021, the NeuCP were regurlaly issued, based on the operating needs and the NeuCP BIC demand remain strong.

(in thousand euros)	December 31, 2020	December 31, 2021
Cash equivalents: marketable securities	118,206	253,317
Cash	147,537	215,597
CASH AND CASH EQUIVALENTS, EXCLUDING BANK OVERDRAFTS	**265,744**	**468,914**

22-5 Credit risk

(in thousand euros)	Note	December 31, 2020	December 31, 2021
Gross trade receivables			
Not yet due or past due for less than 60 days		318,508	352,246
Past due for 60 to 90 days		8,131	12,728
Past due for 90 to 120 days		6,690	7,418
Past due for more than 120 days		28,990	34,185
Total gross trade receivables		**362,319**	**406,577**
Doubtful receivables		13,711	14,515
TOTAL BEFORE ALLOWANCE		**376,030**	**421,092**
Allowance on trade receivables not yet due or past due for less than 60 days		(6,171)	(5,448)
Allowance on trade receivables past due for 60 to 90 days		(127)	(482)
Allowance on trade receivables past due for 90 to 120 days		(340)	(1,016)
Allowance on trade receivables past due for more than 120 days		(24,371)	(24,968)
Total allowance (B)		**(31,050)**	**(31,914)**
Allowance on specific trade receivables		*(25,142)*	*(26,183)*
Allowance on statistically calculated trade receivables		*(5,908)*	*(5,731)*
Other receivables (C)		**64,644**	**29,009**
TRADE AND OTHER RECEIVABLES – NET (A)+(B)+(C)	**14**	**409,625**	**418,186**

22-6 Fair value of financial assets and liabilities

Accounting categories and fair value of financial instruments

December 31, 2021				Breakdown by category of instruments				
Balance sheet items *(in thousand euros)*	Note	Balance sheet value	Fair value	At fair value through the income statement	Derivative hedging instruments	Receivables at amortized cost	Debts at amortized cost	At fair value through equity
Financial assets		**888,902**	**888,902**	**268,307**	**1,756**	**618,840**	**-**	**-**
Non-current								
• Derivative financial instruments	24	62	62	-	62	-	-	-
• Other investments		46	46	46	-	-	-	-
Current								
• Trade and other receivables	14	418,186	418,186	14,943	-	403,243	-	-
• Derivative financial instruments	24	1,694	1,694	-	1,694	-	-	-
• Other current financial assets		-	-	-	-	-	-	-
• Cash and cash equivalents	20	468,914	468,914	253,317	-	215,597	-	-
Financial liabilities		**276,432**	**276,432**	**13,696**	**13,513**	**-**	**249,223**	**-**
Non-current								
• Borrowings	16	23,782	23,782	-	-	-	23,782	-
• Derivative instruments	24	14	14	-	14	-	-	-
• Djeep earn-out clause		3,961	3,961	3,961	-	-	-	-
• Rocketbook earn-out clause		3,512	5,603	3,512	-	-	-	-
Current								
• Borrowings	16	76,287	76,287	-	-	-	76,287	-
• Derivative instruments	24	13,499	13,499	-	13,499	-	-	-
• Rocketbook earn-out clause		6,223	6,223	6,223	-	-	-	-
• Trade and other payables	**14**	149,154	149,154	-	-	-	149,154	-

December 31, 2020				Breakdown by category of instruments				
Balance sheet items *(in thousand euros)*	Note	Balance sheet value	Fair value	At fair value through the income statement	Derivative hedging instruments	Receivables at amortized cost	Debts at amortized cost	At fair value through equity
Financial assets		**702,460**	**702,460**	**128,509**	**27,057**	**546,894**	**-**	**-**
Non-current								
• Derivatives financial instruments	24	976	976	-	976	-	-	-
• Other investments		34	34	34	-	-	-	-
Current								
• Trade and other receivables	14	409,625	409,625	10,268	-	399,357	-	-
• Derivative financial instruments	24	26,081	26,081	-	26,081	-	-	-
• Other current financial assets		1	1	1	-	-	-	-
• Cash and cash equivalents	20	265,744	265,744	118,206	-	147,537	-	-
Financial liabilities		**231,497**	**231,497**	**10,718**	**3,347**	**-**	**217,432**	**-**
Non-current								
• Borrowings	16	27,985	27,985	-	-	-	27,985	-
• Derivative instruments	24	53	53	-	53	-	-	-
• Djeep earn-out clause		3,961	3,961	3,961	-	-	-	-
• Rocketbook earn-out clause		5,398	5,398	5,398	-	-	-	-
Current								
• Borrowings	16	89,976	89,976	-	-	-	89,976	-
• Derivative instruments	24	3,294	3,294	-	3,294	-	-	-
• Rocketbook earn-out clause		1,358	1,358	1,358	-	-	-	-
• Trade and other payables	14	99,470	99,470	-	-	-	99,470	-

The valuation methods adopted for financial instruments are as follows:

- financial instruments other than derivatives recorded in the balance sheet:

  The book values used are reasonable estimates of their market value except for marketable securities whose carrying values are determined based on the last known net asset values as of December 31, 2021;
- derivative financial instruments:

  Market values are either those indicated by financial institutions or have been calculated by an external third-party on the basis of the last known closing prices as of December 31, 2021. They are consistent with the valuation reports provided by the financial institutions.

Fair value valuation method

The tables below set out the fair value method for valuing financial instruments, using the following three levels:

- level 1 (quoted prices in active markets): money market UCITS and other current financial assets;
- level 2 (observable inputs): derivatives – hedge accounting;
- level 3 (non-observable inputs): no such instruments are held as of December 31, 2021.

Category of instruments	December 31, 2021			
(in thousand euros)	Total	Level 1	Level 2	Level 3
At fair value through the income statement – Assets	268,307	268,307	-	-
Derivative hedges – Assets	1,756	-	1,756	-
Derivative hedges – Liabilities	13,513	-	13,513	-

22-7 Net income impact by category of instruments

Net income related to the different categories of financial assets and liabilities are as follows:

At December 31, 2021	Breakdown by category of instruments					
Nature of impact *(in thousand euros)*	Total	At fair value through the income statement	Derivative hedging instruments	Receivables at amortized cost	Debts at amortized cost	At fair value through equity
Interest income/(expense)	(27)	965	-	2,743	(3,736)	-
Revaluation at fair value	-	-	-	-	-	-
Translation	(16,548)	-	-	-	(16,548)	-
Net depreciation	(864)	-	-	-	(864)	-
TOTAL	**(17,439)**	**965**	**-**	**2,743**	**(21,148)**	**-**

At December 31, 2020	Breakdown by category of instruments					
Nature of impact *(in thousand euros)*	Total	At fair value through the income statement	Derivative hedging instruments	Receivables at amortized cost	Debts at amortized cost	At fair value through equity
Interest income/(expense)	(1,437)	1,722	-	1,396	(4,555)	-
Revaluation at fair value	-	-	-	-	-	-
Translation	4,301	-	-	-	4,301	-
Net depreciation	(2,400)	-	-	-	(2,400)	-
TOTAL	**463**	**1,722**	**-**	**1,396**	**(2,655)**	**-**

NOTE 23 SHARE-BASED PAYMENTS

The Group issues shares and stock options to certain employees as comensation for services provided. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. This fair value on the vesting date is expensed over the vesting period, based on the Group's estimate of the shares that will eventually be vested and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured using the method given below. The expected life used in the model has been adjusted, based on management's best estimates, for the effect of non-transferability, exercise restrictions and behavioral considerations.

Share-based payments are booked in staff costs (see Note 4 – *Operating expenses* - "Staff costs" item and in the lines of the income statement presented by functions).

23-1 Grant of stock option plans with performance conditions

In 2021, as recommended by the Remuneration Committee, and after approval of the Shareholders Meeting, the board decided on a one-off grant of stock options with performance conditions for a limited number of top executives of Société BIC. The options are on existing shares, with a vesting period of 5 years and performance conditions covering the same period.

	Achieving Horizon stock option plan	
Annual Shareholders' Meeting date	May 19, 2021	May 19, 2021
Board of Directors' Meeting date	May 19, 2021	December 9, 2021
Number of beneficiaries	14	2
Number of subscription options	1,224,500	170,000
Date from which options may be exercised	Feb. 28, 2026	Feb. 28, 2026
Exercise price (in euros) [(a)]	65	65
Number of options exercised as of December 31, 2021	-	-
Number of void options as of December 31, 2021	75,000	-
Number of remaining options as of December 31, 2021	**1,149,500**	**170,000**

(a) No discount of the exercise price.

Assumptions for fair value calculation of stock options plans according to Black & Scholes model

	Achieving Horizon stock option plan
Expected volatility	25.6 %
Risk-free rate	0 %
Expected dividend yield	3.5 %
Expected life in years	5

23-2 Free share allocations with performance conditions

From 2005 onwards, using the authorization granted by successive Annual Shareholders' Meetings, the Board of Directors, upon the recommendation of the Compensation and Nomination Committee, implemented a policy of performance share awards, subject to three-year performance conditions.

The shares to be delivered under these plans are existing shares.

For plans awarded between 2010 and May 2016, shares are granted by SOCIÉTÉ BIC. For beneficiaries who were French tax resident, the shares were delivered at the definitive vesting date, subject to performance conditions.

Beneficiaries who were foreign tax resident had the shares delivered at the conclusion of a three-year period following the definitive vesting date. The 2016 plan (Plan 12) is the last outstanding plan in this format and will be delivered in March 2022. From Plan no. 8, compensation for dividends between the date of vesting and the actual date of delivery was handled through a cash compensation system.

All performance share plan grants since May 2017 (Plan 13) have been granted SOCIETE BIC and shares are delivered to all beneficiaries at the end of the vesting period (3-years, subject to performance conditions.

	Plan no. 14	Plan no. 15	Plan no. 16	Plan no. 17
Annual Shareholders' Meeting date	May 16, 2018	May 16, 2018	May 20, 2020	May 20, 2020
Board of Directors' Meeting date	May 16, 2018	February 12, 2019	February 11, 2020	February 16, 2021
Grant	M	M	M	M
Number of beneficiaries	499	497	501	158
Number of free shares granted	170,720	162,025	234,118	244,181
Definitive grant date	May 16, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Number of share grants definitively acquired at December 31, 2021	58,434	-	-	-
Of which number of shares transferred or to be transferred to beneficiaries by:				
• SOCIÉTÉ BIC	-	-	-	-
• BIC CORPORATION	N/A	N/A	N/A	N/A
Delivery date of the shares by:				
• SOCIÉTÉ BIC				
• *French beneficiaries*	*May 16, 2021*	*March 31, 2022*	*March 31, 2023*	*March 31, 2024*
• *Foreign beneficiaries*	*May 16, 2021*	*March 31, 2022*	*March 31, 2023*	*March 31, 2024*
• BIC CORPORATION	N/A	N/A	N/A	N/A
Shares delivered by BIC CORPORATION as a compensation for dividends not received	N/A	N/A	N/A	N/A
Shares to be delivered by BIC CORPORATION as a compensation for dividends not received	N/A	N/A	N/A	N/A
Total number of free share grants void as of December 31, 2021 [(a)]	112,286	111,870	55,499	27,269
Total number of free share grants vesting as of December 31, 2021	**-**	**50,155**	**178,619**	**216,912**

(a) These free share grants were void due to beneficiaries leaving the Company or to a part of the performance conditions not being achieved.
M = Main.

Estimated fair value of shares granted and impact on the income statement

	Plan' unit fair value-binomial mode *(in euros)*		Expense/(income) booked in income statement *(in thousand euros)*	
Grant date	**Main grant**	**Secondary grant**	**December 31, 2020**	**December 31, 2021**
May 16, 2018	77.00	N/A	1,088	789
Feb. 12, 2019	81.14	N/A	660	974
Feb. 11, 2020	58.30	N/A	3,034	2,839
Feb. 16, 2021	42.93	N/A	-	2,305
TOTAL			**4,782**	**6,907**

The fair value of the free shares is the share price at the grant date adjusted for the present value of potential future dividends.

23-3 Free share allocations without performance conditions

From 2012, as recommended by the Compensation and Nomination Committee, the Board of Directors decided to set up a policy of free share grants without performance conditions, to replace the stock option programs rewarding staff selected by Management and key contributors during the year.All shares under these plans are delivered by SOCIÉTÉ BIC on the definitive vesting date, whether the beneficiaries are French or foreign country tax residents.

In 2021, the Board of Directors has decided, on the recommendation of the Compensation Committee, to grant free shares, without performance conditions, to all Group employees worldwide. The shares granted under this plan will be delivered by Société BIC on the final vesting date and will relate to existing shares.These plans provide for the allocation of existing shares.

	Plan no. F7	Plan no. F8	Plan no. F9	Plan no. F10	Sharing Horizon
Annual Shareholders' Meeting date	May 16, 2018	May 16, 2018	May 20, 2020	May 20, 2020	May 19,2021
Board of Directors' Meeting date	May 16, 2018	February 12, 2019	February 11, 2020	February 16, 2021	October 26, 2021
Number of beneficiaries	244	238	242	660	11 944
Number of free shares granted	30,500	17,550	30,613	137,322	59,720
Definitive grant date	May 16, 2021	March 31, 2022	March 31, 2023	March 31, 2024	October 26, 2023
Number of share grants definitively acquired at December 31, 2021	18,350	-	-	170	-
Total number of free share grants void as of December 31, 2021 [(a)]	12,100	4,250	3,338	13,567	-
Total number of free share grants vesting as of December 31, 2021	**50**	**13,300**	**27,275**	**123,585**	**59,720**

(a) These free share grants were void due to beneficiaries leaving the Company or to a part of the performance conditions not being achieved.

Estimated fair value of shares granted and impact on the income statement

	Plans' unit fair value -binomial model *(in euros)*	Expense/(income) booked in income statement *(in thousand euros)*	
Grant date		**December 31, 2020**	**December 31, 2021**
May 18, 2016	109.85	(360)	-
Feb. 10, 2017	109.05	169	-
May 16, 2018	76.78	125	127
Feb. 12, 2019	81.14	306	319
Feb. 11, 2020	58.30	422	475
Feb. 16, 2021	42.93	-	1,315
October 26, 2021	46.72	-	227
TOTAL		**663**	**2,463**

As of December 31, 2021 , the total fair value of options and shares granted amounts to 10.4 million euros.

NOTE 24 FINANCIAL INSTRUMENTS

Accouting policies

Financial assets and financial liabilities are recognized on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

a) Trade receivables

See Note 14.

b) Investments

In accordance with IFRS 9 – Financial Instruments, investments are classified into one of the following three categories:

- financial assets at fair value through profit or loss;
- financial assets measured at amortized cost;
- financial assets measured at fair value through other comprehensive income.

The classification determines the accounting treatment of these instruments. It is determined by the Group on the initial recognition date, based on the characteristics of the instrument and the management objective for which these assets were acquired. Purchases and sales of financial assets are recognized on the trade date, the date on which the Group is committed to buying or selling the asset. A financial asset is derecognized if the contractual rights to the cash flows associated with the financial asset expire or if the asset has been transferred.

1. Financial assets at fair value through profit or loss

Financial assets recognized at fair value through profit or loss are mainly financial assets for which the contractual cash flows do not only correspond to principal repayments and interest payments on the outstanding principal.

This category mainly includes UCITS and cash investments whose management and performance are based on fair value.

Changes in the value of these assets are recorded in the consolidated income statement. The net gains and losses of assets measured at fair value through profit or loss correspond to interest income, dividends and changes in fair value.

2. Financial assets measured at amortized cost

Financial assets are measured at amortized cost if their ownership is part of a business model aimed at receiving contractual cash flows corresponding solely to principal repayments and interest payments on the outstanding principal.

These instruments are initially recognized at fair value, then at amortized cost calculated using the effective interest rate method. Provisions are recorded in the consolidated income statement.

Net gains and losses on loans and receivables correspond to interest income and provisions.

3. Financial assets measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if their holding is part of an economic model that aims both to collect contractual cash flows, corresponding only to repayments of principal and interest payments on outstanding principal, and to the sale of financial assets.

This category includes debt securities that meet the contractual flow characteristics and management model set out above, as well as shares at fair value through equity on option.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term (less than three-months) highly liquid money market investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The application of IAS 7 has resulted in money market UCITS with a historical volatility over the last 12 months of above 0.50% being considered non-eligible as "Cash equivalents." These items are now classified as "Other current financial assets."

d) Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deduction of all its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

e) Bank borrowings

Interesting-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. Any difference between the proceeds (net of direct issue costs) and the settlement of redemption or borrowing is recognized in profit or loss over the term of the borrowing in accordance with this method.

f) Trade payables

See Note 14.

g) Equity instruments

Equity instruments issued by the parent company are recorded at the proceeds received, net of direct issue costs.

h) Derivative financial instruments and hedge accounting

The Group's activities expose it primarily to the financial risk of changes in foreign exchange and interest rates.

The Group uses derivative financial instruments (primarily over-the-counter foreign currency forward contracts and currency options) to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions, a technique the Group designates as cash flow hedges.

The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written guidelines on the use of financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

Measurement and presentation

Derivatives are initially recognized at fair value of received counterpart on the contract date and are remeasured to fair value at subsequent reporting dates. They are disclosed in the balance sheet in current assets and/or liabilities for the part within one year and in non-current assets and/or liabilities for the part beyond one year.

The fair value of over-the-counter forward exchange contracts and currency swaps is determined by discounting future cash flows, using closing-date market rates (exchange and interest rates).

The fair value of foreign exchange options is taken from the valuation reports provided by financial institutions and is determined using the interest rate curves, exchange rates as well as the volatility of each currency.

Counterparty risk was measured under IFRS 13 – Fair value measurement, and is not significant.

Hedge accounting

The treatment of derivatives designated as hedging instruments depends on the type of hedging relationship:

- cash flow hedge;
- hedge of a net investment in a foreign operation.

The Group clearly identifies the hedging instrument and the hedged item as soon as the hedge is set up, and formally documents the hedging relationship stating the hedging strategy, the risk hedged and the method used to determine the effectiveness of the hedge. This documentation is subsequently updated, such that the effectiveness of the designated hedge can be demonstrated.

Hedge accounting uses specific measurement and recognition methods for each category of hedge:

- **cash flow hedges**: no adjustment is made to the value of the hedged item; only the hedging instrument is adjusted to fair value. The counterpart of this adjustment is recorded, net of taxes, in equity. The cumulative amount included in equity is transferred to the income statement when the hedged item has an impact on net income.

If the cash flow hedge of a commitment or forecasted transaction results in the recognition of a non-financial asset or a liability, then, at the time the asset or liability is recognized, the associated gains or losses on the derivative that had previously been recognized in equity are included in the initial carrying amount of the non-financial asset or liability.

For foreign exchange derivatives, changes in the time value of options and changes in premiums/deferrals are also recorded in other comprehensive income.

For hedges that do not result in the recognition of an asset or a liability, amounts transferred to equity are recognized in the income statement in the same period in which the hedged item affects net income.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument initially recognized directly in equity while the hedge was effective, is retained in equity until the forecast transaction occurs.

The Group no longer uses hedge accounting if the commitment or forecast transaction is no longer expected to occur, and the net cumulative gain or loss recognized in equity is transferred to profit or loss for the period.

- **hedge of net investment in a foreign operation:** the hedging instrument is adjusted to fair value. Following this adjustment, the change in fair value attributable to the hedged exchange risk is recorded, net of taxes, in equity. The cumulative amount included in equity is transferred to the income statement at the date of liquidation or sale of the net investment.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and financial characteristics are not closely related to those of the host contract and the hybrid instrument is not carried at fair value with gains or losses reported in profit or loss. The BIC Group did not carry out any such transactions over the past three years.

i) Fair value hierarchy

Financial instruments measured at fair value are classified within three fair value levels (IFRS 13):

- level 1: quoted prices in active markets for identical assets or liabilities;
- level 2: directly or indirectly observable inputs other than quoted prices included within level 1;
- level 3: non-observable inputs.

