



2020
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

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UNIVERSAL REGISTRATION DOCUMENT

including the Annual Financial Report

2020



This Universal Registration Document has been filed on April 1st, 2021 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.



MESSAGE FROM BIC'S CHIEF EXECUTIVE OFFICER



Gonzalve Bich

If we were asked to call out our most defining years as a Company in the last 75 years of business, then 2020 would certainly rank close to the top! While the world recoiled from the impact of a global health crisis, we set about reshaping and reimagining a stronger, fitter, and more agile BIC of the future, focused firmly on the consumer's evolving needs, as we strive with every action to bring our *Raison d'Être* to life.

Amidst unprecedented personal challenge, BIC Team members around the globe worked with intensity to ensure that we not only safely maintained production but that we also continued with our transformation, galvanizing our strategy into what has become known as the 'Horizon Plan.'

In our drive for enviable growth and profitability, we are transforming BIC from a manufacturing and distribution-led company into one focused on consumers and their needs. By focusing on our innovation capabilities, global supply chain optimization and commercial excellence, we are leveraging our competitiveness, delivering new value and joy to consumers.

Also, we are reinforcing our focus on Sustainability, setting new objectives to reduce plastics in our products and packaging by 2030 dramatically. These ambitious targets extend our pledge to act as a responsible company by minimizing our environmental footprint and meeting our stakeholders' expectations, in line with our "Writing the Future, Together" commitments.

I would like to thank all our Team members for their commitment, professionalism, and rigorous execution. Through teamwork and pure grit, we achieved a solid operating performance. We proved our resilience during a difficult year, setting a solid foundation from which we will continue building and creating sustainable value for all stakeholders.





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PROFILE

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

We bring simplicity and joy to everyday life

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. 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.

OUR MISSION

We create high quality, safe, affordable, essential products trusted by everyone

OUR VALUES

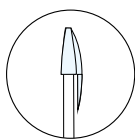
<p>Integrity</p> <p>We are honest, open and fair, and demand an environment where everyone feels respected, included, and heard</p>	<p>Sustainability</p> <p>We drive sustainable growth while making meaningful contributions to our team members, communities, and the world</p>
<p>Responsibility</p> <p>We make courageous, timely decisions and deliver ambitious results that delight consumers across the world</p>	<p>Ingenuity</p> <p>We dream big and create clever, simple, yet bold solutions for our consumers, customers, and teams</p>
<p>Teamwork</p> <p>We set high standards, trust each other, and work together across boundaries, holding ourselves and each other accountable</p>	<p>Simplicity</p> <p>We believe that simple solutions are often the best solutions. When faced with complexity, we respond with clarity</p>

OUR BRANDS

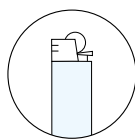


The Joy of Writing™

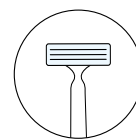




STATIONERY
35%
of 2020 Net sales



LIGHTERS
38%
of 2020 Net sales



SHAVERS
25%
of 2020 Net sales

11,246

Team members

23.7 million

BIC® products bought every day

2020 KEY FINANCIAL INDICATORS

NET SALES €1,627.9 million	NORMALIZED INCOME FROM OPERATIONS ¹ €229.1 million
NORMALIZED INCOME FROM OPERATIONS MARGIN 14.1%	NET INCOME GROUP SHARE €93.7 million
EARNINGS PER SHARE €2.08	FREE CASH FLOW ² €274.5 million
NET CASH POSITION €183.9 million	SHAREHOLDER RETURN ³ €117.6 million

2020 KEY NON-FINANCIAL INDICATORS

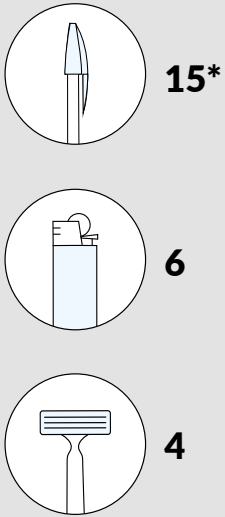
ENERGY CONSUMPTION (GIGAJOULES/TON) 12.96	WATER CONSUMPTION (M ³ /TON) 5.22
GREENHOUSE GAS EMISSIONS NORMALIZED TO PRODUCTION (tCO ₂ /ton) 1.031	

¹ Excluding exceptional items - ² Before acquisitions and disposals - ³ Dividend paid and share buyback



A GLOBAL PRESENCE

Our global footprint, with 25 plants worldwide, allows us to stay close to our consumers, enabling us to anticipate and respond to evolving trends while minimizing the Group's environmental impact.