24-1 Derivatives and hedge accounting

The financial risk management is mainly concentrated at the SOCIÉTÉ BIC level and managed and/or coordinated by the Group Treasury.

This department is not a profit center.

Group Treasury has ongoing contact with subsidiaries and collects information throughout the year to identify, follow and lead risk management.

Regarding foreign exchange risk, the Group policy consists in hedging the net position currency by currency on a yearly basis. Buyer and seller positions are aggregated and the determined net nominal is hedged on the market.

Depending on the fluctuation of the foreign exchange market, Group Treasury can speed up the hedging pace in order to benefit from favorable trends or slow it down so as not to fix too early a rate. All the positions are constantly monitored in real-time by the Group Treasury, which has the necessary information and analytical tools. An update of all the positions is transmitted to management each month and detailed by currency, product (forward, option, etc.), and purpose (commercial flows or net investments).

In case of local constraints that would not permit the centralization at optimum conditions for BIC, the hedges are performed locally under the strict control of Group Treasury.

24-2 Foreign exchange risk

To manage its exchange rate exposure, the Group uses forward foreign currency contracts, currency swaps and currency options. Forward foreign currency contracts are recognized as hedges insofar as they are designated as such. These hedges may cover the net investment of the Group in certain foreign entities, foreign currency receivables or debts, or budgets in foreign currency.

As Group cash is centralized, BIC holds current accounts with its main subsidiaries. A portion of foreign currency credit balances are swapped against the euro and contribute to the Group's euro liquidity. This liquidity, which is usually invested in money market funds and other short-term investment products, is currently held in a cash position in our bank accounts. Indeed, given the negative interest rate environment in the euro zone, almost all short-term investment products are performing negatively. As BIC is not yet subject to the application of negative interest on its euro cash surpluses by its banking pool, it is appropriate to keep them in our bank accounts.

In addition, the dollar liquidity that participated in the short-term swap activity is now kept in dollars and invested as such in short-term investment products directly denominated in dollars, which makes it possible to limit the amounts converted into euros and still benefit from positive interest rates on dollar investments.

Every day, Group Treasury adjusts the liquidity situation of the current accounts, excluding the U.S. dollar, as a result of currency swaps realized on the market. This strategy, even though it uses exchange instruments, cannot be considered as a full foreign exchange risk management hedging program, as there is no definitive translation of bank accounts. It only relates to optimization of funding by BIC through foreign liquidity management.

24-3 Interest rate risk

As of December 31, 2021, the outstanding 59 million euros NeuCP issue is the only significant debt. This three-month debt, issued at negative rates, is not hedged.

The exposure to interest rate fluctuations on borrowings is very limited. All local funding needs are directly indexed on a variable rate. Borrowers' positions are insignificant and are of too limited a time scale to require any relevant hedging.

24-4 Impact of interest rate and foreign exchange risk hedging on the consolidated financial statements as of December 31, 2021

The following amounts have been booked as the fair value of derivatives as of December 31, 2021 *(in thousand euros)*:

Derivative instruments and revaluation	Hedge qualification/ hedged risk	Net financial Income/ (expense) before tax – Note 5	Income from operations – Note 3	Other comprehensive income before tax [a]	Current assets [b]	Non-current assets	Current Liabilities	Non-current Liabilities
Hedging revaluation impact								
Commercial flows	Cash flow hedge/foreign exchange risk	(268)	(6,855)	(23,002)	1,298	62	(10,304)	(14)
Dividends	Net investment/ foreign exchange risk	-	-	(3,540)	-	-	(2,876)	-
Subtotal (1)		**(268)**	**(6,855)**	**(26,542)**	**1,298**	**62**	**(13,180)**	**(14)**
Revaluation of cross-currency swaps backed by cash positions in foreign currencies	At fair value through P&L/foreign exchange risk	-	-	-	-	-	-	-
Subtotal (2)		**(16)**	**-**	**-**	**396**	**-**	**(319)**	**-**
TOTAL 1+2		**(285)**	**(6,855)**	**(26,542)**	**1,694**	**62**	**(13,499)**	**(14)**

(a) This corresponds to the market value of hedging instruments in the portfolio at December 31, 2021 restated for the reversal of the market value of the portfolio of hedging instruments as of December 31, 2020.

(b) Including options not yet exercised held by BIC representing current assets for 267 thousand euros.

24-5 Impact of interest rate and foreign exchange risk hedging on the consolidated financial statements as of December 31, 2020

The following amounts have been booked as the fair value of derivatives as of December 31, 2020 *(in thousand euros)*:

Derivative instruments and revaluation	Hedge income qualification/ hedged risk	Net financial Income/ (expense) before tax – Note 5	Income from operations – Note 3	Other comprehensive income before tax [a]	Current assets [b]	Non-current assets	Current Liabilities	Non-current Liabilities
Hedging revaluation impact								
Commercial flows	Cash flow hedge/foreign exchange risk	(398)	5,148	21,470	25,236	976	(3,214)	(53)
Dividends	Net investment/ foreignexchange risk	-	-	1,914	664	-	-	-
Subtotal (1)		**(398)**	**5,148**	**23,384**	**25,900**	**976**	**(3,214)**	**(53)**
Revaluation of cross-currency swaps backed by cash positions in foreign currencies	At fair value through P&L/foreign exchange risk	-	-	-	-	-	-	-
Subtotal (2)		**166**	**-**	**-**	**173**	**-**	**(80)**	**-**
TOTAL 1+2		**(232)**	**5,148**	**23,384**	**26,073**	**976**	**(3,294)**	**(53)**

a) This corresponds to the market value of hedging instruments in the portfolio at December 31, 2020, restated for the reversal of the market value of the portfolio of hedging instruments as of December 31, 2019.

(b) Including options not yet exercised held by BIC representing current assets for 528 thousand euros.

24-6 Portfolio of foreign exchange risk hedges as of December 31, 2021

To cover its future cash flows, BIC had the following hedges as of December 31, 2021:

Maturity	Hedge	Forward	Currency	Purchase of options	Sale of options	Currency
2022	USD/EUR	330,052,000	USD	-	-	-
	USD/CAD	26,398,000	USD	-	-	-
	USD/AUD	6,000,000	USD	-	-	-
	GBP/EUR	21,000,000	GBP	-	-	-
	AUD/EUR	22,200,000	AUD	4,000,000	4,000,000	AUD
	CHF/EUR	3,500,000	CHF	3,000,000	3,000,000	CHF
	EUR/MXN	4,000,000	EUR	-	-	-
	JPY/EUR	1,000,000,000	JPY	300,000,000	300,000,000	JPY
	CAD/EUR	17,500,000	CAD	3,000,000	3,000,000	CAD
	NZD/EUR	2,000,000	NZD	6,000,000	6,000,000	NZD
	RON/EUR	10,000,000	RON	-	-	-
	SEK/EUR	15,000,000	SEK	10,000,000	10,000,000	SEK
	USD/NZD	1,000,000	USD	-	-	-
2023	CHF/EUR	1,000,000	CHF	-	-	-
	USD/EUR	10,000,000	USD	-	-	-
2024	CHF/EUR	1,000,000	CHF	-	-	-

Regarding the needs for 2022, as of December 31, 2021, the EUR/USD parity was the most exposed, in amount of 350 million U.S. dollars. This exposure was more than 90% hedged as of December 31, 2021 and related cash flows will occur in 2022.

Net income and equity sensitivity to a variance of +/-1% EUR/USD on balance sheet items as of December 31, 2021, as defined in IFRS 7, is not considered to be significant for the Group.

As of December 31, 2020, regarding the 2021 exposure, the EUR/USD parity was the most exposed, in the amount of 315 million U.S. dollars. This exposure was 100% hedged as of December 31, 2020 and related cash flows took place in 2021.

24-7 Main balance sheet items declared in foreign currencies

Regarding the balance sheet items, the weight of the different currencies is as follows as of December 31, 2021 for the main items:

(in thousand euros)	Total	EUR	Translated from USD	Translated from BRL	Translated from MXN	Translated from INR	Other
Net property, plant and equipment	588,800	354,950	79,026	44,578	42,838	17,012	50,395
Net goodwill	256,059	108,034	95,844	1	-	-	52,180
Cash and cash equivalents (excluding bank overdrafts)	468,914	251,940	72,158	46,561	30,180	1,375	66,700
Employee benefit obligations	(80,016)	(23,201)	(51,171)	-	(3,790)	(935)	(920)

NOTE 25 RELATED PARTIES

Pursuant to IAS 24, BIC Group considers the following to be related parties:

- all consolidated subsidiaries (see Note 28);
- all members of the Board of Directors (see Corporate Governance – section 4.1.1.4. "Mandates and duties of the Corporate Officers and Directors as of December 31, 2021") as well as their close relatives;
- all companies in which a member of the Board of Directors or of the Executive Committee has a significant voting right.

25-1 Consolidated subsidiaries

Transactions between the parent company and its subsidiaries as well as transactions between subsidiaries are eliminated through the consolidation process.

25-2 Members of the Board of Directors and of the Executive Committee

Transactions concluded in 2021 with members of the Board of Directors and of the Executive Committee are as follows:

(in thousand euros)	Expenses
Short-term employee benefits	8,075
Post-employment benefits	41
Other long-term benefits	117
Termination benefits	-
Share-based payments	4,174
TOTAL TRANSACTIONS	**12,407**

Directors' remuneration are not included in the above table and are disclosed under Corporate Governance – section 4.2.2.1. Remuneration of Non-Executive Corporate Officers and Directors.

25-3 Companies in which a member of the Board of Directors or of the Executive Committee has a significant voting right

As of December 31, 2021, no such related parties were identified.

NOTE 26 OFF-BALANCE SHEET ITEMS

The following schedule summarizes the sureties, deposits and guarantees for the Group. All significant items are disclosed in this table.

No other pledge of assets or registered shares is to be reported.

26-1 Sureties, deposits and guarantees issued

	Due				
(in thousand euros)	< 1 year	1 to 5 years	> 5 years	December 31, 2021	December 31, 2020
Other guarantees and commitments	350	350	-	700	-
TOTAL	**350**	**350**	**-**	**700**	**-**

26-2 Sureties, deposits and guarantees received

	Due				
(in thousand euros)	< 1 year	1 to 5 years	> 5 years	December 31, 2021	December 31, 2020
Guarantees for credit lines	1,760	8,220	5,224	15,204	17,315
Trade guarantees	-	63	-	63	63
Operating lease guarantees	-	-	320	320	320
Sureties and deposits	150	20,608	333	21,090	20,947
Other guarantees and commitments	28	7,906	36	7,969	7,939
TOTAL	**1,938**	**36,797**	**5,913**	**44,647**	**46,584**

As of December 31, 2021, the guarantees for credit lines mainly related to the Group's subsidiaries in Kenya, India and Turkey and South Korea for 14.9 million euros.

As of December 31, 2020, the guarantees for credit lines mainly related to the Group's subsidiaries in Kenya, India, Turkey and South Korea for 15.2 million euros.

26-3 Lease arrangements

(in thousand euros)	December 31, 2020	December 31, 2021
Rentals under operating leases recognized as an expense in the year *(do not fall within the scope of IFRS 16)*	595	535

At the balance sheet date, the BIC Group has outstanding commitments under leases exempted from IFRS 16, which fall due as follows:

(in thousand euros)	December 31, 2020	December 31, 2021
Within one year	1,380	796
In the second to fifth years inclusive	1,106	1,264
Beyond five years	145	40
TOTAL	**2,631**	**2,100**

NOTE 27 CONTINGENT LIABILITIES

As of December 31, 2021, neither SOCIÉTÉ BIC nor its subsidiaries were aware of any contingent liabilities.

Contingent liabilities are defined by IAS 37 as follows:

- possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity;
- obligations that are not recognized because:
  - settlement, involving an outflow representing economic benefits, is not probable, or
  - their amount cannot be measured reliably.

NOTE 28 CONSOLIDATED SUBSIDIARIES

All entities that are more than 50% owned are consolidated.

The main operating companies at December 31, 2021, are as follows:

Name of subsidiary	Place of incorporation (or registration) and operation	Main Shareholders	Percentage ownership interest (direct or indirect)	Principal activity
Fully consolidated subsidiaries				
FRANCE				
BIC Assemblage SARL	Clichy	SOCIÉTÉ BIC SA	100.0%	Delivery of services
BIC Services SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Delivery of services
BIMA 83 SASU	Clichy/Cernay	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
Société du Briquet Jetable 75 SASU	Clichy/Redon	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
DAPE 74 Distribution SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
Électro-Centre SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
BIC Technologies SA	Clichy	SOCIÉTÉ BIC SA	99.9%	Industrial equipments production
BIC Rasoirs SASU	Verberie	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
BIC Conté SASU	Samer	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
BIC Graphic France SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Écriture 2000 SASU	Clichy/Montévrain	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
BIC Éducation SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Manufacturing and distribution of IT solutions
Société Immobilière Valiton Gesnouin SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Real estate
Société Immobilière BIC Clichy SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Real estate
BIC International Development SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Delivery of services
Sibjet Technologies SNC	Guidel	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
Djeep SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
EUROPE				
BIC Deutschland GmbH & Co. OHG	Germany	BIC Erzeugnisse GmbH BIC Verwaltungs GmbH	100.0%	Distribution of consumer products
BIC Erzeugnisse GmbH	Germany	SOCIÉTÉ BIC SA	100.0%	Holding company
BIC Verwaltungs GmbH	Germany	SOCIÉTÉ BIC SA	100.0%	Holding company
BIC GmbH	Germany	SOCIÉTÉ BIC SA	100.0%	Holding company
Mondial Office Verwaltungs-und Vertriebsgesellschaft mit beschränkter Haftung	Germany	BIC Deutschland GmbH & Co.	100.0%	Holding company
BIC (Austria) Vertriebsgesellschaft GmbH	Austria	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Belgium SA	Belgium	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Iberia SAU	Spain	SOCIÉTÉ BIC SA	100.0%	Manufacturing and distribution of consumer products
BIC Graphic Europe SA	Spain	BIC Iberia SAU Société BIC SA	100.0%	Manufacturing and distribution of consumer products
Norwood Promotional Products Europe S.L.U	Spain	BIC Graphic Europe SA	100.0%	Distribution of consumer products/Dormant Entity
BIC Violex SA	Greece	SOCIÉTÉ BIC SA	100.0%	Manufacturing and distribution of consumer products
BIC (Ireland) Private Company Limited By Shares	Ireland	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Italia SPA	Italy	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products

Name of subsidiary	Place of incorporation (or registration) and operation	Main Shareholders	Percentage ownership interest (direct or indirect)	Principal activity
BIC Netherlands B.V	Netherlands	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Polska SP ZOO	Poland	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Portugal SA	Portugal	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC (Romania) Marketing & Distribution SRL	Romania	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC UK Ltd.	United Kingdom	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Slovakia s.r.o.	Slovakia	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC CIS ZAO	Russia	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Nordic AB	Sweden	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
SOCIÉTÉ BIC (Suisse) SA	Switzerland	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Pazarlama Ltd. Sti.	Turkey	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Ukraine CA	Ukraine	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Services Sofia EOOD	Bulgaria	SOCIÉTÉ BIC SA	100.0%	Delivery of services
RBTGN21, L.L.U. (incorporated May 11, 2021	Spain	BIC Iberia SAU	100.0%	Industrial equipments production
NORTH AMERICA				
BIC Inc.	Canada	BIC CORPORATION	100.0%	Distribution of consumer products
BIC CORPORATION	United States	SOCIÉTÉ BIC SA	100.0%	Holding company
BIC USA Inc.	United States	BIC CORPORATION	100.0%	Distribution of consumer products
BIC Consumer Products Manufacturing Co. Inc.	United States	BIC USA Inc.	100.0%	Manufacturing of consumer products
Wite-Out Products Inc.	United States – Delaware	BIC CORPORATION	100.0%	Holding company
Furtuna Holding Co. Ltd.	British Virgin Islands	BIC CORPORATION	100.0%	Holding company
SLS Insurance Company	United States	BIC CORPORATION	100.0%	Insurance company
Rocket Innovations, Inc.	United States – Delaware	BIC CORPORATION	100.0%	Distribution of consumer products
BIC International Co.	United States	SOCIÉTÉ BIC SA	100.0%	Delivery of services
Wite-Out Products Inc.	United States – Marinland	Wite-Out Products Inc. – Delaware	100.0%	Distribution of consumer products
OCEANIA				
BIC Australia Pty. Ltd.	Australia	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC (NZ) Ltd.	New Zealand	SOCIÉTÉ BIC SA	100.0%	Manufacturing and distribution of consumer products
LATIN AMERICA				
BIC Argentina SA	Argentina	SOCIÉTÉ BIC SA BIC Assemblage SARL	100.0%	Distribution of consumer products
BIC Amazonia SA	Brazil	SOCIÉTÉ BIC SA BIC Rasoirs SASU	100.0%	Manufacturing and distribution of consumer products
BIC Chile SA	Chile	BIC Amazonia SA SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC de Costa Rica SA	Costa Rica	BIC de Guatemala SA	100.0%	Distribution of consumer products
PIMACO Autoadesivos Ltda. (sold on February 26, 2021)	Brazil	BIC Amazonia Nelgor SA	100.0%	Manufaturing and distribution of consumer goods
BIC Ecuador SA	Ecuador	BIC Amazonia SA SOCIÉTÉ BIC SA	100.0%	Manufacturing and distribution of consumer products
BIC de Guatemala SA	Guatemala	BIC CORPORATION SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products

Name of subsidiary	Place of incorporation (or registration) and operation	Main Shareholders	Percentage ownership interest (direct or indirect)	Principal activity
No Sabe Fallar SA de CV	Mexico	BIC CORPORATION Industrial de Cuautitlan SA de CV	100.0%	Manufacturing and distribution of consumer products
Industrial de Cuautitlan SA de CV	Mexico	BIC CORPORATION No Sabe Fallar SA de CV	100.0%	Manufacturing and distribution of consumer products
Servicios administrativos Industrial de Cuautitlán, SA de CV	Mexico	Industrial de Cuautitlan SA de CV No Sabe Fallar SA de CV	100.0%	Delivery of services
BIC Uruguay SA	Uruguay	BIC Amazonia SA	100.0%	Distribution of consumer products/Dormant Entity
Nelgor SA	Uruguay	BIC Amazonia SA	100.0%	Holding company
BIC de Venezuela CA (liquidation in progress)	Venezuela	BIC Amazonia SA	100.0%	Distribution of consumer products
ASIA				
BIC Stationery (Shanghai) Co. Ltd.	China	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Product (Korea) Ltd. (sold on October 26, 2021)	South Korea	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC (Nantong) Plastic Products Co., Ltd.	China	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
BIC Cello (India) Pvt. Ltd.	India	SOCIÉTÉ BIC SA BIC Assemblage SARL	100.0%	Manufacturing and distribution of consumer products
BIC Japan Co. Ltd.	Japan	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Product (Malaysia) Sdn. Bhd. (placed in liquidation on December 30, 2020)	Malaysia	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
Bic Product (Singapore) Pte. Ltd. (struck-off on May 4, 2021)	Singapore	SOCIÉTÉ BIC SA BIC UK	100.0%	Distribution of consumer products
BIC Product (Asia) Pte. Ltd.	Singapore	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Product (Thailand) Ltd. (placed in liquidation on December 30, 2020)	Thailand	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
MIDDLE-EAST AND AFRICA				
BIC (South Africa) (Pty.) Ltd.	South Africa	BIC Holdings Southern Africa (Pty.) Ltd.	100.0%	Manufacturing and distribution of consumer products
BIC Holdings Southern Africa (Pty.) Ltd.	South Africa	SOCIÉTÉ BIC SA BIC UK Ltd.	100.0%	Holding company
BIC Middle East FZ-LLC	Dubai	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Middle East Trading FZE	Dubai	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Malawi Pty. Ltd.	Malawi	BIC Holdings Southern Africa (Pty.) Ltd.	100.0%	Distribution of consumer products
Lucky Stationary Nigeria Ltd.	Nigeria	SOCIÉTÉ BIC SA BIC Assemblage SARL	100.0%	Distribution of consumer products
BIC Mozambique Ltd.	Mozambique	BIC Holdings Southern Africa (Pty.) Ltd.	100.0%	Distribution of consumer products
BIC Bizerte	Tunisia	SOCIÉTÉ BIC SA BIC Assemblage SARL	100.0%	Manufacturing of consumer products
BIC Zambia Ltd.	Zambia	BIC Holdings Southern Africa (Pty.) Ltd.	100.0%	Distribution of consumer products
BIC Maroc SARL	Morocco	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC EAST AFRICA Limited	Kenya	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products

NOTE 29 AUDITORS' FEES

Annual fees paid by the Group to the Statutory Auditors' and members of their networks are as follows:

	Deloitte & Associés				Grant Thornton			
	Amount (excluding VAT)		%		Amount (excluding VAT)		%	
(in thousand euros)	2020	2021	2020	2021	2020	2021	2020	2021
Audit								
Statutory audit, certification, review of statutory and consolidated financial statements								
• Issuer	342	342	16%	19%	140	140	21%	20%
• Fully consolidated subsidiaries	1,082	1,048	52%	58%	541	569	79%	80%
Other due diligence and services directly linked to the Statutory Auditors' mission								
• Issuer	219	88	10%	5%	-	-	-	-
• Fully consolidated subsidiaries	252	275	12%	15%	-	-	-	-
Subtotal	**1,895**	**1,753**	**91%**	**97%**	**681**	**709**	**100%**	**100%**
Other network services for the fully consolidated subsidiaries								
• Legal, tax, labor-related	198	51	9%	3%	-	-	-	-
Subtotal	**198**	**51**	**9%**	**3%**	**-**	**-**	**-**	**-**
TOTAL	**2,093**	**1,804**	**100%**	**100%**	**652**	**709**	**100%**	**100%**

6.2. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual shareholders meeting of SOCIÉTÉ BIC,

I. OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of SOCIETE BIC for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. BASIS FOR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors, for the period from January 1, 2021, to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Furthermore, the non-audit services that we provided to your Company and its controlled undertakings during the financial year that are not disclosed in the management report or in the notes to the consolidated financial statements are for Deloitte & Associés, the report on the consolidated extra-financial performance declaration, as independent third party, and attestations on information derived from accounting and financial information, that were issued upon request of the concerned companies.

III. JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Impairment test of the Cello Cash Generating Unit (Note 10 "Goodwill" to the consolidated financial statements)

Risk identified	Our answer
Generating Unit (CGU) of Cello in India is a matter of attention for management as the underlying business plan is ambitious, reflecting existing opportunities in the country, but also due to the strict health restrictions imposed by the Indian authorities during years 2020 and 2021. The Cello goodwill amounting to a 86.7 million euros gross value as of December 31, 2021 had been fully depreciated in 2019. The annual impairment test performed by the management as of June 30, 2020, resulted in an additional depreciation for € 41.7m, allocated in proportion to the book value of the other assets of the CGU: €14.9m allocated to the brand and € 26.8m to property, plant and equipment. The annual impairment test performed by the management as of June 30, 2021 did not result in any additional impairment needed. A high degree of judgement is exercised by management around the assumptions used to determine the value in use of the cash generating unit ("CGU"). This recoverable value, which corresponds to the value in use, is determined on the basis of discounted projections of future cash flows of the CGU. We have therefore considered the Cello CGU valuation as a key audit matter. The main assumptions used to determine the value in use are presented in Note 10 to the consolidated financial statements.	We have reviewed how the Cello CGU value in use was determined. Besides the assessment of management's competency and objectivity, we have performed certain specific audit procedures, with the assistance of our specialists: • familiarizing ourselves with the internal control procedures related to the preparation of the most recent Cello UGT future cash flows forecast; • verifying consistency of the main data used in the Cello CGU future cash flows forecast comparing them with both the historical performance and the strategic plan validated by the appropriate level of governance; • corroborating the perpetual growth rate and discount rate used in the impairment test with the available market data.

IV. SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of the board of directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement provided for by article L. 225-102-1 of the French Commercial Code *(Code de commerce)* is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with the provisions of article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the financial statements of the information contained in this statement which has to be subject to a report by an independent third party.

V. OTHER LEGAL AND REGULATORY VERIFICATIONS OR INFORMATION

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code *(code monétaire et financier)*, prepared under the responsibility of Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Socete BIC during the annual general meeting held on May 4, 1999 for Deloitte & Associés and May 23, 2007 for Grant Thornton.

As at December 31, 2021, Deloitte & Associés and Grant Thornton were in the 23rd year and 15th year of total uninterrupted engagement respectively.

VI. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved for issuance by the Board of Directors.

VII. STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

Il Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code *(code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters. We describe these matters in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(code de commerce)* and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, March 24th, 2022

The statutory auditors

French original signed by

Grant Thornton	**Deloitte & Associés**
French Member of Grant Thornton International	
Vianney MARTIN	Jean-Pierre AGAZZI

6.3. PARENT COMPANY FINANCIAL STATEMENTS OF SOCIÉTÉ BIC (FRENCH GAAP)

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1. INCOME STATEMENT

(In thousand euros)	Notes	December 31, 2020	December 31, 2021
Net sales	11	628,033	700,389
Reversal of depreciation, amortization and provisions, transfer of charges		29,457	28,212
Other income	12	70,301	88,347
Total operating income		**727,790**	**816,948**
Purchases of goods and changes in inventories		(394,742)	(424,034)
Purchases of raw materials, other supplies and changes in inventories		(29,226)	(43,935)
Other external purchases and charges		(218,888)	(208,483)
Taxes, levies and similar payments		(3,000)	(3,612)
Payroll costs	13	(2,871)	(997)
Depreciation, amortization and provisions		(25,822)	(29,370)
Other expenses		(4,845)	(3,742)
Total operating expenses		**(679,394)**	**(714,173)**
NET OPERATING INCOME		**48,396**	**102,775**
NET FINANCIAL INCOME	**14**	**743**	**205,532**
NON-RECURRING INCOME AND EXPENSES	**15**	**(17,719)**	**(23,549)**
Income tax expense	16 to 18	(17,278)	(36,071)
NET INCOME		**14,141**	**248,687**

2. BALANCE SHEET

Assets

(in thousand euros)	Notes	December 31, 2020	December 31, 2021		
		Net	Gross	Deprec., amort. and provisions	Net
Research and development expenses		-	1,745	(1,745)	-
Patents and similar rights		32,479	86,375	(49,672)	36,703
Intangible assets	**3, 4, 10**	**32,479**	**88,120**	**(51,417)**	**36,703**
Land		1,345	1,351	-	1,351
Buildings		286	11,499	(11,249)	250
Industrial fixtures and equipment		767	15,582	(14,151)	1,432
Other property, plant and equipment		3,376	6,240	(3,829)	2,411
Fixed assets under construction		1,685	1,665	-	1,665
Property, plant and equipment	**3, 4, 10**	**7,458**	**36,338**	**(29,228)**	**7,109**
Equity Investments	22	1,080,194	1,525,772	(293,636)	1,232,136
Other long-term investments	3	40,283	26,431	-	26,431
Long-term investments		**1,120,477**	**1,552,203**	**(293,636)**	**1,258,567**
Non-current assets		**1,160,415**	**1,676,661**	**(374,282)**	**1,302,379**
Raw materials and supplies		1,428	1,084	-	1,084
Work-in-process goods		-	1	-	1
Goods		29,463	45,558	(1,807)	43,751
Inventories		**30,891**	**46,643**	**(1,807)**	**44,835**
Advances and prepayments		1,238	1,587	-	1,587
Trade receivables and related accounts	5, 6, 10	122,430	152,340	(13,215)	139,125
Other receivables	5, 6, 10	221,231	298,984	(11,584)	287,400
Short-term financial investments	7	50,758	185,678	-	185,678
Cash and cash equivalents		36,904	49,752	-	49,752
Prepaid expenses	5	186	487	-	487
Unrealized losses from foreign exchange	8	884	1,007	-	1,007
Current assets		**464,523**	**736,477**	**(26,606)**	**709,871**
TOTAL ASSETS		**1,624,937**	**2,413,138**	**(400,888)**	**2,012,250**

Liabilities & Shareholders' equity

(in thousand euros)	Notes	December 31, 2020	December 31, 2021
Share capital		173,412	170,670
Share issue premiums, merger contributions		144,165	144,165
Legal reserve		22,410	22,410
General reserve		180,618	180,667
Retained earnings		556,895	453,582
Net income for the year		14,141	248,688
Shareholders' equity	**9**	**1,091,642**	**1,220,182**
Provisions for contingencies and losses	10	28,743	32,028
Provisions for contingencies and losses		**28,743**	**32,028**
Bank borrowings (Bank overdraft)	5	885	909
Other borrowings	5	356,300	596,859
Financial liabilities		**357,185**	**597,768**
Trade payables and related accounts	5, 6	134,693	144,879
Tax and employee-related liabilities	5	6,008	5,534
Other liabilities	5	6,264	11,364
Operating liabilities		**146,966**	**161,777**
Unrealized gains from foreign exchange		402	494
Liabilities		504,552	760,039
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**1,624,937**	**2,012,250**

3. CASH FLOW STATEMENT

(in thousand euros)	Notes	December 31, 2020	December 31, 2021
Operating activities			
Net income		14,141	248,688
Dividends received	14	(69,546)	(195,068)
Depreciation, amortization and provisions on non-current assets		83,214	17,202
(Gain)/Loss on the disposal of fixed assets		121	638
Gross cash flow from operating activities		**27,931**	**71,460**
(Increase)/Decrease in net current working capital		55,965	(100,863)
NET CASH FLOW FROM OPERATING ACTIVITIES		**83,895**	**(29,403)**
Investing activities			
Dividends received from subsidiaries	14	69,546	195,068
Proceeds from disposals of property, plant and equipment and intangible assets		919	234
Purchases of property, plant and equipment	3	(1,145)	(1,348)
Acquisition of intangible assets	3	(3,112)	(6,535)
(Increase)/Decrease in treasury shares		2,466	(25,561)
(Increase)/Decrease in other investing expenses	3	(200)	184
Acquisitions of subsidiaries	22	(55,678)	(164,528)
NET CASH FLOW FROM INVESTING ACTIVITIES		**12,795**	**(2,485)**
Financing activities			
Dividends paid	9-2	(110,214)	(80,919)
Loans/(Repayments)		75,000	(16,000)
Movement in current accounts		60,746	276,550
NET CASH FLOW FROM FINANCING ACTIVITIES		**25,532**	**179,632**
Net increase/(decrease) in cash and cash equivalents		**122,222**	**147,743**
Opening cash and cash equivalents		(35,444)	86,778
CLOSING CASH AND CASH EQUIVALENTS		**86,778**	**234,521**

4. NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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NOTE 1 MAIN AND SUBSEQUENT EVENTS

On February 1, 2022, Société BIC completed the acquisition of Inkbox Ink Incorporated for 65 million dollars (57 million euros), and a deferred consideration based on Inkbox's future sales and profitability growth.

NOTE 2 ACCOUNTING PRINCIPLES, RULES AND METHODS

The financial statements are prepared in accordance with the accounting policies and methods defined by the French Plan Comptable Général, as presented by Regulation no. 2016-07 of the French Accounting Standards Authority of November 4, 2016 and its subsequent changes repealing Regulation no. 99-03 of the French Accounting Regulatory Commission of April 29, 1999 on annual financial statements.

They have been drawn up according to the basic accounting principles of:

- going concern;
- consistency;
- independence of financial years.

The items presented in the financial statements are valued on a historical cost basis.

The main accounting rules and methods adopted are the following:

a) Intangible assets

Research and development expenditures are capitalized when major applied research and development projects in progress (above 500 thousand euros) can be clearly defined, costs separately identified and reliably measured, and the project has a significant chance of commercial profitability. Capitalized research and development expenditures are amortized on a straight-line basis over a period of three to five years from the commencement of production.

Research and development expenditures that do not meet these criteria are expensed in the fiscal year.

Patents and technical processes are amortized over their period of protection or use.

Software is depreciated on a straight-line basis over a period of three to five years.

b) Property, plant and equipment

Property, plant and equipment are valued at their purchase price or production cost. Depreciation is calculated on a straight-line basis over periods depending on the asset type:

- buildings: 25 years;
- fixtures and fittings: 8 to 10 years;
- vehicles: 3 to 4 years;
- industrial plant, machinery and fittings: 2 to 8 years;
- office and IT equipment, furniture: 3 to 8 years.

c) Fixed assets valuation

At year end, SOCIÉTÉ BIC checks the existence of internal or external indicators that could lead to a change in the net realizable value of its assets.

When the net booked value of fixed assets exceeds the market value or the asset in use, an impairment charge is recorded.

d) Long-term investments

Long-term investments are recorded at the value they were brought into assets. An impairment is booked when the value in use of an investment is less than its purchase cost. The value is determined in reference to Shareholders' equity or to cash flow projections of the relevant investment, adjusted to take into consideration the importance of the Company to the Group and its development and profit perspectives. In addition, BIC shares purchased pursuant to Article L. 225-209 of the French Commercial Code (*Code de commerce*), not intended exclusively for stock option plans, are recorded within long-term investments. Treasury shares are valued at purchase cost and provision for impairment is booked at year-end when the probable trading value (based on the average share market price during the last month of the fiscal year) is less than purchase cost. Loans in foreign currency are translated at the closing exchange rate.

e) Inventory and work-in-process

Goods are valued at purchase cost, including incidental expenses, in accordance with the weighted average cost method. Inventory provisions are booked, when necessary, to reduce inventory value to the market value.

f) Receivables and payables

Receivables and payables are recorded at nominal value. Receivables are written down by way of provision, when appropriate, to take into consideration recovery risks. Foreign currency denominated receivables and payables are translated at the official closing exchange rate.

Unrealized gains on foreign exchange are booked as unrealized gains, while unrealized losses on foreign exchange are booked as unrealized foreign exchange losses with a provision for contingencies and losses.

Profit and loss on foreign exchange for current accounts are directly recognized in the profit and loss account and are not the subject of a translation difference.

According to the new ANC n°2015-05 related to the accounting of derivative instruments, applicable as of January 1, 2017, the method of accounting for derivative instruments varies according to whether the derivative qualifies for hedge accounting or not.

For non-hedged transactions, the global foreign exchange position is only used to calculate the provision for foreign exchange losses.

It is calculated currency-by-currency and hedging instruments and hedged items (for the hedged portion) are excluded from this global foreign exchange position.

The maturity dates of items included in the position should be in the same fiscal year and only realizable items should be included (receivables, payables, derivative instruments, etc.). Cash and cash equivalents are excluded.

For hedged transactions, the currency hedging impact is only recognized in the income statement when receivables (or payables) are settled.

g) Financial investments

Financial investments comprise investments in marketable securities, and SOCIÉTÉ BIC shares bought back pursuant to Article L. 225-209 of the French Commercial Code (*Code de commerce*). Treasury shares are valued at purchase cost. An impairment provision is booked when the probable trading value (based on the average stock market price during the last month of the fiscal year or the exercise price of the options for which they were purchased) at year-end is less than the purchase cost.

h) Provisions for contingencies and charges

Provisions for contingencies and charges are liabilities for which maturity or amounts cannot be precisely measured. They are caculated using the best estimate of funds required to settle the liability.

i) Borrowings

Borrowings in foreign currency are translated at the closing exchange rate.

NOTES TO THE BALANCE SHEET

NOTE 3 NON-CURRENT ASSETS

(in thousand euros)	Gross value as of December 31, 2020	Merger	Acquisitions	Disposals	Gross value as of December 31, 2021
Research and development expenses	1,745	-	-	-	1,745
Other intangible assets	80,125	-	6,535	(285)	86,376
TOTAL INTANGIBLE ASSETS	**81,870**	**-**	**6,535**	**(285)**	**88,121**
Land	1,345	-	6	-	1,351
Buildings	11,498	-	-	-	11,498
Industrial fixtures and equipment	14,313	-	1,288	(18)	15,583
Other property, plant and equipment	6,928	-	54	(741)	6,241
Property, plant and equipment under construction	1,737	-	-	(71)	1,666
TOTAL PROPERTY, PLANT AND EQUIPMENT	**35,820**	**-**	**1,348**	**(830)**	**36,339**
Equity Investments [(a)]	1,380,177	-	162,343	(16,749)	1,525,771
Treasury Shares [(b)]	39,722	-	74,084	(87,787)	26,019
Loans and other long-term investments	562	-	500	(650)	412
TOTAL LONG-TERM INVESTMENTS	**1,420,461**	**-**	**236,928**	**(105,186)**	**1,552,202**

(a) Equity Investments are detailed in Note 22.
(b) These refer to 226,290 shares for the free share plans and 36,616 shares related to the liquidity contract.

NOTE 4 DEPRECIATION AND AMORTIZATION

(in thousand euros)	Gross value as of December 31, 2020	Increase in the period	Reduction in the period	Gross value as of December 31, 2021
Research and development expenses	1,745			1,745
Other intangible assets	28,995	2,225	(198)	31,022
TOTAL INTANGIBLE ASSETS	**30,740**	**2,225**	**(198)**	**32,767**
Buildings	11,212	36	-	11,248
Industrial fixtures and equipment	13,546	622	(18)	14,151
Other property, plant and equipment	3,552	215	(5)	3,762
TOTAL PROPERTY, PLANT AND EQUIPMENT	**28,310**	**873**	**(22)**	**29,160**

NOTE 5 MATURITY OF RECEIVABLES AND PAYABLES

Receivables *(in thousand euros)*	Gross	Within one year	More than one year	o/w notes receivables	o/w related parties
Other long-term investments	26,431	26,431	-	-	-
Trade receivables and related accounts	152,340	152,340	-	483	103,584
Other receivables	298,984	298,984	-	-	204,632
Prepayments	487	487	-	-	-
TOTAL	**478,242**	**478,242**	**-**	**483**	**308,216**

Payables *(in thousand euros)*	Gross	Within one year	More than one year	o/w notes payables	o/w related parties
Bank borrowings	909	909	-	-	-
Other borrowings	596,859	596,859	-	-	527,859
Trade payables and related accounts	144,879	144,879	-	-	83,824
Tax and employee-related liabilities	5,534	5,534	-	-	-
Other liabilities	12,419	12,419	-	-	2,954
TOTAL	**760,600**	**760,600**	**-**	**-**	**614,638**

NOTE 6 INFORMATION ON RELATED PARTIES

Gross value *(in thousand euros)*	December 31, 2021
Assets	
Equity investments	1,525,772
Trade receivables and related accounts	103,584
Other receivables	204,632
Liabilities	
Other long-term loans and investments	527,859
Trade payables and related accounts	83,824
Other debts	2,954
Deferred income	-

NOTE 7 SHORT-TERM FINANCIAL INVESTMENTS

Gross value *(in thousand euros)*	December 31, 2021
Marketable securities [(a)]	185,678
TOTAL	**185,678**

(a) These are money market UCITS or short-term deposit certificates.