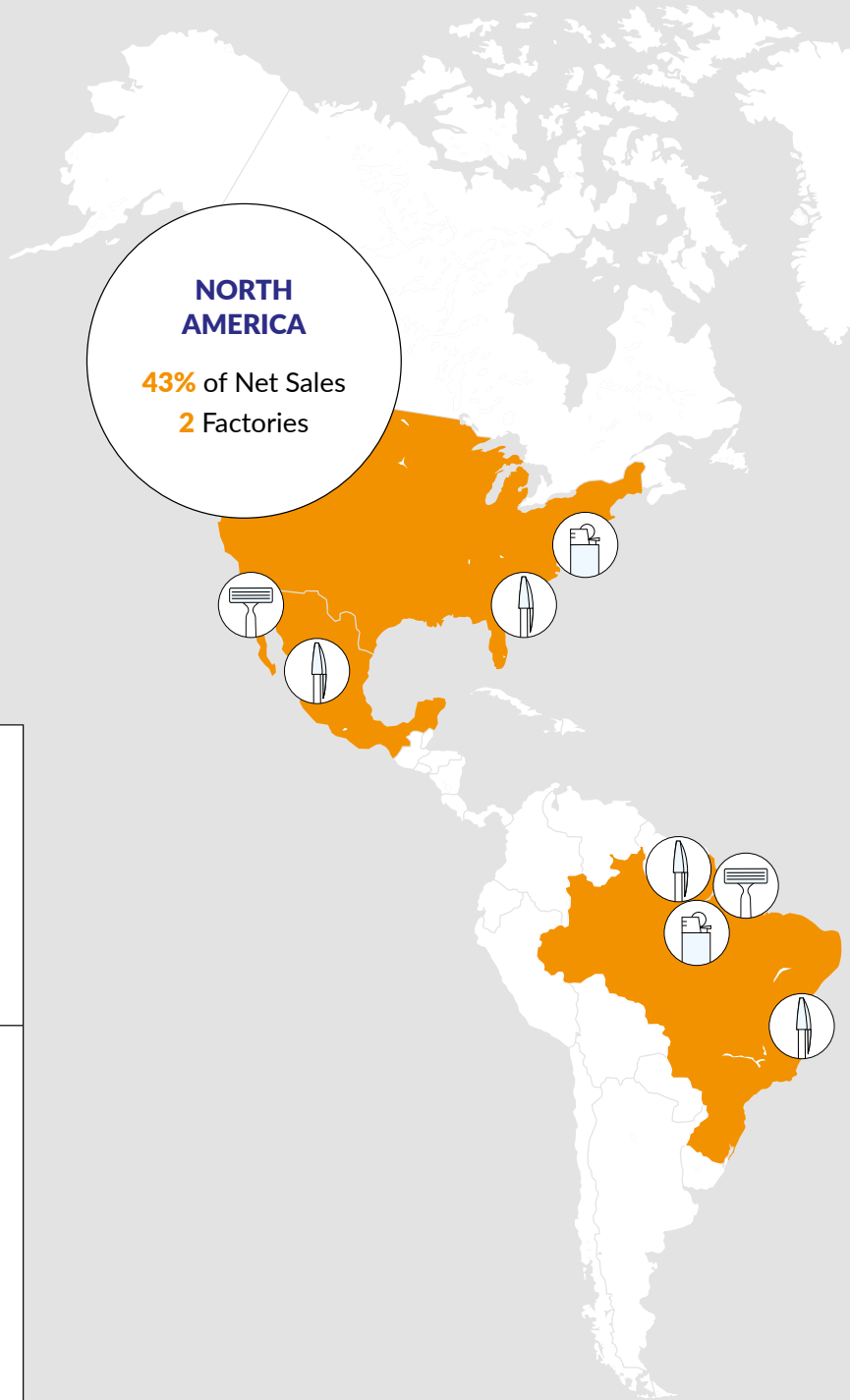


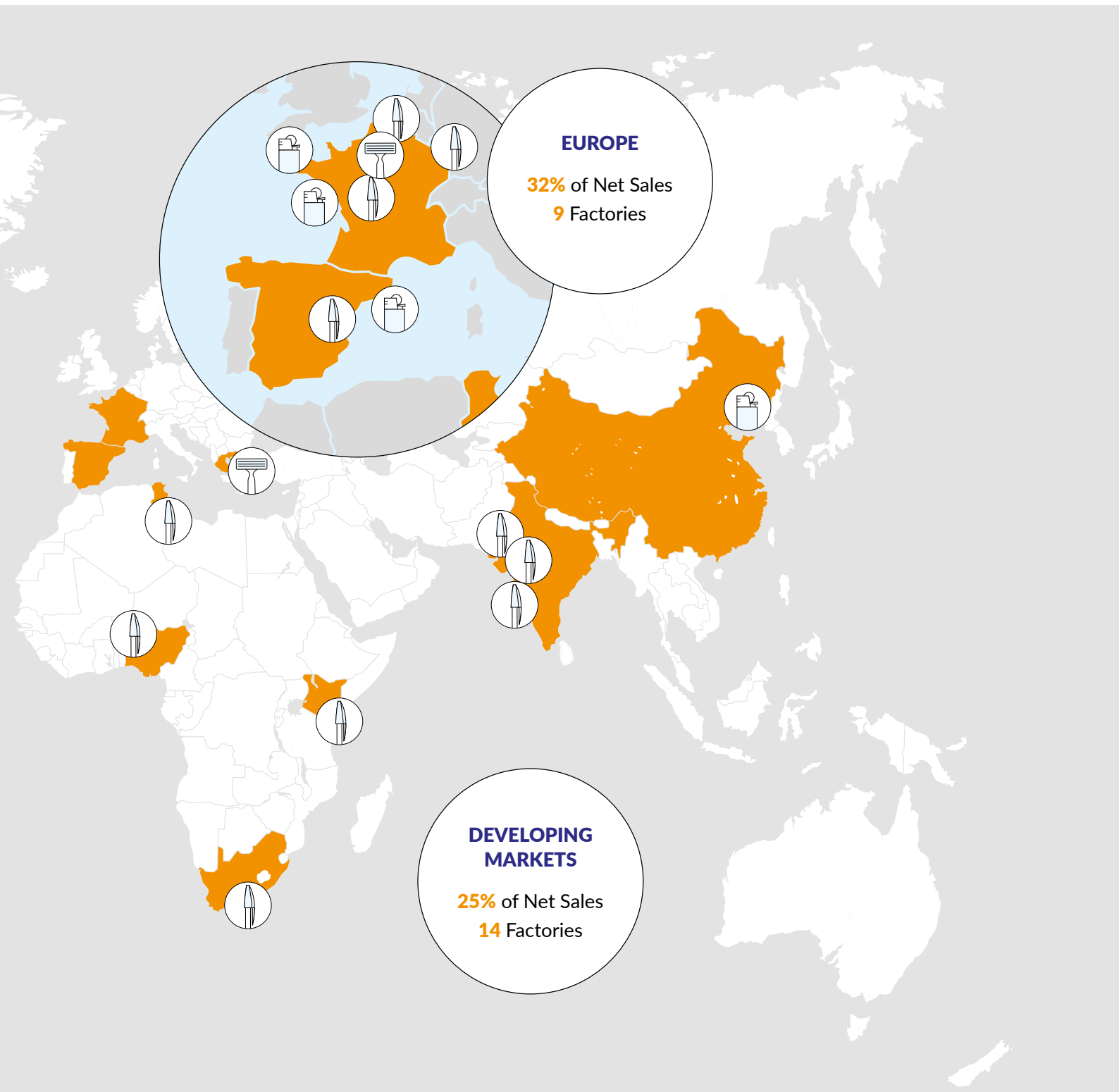
* Including BIC Graphic Europe (advertising and promotional products) / PIMACO was sold on February 26th, 2021