NOTE 8 TRANSLATION ADJUSTMENTS

Unrealized losses related to receivables and payables were recorded in unrealized exchange foreign losses in the amount of 1,007 thousand euros.

NOTE 9 SHAREHOLDERS' EQUITY

9-1 Share capital

As of December 31, 2021, the share capital of SOCIÉTÉ BIC amounted to 170,669,888.78 euros divided into 44,677,929 shares with a par value of 3.82 euros each. Registered shares held for more than two years carry double voting rights.

To the best of the Company's knowledge, as of December 31, 2021, Shareholders known to hold more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% or 95% of the share capital and/or of the voting rights of the Company were as follows:

	% of shares (approx.)	% of voting rights (approx.)
SOCIÉTÉ M.B.D.	28.84%	39,18%
Bich Family	17.49%	23,64%

As of December 31, 2021, SOCIÉTÉ BIC held 262,906 BIC shares classified as long-term investments (226,290 shares for the free share plans and 36,616 shares in relation to the liquidity contract).

9-2 Changes in Shareholders' equity

(in thousand euros)

Shareholders' equity as of December 31, 2020 (before distribution)	**1,091,642**
Dividend distribution with respect to fiscal year 2020	(80,919)
Shareholders' equity as of December 31, 2020 (after distribution)	**1,010,723**
Increase in share capital	-
Decrease in share capital [(a)]	(2,742)
Share issue premium	-
Retained earnings [(a)]	(36,487)
Net income for the year	248,687
Shareholders' equity as of December 31, 2021 (before distribution)	**1,220,182**

(a) During the year 2021, SOCIÉTÉ BIC cancelled 717,928 shares.

NOTE 10 PROVISIONS

(in thousand euros)	December 31, 2020	Merger	Allocations during the year	Reversals during the year (used)	Reversals during the year (unused)	December 31, 2021
Risk – Subsidiaries	2,458	-	1,008	(42)	-	3,424
Risk – Tax audit	2,825	-	3,266	(1,376)	(393)	4,322
Foreign exchange losses	965	-	-	(610)	-	355
Share grant plan	21,393	-	1,432	-	-	22,825
Other provisions for contingencies	1,103	-	-	-	-	1,103
PROVISIONS FOR CONTINGENCIES AND LOSSES	**28,743**	**-**	**5,705**	**(2,027)**	**(393)**	**32,029**

(in thousand euros)	December 31, 2020	Merger	Allocations during the year	Reversals during the year	December 31, 2021
Intangible assets and Property, plant and equipment	18,702		68	(51)	18,719
Investments	299,985		11,702	(18,050)	293,636
Work-in-process goods	(1)		1	-	0
Goods	2,439		-	(632)	1,807
Trade receivables	15,198		9,778	(11,761)	13,216
Provisions for other receivables	10,962		622	-	11,584
PROVISIONS FOR DEPRECIATION AND AMORTIZATION	**347,282**	**-**	**22,171**	**(30,495)**	**338,962**

NOTES TO THE INCOME STATEMENT

NOTE 11 NET SALES BREAKDOWN

The net sales of SOCIÉTÉ BIC break down as follows:

(in thousand euros)	December 31, 2020			December 31, 2021		
	France	Export	Total	France	Export	Total
Stationery	127,233	214,704	341,937	133,529	233,435	366,964
Lighters	19,224	182,759	201,984	20,305	231,396	251,702
Shavers	17,045	55,111	72,156	15,941	52,002	67,943
Other	4,418	7,538	11,956	2,850	10,931	13,781
TOTAL	**167,920**	**460,113**	**628,033**	**172,625**	**527,764**	**700,389**

NOTE 12 OTHER INCOME

Other income mainly comprises royalties (55,574 thousand euros) and management fees (33,262 thousand euros) invoiced to affiliates, as well as the foreign exchange gain on receivables and payables (2,903 thousand euros).

NOTE 13 MANAGEMENT COMPENSATION

(in thousand euros)	December 31, 2020	December 31, 2021
Administrative bodies	419	418
Management bodies	300	325

SOCIÉTÉ BIC has no salaried employees as of December 31, 2021.

NOTE 14 FINANCIAL INCOME

Financial income amounts to 205,532 thousand euros and is detailed as follows:

(in thousand euros)	December 31, 2020	December 31, 2021
Dividends received	69,546	195,068
Reversals/(provisions)	(68,560)	5,452
Foreign exchange gains and losses	(740)	3,814
Other	496	1,198
FINANCIAL INCOME	**743**	**205,532**

Dividends are mainly coming from BIC Corporation, amounting to 157,669 thousand euros.

NOTE 15 NON-RECURRING INCOME AND EXPENSES

The non-recurring income and expenses break down mainly as follows:

(in thousand euros)	December 31, 2020	December 31, 2021
Capital gains/(losses) on asset disposals	(121)	(872)
Capital gains/(losses) on long-term investment disposals	-	(16,749)
Provision for contingencies (net of reversal)	(16,430)	(4,248)
Tax adjustments	(468)	77
Debt waivers	-	(3,634)
Other	(699)	(1,929)
NON-RECURRING INCOME AND EXPENSES	**(17,719)**	**(23,549)**

NOTE 16 INCOME TAX BREAKDOWN

(in thousand euros)	Net income before tax	Income Tax expense	Net income after tax
Current net income	308,308	35,941	272,367
Non-recurring income and expenses	(23,549)	131	(23,680)
TOTAL	**284,759**	**36,071**	**248,687**

NOTE 17 TAX GROUPING

SOCIÉTÉ BIC is the parent company of the tax Group comprising the following companies as of December 31, 2021: BIMA 83, BIC Écriture 2000, BIC Services, BIC Conté, BIC Rasoirs, Société du Briquet Jetable 75, BIC Graphic France, BIC Assemblage, BIC Technologies, BIC International Development anciennement Compagnie de Moulages, DAPE 74 Distribution, Électro-Centre, BIC Éducation, Djeep et Sibjet Technologies.

As parent company, SOCIÉTÉ BIC recognizes in its financial statements the gain or loss related to the effects of the tax consolidation. In this respect, the loss recorded by SOCIÉTÉ BIC in 2021 amounts to 1,195,005 euros.

NOTE 18 MAIN INCREASES/DECREASES IN THE DEFERRED TAX BASIS

(in thousand euros)	December 31, 2021
C3S	1,046
Provision for contingencies	1,630
Provision on trade receivables	9,537
Foreign exchange losses	355
Provision on free shares	27,662
Other	(3,248)
TOTAL	**36,981**
DECREASE IN DEFERRED TAX LIABILITIES	**(10,506)**

NOTES TO THE OFF-BALANCE SHEET COMMITMENTS

NOTE 19 OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

The following are SOCIÉTÉ BIC's main off-balance sheet financial instruments:

19-1 Currency derivatives

Hedge nominals denominated in currencies other than the euro are converted to euros at December 31, 2021 closing rates.

The valuation of the hedges computed in accordance with market practices in terms of inputs (spot, yield curves, volatility curves) and calculation models.

Forward portfolio detail

Hedging support	Nominal *(euros)*	Market value *(euros)*	Instrument
Commercial Flows 2022	392,014,300	(9,196,319)	Forward
Commercial Flows 2023	9,797,203	55,933	Forward
Commercial Flows 2024	967,961	(7,702)	Forward
Intra-Group Dividends	50,950,909	(2,876,015)	Forward
Loans/Borrowings	100,653,991	76,585	Currency Swap
TOTAL	**554,384,364**	**(11,947,519)**	

Options portfolio detail

Hedging support	Options purchased Nominal *(euros)*	Options sold Nominal *(euros)*	Market value *(euros)*	Instrument
Commercial Flows 2022	14,445,451	14,445,451	40,499	Option
TOTAL	**14,445,451**	**14,445,451**	**40,499**	

As of December 31, 2021, SOCIÉTÉ BIC had contracted:

- derivatives contracts (foreign currency forwards and options) maturing in 2022, 2023 and 2024 for an equivalent of 431.7 million euros in gross nominal value. These contracts hedge, on the basis of forecast cash flow, a significant part of the Group's foreign currency transaction risks. The foreign currency transactions are denominated in U.S. dollars, Pounds sterling, Canadian dollars, Australian dollars, New Zealand dollars, Japanese yens, Swiss francs, Polish zlotys, Romania lei and Mexican pesos. The market value of these contracts is negative for 9.1 million euros;
- derivatives contracts (foreign currency forwards) maturing in 2022 for an equivalent of 51 million euros in gross nominal value, dedicated to the hedge of the intra-Group dividends received in foreign currencies. The market value of these contracts is negative for 2.9 million euros;
- foreign currency swaps for an equivalent of 100.7 million euros, in connection with the Group's foreign currency liquidity and intra-Group foreign currency loans and borrowings. The market value of these contracts is positive for 76,585 euros.

In 2022, more than 90% of the Group's foreign currency transaction exposure is hedged.

19-2 Interest rate derivatives

As of December 31, 2021, SOCIÉTÉ BIC does not have any interest rate derivatives.

All local funding needs are directly indexed on a variable rate. Borrowers' positions are insignificant and are of a too limited timescale to require any hedging.

19-3 Commodities derivatives

Hedge nominals denominated in currencies other than the euro are converted to euros at December 31, 2021 closing rates.

Derivatives portfolio detail

Hedging support	Nominal *(euros)*	Market value *(euros)*	Instrument
2022 Raw Material purchases	165,849	111,586	Swap
TOTAL	**165,849**	**111,586**	

As of December 31, 2021, SOCIÉTÉ BIC had contracted:

- derivative contracts (swaps), maturing in fiscal year 2022, to hedge changes in the price of plastic raw materials used in the Group's production activity. These contracts represent a hedged underlying of 262 metric tons of raw materials with a nominal value of 165,849 euros. The market value of these transactions is positive by 111,586 euros.

NOTE 20 OFF-BALANCE SHEET COMMITMENTS

20-1 Guarantees

The following schedule summarizes the off-balance sheet sureties, deposits and guarantees for SOCIÉTÉ BIC.

All significant items are disclosed in this table.

No other assets or registered shares have been pledged.

Sureties, deposits and guarantees issued

(in thousand euros)		Maturity			
	December 31, 2020	< 1 year	1 to 5 years	> 5 years	December 31, 2021
Other guarantees and commitments	10,245	350	350	10,529	11,229
TOTAL	**10,245**	**350**	**350**	**10,529**	**11,229**

Sureties, deposits and guarantees received

(in thousand euros)		Maturity			
	December 31, 2020	< 1 year	1 to 5 years	> 5 years	December 31, 2021
Guarantees for credit lines	10,353	1,760	13,151	-	14,911
Sureties and deposits	16,926	2,778	13,867	-	16,645
TOTAL	**27,279**	**4,538**	**27,018**	**-**	**31,556**

20-2 Pension obligations

(in thousand euros)	December 31, 2021
Present value of pension obligation	611
NET PENSION LIABILITY	**611**

OTHER INFORMATION

NOTE 21 STOCK MARKET PRICE

(in euros)	December 31, 2020	December 31, 2021
BIC shares	**46.26**	**47.32**

NOTE 22 EQUITY INVESTMENTS

22-1 Subsidiaries and equity interests

	Number of shares	S: Shares P: Parts	% of interest	Net book value	Currency	Devise
I – French Subsidiaries						
BIC Assemblage SARL	1,000	P	100%	15,245	15,240	EUR
BIC International Development SASU	65,000	S	100%	1,478,761	990,600	EUR
Société du Briquet Jetable 75 SASU	2,954,600	S	100%	40,568,296	45,028,104	EUR
BIC Rasoirs SASU	131,291	S	100%	6,128,497	5,999,999	EUR
BIMA 83 SASU	23,689	S	100%	5,550,661	355,335	EUR
BIC Technologies SA	14,039,567	S	99%	2,237,944	7,440,988	EUR
BIC Services SASU	69,625	S	100%	1,042,612	1,061,085	EUR
BIC Conté SASU	5,465,181	S	100%	34,270,085	27,325,905	EUR
Electro-Centre SASU	4,000	S	100%	144,984	60,960	EUR
BIC Écriture 2000 SASU	3,202,500	S	100%	51,302,021	39,198,600	EUR
Société Immobilière Valiton Gesnouin SASU	748,440	S	100%	18,777,264	14,295,204	EUR
Société Immobilière BIC Clichy SASU	65,595	S	100%	2,498,167	997,044	EUR
BIC Éducation SASU	1,000	S	100%	791,209	1,000,000	EUR
BIC Graphic France SASU	5,000	S	100%	315,904	76,200	EUR
DAPE 74 Distribution SASU	70,000	S	100%	910,000	1,070,000	EUR
Sibjet Technologies SNC	30,000	P	100%	3,600,000	450,000	EUR
Djeep SAS	60,000	S	100%	45,810,000	960,000	EUR
Sub total I				**213,778,649**		
II – Foreign subsidiaries						
BIC Erzeugnisse GmbH – Germany	2	P	100%	16,345,730	664,700	EUR
BIC Verwaltungs GmbH – Germany	2	P	100%	73,814	50,000	EUR
BIC GmbH – Germany	1	P	100%	-	25,600	EUR
BIC Portugal SA – Portugal	464,715	S	100%	6,586,179	2,323,575	EUR
BIC Slovakia s.r.o – Slovakia	1	P	100%	15,444,502	15,574,255	EUR
BIC Belgium SA – Belgium	136,410	S	100%	51,939,519	39,902,086	EUR
BIC Netherland B.V – Netherland	450	S	100%	9,216,000	5,204,750	EUR
BIC Nordic AB – Sweden	110,295	S	100%	12,261,705	11,029,500	SEK
BIC (Austria) Vertriebsgesellschaft Gmbh – Austria	1	P	100%	381,123	109,009	EUR
SOCIÉTÉ BIC (Suisse) SA - Switzerland	2,000	S	100%	7,747,853	2,000,000	CHF
BIC UK Ltd. – United Kingdom	12,000,000	S	100%	85,133,465	1,500,000	GBP
BIC (Ireland) Private Company Limited – Ireland	50,000	S	100%	6,072,660	126,973	EUR
BIC Iberia SAU – Spain	2,052,145	S	100%	81,612,686	12,333,391	EUR
BIC Italia Spa – Italia	5,000,000	S	100%	24,580,000	5,150,000	EUR
BIC Violex SA – Greece	37,237,500	S	100%	171,362,537	58,462,875	EUR
BIC Polska SP ZOO – Poland	485,430	P	100%	7,774,114	24,271,500	PLN
BIC (Romania) Marketing & Distribution SRL – Romania	641,818	S	100%	404,024	6,418,180	RON
BIC CIS ZAO – Russia	34,028,258	S	100%	10,049,727	357,296,709	RUB
BIC Ukraine CA – Ukraine	-	-	100%	3,300,471	34,168,470	UAH

	Number of shares	S: Shares P: Parts	% of interest	Net book value	Currency	Devise
BIC Pazarlama Ltd. Sti. – Turkey	224,260	S	99%	6,484,574	33,639,000	TRY
BIC Corporation – United States	22,769,073	S	100%	318,192,042	16,106,978	USD
BIC International Co. – United States	100	S	100%	1	1	USD
BIC Australia Pty. Ltd. – Australia	700,000	S	100%	11,927,000	700,000	AUD
BIC (NZ) Ltd. – New Zeland	332,500	S	100%	2,966,000	665,000	NZD
BIC Amazonia SA – Brazil	274,485,734	S	100%	18,565,900	826,688,938	BRL
BIC Argentina SA – Argentina	295,135,938	S	95%	6,149,253	295,135,938	ARS
BIC Technologies Asia Ltd. – Hong Kong	7,800,000	P	100%	-	7,800,000	HKD
BIC Stationery (Shanghai) Co. Ltd. – China	-	-	100%	1,477,267	18,408,000	USD
BIC Product (Singapore) Pte. Ltd. – Singapore (struck-off on May 4, 2021)	297,000	S	99%	-	300,000	SGD
BIC Product (Asia) Pte. Ltd. – Singapore	5,627,602	S	100%	-	5,627,602	SGD
Mondial Sdn. Bhd. – Malaysia	1,140,000	S	30%	11,523	3,800,000	MYR
BIC Product (Malaysia) Sdn. Bhd. – Malaysia	1,260,000	S	100%	-	1,260,000	MYR
BIC (Nantong) Plastic Products Co. Ltd. – China	-	-	100%	8,589,778	23,300,000	USD
BIC JAPAN Co. Ltd. – Japan	750	S	100%	2,550,763	100,000,000	JPY
BIC Cello (India) Pvt Ltd. – India	41,487,608	S	100%	47,597,244	476,333,350	INR
BIC Bizerte – Tunisia	347,000	P	100%	34,700,000	34,700,000	EUR
BIC Middle East FZ-LLC – U.A.E	20,300	P	100%	-	7,105,000	USD
BIC Middle East Trading FZE – U.A.E.	430	S	100%	104,429	430,000	AED
BIC Maroc SARL – Morocco	791,000	P	100%	4,964,225	79,100,000	DHS
BIC East Africa Ltd.- Kenya	2,000,000		100%	17,771,307	2,000,000,000	KES
BIC Services Sofia EOOD -Bulgaria	195,583	S	100%	1,000,600	1,955,830	BGN
Lucky Stationery NIG Ltd. – Nigeria	2,130,925	S	100%	23,495,865	2,130,925	NGN
Sub total II				**1,016,833,878**		
III- Participating interests						
BIC Graphic Europe SA - Spain	1	S	0.01%	246	1,303,330	EUR
BIC Holdings Southern Africa Pty. Ltd. – South Africa	41,860	S	5%	1,522,934	10,000	ZAR
BIC Chile SA – Chile	1	P	0.01%	-	480,000	USD
Sub total III				**1,523,180**		
TOTAL				**1,232,135,707**		

Net sales, net income and Shareholder's equity other than the share capital of subsidiaries and investments are not provided for reasons of confidentiality related to commercial and industrial strategy.

It is mentioned, pursuant to Article L. 232-1 of the French Commercial Code, that SOCIÉTÉ BIC has no branch.

22-2 Analysis of movements in equity investments

(in thousand euros)

Equity investments (net) as of December 31, 2020	**1,080,194**
Acquisitions, capital increases, creations and disposals in 2021	
Lucky Stationery NIG Ltd - Nigeria	2,287
BIC Product (Korea) Ltd. - South Korea	2,386
BIC Product (Korea) Ltd. - South Korea	(4,016)
BIC Product (Thailand) Ltd. - Thaïland	(3,725)
BIC Colombia SAS - Colombia	(9,009)
BIC Violex SA - Greece	157,670
(Allocations to)/Reversals of provisions in 2021	
BIC Technologies SA	(1,663)
BIC Éducation SASU	(7)
Electro-Centre SASU	8
BIC Polska SP ZOO – Poland	580
BIC (Romania) Marketing & Distribution SRL – Romania	(369)
BIC Pazarlama Ltd. Sti. – Turkey	(2,946)
BIC Argentina SA – Argentina	183
BIC Stationery (Shanghai) Co. Ltd. – China	632
BIC (Nantong) Plastic Products Co. Ltd. – China	(1,983)
BIC Maroc SARL - Morocco	(2,348)
BIC Product (Thailand) Ltd. - Thaïland	3,622
BIC Product (Korea) Ltd. - South Korea	1,630
BIC Colombia SAS - Colombia	9,009
EQUITY INVESTMENTS (NET) AS OF DECEMBER 31, 2021	**1,232,136**

5. ADDITIONAL INFORMATION ON THE PARENT COMPANY FINANCIAL STATEMENTS

SOCIÉTÉ BIC five-year financial summary

(In euros)	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	Dec. 31,2020	Dec. 31,2021
1 – Shareholders' equity at year-end					
Share capital	178,126,244	175,761,665	173,933,156	173,412,174	170,669,689
Number of shares outstanding	46,629,907	46,010,907	45,532,240	45,395,857	44,677,929
Number of bonds convertible into shares	-	-	-	-	-
2 – Net results					
Net sales	715,515,323	691,135,323	675,054,718	628,032,828	700,389,256
Net profit before tax, deprec., amort. and provisions	782,139,238	276,813,012	186,250,089	112,775,077	284,712,618
Income tax	55,051,438	30,347,029	18,223,589	17,278,487	36,071,230
Net profit after tax, deprec., amort. and provisions	748,125,345	149,839,552	63,096,883	14,141,172	248,687,327
Dividend distribution [(a)]	158,177,021	156,486,804	155,221,268	110,213,889	80,918,744
3 – Income form operations, per share data					
Net profit after tax, but before deprec., amort. and provisions	15.59	5.36	3.69	2.72	5.57
Net profit after tax, deprec., amort. and provisions	16.04	3.26	1.39	0.51	5.57
Dividend per share	3.45	3.45	3.45	2.45	1.80
4 – Payroll					
Non-salaried staff	2	1	1	1	1
Total payroll	636,303	398,151	608,907	300,000	325,000
Social welfare benefits (social security, social work)	2,229,864	1,711,665	72,927	2,571,477	672,048

(a) Applicable to the issued number of shares (treasury shares deducted) as of December 31. The final amount depends on the number of shares entitled to dividends on the day of payment.

Publication of customer payment periods

Article L. 441-6-1 of the French Commercial Code

(in thousand euros)	Total	Current	Overdue		
			30 days	60 days	90 days
December 31, 2021	149,247	100,098	4,248	2,930	41,971
December 31, 2020	134,722	99,218	3,241	(367)	32,630

Publication of supplier payment periods

Article L. 441-6-1 of the French Commercial Code

The Company has opted for the payment of supplier invoices with a due date of 60 days.

(in thousand euros)	Total	Current	Overdue		
			30 days	60 days	90 days
December 31, 2021	44,837	40,114	1,093	1,321	2,308
December 31, 2020	60,251	54,195	2,809	1,160	2,087

6.4. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of SOCIETE BIC,

I. OPINION

In compliance with the engagement entrusted to us by the Annual General Meeting, we have audited the accompanying financial statements of SOCIETE BIC for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

II. BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(code de commerce)* and the French Code of Ethics *(code de déontologie)* for statutory auditors for the period from 1st January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Furthermore, the non-audit services that we provided to your Company and its controlled undertakings during the financial year that are not disclosed in the management report or in the notes to the financial statements are related, for the sole Deloitte & Associés firm, to the report, as an independent third party, on the consolidated declaration of Extra-financial performance, and attestations on information derived from accounting and financial information, that were issued upon request of the concerned companies.

III. JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code *(code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of investments (cf. notes 2.d «Long-term investments » and 22 « Equity investments » of the notes to the financial statements)

Risk identified	Our answer

As at 31 December 2021, investments are recorded in the balance sheet at a net carrying amount of €1,232 million as disclosed in note 22 of the notes to the financial statements. They are recorded at the value they were brought into assets. An impairment is booked when the value in use of an investment is below its purchase value.
 	
As disclosed in note 2.d) of the notes to the financial statements, the value in use is determined in reference to shareholders' equity or to cash flow projections of the relevant investment, adjusted to take into consideration the importance of the company to the Group and its development and profit perspectives.
 	
Given the weight of investments in the balance sheet, we considered the determination of the valuation of investments, particularly the value in use, to be a key audit matter presenting a risk of material misstatement.
	We tested the operation of Group controls covering the process for determining the value in use of investments.
	
	Our procedures notably consisted in:
	• For the valuation based on the shareholders' equity:
	  • controlling the shareholders' equity of the relevant investment with the financial statements of the different entities.
	• For the valuation based on the forecast assumptions:
	  • testing of internal control related to the preparation of the future cash flows forecast,
	  • verifying consistency of the main data used in the cash flow projections determination comparing them with the historical performance and the entity strategical plan validate by the appropriate level of governance,
	  • corroborating the perpetual growth rate and discount rate used in the impairment test with the expertise of our valuation specialists.

IV. SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law by the legal and regulated texts.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code *(Code de commerce)*.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 et L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code *(code de commerce)* relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code *(code de commerce)*, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

V. OTHER LEGAL AND REGULATORY VERIFICATIONS OR INFORMATION

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2,I of the French Monetary and Financial Code *(code monétaire et financier)*, prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Société Bic during the annual general meeting held on May 4, 1999 for Deloitte & Associés and May 23, 2007 for Grant Thornton.

As at December 31, 2021, Deloitte & Associés and Grant Thornton were in the 23rd year and 15th year of total uninterrupted engagement respectively.

VI. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

VII. STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code *(code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(code de commerce)* and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris La Défense, March 24 2022

The Statutory Auditors

French original signed by

Grant Thornton	**Deloitte & Associés**
French Member of Grant Thornton International	
Vianney MARTIN	Jean-Pierre AGAZZI

6.5. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

Annual General Meeting to approve the financial statements for the year ended December 31, 2021

This is a free translation into English of the statutory auditors' special report on regulated agreements with related parties that is issued in the French language and is provided solely for the convenience of English-speaking readers. This report on regulated agreements should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the General Meeting of SOCIÉTÉ BIC,

In our capacity as statutory auditors of your Company, we hereby report to you on regulated agreements with related parties.

The terms of our engagement do not require us to identify such agreements, if any, but to communicate to you, based on information provided to us, the principal terms and conditions, as well as the reasons justifying the interest for the Company, of those agreements brought to our attention, without expressing an opinion on their usefulness and appropriateness. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de Commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code concerning the implementation, during the year, of the agreements previously approved by the Shareholders' Meeting.

We conducted our procedures in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement.

Agreements submitted to the approval of the Shareholders' Meeting

Agreements authorized and signed during the year

We hereby inform you that we have not been advised of any agreement authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L.225-38 of the French Commercial Code.

Agreements previously approved by the Shareholders' Meeting

Agreements approved in previous years which were performed during the year

We hereby inform you that we have not been advised of any agreement, previously approved by the Shareholders' Meetings, which would have continuing effect during the year.

Neuilly-sur-Seine and Paris La Défense, March 24, 2022

The Statutory Auditors

French original signed by

Grant Thornton	**Deloitte & Associés**
French Member of Grant Thornton International	
Vianney MARTIN	Jean-Pierre AGAZZI

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7.1. INFORMATION ON THE COMPANY

HISTORY AND DEVELOPMENT OF THE ISSUER

Legal and commercial name of the issuer

Legal name: SOCIÉTÉ BIC

Commercial name: BIC

Place of registration of the issuer and registration number

Place of registration: Nanterre

Registration number: 552 008 443

APE Code:

- 7010Z – Registered offices activities
- 3299Z – Other manufacturing activities
- NACE Code: 4649

Its legal entity identifier (LEI code) is: 969500UR00DF63I0VH67

Date of incorporation and length of life of the issuer

Date of incorporation: March 3, 1953.

Date of expiration: March 2, 2052, unless an Extraordinary Shareholders' Meeting decides to wind up the Company earlier or to extend it.

Registered office and legal form of the issuer

Registered office: 14, rue Jeanne d'Asnières – 92110 Clichy – France

On February 15, 2022, the Board of Directors decided to transfer the Company's registered office to 12-22, boulevard Victor Hugo 92110 CLICHY, as of June 1, 2022. This decision will be subject to ratification by the Shareholders' Meeting of May 18, 2022.

Telephone: 33 (0)1 45 19 52 00

Legal form and legislation governing the issuer: Limited Company (*société anonyme*) governed by French law and subject to all texts applicable to commercial companies in France and in particular the French Commercial Code.

Significant change in the issuer's financial or trading position

No significant event has occurred since the end of the last fiscal period.

Important events in the development of the issuer's business

No events to report other than those mentioned in Group Presentation, Prospects & Strategy – *§ 1.1. History*.

MEMORANDUM AND ARTICLES OF INCORPORATION

The memorandum and articles of incorporation can be consulted at the registered office of the Company. The articles of incorporation are also available on the website www.bic.com (under Regulated information).

Corporate purpose

Extract from the articles of incorporation (Article 3) – "Corporate Purpose"

"The Company's corporate purpose is, in all countries, the purchase, sale, commissioning, brokerage, representation, manufacturing, operation, import and export of all tangible and intangible property, and in particular of all items that are used for writing.

And generally all movable property, real property, industrial or commercial operations pertaining directly or indirectly to the abovementioned purpose or to all similar or related purposes or to purposes that could serve to promote the extension or development of the above-mentioned purpose.

The Company may carry out all operations falling within its purpose, either alone and for its own account, or for the account of third parties, as representative, licensee or intermediary, for the commissioning, brokerage, subcontracting, as lessee, farmer, manager, in a joint venture or partnership, in any form whatsoever".

Members of the administrative and management bodies

See *Corporate Governance – § 4.1. Administrative and Management Bodies.*

Rights, preferences and restrictions attached to each class of existing shares

Double voting rights

Extract from the articles of incorporation (Article 15.5) – "Shareholders' Meetings"

"A voting right which is double the right conferred on the other shares, in light of the portion of the share capital they represent, is attributed to all the fully paid-up shares for which proof is provided of a nominative registration for at least two years in the name of the same Shareholder.

Any share converted to a bearer share or the ownership of which is transferred loses the aforementioned double voting right. Nonetheless, a transfer following death, the liquidation of the community estate of two spouses or a donation among the living in favor of a spouse or a relative entitled to inherit does not cause the loss of the right acquired and does not interrupt the two-year period referred to above.

Furthermore, in the event of a capital increase, through the incorporation of reserves, profits or share premiums, the double voting right may be conferred, at the time of issue, upon the nominative shares allotted at no charge to a Shareholder on account of existing shares for which he or she enjoys this right".

Indivisibility of the shares

Extract from the articles of incorporation (Article 8 *ter*) – "Indivisibility of the shares"

1. "The shares are indivisible *vis-à-vis* the Company. Joint owners of shares are represented at Shareholders' Meetings by one of them or by a joint representative of their choice. If they are unable to agree, a representative will be appointed by the Presiding Judge of the Commercial Court, ruling in chambers *(référé)*, at the request of the most diligent joint-owner.
2. If the shares are burdened with a right of usufruct, the entry in the books recording their registration will mention this right of usufruct. Unless the Company is informed of an agreement to the contrary, the voting right will belong to the usufructuary at Ordinary Shareholders' Meetings and to the bare owner at Extraordinary Shareholders' Meetings. However, notwithstanding any agreement to the contrary, when the usufruct results from a donation of the bare ownership of shares performed under the provisions of Article 787 B of the General Tax Code, the usufructuary's voting right will be limited to decisions concerning the allocation of profits. For all other decisions that lie within the competence of an Ordinary or Extraordinary Shareholders' Meeting, the voting right will belong to the bare owner. The usufructuary and the bare owner must notify the Company that they intend to take advantage of these provisions".

Action necessary to change the Shareholders' rights

The articles of incorporation do not contain any special condition relating to changing the Shareholders' rights.

Shareholders' Meetings – Methods of calling meetings – Conditions of admission – Conditions for exercising voting rights

Extract from the articles of incorporation (Article 15) – "Shareholders' Meetings".

"15.1 Shareholders' Meetings are convened and deliberate under the conditions stipulated by law and the decrees in force.

Meetings take place either at the registered office or at any other place specified in the notice.

15.2 Any Shareholder may take part, personally or by proxy, in the Shareholders' Meetings, upon presenting proof of his/her identity and of the ownership of his/her shares, in accordance with the terms and conditions provided for by the laws and regulations in force.

Upon decision of the Board of Directors published in the notice of meeting, the Shareholders can participate and vote at the Shareholders' Meeting by videoconference or by telecommunication or teletransmission means allowing their identification, in compliance with legal and regulatory conditions in force at the moment of their use. These Shareholders are deemed present or represented.

15.3 Remote voting is exercised in compliance with legal and regulatory conditions in force.

Upon decision of the Board of Directors published in the notice of meeting, Shareholders can use for this purpose, within the mandatory deadlines, the electronic remote proxy or voting form available on the website put in place by the Meeting's centralizing agent. These Shareholders are deemed present or represented.

The proxy or the vote addressed by such electronic means before the Meeting, as well as their acknowledgement of receipt, will be deemed irrevocable written instructions enforceable on all parties, it being specified that if the shares are sold before the record date provided by Article R. 225-85 of the French Commercial Code, the Company shall invalidate or amend accordingly, as the case may be, the proxy or vote expressed before such date and time".

Provision that would have an effect of delaying, deferring or preventing a change in control of the issuer

See § *7.3. Shareholding*.

Provision setting the ownership threshold above which Shareholder ownership must be disclosed

Extract from the articles of incorporation (Article 8 *bis*) – "Crossing thresholds"

"In addition to the disclosure thresholds provided for in the applicable laws and regulations, any individual or legal entity, acting alone and/or in concert, coming into possession, directly or indirectly, in any manner whatsoever within the meaning of Articles L. 233-7 et. seq. of the French Commercial Code, of a number of securities representing a fraction of the capital equal to or higher than 1% of the capital and/or voting rights must communicate to the Company the total number of shares, voting rights and securities giving future access to the capital (and voting rights potentially attached to these securities), that this individual or legal entity holds, alone and/or in concert, directly and/or indirectly. The information shall be sent by registered letter with acknowledgement of receipt within five (5) trading days of the date on which the threshold is crossed.

Once a Shareholder's interest exceeds the above-mentioned 1% threshold, said Shareholder must notify the Company each time an additional threshold of 0.5% of the capital or voting rights is crossed, even when such notification is not required under the disclosure obligations provided for in the applicable laws and regulations.This obligation applies under the same conditions and within the same deadline, when the holding in the share capital falls below the foregoing threshold.

Upon request, recorded in the minutes of the Shareholders' Meeting, of one or several Shareholders holding at least 2% of the capital and/or of the voting rights of the Company, the Shareholder who has not carried out the declarations provided for in the present article is deprived of the voting rights attached to the shares exceeding the fraction of the capital that has not been declared. Withdrawal of voting rights will apply to any Shareholders' Meeting held until the expiry of a two-year period following the date at which such disclosure is properly made".

Conditions imposed by the articles of incorporation, governing changes in the capital, where such conditions are more stringent than is required by law

Not applicable.

7.2. SHARE CAPITAL

As of December 31, 2021, the outstanding capital of SOCIÉTÉ BIC amounts to 170,669,688.78 euros divided into 44,677,929 shares with a par value of 3.82 euros each. Issued shares are fully paid-up.

SHARE CAPITAL EVOLUTION OVER THE LAST THREE YEARS

Date	Type of operation	Amount of capital change *(in euros)*	Impact on share premium/retained earnings *(in euros)*	Total share capital *(in euros)*	Shares outstanding at conclusion of the operation
2021 (Dec. 9 BM)	Cancellation of treasury shares as authorized by AGM of May 19, 2021	(2,742,484.96)	(36,486,677.99)	170,669,688.78	44,677,929
2020 (Dec. 8 BM)	Cancellation of treasury shares as authorized by AGM of May 20, 2020	(520,983.06)	(6,832,163.12)	173,412,173.74	45,395,857
2019 (Dec. 10 BM)	Cancellation of treasury shares as authorized by AGM of May 22, 2019	(1,828,507.94)	(37,341,116.17)	173,933,156.80	45,532,240
2019 (Dec. 10 BM)	Issue of shares following exercise of share subscription options, in accordance with stock option plans	86,026.40	1,348,722.80	175,761,664.74	46,010,917

BM: Board Meeting.
AGM: Annual General Meeting.

AUTHORIZATIONS TO INCREASE THE CAPITAL AT THE CLOSING OF THE 2021 FISCAL YEAR

SOCIÉTÉ BIC has, as at December 31, 2021, the following authorizations which were granted by the Annual General Meeting and which was not used during the past fiscal year:

I. Authorization to increase the capital with Shareholders' pre-emptive subscription rights [(a)]

Maximum amount *(in million euros)*	Shares: 50 Complex capital securities: 650
Date	May 20, 2020 (resolution 18)
Term	26 months
Expiration date	July 19, 2022
Use in 2021	No
Issuance price	The issuance price of new ordinary shares and/or complex capital securities (and the shares to which the latter shall give right), is set by the Board of Directors, with or without premium, in compliance with the law and regulations in force.

(a) Articles L. 225-129, L. 228-91 and L. 228-92 of the French Commercial Code.

II. Authorization to increase the capital by capitalization of reserves, profits, premiums or other [(b)]

Maximum amount	Total maximum amount of reserves, profits and/or premiums or other sums that may be capitalized into the share capital and which will exist at the moment of the decision to increase the share capital, net of the amount that may be necessary to preserve, in compliance with the law, the rights of bearers of already issued securities giving right to the shares of the Company.
Date	May 20, 2020 (resolution 20)
Term	26 months
Expiration date	July 19, 2022
Use in 2021	No

(b) Article L. 225-129 of the French Commercial Code.

III. Authorization to increase the share capital in order to remunerate contributions in kind, without preferential subscription rights [c]

Maximum amount	10% of the share capital (as it exists at the date of the transaction).
Date	May 19, 2021 (resolution 21)
Term	26 months
Expiration date	July 18, 2023
Use in 2021	No

(c) Articles L. 225-129, L. 22-10-53 and L. 228-91 of the French Commercial Code.

IV. Authorizations to increase the capital in favor of employees and corporate officers

	Issue of shares reserved for members of an employee savings plan [d]	Grantings of free shares to be issued [e]	Share options [f]
Maximum amount	3% of the share capital	4% of the share capital over 38 months (with a maximum of 0.4% for the Corporate Officers)	2% of the share capital over 38 months (with a maximum of 0.8% for the Corporate Officers)
Date	May 19, 2021 (resolution 20)	May 19, 2021 (resolution 17)	May 19, 2021 (resolution 18)
Term	26 months	38 months	38 months
Expiration date	July 18, 2023	July 18, 2024	July 18, 2024
Use in 2021	No	Yes [g]	Yes [h]
Issuance price	Determined by the Board of Directors pursuant to Article L. 3332-19 of the French Labor Code	-	Cannot be lower than the average prices quoted for the share on the Paris Stock Exchange, on the regulated market during the twenty trading sessions preceding

(d) Articles L. 225-138 and L. 225-138-1 of the French Commercial Code and L. 3332-1 et seq. of the French Labor Code.
(e) Articles L. 225-197-1 et seq. of the French Commercial Code.
(f) Articles L. 225-177 et seq. of the French Commercial Code.
(g) For details on this use, see §4.2.2.5.
(h) For details on this use, see §4.2.2.4.

The text of these delegations is available on the website https://us.bic.com/en_us/investors-agm-shareholders.

7.3. SHAREHOLDING

SHARE CAPITAL BREAKDOWN

The table below lists the Shareholders who, to the best of the Company's knowledge, hold more than 5% of the share capital and/or of the voting rights of the Company. The Company is not aware of any other Shareholder holding more than 5% of the share capital or of the voting rights. This table also gives information regarding treasury shares owned by SOCIÉTÉ BIC.