25
factories

92%
of BIC® products
manufactured
in BIC factories

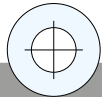
■ Manufacturing footprint





BIC 2022 - INVENT THE FUTURE

In February 2019, we initiated our transformation plan, "BIC 2022: Invent The Future." Based on four strategic pillars – effectiveness, innovation, consumer-centric brands, and omnichannel distribution-, the plan aims at improving efficiency to drive long-term profitable growth.



Effectiveness

OBJECTIVE

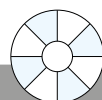
Increase efficiency throughout BIC's global manufacturing operations and build a more comprehensive, flexible, cost-effective, data-centric and responsible production model by exploring ways to optimize procurement processes and our Supply Chain model while maintaining product Safety, Quality, and Affordability

2022 TARGET

Achieve 50 million euros in annualized savings

2020 PERFORMANCE

- Over 25 million in savings, of which 13 million euros is from procurement efficiencies
- SKU portfolio decreased by around 25%, saving 10% cost



Innovation

OBJECTIVE

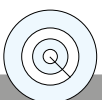
Enhance BIC's consumer insights capabilities and increase the pace of new innovative product launches to drive consumer-centric sustainable innovation

2022 TARGET

Increase the number of new patent submissions by 20% per year

2020 PERFORMANCE

- Patent filing rate flat at 68
- Patent portfolio up more than 50% year-on-year with 346 patents granted
- Launch of the Data-Driven Invention Lab, co-developed with IProva
- Partnership with Plug and Play, the largest global innovation platform for startups and corporations



Relevant and consumer-centric brands

OBJECTIVE

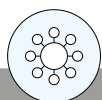
Connect and engage more effectively with all consumers to continue to leverage BIC's unique brands, tailoring and strengthening our digital communications infrastructure and embracing new shopping trends such as personalization

2022 TARGET

Engage directly with consumers by allocating above 2/3rd of total brand support in Digital Media in its top markets

2020 PERFORMANCE

- 83% media investment in digital



Omnichannel distribution

OBJECTIVE

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

2022 TARGET

Reach 10% of Net Sales in e-commerce

2020 PERFORMANCE

- +18% growth in e-commerce
- 7.3% of Net Sales in e-commerce



COVID 19 crisis

Despite the unprecedented challenges the Covid-19 pandemic created, BIC maintained business continuity while playing an active role in the fight against the spread of the pandemic.

BIC adapted its production facilities to manufacture personal protective equipment, such as face shields for healthcare workers. The Group also partnered with businesses and academic institutions to convert Decathlon's snorkeling mask into a full-face air filtration mask to be donated to hospitals. Other actions included donations of writing instruments and razors to support local communities, hospitals, children and the homeless, as well as financial and resource contributions to meet the needs of healthcare workers and NGOs across the globe.

The "BIC 2022 - Invent the Future" Transformation Plan allowed BIC to remain resilient and agile during this challenging time. The pandemic acted as a catalyst for change, enabling BIC to further accelerate its transformation.



HORIZON PLAN

In November 2020, we unveiled Horizon, a plan to reshape our business in the face of market realities and drive future growth and profitability. The objective: transform BIC from a manufacturing and distribution-led company into a consumer-centric company.

An extension of the ongoing “BIC 2022 – Invent the Future” transformation plan, the Horizon plan is focused on a set of initiatives that build on BIC’s strengths, with intensified focus on consumer needs and sustainability. Its objectives are to drive growth and ensure sustainable returns to shareholders.

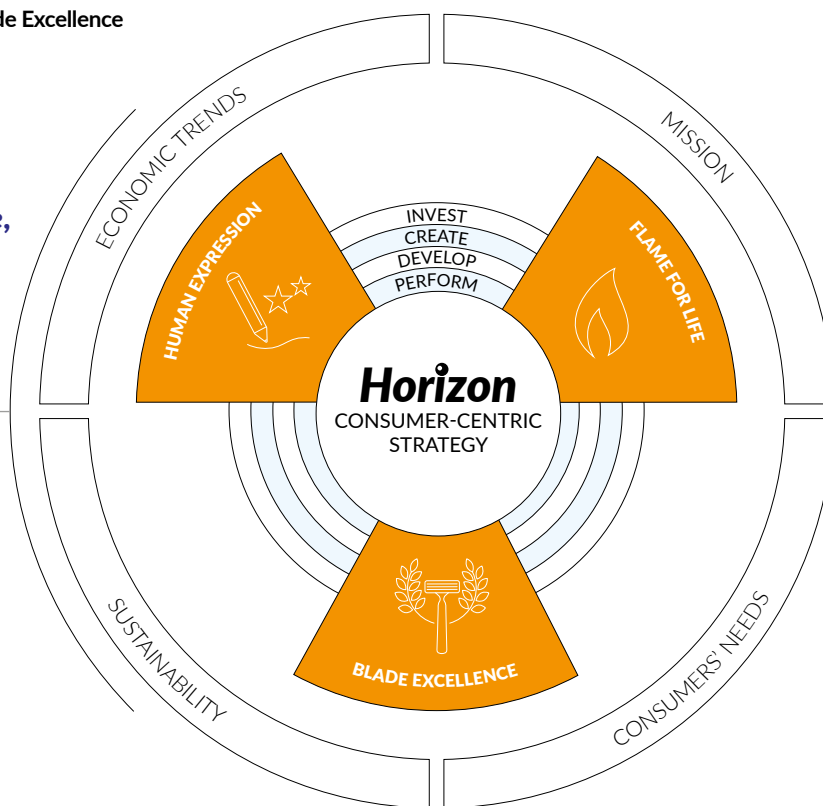
Through a heightened consumer lens, the Group is reframing its three core categories:

- from Stationery to **Human Expression**
- from Lighters to **Flame for Life**
- from Shavers to **Blade Excellence**

Powered by advanced commercial capabilities, a redesigned Global Supply Chain and consumer-driven innovation, BIC aims for an accelerated growth trajectory while taking its **Sustainable Development journey** to the next level and transforming its approach to plastics.

Thanks to the daily involvement of its team members, the Horizon plan will enable the Group to fulfill its mission: **create high quality, safe, affordable, essential products trusted by everyone.**

“We create high quality, safe, affordable, essential products trusted by everyone.”






<p>INNOVATION</p> <p>We create unique growth opportunities, better meeting consumer needs through new and surprising technologies, leveraging an open and efficient innovation ecosystem.</p>	<p>GLOBAL SUPPLY CHAIN</p> <p>We have redesigned our Global Supply Chain with an end-to-end organization focused on simplifying processes and reducing product complexity. These shifts will lead to cost reduction, and in turn, cash optimization.</p>	<p>COMMERCIAL EXCELLENCE</p> <p>We are raising the bar on commercial excellence, building capabilities to drive profitable growth. This includes implementing a market portfolio management, accelerating e-commerce, and our new Revenue Growth Management capability, which will improve Net Sales and profitability.</p>
<p>SUSTAINABILITY</p> <p>In line with our “Writing the future, Together” Sustainable Development program, we will significantly improve our products’ environmental footprint and reduce our carbon emission by rethinking our approach to plastics.</p>		
<p>PEOPLE</p> <p>From the beginning, BIC has owed its success to its employees and their passion for bringing simplicity and joy to people all over the world. We strive to offer them a safe, stimulating and fulfilling work environment and to unite our teams around our 6 values: integrity, sustainability, responsibility, ingenuity, teamwork and simplicity.</p>		








FROM PRODUCT-LENS TO CONSUMER-LENS

To adapt to current and future consumer expectations, we adopt a pragmatic approach, pivoting from a product-anchored mindset to a consumer focus. We have reframed our three businesses: from Stationery to “Human Expression,” From Lighters to “Flame for Life,” and From Shavers to “Blade Excellence.” This shift, enabling the expansion of our addressable markets into fast-growing adjacent segments, will help drive long-term growth and value creation.