	December 31, 2021					
Nom	Number of shares	% of shares (approx.)	Number of theoretical voting rights [c] [d]	% of theoretical voting rights	Number of voting rights exercisable in SM [c] [d]	% of voting rights exercisable in SM
Bich family concert, including [a]:	20 701 136	46,33	41 244 965	62,82	41 244 965	63,07
• SOCIÉTÉ M.B.D.	12 886 000	28,84	25 726 000	39,18	25 726 000	39,34
• Bich family (excluding M.B.D.)	7 815 136	17,49	15 518 965	23,64	15 518 965	23,73
Silchester International Investors LLP [e]	3 325 347	7,44	3 325 347	5,06	3 325 347	5,09
Other Shareholders	20 388 540	45,63	20 821 315	31,71	20 821 315	31,84
Treasury shares [b]	262 906	0,59	262 906	0,40	-	-
TOTAL	**44 677 929**	**100**	**65 654 533**	**100**	**65 391 627**	**100**

	December 31, 2020					
Nom	Number of shares	% of shares (approx.)	Number of theoretical voting rights [c] [d]	% of theoretical voting rights	Number of voting rights exercisable in SM [c] [d]	% of voting rights exercisable in SM
Bich family concert, including [a]:	20 676 986	45,55	41 112 477	61,54	41 112 477	61,93
• *SOCIÉTÉ M.B.D.*	*12 870 000*	*28,35*	*25 605 000*	*38,33*	*25 605 000*	*38,57*
• *Bich family (excluding M.B.D.)*	*7 806 986*	*17,20*	*15 507 477*	*23,21*	*15 507 477*	*23,36*
Silchester International Investors LLP [e]	3 325 347	7,33	3 325 347	4,98	3 325 347	5,01
Other Shareholders	20 974 000	46,20	21 951 863	32,86	21 951 863	33,07
Treasury shares [b]	419 524	0,92	419 524	0,63	-	-
TOTAL	**45 395 857**	**100**	**66 809 211**	**100**	**66 389 687**	**100**

	December 31, 2019					
Name	Number of shares	% of shares (approx.)	Number of theoretical voting rights [c] [d]	% of theoretical voting rights	Number of voting rights exercisable in SM [c] [d]	% of voting rights exercisable in SM
Bich family concert, including [a]:	20,672,829	45.40	41,098,563	61.31	41,098,563	61.81
• *SOCIÉTÉ M.B.D.*	*12,840,000*	*28.20*	*25,545,000*	*38.11*	*25,545,000*	*38.42*
• *Bich family (excluding M.B.D.)*	*7,832,829*	*17.20*	*15,553,563*	*23.20*	*15,553,563*	*23.39*
Other Shareholders	24,318,843	53.41	25,395,963	37.88	25,395,963	38.19
Treasury shares [b]	540,568	1.19	540,568	0.81	-	-
TOTAL	**45,532,240**	**100**	**67,035,094**	**100**	**66,494,526**	**100**

(a) The Bich family concert is composed of SOCIÉTÉ M.B.D. (a company – société en commandite par actions) and of Bich family members holding direct interests in SOCIÉTÉ BIC. Most Bich family members hold direct interests in SOCIÉTÉ BIC as well as indirect interests through SOCIÉTÉ M.B.D.

(b) Treasury shares without voting rights.

(c) The difference between the number of shares and the number of voting rights is caused by double voting rights (see § 7.1. Information on the Company).

(d) Voting rights attached to treasury shares are included in the number of theoretical voting rights but excluded from the number of exercisable voting rights.

(e) This information is set forth in the threshold crossing statement issued by Silchester International Investors LLP dated January 21, 2020.

To the best of the Company's knowledge, there are no agreements between the Shareholders providing preferential transfer or purchase conditions for BIC shares or agreements whose implementation could result in a change of control.

It is specified that the Bich family holding, SOCIÉTÉ M.B.D., which holds more than 20% of the share capital and of the voting rights, has concluded various collective agreements relating to the retention of at least 12 million BIC securities. These agreements date back as far as December 15, 2003 for the oldest. They include various members of the family's concert in order to allow these members, if the need arises, to take advantage of Article 787 B of the French General Tax Code. The following officer is part of all or of some of these agreements: Gonzalve Bich. All the signatories have close personal links with Gonzalve Bich and none of them – with the exception of SOCIÉTÉ M.B.D. – holds more than 5% of the share capital or of the voting rights of the Company.

Except for the granting of double voting rights to nominative shares owned for at least two years, no special voting rights are granted to the main Shareholders.

The Company is controlled as described in the table above. The prevention of potential abusive exercise of its power by a Shareholder is ensured by regular meetings of the Board of Directors and by the presence of five Independent Directors who are in the majority in the committees (Audit Committee, Remuneration Committee and Nominations, Governance and CSR Committee).

EMPLOYEES' SHAREHOLDING

No profit sharing scheme exists in respect of the issuer (SOCIÉTÉ BIC has no employees) but each subsidiary can have its own agreement in accordance with the applicable law. Stock options plans and free share plans are described in Note 23 to the consolidated financial statements.

In 2021, the Board of Directors approved the grant of free standard shares to all employees of the Company, with the exception of the Chief Executive Officer, under the Sharing Horizon Employee Share Plan. These standard shares have no performance conditions attached and will be delivered to all employees still present with the Company at the end of the three-year vesting period.

As of December 31, 2021, there is no employees' shareholding (as defined in Article L. 225-102 of French Commercial Code).

CROSSING OF LEGAL THRESHOLDS

On October 6, 2021, the Swedish company Alecta Pensionsförsåkring, Omsesidigt declared that on October 5, 2021, it had crossed below the threshold of 5% of the voting rights of SOCIÉTÉ BIC and no longer held any SOCIÉTÉ BIC' shares.

On February 23, 2022, Silchester International Investors LLP declared that, on February 21, 2022, it had crossed, in the upward, the 10% capital threshold, considered as a "major holding" by the AMF, and that it held, as of that date, 44,474,802 SOCIÉTÉ BIC shares representing 10.02% % of the capital and 6.82% of the voting rights.

ELEMENTS THAT COULD HAVE INFLUENCE ON A TAKE-OVER BID OR THAT COULD DELAY OR PREVENT A CHANGE OF CONTROL (ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE)

To the best of the Company's knowledge, no element other than those mentioned below is likely to have an influence on a take-over bid, or have the effect of delaying or preventing a change of control:

- SOCIÉTÉ M.B.D., SOCIÉTÉ BIC's family holding, is a *société en commandite par actions*;
- the articles of incorporation of the Company provide:
  - the granting of double voting right to nominative shares owned for at least two years (see *§ 7.1. Information on the Company*),
  - the obligation to inform the Company when the holding of share capital or of voting rights becomes equal to or higher than 1% and, beyond this threshold, higher than a whole multiple of 0.5% (see *§ 7.1. Information on the Company*);
- Shareholders' Meeting authorizations to increase the share capital (see *§ 7.2. Share Capital – Table relating to these authorizations*).

7.4. TREASURY SHARES AND SHARE BUYBACK

TREASURY SHARES HELD BY SOCIÉTÉ BIC AS OF DECEMBER 31, 2021

Purpose [a]	Number of shares	% capital	Nominal value *(in euros)*
Liquidity agreement	36,616	0.08	139,873.12
Free share grants	226,290	0.51	864,427.80
Cancellation	-	-	-
External growth operations	-	-	-
TOTAL [B]	**262,906**	**0.59**	**1,004,300.92**

(a) Article L. 225-209 of the French Commercial Code.

(b) As of December 31, 2021, the book value of BIC shares held by SOCIÉTÉ BIC in accordance with Articles L. 225-209 et seq. of the French Commercial Code amounts to 26,018,006.36 euros. As of the same date, the market value of these shares is 12,440,711.92 euros (on the basis of the closing price at this date, i.e. 47.32 euros).

SHARE BUYBACK PROGRAM – OPERATIONS CARRIED OUT IN 2021

Operation	Number of shares	% capital	Nominal value *(in euros)*	Average sale/purchase price *(in euros)*
Share buyback (excl. liquidity agreement) [a]	717,928	1.61	2,742,484.96	54.64
Liquidity agreement [a]:				
• Share buyback	564,989	1.26	2,158,257.98	52.18
• Sale of shares	566,079	1.27	2,162,421.78	52.30
Shares transferred under free share plans	155,528	0.35	594,116.96	109.93
Cancelled shares	717,928	1.61	2,742,484.96	54.64
Shares used for external growth operations	-	-	-	-

(a) Brokerage fees related to sale and buy-back transactions disclosed above amounted to 142,766.32 euros.

During the last 24 months, the Board of Directors cancelled 854,311 shares, representing 1.91% of the share capital as of December 31, 2021.

DESCRIPTION OF THE SHARE BUYBACK PROGRAM SUBMITTED TO THE SHAREHOLDERS' MEETING OF MAY 18, 2022

The Board of Directors will submit to the Shareholders' Meeting of May 18, 2022, a resolution authorizing the Board of Directors to undertake operations with regards to the shares of the Company (see *section 8 Board of Directors' Report and draft resolutions to the Shareholders' Meeting of May 18, 2022 – Resolution 4*). If this resolution is approved by the Shareholders, the Board of Directors will implement the share buyback program described below. This paragraph constitutes the description of the share buyback program provided by Articles 241-1 *et seq.* of the General Regulation of the AMF.

TREASURY SHARES HELD BY SOCIÉTÉ BIC AS OF MARCH 1, 2022

Purpose	Number of shares
Liquidity agreement	38,485
Free share grants	269,614
Cancellation	117,930
External growth operations	-
TOTAL	**426,029**

If the Shareholders' Meeting of May 18, 2022 approves the above-mentioned resolution, the Board of Directors will be authorized to buy back shares representing a maximum of 10% of the share capital on the date of the decision to buy back the shares, for a maximum amount of 1.34 billion euros and in order to:

- provide liquidity and stimulate the market of the shares of the Company through an investment service provider acting pursuant to a liquidity agreement compliant with professional ethics standards recognized by the French Financial Markets Authority;
- hold them in order to subsequently remit them as payment, as exchange or otherwise, within the scope of potential external growth operations in accordance with the market practices approved by the French Financial Markets Authority;
- remit them at the moment of the exercise of rights attached to securities giving access to the Company's share capital by redemption, conversion, exchange, presentation of a warrant or by any other means;
- allocate them to employees and officers, notably within the scope of sharing in the Company's success, employee profit-sharing schemes, the stock option program, the free share plan or through an employee savings scheme;
- cancel them entirely or partly, in accordance with the conditions provided by the regulations in force, within the limit of 10% of the capital existing on the cancellation date, per period of 24 months;
- deliver them in a payment, exchange or contribution transaction carried out in connection with an external growth transaction, merger, demerger or asset contribution, within the limits specified in the applicable regulations;
- implement all market practices that may be authorized by the French Financial Markets Authority.

If some shares are bought back in order to hold them and to subsequently remit them as payment or exchange within the scope of a merger, demerger or contribution operation, the above-mentioned limits shall be decreased to 5% of the share capital on the date of the decision to buy back the shares. The Company will not at any time hold more than 10% of the total number of its own shares forming the share capital.

The purchase price may not be higher than 300 euros per share.

The authorization so given by the Shareholders' Meeting would be valid for a period of 18 months starting from May 18, 2022.

It could not be used during public offers on the Company's shares.

The purchase of shares of the Company carried out pursuant to this authorization shall also comply with the rules enacted by the French Financial Markets Authority regarding the conditions and the periods of intervention on financial market.

7.5. INVESTOR RELATIONS

BIC's Investor Relations team, part of the Corporate Stakeholder Engagement Department, answers all inquiries from individual and institutional investors alike. All information regarding shareholders and general financial and economic information regarding SOCIÉTÉ BIC are available on the Company's website: http://www.bic.com/ or by addressing an email to **investors.info@bicworld.com**.

BIC regularly holds meetings with analysts and institutional investors during roadshows and brokers' conferences in the major financial marketplaces such as Paris, London and New York City. BIC also holds meetings with dedicated SRI (Socially Responsible Investment) investors.

In 2021, BIC participated in a dozen roadshows and conferences to meet both shareholders and non-shareholders. Following the pandemic, BIC continued to participate in these events both virtually and face to face when possible.

On May 19, 2021, BIC held its Annual Shareholders' Meeting behind closed doors, without the physical presence of its shareholders. Press releases specific to the event were published prior to the meeting. The event was broadcasted live in video format, and a replay was available on BIC's website after the AGM. All documents and the transcript of the event were posted on the Group's website within 24 hours of the event. The AGM presentation and transcript are available to shareholders at the following address: https://us.bic.com/en_us/investors-agm-shareholders.

BIC also continued its proactive communication policy with all its shareholders and also implemented new communications tools to drive an in-depth understanding of its strategy and business, and complement regulated financial disclosures and results presentations.

A free information hotline is also available to the individual shareholders at +33 (0)800 10 12 14 (toll-free number for France).

7.6. SHARE INFORMATION

BIC shares are listed on Euronext Paris (continuous quotation) and are part of the SBF 120 and CAC Mid 60 indexes.

BIC is part of the following Socially Responsible Investment indexes: CDP Climate 2021: Leadership Level A- and CDP Supplier Engagement Rating 2021: Level B Leaders Index

In 2021, based on data published in 2012, the rating agency Gaïa assigned BIC an ESG rating of 84 (+2 vs 2020).

Its ISIN code is FR 0000120966.

BIC SHARE PRICE IN 2021

	Closing price	Average price (closing)	Highest traded	Lowest traded	Number of shares traded	Trading amounts *(in thousand euros)*
December 2020	46.26	48.65	51.75	46.02	1,390,272	67,980
January 2021	47.06	47.51	49.10	46.12	1,279,111	60,789
February 2021	46.05	47.11	48.62	44.00	1,374,363	64,164
March 2021	49.92	49.76	52.70	46.74	1,229,771	61,172
April 2021	58.75	53.45	61.00	49.74	1,359,877	74,801
May 2021	60.40	62.89	64.90	59.00	1,186,376	74,260
June 2021	58.60	59.57	61.75	58.25	1,132,658	67,539
July 2021	57.15	62.90	54.45	54.45	1,088,418	62,309
August 2021	56.35	57.12	59.10	55.55	706,902	40,400
September 2021	50.90	54.06	57.10	50.70	844,288	45,451
October 2021	50.25	49.23	54.00	46.60	2,119,219	103,940
November 2021	45.46	48.51	50.80	45.12	1,162,743	55,961
December 2021	47.32	46.89	48.02	44.92	789,778	37,019
January 2022	47.26	48.09	51.25	45.90	1,174,940	56,080
February 2022	50.50	49.10	51.90	46.74	1,179,436	58,231

SHARE CUSTODIAL SERVICE

SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES
Département des Titres
32, rue du Champ de Tir
BP 81236
44312 Nantes Cedex 3 (France)

8

BOARD OF DIRECTORS' REPORT AND DRAFT RESOLUTIONS OF THE SHAREHOLDERS' MEETING OF MAY 18, 2022

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8.1. ORDINARY GENERAL MEETING

ORDINARY RESOLUTIONS

RESOLUTIONS 1 AND 2

Approval of the financial statements for the fiscal year 2021

Purpose

The first two resolutions relate to the approval of the financial statements of the parent company and of the consolidated group for the fiscal year ended December 31, 2021.

First resolution

Approval of the parent company financial statements for the fiscal year 2021

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having reviewed the reports of the Board of Directors and the Statutory Auditors;
- approves the statutory financial statements of the Company for the fiscal year ended December 31, 2021.

These include the balance sheet, income statement and notes, as well as the transactions reflected in these accounts and summarized in these reports . They show earnings of 248,687,326.91 euros.

Second resolution

Approval of the consolidated financial statements for the fiscal year 2021

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having reviewed the reports of the Board of Directors and the Statutory Auditors;
- approves the consolidated financial statements for the fiscal year ended December 31, 2021.

These include the balance sheet, income statement and notes, as well as the transactions reflected in these accounts and summarized in these reports. They show a consolidated net profit attributable to Group Shareholders of 314,194,577 euros.

RESOLUTION 3

Appropriation of earnings and setting of dividend

Purpose

Given the 248,687,326.91 euros in profit for FY 2021 and retained earnings of 453,582,439.48 euros, together constituting the distributable earnings, you are hereby asked to:

- set a dividend of 2.15 euros per share for the fiscal year ended December 31, 2021. This means distributing a total dividend to Shareholders of 95,492,299.45 euros (subject to treasury shares);
- carry forward the balance of 153,165,996.96 euros to retained earnings; and
- allocate 29,030.50 euros to the special "works of art" reserve.

The payment date for this dividend is June 1, 2022.
The dividend is defined before any tax and/or social security levy which may apply depending on the shareholder's personal circumstances. Shareholders are invited to consult their usual tax adviser.

Third resolution

Appropriation of earnings, setting the dividend

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- after considering the reports of the Board of Directors and the Statutory Auditors:
- notes that the earnings for FY 2021 total 248,687,326.91 euros,
- notes that retained earnings total 453,582,439.48 euros,
- notes that total earnings available for distribution total 702,269,766.39 euros,
- decides to allocate the total earnings as follows:

Dividend	95,492,299.45 euros
Retained earnings brought forward	606,748,436.44 euros
Works of art special reserve	29,030.50 euros

On that basis, the General Meeting decides to distribute a dividend of 2.15 euros per share. If the number of shares conferring dividend rights were to change [(1)], the total dividend will be adjusted accordingly and the amount allocated to "Retained earnings" determined on the basis of dividends actually paid. The dividend payment date will be June 1, 2022.

The aforementioned dividend is set before any tax and/or social security levy that may apply depending on the shareholder's personal circumstances. When paid to individuals who are tax residents of France, the gross dividend is subject to a flat rate withholding tax (PFNL). This represents an advance assessed on income payable the following year at 12.8% plus social charges of 17.2%. Shareholders are invited to consult their usual tax adviser.

In accordance with the provisions of Article L. 225-210 of the French Commercial Code, the Shareholders' meeting decides that the dividend on shares held by the Company on the payment date will be allocated to "retained earnings".

For reference [(2)], the following dividends were paid out in the three previous fiscal years:

FY	Number of shares	Dividend distributed per share [(a)] *(in euros)*
2018	45,358,494	3,45
2019	44,985,261	2,45
2020	44,954,858	1,80

(a) Where the progressive income tax scale is chosen, dividends may qualify for the 40% deduction provided for in Article 158-3.2° of the French Tax Code, under certain conditions.

RESOLUTION 4

Share buyback

Purpose

You are asked to renew the 18-month authorization for the Board of Directors to purchase, hold or sell Company shares.
The highlights of this resolution are as follows:

- these share buybacks may not be done during public tender offer periods involving Company shares;
- the maximum number of shares that may be purchased would represent 10% of the share capital;
- the maximum purchase price would be kept at 300 euros per share. This would result in a maximum theoretical purchase amount of circa 1,340,337,900 euros (net of trading costs); and
- BIC may buy back its own shares for different purposes. This includes the implementation of employee stock ownership plans and the use of shares for acquisitions.

The objectives and description of the authorization can be found in the resolution below and in Chapter 7.4 of the 2021 Universal Registration Document.

(1) From the 44,677,929 shares in the share capital and 262,906 of treasury shares at December 31, 2021.
(2) Pursuant to Article 243 bis of the Fench Tax Code.