	MAIN TRENDS	WHY CHANGE	2020 OUTCOMES
 <p>From Stationery to... Human Expression</p>	<ul style="list-style-type: none"> • High demand for coloring products • New e-learning model affecting demand for Writing Instruments • Shift to online shopping 	<p>Human Expression goes beyond Writing Instruments and into creative expression and Digital Writing. Opening up adjacent markets such as the fast-growing Arts & Crafts, Skin Creative and Digital Writing market spaces will quadruple the estimated value of BIC's total addressable market to 80 billion euros by 2025</p>	<p>In November 2020, BIC acquired Rocketbook, the leading smart and reusable notebook brand in the U.S. The acquisition provides an ideal steppingstone for BIC into the emerging digital writing segment</p>
 <p>From Lighters to... Flame for Life</p>	<ul style="list-style-type: none"> • Decrease of tobacco consumption • Need for personalization • Raising demand for utility lighter 	<p>By leveraging all flame occasions, evolving to a value-driven model, the Flame for Life strategy will sustain profitability and drive incremental growth in our Lighter business. With 50% of flame usage non-smoking-related, this market holds enormous growth potential for BIC</p>	<p>In June 2020, BIC acquired Djeep, one of the world's main leading manufacturers of semi-luxury lighters and a key supplier to the decorated Lighters market. The acquisition strengthens BIC's position in pocket Lighters, offering substantial growth opportunities in Europe and North America</p>
 <p>From Shavers to ... Blade Excellence</p>	<ul style="list-style-type: none"> • Changing grooming habits (less frequent facial shaving, more body shaving and trimming) • Increased online shopping 	<p>BIC capitalizes on its advanced R&D and world-class manufacturing capabilities to build a selective new business, enabling other brands to tap into its Blade Excellence. This strategy enables BIC to target the total wet-shave and Precision Blade-enabled markets while delivering consumer-driven innovation</p>	<p>The Sustainable Development hybrid shaver range illustrates BIC's capacity to create new ranges of sustainable products. This revolutionary hybrid "disposable shaver" for male and female consumers is easy to refill and made from recycled material, carefully chosen to meet production quality criteria</p>

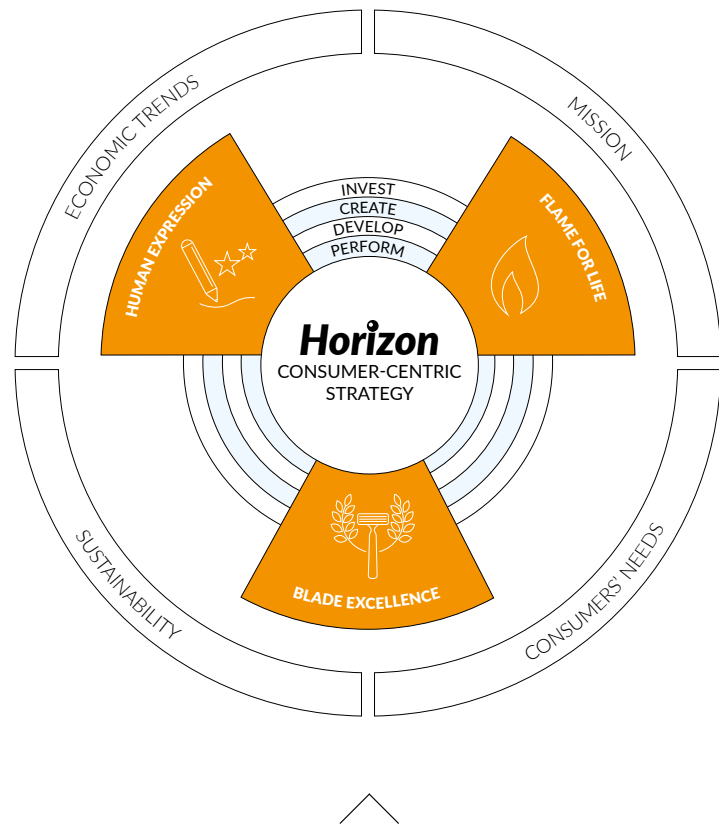
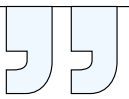


BUSINESS MODEL

	<ul style="list-style-type: none"> ● 11,246 team members ● 24,202 training days ● €466M payroll cost 	<p>Team members: key to our success</p> <p>To support growth and development, we continuously reinforce our teams' skills and capabilities by providing customized training programs and opportunities for career development.</p>
	<ul style="list-style-type: none"> ● 25 plants on 4 continents ● 92% Net Sales from products manufactured in BIC factories ● Long-term progress in all factories: reducing water & energy consumption and waste production 	<p>State-of-the-art and responsible production</p> <p>We rely on our state-of-the-art manufacturing process, while reducing the environmental impact of BIC factories and protecting team members' health.</p>
	<ul style="list-style-type: none"> ● €862,2M purchases of raw materials, consumables and services ● 300 strategic suppliers identified in 2020 ● more than 80% of products manufactured in Europe and sold there 	<p>Sustainable procurement strategy</p> <p>Through our responsible procurement strategy, we strive to minimize the environmental footprint of BIC® products.</p>
	<ul style="list-style-type: none"> ● €1.456,2M Shareholders' equity ● €357.6M of Net Cash from Operating Activities ● €183.9M of Net cash position 	<p>Solid financial foundation</p> <p>Through sound cash management and a strong balance sheet, we ensure access to the capital needed in order to finance BIC operations and growth.</p>
	<ul style="list-style-type: none"> ● 346 patents granted at the end of 2020 in total ● 1.5% Net Sales invested in R&D ● 100% new stationery products subject to eco-measurement 	<p>Innovation</p> <p>True to our culture of innovation, we maintain a relentless focus on developing new and innovative environmentally friendly products.</p>



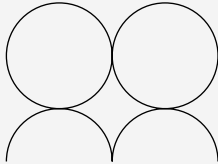
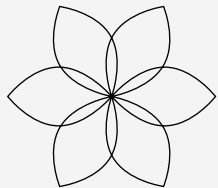
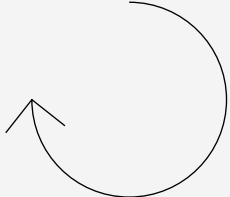
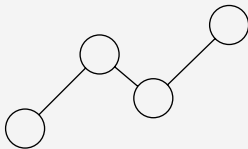
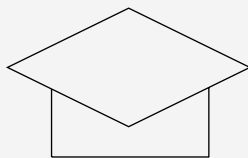
We create high quality, safe, affordable, essential products trusted by everyone



<p>CONSUMER-CENTRIC AND OPEN INNOVATION</p>	<p>A VALUE DRIVEN GLOBAL SUPPLY CHAIN</p>	<p>ENHANCED COMMERCIAL EXCELLENCE</p>
<p>CROSS-FUNCTIONAL SUSTAINABILITY</p>		
<p>ENGAGED TEAM MEMBERS</p>		



With the Horizon plan, we are evolving from a volume to a more value-driven business model by focusing on consumers and their needs, underpinned by an emphasis on sustainability.