Fourth resolution

Authorization for the Board of Directors to trade in Company shares

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- after considering the Report of the Board of Directors;
- authorizes the Board of Directors to purchase or arrange for the purchase of Company shares, in accordance with notably articles L. 22-10-62 & L. 225-210 et seq. of the French Commercial Code, EU Regulation No. 596/2014 of April 16, 2014 and its implementing regulations, the AMF General Regulation and market practice accepted by the AMF, for:

a) the allotment of shares following the exercise of stock purchase options by employees and/or executive officers of the Company and of affiliated companies or economic interest groups related to it pursuant to applicable legal and regulatory provisions,

b) the implementation of any plan for the allocation of shares subject to performance conditions or not, under a global employee share program, to employees and/or corporate officers of the Company and of affiliated companies (as defined under applicable laws and regulations) or economic interest groups, either directly or via entities acting on their behalf,

c) the sale of shares to employees (either directly or through employee savings mutual funds) under employee shareholding plans or company savings plans,

d) the delivery of shares upon exercise of convertible securities,

e) the delivery of shares in payment or exchange for acquisitions,

f) the cancellation of shares up to the maximum legal limit,

g) ensuring the liquidity of the market in Company shares by an investment services provider acting completely independently within the framework of a liquidity agreement in compliance with conduct of business rules and market practice accepted by the French financial market regulator, the AMF (*Autorité des Marchés Financiers*),

h) the use of any market practice accepted or that may be accepted by the AMF (*Autorité des Marchés Financiers*, French financial market regulator) and, more generally, undertaking any other transaction that complies with prevailing regulations.

Shares may be purchased, sold, transferred or exchanged at any time on one or more occasions, except during a public tender offer period, and by any means, provided that laws and regulations in force are complied with, on or off the stock market, over the counter, in whole or in part in blocks of shares, by a public tender offer in cash or in shares, by using options or derivatives (with the exception of put option sales), either directly or indirectly through the intermediation of an investment services provider or in any other manner.

The General Meeting sets the maximum purchase price at 300 euros per share (excluding trading costs) and delegates to the Board of Directors in the event of corporate actions involving the Company's equity, and notably a capital increase by capitalizing reserves, restricted stock unit awards, a stock split or reverse stock split, a distribution of reserves or any other assets, a share capital redemption, or any corporate action, the power, with the power of sub-delegation, to adjust the above purchase price to take into account the impact of such transactions on the value of the shares.

The General Meeting duly notes that the maximum number of shares that may be purchased under this authorization may not, at any time, exceed 10% of the total shares in the share capital (i.e., on an indicative basis, 4,467,792 shares as of December 31, 2021, representing a maximum theoretical purchase price (excluding acquisition costs) of 1,340,337,900 euros). Purchases of own shares by the Company may not under any circumstances result in the Company holding over 10% of its share capital, either directly or indirectly through subsidiaries. Furthermore, the number of shares acquired by the Company to be held and used later in payment or exchange for acquisitions may not exceed 5% of its share capital.

The General Meeting delegates full powers to the Board of Directors with the ability to sub-delegate in accordance with the conditions set out by law, to:

- place all orders on any market or carry out any transaction over the counter;
- enter into and terminate any agreements for the repurchase, the sale or the transfer of shares;
- allocate or re-allocate the shares acquired to the various objectives under the applicable law and regulation;
- prepare all documents, file all declarations, issue all statements and carry out all formalities with the AMF or any other authority regarding the trades done under this resolution;
- define the terms and conditions under which, where applicable, the rights of holders of securities giving access to the Company's share capital will be preserved in accordance with regulatory provisions; and
- carry out all other formalities, and, generally, take any necessary or useful measures for the implementation of this authorization.

The Board of Directors will inform the General Meeting of the transactions carried out pursuant to this resolution, in accordance with applicable regulation.

The authorization is granted for eighteen months from the date of this General Meeting and cancels and supersedes, for the unused portion and unexpired period, the prior authorization granted in the fourth resolution of the Combined General Meeting of May 19, 2021.

RESOLUTIONS 5 TO 8

Appointment and renewal of Directors

Purpose

Upon the recommendation of the Nominations, Governance, and CSR Committee, the Board of Directors proposes to nominate Nikos Koumettis as an Independent Director for three years, replacing John Glen, whose mandate is expiring.

The terms of office of:

- Gonzalve Bich;
- Elizabeth Bastoni; and
- Maëlys Castella

expire at the end of this General Meeting.

The Board of Directors proposes to renew the term of office of Gonzalve Bich, Elizabeth Bastoni and Maëlys Castella as Directors for another three years.

Appointment of Nikos Koumettis as new Director

Subject to the Shareholders' approval, the Board intends to appoint Nikos Koumettis as Independent Non-Executive Chair, succeeding John Glen, BIC's current Non-Executive Interim Chair.

A Greek-Cypriot, Nikos Koumettis is President, Europe Operating Unit at the Coca-Cola Company and a member of the Company's Executive Leadership Team. He will bring over 30 years of valuable experience in the consumer goods industry and knowledge of governance topics.

Nikos Koumettis will join the Board as an Independent Director in the light of the independence criteria set out in the AFEP-MEDEF Code (§ 9):

Criterion	Nikos Koumettis
Criterion 1: Not an Employee or corporate officer within the past 5 years	√
Criterion 2: No Cross-directorships	√
Criterion 3: No material business relationships	√
Criterion 4: No family ties	√
Criterion 5: Not an auditor	√
Criterion 6: Period of office not exceeding 12 years	√
Criterion 7: No compensation linked to the Company's or Group's performance	√
Criterion 8: Not representing a major shareholder	√

Renewal of Gonzalve Bich as Director

Gonzalve Bich has been Director and Chief Executive Officer since May 2018.

He has attended 100% of Board Meetings since his renewal in 2019.

Renewal of Elizabeth Bastoni as Director

Elizabeth Bastoni joined BIC as Non-Executive Director in May 2013 and chairs the Remuneration and Nominations, Governance and CSR Committees. She has been Interim Independent Lead Director since May 2021.

She has attended 100% of Board Meetings and committee meetings since her last renewal in 2019.

Renewal of Maëlys Castella as Director

Maëlys Castella is an Independent Director of the Company since 2019. She chairs the Audit Committee and she is a member of the Remuneration Committee. Maëlys Castella provides the Board with her expertise in finance and her experience in strategy and sustainable development, acquired within important international groups.

She has attended 100% of Board Meetings and committee meetings since first appointed in 2019.

Fifth resolution

Appointment of Nikos Koumettis as new Director

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having considered the Report of the Board of Directors;
- decides to appoint Nikos Koumettis as new Director for three years, replacing John Glen, whose mandate is expiring.

Nikos Koumettis' term of office will expire at the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ended December 31, 2024.

Sixth resolution

Renewal of Gonzalve Bich as Director

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having considered the Report of the Board of Directors;
- decides to reappoint Gonzalve Bich as Director for three years.

Gonzalve Bich's term of office will expire at the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ended December 31, 2024.

Seventh resolution

Renewal of Elizabeth Bastoni as Director

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having considered the Report of the Board of Directors;
- decides to reappoint Elizabeth Bastoni as Director for three years.

Elizabeth Bastoni's term of office will expire at the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ended December 31, 2024.

Eighth resolution

Renewal of Maëlys Castella as Director

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having considered the Report of the Board of Directors;
- decides to reappoint Maëlys Castella as Director for three years.

Maëlys Castella's term of office will expire at the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ended December 31, 2024.

RESOLUTIONS 9 TO 16

Corporate officers and Directors' compensation

Purpose

Eight resolutions relating to compensation are submitted to Shareholders for approval regarding:

- the compensation of corporate officers referred to in Article L. 22-10-9 I of the French Commercial Code for FY 2021 (9th resolution);
- the compensation paid up to May 19, 2021 or granted in this period to Pierre Vareille, the Chair of the Board of Directors (10th resolution);
- the compensation paid from May 19, 2021 or granted in this period to John Glen, the Chair of the Board of Directors (11th resolution);
- the compensation paid in FY 2021 or granted in this period to Gonzalve Bich, Chief Executive Officer (12th resolution);
- the compensation policy for the Chair of the Board of Directors for 2022 (13th resolution);
- the compensation policy for the Executive Corporate Officers for 2022 (14th resolution);
- the compensation policy for Directors (15th resolution); and
- the compensation to be allocated among members of the Board of Directors for 2022 (16th resolution).

RESOLUTION 9

Approval of the information on the compensation of corporate officers for 2021

Purpose

Pursuant to Article L. 22-10-34 I of the French Commercial Code, you are asked to approve the information mentioned in Article L. 22-10-9 I of the French Commercial Code on the compensation of Directors and corporate officers for 2021.
These components are described in Chapter 4.2 of the 2021 Universal Registration Document.

Ninth resolution

Approval of the information on the compensation of the Directors and corporate officers referred to Article L. 22-10-9 (I) of the French Commercial Code for FY 2021

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- after considering the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code;
- approves, pursuant to Article L. 22-10-34 I of the French Commercial Code, the information mentioned in Article L. 22-10-9 I of the French Commercial Code as described in this report.

RESOLUTION 10

Approval of Pierre Vareille's compensation for 2021, Chair of the Board of Directors up to May 19, 2021

Purpose

Pursuant to Article L. 22-10-34 II of the French Commercial Code, you are asked to approve all components of the total compensation and benefits paid in or awarded to Pierre Vareille, Chair of the Board of Directors, up to May 19, 2021.
These components are described in Chapter 4.2 of the 2021 Universal Registration Document (page 175).

Tenth resolution

Approval of the fixed, variable or exceptional components of total compensation and benefits paid or granted up to May 19, 2021 to Pierre Vareille, Chair of the Board of Directors

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- after considering the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code;
- approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of total compensation and benefits of all kinds paid up during the fiscal year ended December 31, 2021 or granted for the same fiscal year to Pierre Vareille, Chairman of the Board of Directors until May 19, 2021, which are presented in this report.

RESOLUTION 11

Approval of John Glen's compensation for 2021, Chair of the Board of Directors as from May 19, 2021

Purpose

Pursuant to Article L. 22-10-34 II of the French Commercial Code, you are asked to approve all components of the total compensation and benefits paid in or awarded to John Glen, Chair of the Board of Directors, as from May 19, 2021.
These components are described in Chapter 4.2 of the 2021 Universal Registration Document (page 175).

Eleventh resolution

Approval of the fixed, variable or exceptional components of total compensation and benefits paid or granted from May 19, 2021 to John Glen, Chair of the Board of Directors

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- after considering the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code;
- approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of total compensation and benefits of all kinds paid up uring the fiscal year ended December 31, 2021 or granted for the same fiscal year to John Glen, Chairman of the Board of Directors as of May 19, 2021, as presented in this report.

RESOLUTION 12

Approval of Gonzalve Bich's compensation for 2021, Chief Executive Officer

Purpose

Pursuant to Article L. 22-10-34 II of the French Commercial Code, you are asked to approve all components of the total compensation and benefits paid in or awarded for 2021 to Gonzalve Bich, Chief Executive Officer.
These components are described in Chapter 4.2 of the 2021 Universal Registration Document.
The annual variable compensation, the payment of which is, pursuant to French law, subject to the approval of this resolution, is detailed in Chapter 4.2 of the 2021 Universal Registration Document (pages 176-177).

Twelfth resolution

Approval of the fixed, variable or exceptional components of total compensation and benefits paid or granted for the period ended December 31, 2021 to Gonzalve Bich, Chief Executive Officer

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- after considering the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code;
- approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of total compensation and benefits of all kinds paid in the period ended December 31, 2021 or granted in the same period to Gonzalve Bich, Chief Executive Officer, which are presented in this report.

RESOLUTION 13

Approval of the compensation policy for the Chair of the Board of Directors for FY 2022

Purpose

Pursuant to Article L. 22-10-8 of the French Commercial Code, you are asked to approve the compensation policy for the Chair of the Board of Directors for 2022. This has been set by the Board of Directors on the recommendation of the Compensation Committee.

This compensation policy is described in the report on corporate governance provided for in Article L. 225-37 of the French Commercial Code included in Chapter 4.2 of the 2021 Universal Registration Document (page 168).

Thirteenth resolution

Approval of the compensation policy for the Chair of the Board of Directors for FY 2022

The General Meeting:

- voting under the *quorum* and majority conditions required for Ordinary General Meetings;
- after considering the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code;
- approves, pursuant to Article L. 22-10-8 of the French Commercial Code, the compensation policy for the Chair of the Board of Directors for fiscal year 2022 as described in this report.

RESOLUTION 14

Approval of the compensation policy for the executive corporate officers for FY 2022

Purpose

Pursuant to Article L. 22-10-8 of the French Commercial Code, you are asked to approve the compensation policy for the executive corporate officers of the Company for 2022. This has been set by the Board of Directors on the recommendation of the Compensation Committee.

This compensation policy is described in the report on corporate governance provided for by Article L. 225-37 of the French Commercial Code included in Chapter 4.2 of the 2021 Universal Registration Document (page 169-172).

Fourteenth resolution

Approval of the compensation policy for the executive corporate officers for FY 2022

The General Meeting:

- voting under the *quorum* and majority conditions required for Ordinary General Meetings;
- after considering the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code;
- approves, pursuant to Article L. 22-10-8 of the French Commercial Code, the compensation policy for the executive corporate officers for fiscal year 2022 as described in this report.

RESOLUTION 15

Compensation policy for Directors for FY 2022

Purpose

Pursuant to Article L. 22-10-8 of the French Commercial Code, you are asked to approve the compensation policy for the Directors of the Company for FY 2022. This has been set by the Board of Directors on the recommendation of the Compensation Committee.

This compensation policy is described in the report on corporate governance provided for by Article L. 225-37 of the French Commercial Code included in Chapter 4.2 of the 2021 Universal Registration Document (page 168).

Fifteenth resolution

Approval of the compensation policy for Directors for FY 2022

The General Meeting:

- voting under the *quorum* and majority conditions required for Ordinary General Meetings;
- after considering the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code;
- approves, pursuant to Article L. 22-10-8 of the French Commercial Code, the compensation policy for Directors for fiscal year 2022 as described in this report.

RESOLUTION 16

Compensation granted to members of the Board of Directors for FY 2022

Purpose

You are asked to set a maximum total annual amount of compensation to be allocated among members of the Board of Directors of 550,000 euros for FY 2022.

Sixteenth resolution

Setting the total annual amount of compensation for directors

The General Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, after considering the Board of Directors' report, sets for fiscal year 2022 the total maximum amount provided for by Article L. 225-45 of the French Commercial Code available for compensation to members of the Board of Directors at 550,000 euros.

RESOLUTION 17

Ratification of the Board's decision to transfer the Company's registered office to a new address

Purpose

You are asked to ratify the Board of Directors' decision to transfer the Company's registered office to a new address in Clichy as from June 1, 2022 and to amend the Article 4 (Registered Office) of the Company's articles of incorporation to reflect the new address.

This transfer of headquarters enabled the Company to realize an estimated net capital gain of 127.9 million euros on the sale of its headquarters and the BIC Technologies site to BNP Paribas Real Estate and CITALLIOS. The Company becomes the tenant of its headquarters, located on three floors representing approximately 7,629 sq.m. in the new E-Conic building, on the edge of the ring road in the new Clichy-Batignolles district.

Seventeenth resolution

Ratification of the Board's decision to transfer the Company's registered office to a new address

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- after considering the Report of the Board of Directors;
- ratifies the Board of Directors' decision of February 15, 2022, made in accordance with Article L. 225-36 of the French Commercial Code, (i) to transfer as from June 1, 2022 the Company's registered office from 14, rue Jeanne d'Asnières, 92110 Clichy, to 12, boulevard Victor Hugo, 92611 Clichy cedex, and (ii) to amend Article 4 (Registered Office) of the Company's articles of incorporation to reflect the new address.

8.2. EXTRAORDINARY GENERAL MEETING

RESOLUTION 18

Authorization to reduce the share capital by cancellation of own shares

Purpose

You are asked to authorize the Board of Directors to reduce the share capital by cancellation of own shares involving up to 10% of the share capital per 24-month period.
This authorization would be for a period of 18 months and would cancel the prior authorization granted to the Board of Directors in the 16th resolution of the General Meeting of May 19, 2021.

Eighteenth resolution

Authorization to be granted to the Board of Directors to reduce the Company's share capital by cancellation of own shares

The General Meeting:

- voting in accordance with *quorum* and majority rules for Extraordinary General Meetings;
- after considering the Report of the Board of Directors and the Special Report of the Auditors;
- authorizes the Board of Directors, in accordance with Article L. 22-10-62 of the French Commercial Code, to cancel, on one or more occasions, some or all of the Company's own shares held by the Company in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code, up to a maximum of 10% of the share capital per twenty-four month periods.

The Board of Directors is fully empowered (with the option to further delegate), to:

- reduce the share capital by canceling shares;
- approve the definitive amount of the share capital reduction;
- set the terms and conditions and certify completion thereof;
- allocate the difference between the carrying amount of the shares cancelled and their par value to available reserves or additional paid-in capital;
- amend the articles of incorporation accordingly; and
- more broadly, carry out any formalities and requirements needed to implement this resolution.

The authorization is granted for eighteen months from the date of this General Meeting. It cancels and supersedes the unused portion and unexpired period of the prior authorization granted in the 16th resolution of the Combined General Meeting of May 19, 2021.

RESOLUTION 19

Delegation of authority to be given to the Board of Directors to increase the share capital by issuing new ordinary shares and/or securities giving access to the share capital, with preservation of Shareholders' preferential rights of subscription

Purpose

You are asked to delegate to the Board of Directors the authority to proceed, in France or abroad, with one or several issuance(s) of new ordinary shares of the Company and/or of securities giving access by any means to the Company's share capital, with preservation of Shareholders' preferential rights of subscription.

This system is intended to give your Board of Directors the opportunity to react quickly to the financial needs of the Company, allowing it also to select, in due time, the most appropriate type of securities to be issued. The authorization would cover the issuance of ordinary shares and/or any securities giving access to the share capital (hereinafter the "Complex Capital Securities" "*Valeurs Mobilières Composées*"), notably for example, shares with warrants, bonds with share subscription warrants, bonds convertible into shares or equity warrants.

The total nominal amount of issuances likely to be performed immediately or in the future would not exceed 17 million euros.

To these amounts shall be added, if necessary, the additional nominal amount of securities to be issued in order to preserve, in accordance with the law, the rights of bearers of already issued investment securities giving right to shares.

We remind you that the decision to issue securities giving right to the share capital would also entail waiver by the Shareholders of their preferential rights of subscription to the share capital to which the securities issued would give right.

You are asked to decide that if the subscriptions on an irreducible basis and, if applicable, on a reducible basis, do not absorb all the ordinary shares and/or securities issued, the Board may offer to the public all or part of the unsubscribed shares.

This delegation of authority would be given for a period of 26 months starting from the date of this Shareholders' Meeting and would replace the delegation given to the Board of Directors at 18th resolution of the General Meeting of May 20, 2020.

This delegation may not be used during public offers on the Company's shares.

If necessary, the Board of Directors will keep you informed about the use of this delegation of authority under the conditions provided by law.

Nineteenth resolution

Delegation of authority to be given to the Board of Directors to increase the share capital by issuing new ordinary shares and/or securities giving access to the capital, with preservation of Shareholders' preferential rights of subscription

The General Meeting:

- voting in accordance with *quorum* and majority rules for Extraordinary General Meetings;
- after considering the Report of the Board of Directors and the Special Report of the Auditors;
- deliberating in compliance with Articles L. 225-129 et seq., L. 228-91 and L. 228-92 of the French Commercial Code;
- delegates authority to the Board of Directors to decide, immediately or in the future, with preservation of Shareholders' preferential rights of subscription, in France and/or abroad, either in euros, in foreign currency or in any unit of account established by reference to a set of currencies:
- one or several increases of the share capital, by cash contribution and issuing new ordinary shares of the Company, and/or
- one or several issues of securities (hereinafter the "Complex Capital Securities" "*Valeurs Mobilières Composées*") giving access by any means to the Company's share capital.

The General Meeting decides that the total nominal amount of issuances likely to be performed immediately or in the future shall not exceed 17 million euros, it being specified that to these amounts, shall be added, if necessary, the additional nominal amount of shares to be issued in order to preserve, in accordance with the law, the rights of the bearers of already issued investment securities giving right to shares,

Consequently, the General Meeting delegates authority to the Board of Directors to, notably, and without this list beig exhaustive:

a. assess the timeliness of deciding whether or not to carry out one or several increase(s) of the share capital by issuing new ordinary shares of the Company and/or one or several issuance(s) of Complex Capital Securities;

b. decide the nature and characteristics of the Complex Capital Securities;

c. set the amount of the increase(s) of the share capital by issuing new ordinary shares and/or issuance of Complex Capital Securities;

d. determine the conditions and methods of performance of the share capital increase(s) and/or of the issuance of Complex Capital Securities, notably set the issuance price of the new ordinary shares and/or of the Complex Capital Securities (and the shares to which the latter shall give right), with or without premium, in accordance with the rules and regulations in force;

e. set the opening and closing dates of subscriptions, extend these dates if necessary, organize receipt of funds and more generally acknowledge the final performance of the increase(s) of share capital and/or the issuance of Complex Capital Securities, and/or the capital increases resulting from the exercise of Complex Capital Securities;

f. proceed with the modification of the articles of incorporation accordingly, do all that is necessary and carry out all legal formalities;

g. conclude with any investment service provider of its choice, any firm underwriting agreement relating to the issuance;

h. determine the conditions and methods of exercising rights attached to the issued Complex Capital Securities;

i. take all necessary measures for the proper management of the issuing of Complex Capital Securities and draft an issuance contract for each category and issuance of Complex Capital Securities;

j. decide the issuance of shares to which the Complex Capital Securities shall give right and set the date of possession of said shares;

k. prepare all the documents necessary to inform the public, Shareholders and holders of previously issued Complex Capital Securities;

l. take all measures to ensure, if necessary, the preservation of the rights of holders of already issued Complex Capital Securities giving right to the allocation of share capital, in accordance with the rules and regulations in force and notably the provisions of Articles L. 228-98 to L. 228-102 of the French Commercial Code;

m. take all measures to proceed with the appointment of a representative of stock owners for each category of Complex Capital Securities issued;

n. delegate to the Chief Executive Officer or, in accordance with the latter, to one or several Executive Vice-President(s), the authority to decide on the performance of the share capital increase(s) and/or the issuance of Complex Capital Securities, as well as the authority to suspend it, under the conditions and according to the methods set by the Board of Directors.

The General Meeting takes note that, in accordance with Article L. 225-132 of the French Commercial Code, the decision to issue securities giving access to the share capital also prevails over waiving by the Shareholders of their preferential rights of subscription to the share capital to which the securities issued give right.

The General Meeting decides that if the subscriptions have not been taken up in full by Shareholders exercising their pre-emptive rights as described above, the Board may take one or more of the following courses of action, in the order of its choice: (i) freely allocate all or some of the unsubscribed securities among the investors of its choice, (ii) offer the unsubscribed securities for subscription by the public and/or (iii) limit the amount of the issue to the subscriptions received provided that at least three-quarters of the issue is taken up.

This delegation of authority is given for a period of 26 months starting from the date of this General Meeting.

The General Meeting takes note that this delegation replaces any previous delegation having the same purpose, and notably, the delegation given to the Board of Directors at the 18th resolution of the Combined General Meeting of May 20, 2020.

In accordance with Article L. 225-129-5 of the French Commercial Code, the other details of implementation of the operation will be explained in a supplementary report from the Board of Directors and issued when the Board exercises the delegation of authority given by this General Meeting in accordance with provisions set by decree.

The Board of Directors shall inform the General Meeting each year of operations performed within the scope of this resolution.

RESOLUTION 20

Delegation of authority to be given to the Board of Directors in order to decide to increase the share capital on one or several occasions by incorporation of reserves, profits or premiums or other sums of money whose capitalization shall be accepted

Purpose

You are asked, in accordance with Article L. 225-129 of the French Commercial Code, to delegate to the Board of Directors, for a period of 26 months, the authority to increase the share capital of the Company, on one or several occasions, in the proportions and at the times the Board shall deem necessary, by incorporation of all or part of the reserves, profits and/or premiums or other sums whose capitalization shall be legally or statutorily possible, and this by attribution of new free shares of the Company or by increase of the nominal value of the existing shares of the Company.

The maximum nominal amount of the share capital increase(s) likely to be decided by the Board of Directors or by the Chief Executive Officer (or Executive Vice-President) and performed by virtue of this delegation, may not be higher than the global maximum amount of reserves, profits and/or premiums or other sums that may be incorporated into the share capital.

This delegation may not be used during public offers on the Company's shares.

This delegation would cancel any other previous delegation having the same purpose, and notably the delegation of authority given to the Board of Directors at 20th resolution of the General Meeting of May 20, 2020.

Twentieth resolution

Delegation of authority to be given to the Board of Directors to decide to increase the share capital on one or several occasions by incorporation of reserves, profits or premiums or other sums of money whose capitalization shall be accepted

The General Meeting:

- voting in accordance with *quorum* and majority rules for Extraordinary General Meetings;
- after considering the Report of the Board of Directors and the Special Report of the Auditors;
- making use of the option provided in Article L. 225-129 of the French Commercial Code, decides:
  - to delegate to the Board of Directors, for a period of 26 months, the authority to decide a share capital increase, on one or several occasions, in the proportions and at the times the Board shall deem necessary, by incorporation of all or part of the reserves, profits and/or premiums or other sums whose capitalization shall be legally or statutorily possible, and by attribution of new free shares of the Company and/or by increase of the nominal value of the existing shares of the Company,
  - that the maximum nominal amount of the share capital increase(s) likely to be decided by the Board of Directors or by the Chief Executive Officer (or Executive Vice-President) and performed by virtue of this delegation, cannot be higher than the global maximum amount of reserves, profits and/or premiums or other sums that may be incorporated into the share capital and which will exist at the time of the decision to increase the share capital of the Company, not taking into account the amount that may be necessary to preserve, in accordance with the law, the rights of bearers of already issued securities giving access to the shares of the Company.

Consequently, the General Meeting delegates to the Board of Directors the authority, notably, and without this list being exhaustive, to:

a. determine the amount and nature of sums to be incorporated in the Company's share capital;

b. set the number of the Company's new shares to be issued and which shall be freely allocated and/or the amount of existing shares whose nominal value shall be increased;

c. determine the date, possibly retroactively, from which the Company's new shares shall be entitled to dividends or that at which the increase in the nominal value of the Company's existing shares shall be effective;

d. decide, if necessary, that the rights resulting in fractions of shares are not negotiable or assignable and that the corresponding shares shall be sold, the proceeds from such sale being allocated to owners of rights under the conditions and within the time periods provided for by the regulations in force;

e. deduct from one or several items of the available reserves the sums necessary to bring the legal reserve amount to one-tenth of the Company's share capital after each share capital increase;

f. take all measures to ensure the proper implementation of each share capital increase and to acknowledge the performance of each share capital increase, proceed to the modification of the articles of incorporation accordingly and carry out all relevant legal formalities;

g. take all measures to allow holders of securities giving access to the capital, to obtain new shares of the Company;

h. delegate to the Chief Executive Officer or in agreement with the latter, to one or several Executive Vice-President(s), the authority to decide on the performance of the capital increase(s), as well as to postpone such issue, under the conditions and in accordance with the methods set by the Board of Directors.

The General Meeting takes note that this delegation shall cancel any other previous delegation having the same purpose, and notably the delegation of authority given to the Board of Directors by the 20th resolution of the Combined General Meeting of May 20, 2020.

RESOLUTION 21

Authorization to perform formalities

Report of the Board of Directors

This resolution allows for the performance of the legal formalities following this meeting.

Twenty-first resolution

Authorization to perform formalities

The General Meeting fully empowers the bearer of a copy or excerpt of this document to carry out all necessary legal formalities.

9

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9.1. DOCUMENTS ON DISPLAY

MEMORANDUM AND ARTICLES OF INCORPORATION

See *Chapter 7 Information on the Issuer*.

HISTORICAL FINANCIAL INFORMATION

The 2019 and 2020 Universal Registration Documents are available on SOCIÉTÉ BIC's website (www.bic.com).

9.2. MAIN PRESS RELEASES

List of the main press releases published in 2021:

Press releases available on www.info-financiere.fr and on the Company's website: www.bic.com

Date	Title
February 11, 2021	BIC completed the sale of its Clichy (France) headquarters
February 17, 2021	Full year 2020 Results Press Release
February 26, 2021	BIC finalizes the divestiture of Pimaco
March 12, 2021	BIC launches a 40 million euros impact share buyback program
March 18, 2021	BIC: Revised 2021 key KPIs and financial communication agenda
March 25, 2021	Appointment of interim non-executive Chair and independent lead-Director
April 1, 2021	Release and Availability of the 2020 Universal Registration Document
April 12, 2021	SOCIÉTÉ BIC will hold its Annual Shareholders' Meeting on Wednesday May 19, 2021, behind closed doors
April 27, 2021	BIC First Quarter 2021 Results Press Release
May 20, 2021	BIC Press Release post-AGM on May 19, 2021
July 28, 2021	BIC Second Quarter and First Half 2021 Results Press Release
October 19, 2021	BIC amplifies sustainable design with Avient recycled-content material for Soleil Click 5 women's razor handle
October 26, 2021	BIC Third Quarter and Nine Months 2021 Results Press Release
November 03, 2021	BIC completes its ESG impact share buyback program
November 16, 2021	BIC sponsors the Abdul Latif Jameel poverty action lab's tutoring and parental program
November 19, 2021	Nikos Koumettis nominated for election to BIC Board of Directors, and upcoming non-executive Chair of the Board
December 6, 2021	BIC strengthens its executive Leadership Team through new appointments
December 17, 2021	BIC joins the United Nations (UN) Global Compact

9.3. DECLARATION BY RESPONSIBLE PERSON OF THE UNIVERSAL REGISTRATION DOCUMENT

I certify the information contained in this Universal Registration Document is, to the best of my knowledge, accurate and does not omit any material fact.

I certify that to the best of my knowledge, the accounts are prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities and financial position and profit or loss of the Company and all undertakings in the consolidation taken as a whole, and that the management report, referenced in the Cross-reference table, includes a fair review of the development and performance of the business, profit or loss and financial position of the Company and the undertakings in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

On March 24, 2022

Gonzalve Bich

Chief Executive Officer

9.4. STATUTORY AUDITORS AND FEES

NAMES AND ADDRESSES

Principal Statutory Auditors

The Company's Principal Statutory Auditors issue reports on the parent company and consolidated financial statements of SOCIÉTÉ BIC:

Deloitte & Associés

Represented by Mr. Jean-Pierre Agazzi

Tour Majunga 6, Place de la Pyramide 92800 Puteaux, France

Tel.: +33 (0)1 4088 28 00

Deloitte & Associés was appointed as Statutory Auditor for SOCIÉTÉ BIC for the first time at the Combined General Shareholders' Meeting on May 4, 1999.

The mandate of Deloitte & Associés as Statutory Auditors is in place for a period of six fiscal years and was renewed at the General Shareholders' Meeting on May 10, 2017. It will expire in 2023 at the close of the General Shareholders' Meeting confirming the financial statements for the fiscal year ending on December 31, 2022.

Grant Thornton

Represented by Mr. Vianney Martin

29, rue du Pont 92200 Neuilly-sur-Seine, France

Tel.: +33 (0)1 41 25 85 85

The company Grant Thornton was appointed as Statutory Auditor for SOCIÉTÉ BIC for the first time at the General Shareholders' Meeting on May 23, 2007, replacing the company BDO Marque & Gendrot, outgoing, for the remaining period of the mandate of the latter.

The mandate of Grant Thornton as Statutory Auditors was renewed at the General Shareholders' Meeting on May 10, 2017. It will expire in 2023 at the close of the General Shareholders' Meeting confirming the financial statements for the fiscal year ending on December 31, 2022.

Substitute Auditors

The company BEAS, appointed as Substitute Auditor for the first time at the General Shareholders' Meeting on May 19, 2005, was renewed as Substitute Auditor at the General Shareholders' Meeting on May 10, 2017 for the same period as that of Deloitte & Associés.

Institut de Gestion et d'Expertise Comptable – IGEC – was appointed as Substitute Auditor for the first time at the General Shareholders' Meeting on May 23, 2007, replacing Mr. Patrick Giffaux, outgoing. The mandate was renewed at the General Shareholders' Meeting on May 10, 2017 for the same period as that of Grant Thornton.

CHANGE OF STATUTORY AUDITORS

The mandates of the Statutory Auditors were renewed at the General Shareholders' Meeting held on May 10, 2017.

FEES OF THE AUDITORS AND THE MEMBERS OF THEIR NETWORKS

The fees of the Statutory Auditors and members of their networks borne by the Group are presented in Note 29 to the consolidated financial statements.

AUDITING OF HISTORICAL ANNUAL FINANCIAL INFORMATION

Audited historical annual financial information and the corresponding Auditors' reports for financial years 2019 and 2020, as well as the review of the financial position and the results related to it, were presented in previous registration documents, which have been duly filed with the *Autorité des Marchés Financiers* (French Financial Markets Authority) (respectively no. D. 20-0225 and no. D. 21-0249) and are available on the website of the Group. In accordance with Article 19 of European regulation EU No. 2017/1129 of June 14, 2017, this information is incorporated by reference in this Universal Registration Document.

INTERIM AND OTHER FINANCIAL INFORMATION

Quarterly financial information has not been audited.

Half Year and annual financial information is the subject of reports by the Statutory Auditors.

9.5. GLOSSARY

Adjusted EBIT
Adjusted means excluding non-recurring items as detailed page 189.

Adjusted EBIT margin
Adjusted EBIT as percentage of Net Sales.

At constant currencies
Constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates.

BIC Code of Conduct
Issued in 2020, the BIC Code of Conduct regroups the former Code of Ethics and Code of Conduct.

BIC Speak-up
Hotline accessible to all BIC team members to report on, collect alerts and prevent any violation to Anti-Corruption Policy and Code of Ethics (incl. violation to human rights, serious bodily injury and environmental damage).

BoP
BoP (Bottom of the Pyramid) refers to the largest segment of the world's population: the poorest, with no (or very little) access to services and goods offered by the market, because especially the low level of income. BIC defines the BOP in two large sets. For countries outside the OECD, we consider this to be the population with daily expenses that are less than 2.97 US dollars. For OECD countries, we take into account people living below the poverty line.

Categories
Categories include the activities of Stationery, Lighters, Shavers and Other Products.

Comparative basis
Means at constant currencies and constant perimeter. Figures at constant perimeter exclude the impacts of acquisitions and/or disposals that occurred during the current year and/or during the previous year, until their anniversary date.

Complex Capital Securities
Fungible, negotiable and transferable instruments giving access to the share capital (definition in the context of SOCIÉTÉ BIC's Shareholders' Meeting).

Counterparty risk
Counterparty risk is the risk that a counterparty, through its consumed default, can no longer meet its commitments. The counterparty risk may be different from the credit risk insofar as there may be a contract with a counterparty other than the issuer that guarantees the coverage of a given bond.

Customer/consumer
Within the Group, the term "customer" refers to a "distributor" and the term "consumer" refers to the final consumer.

Earnings before interest and taxes (EBIT)
Profit realized from a business' own operations. Income from operations is generated from running the primary business and excludes income from other sources. It includes other products income from operations as well as Group expenses not allocated to the other categories.

Ecodesign
Ecodesign is the integration of the environment from the design of a product or service, and at all stages of its life cycle.

Ecolabel
An Ecolabel is a voluntary method of environmental performance certification. An ecolabel identifies products or services proven environmentally preferable overall, within a specific product or service category.

Environment, Health & Safety (EH&S) Policy
The Environment, Health & Safety (EH&S) Policy, defined in 2005 and signed by the CEO, codifies the Group's commitment to minimizing the impact of its industrial activities.

Free Cash Flow
Free Cash Flow is the Net Cash flow from Operating Activities less capital expenditures (CAPEX). Free cash flow does not include acquisitions and proceeds from the sale of businesses.

Gross Profit
Gross profit is the margin that the Group realizes after deducting its manufacturing costs.

Group's Anti-Corruption Policy
The Group's Anti-Corruption Policy, defined in 2016, states that BIC will not tolerate bribery or corruption in any place where it operates, upholding its reputation for integrity.

Hedge accounting
A hedging transaction consists of purchases or sales of financial instruments that must have the effect of reducing the risk of changes in value affecting the hedged item. For an accounting transaction to qualify as a hedge, it must identify hedging items from the outset.

Internal control
The Device implemented by the management of a company to enable it to control the risky operations that must be done by the Company. For this reason, its resources are measured, directed and supervised so that management can achieve its objectives.

LCA
Life Cycle Analysis (LCA) is a method for assessing a product's total environmental impact in each successive phase in its life: the extraction and transportation of the raw materials used to make it, the manufacturing processes, transportation to the consumer, product usage, and finally, end of life and waste processing.

Net Cash from Operating Activities

Principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

Net Cash Position

Cash and cash equivalents + Other current financial assets – Current borrowings – Non-current borrowings.

New product

A product is considered as a new one in the year of its launch and the three following years.

Performance Share Plan

Freely granted shares of SOCIÉTÉ BIC subject to performance conditions.

Preferential subscription right

The advantage conferred by Article 225-132 of the French Commercial Code to the shareholder allowing him, during a given period, to be able, at the time of a capital increase, to assert a right of preference the acquisition of new shares under the conditions provided for by the Extraordinary General Meeting.

Product Safety Policy

The Product Safety Policy, introduced in 2001, specifies the ten commitments adopted to ensure that the products developed and manufactured by BIC are safe in terms of human health and the environment.

REACH (Registration, Evaluation, Authorisation and Restriction of CHemical substances)

REACH is a regulation of the European Union, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals.

Risk

The possibility of an event occurring whose consequences could affect:

- the ability of the Company to achieve its objectives;
- the ability of the Company to respect its Values, ethics and laws and regulations;
- the persons, assets, the environment of the Company or its reputation.

CROSS-REFERENCE TABLE FOR UNIVERSAL REGISTRATION DOCUMENT

This reference table is based on the headings set out in Annex I and II of Delegated Regulation (EU) 2019/980 of the Commission of March 14, 2019 and refers to the pages of this Universal Registration Document on which the relevant information can be found.

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The 2011 registration document contains all of the information in the Annual Financial Report governed by Article L. 451-1-2 of the French Monetary and Financial Code. To make this information easier to find, the following cross-reference table lists it by main topic.

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3.	Statutory Auditors' Report on the parent company financial statements	284-287
4.	Statutory Auditors' Report on the consolidated financial statements	261-264
5.	Management report including, at least, information mentioned in Articles L. 225-100, L. 225-100-2, L. 225-100-3 and L. 225-211 paragraph 2 of the French Commercial Code	329-330
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CROSS-REFERENCE TABLE WITH THE MANAGEMENT REPORT

This Universal Registration Document includes information of the Company Management Report and Group management report, as provided for in Articles L. 225-100 et seq. and L. 232-1 of the French Commercial Code, as well as the report on the corporate governance pursuant to Articles L. 225-37 et seq. of the French Commercial Code, and of the Extra-financial Performance Statement, as provided for in Article L. 225-102-1 of the French Commercial Code.

The following table cross-refers each section of the Management Report to the corresponding pages of the Universal Registration Document:

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CROSS-REFERENCE TABLE OF ESG INFORMATION

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(a) GRI: Global Reporting Initiative, version G4.

(b) OECD: Organization for Economic Co-operation and Development.

CROSS-REFERENCE TABLE OF THE CORPORATE GOVERNANCE REPORT

This Universal Registration Document includes information of the Company corporate governance report pursuant to teh articles L.225-37, L.225-37-1, L.22-10-8, L.22-10-9, L.22-10-10, L.22-10-11 of the French Commercial Code

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