<p>Committed and safe employees</p> <p>To foster the commitment and loyalty of our teams, we strive to ensure that their everyday work tasks are fulfilling and safe.</p>	<ul style="list-style-type: none"> ● 1.63 incident rate of workplace accidents ● 1.4% absenteeism rate ● -32% reportable accidents 	
<p>A reduced environmental footprint</p> <p>We have significantly reduced BIC's environmental footprint by working throughout our production chain: from the product's creation to the end of its life cycle, including a recycling strategy and controlled emissions from BIC factories and headquarters.</p>	<ul style="list-style-type: none"> ● +7% water consumption* ● +3% energy consumption* ● -13% waste production* ● -4% greenhouse gas emissions (scopes 1 and 2)* <p><small>*per ton of production between 2019 and 2020</small></p>	
<p>Long-lasting products</p> <p>We are accelerating innovation to tackle tomorrow's challenges: meeting the needs of consumers while reducing the environmental impact of BIC® products. With society's growing concerns over the environment, we are increasingly recognized for our high-quality and sustainable products.</p>	<ul style="list-style-type: none"> ● 2 km writing for a BIC® ballpen ● 3,000 flames for a BIC® lighter ● 17 days of shaving with a BIC® Flex 3 	
<p>Long-term profitable growth</p> <p>As a company, the creation of financial value is essential to BIC's sustainability. Over the years, we remained committed on creating value for all our stakeholders, with a particular focus on sharing our success with shareholders.</p>	<ul style="list-style-type: none"> ● €1,627.9M Net Sales ● €93.7M Net Income ● €83.1M Capital Expenditure ● €110.2M Ordinary Dividend paid 	
<p>Education as a priority</p> <p>Motivated by our conviction that education is crucial to fight for free will, independence, development, and poverty, we are taking our engagement further with ambitious objectives set in 2018, to improve learning conditions for 250 million children around the world by 2025.</p>	<ul style="list-style-type: none"> ● 142 philanthropic projects supported ● 118M children with improved learning conditions since 2018 ● €1.4 M invested in community activities 	



SUSTAINABLE DEVELOPMENT

Sustainable development has guided BIC's approach to doing business for more than 15 years. BIC's "Writing the Future, Together" ambition outlines our commitments to acting as a responsible company, limiting our impact on the environment and living up to our stakeholders' expectations.

1 FOSTERING SUSTAINABLE INNOVATION IN BIC® PRODUCTS

Description	Main 2020 Achievements	2025 Commitment	By 2025, the environmental and/or societal footprint of all BIC® products will be improved	UN SDG¹				
Simple, inventive designs, with less raw materials and long-lasting performance: sustainable development is embedded into BIC® products starting from the design phase	<ul style="list-style-type: none"> At the end of 2020, the EMA tool, containing the process and criteria for evaluating and improving products was finalized and integrated into operational models 19 products labeled NF Environnement 4.3% of BIC® products produced from recycled or alternative material At the end of 2020, more than 50 million pens have been collected via TerraCycle 							

2 ACTING AGAINST CLIMATE CHANGE

Description	Main 2020 Achievements	2025 Commitment	By 2025, BIC will use 80% renewable electricity	UN SDG¹					
We deploy a global approach to energy consumption (energy efficiency, use of renewable energy, etc.) based on a Group roadmap and local choices	<ul style="list-style-type: none"> 80% of renewable electricity used - Target achieved Installation of solar panels in Daman (India) Partnership signed with Schneider Electric to implement energy consumption management tool on all sites 								

3 COMMITTING TO A SAFE WORK ENVIRONMENT

Description	Main 2020 Achievements	2025 Commitment	By 2025, BIC aims for zero accidents across all operations	UN SDG¹		
The Group is committed to the safety, health and well-being of its team members.	<ul style="list-style-type: none"> 50 reportable accidents (-32% vs 2019) Implementation of health and safety roadmaps delayed due to COVID Implementation of a centralized health and safety management system Formalization of HSE "family" job descriptions Implementation of safety dashboard 					

¹ United Nations Sustainable Development Goals



4

PROACTIVELY INVOLVING SUPPLIERS

<p>Description</p> <p>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</p>	<p>Main 2020 Achievements</p> <ul style="list-style-type: none"> • 300 strategic suppliers identified at the end 2020 • 25.8% of strategic suppliers part of the Responsible Purchasing Program • 100% of buyers trained in the responsible purchasing process
<p>2025 Commitment By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing</p>	<p>UN SDG¹</p> 

5

IMPROVING LIVES THROUGH EDUCATION

<p>Description</p> <p>Because education has the power to change the world, it has always been at the heart of the Group's concerns</p>	<p>Main 2020 Achievements</p> <ul style="list-style-type: none"> • Learning conditions improved for more than 118 million children since 2018 • 53% of philanthropic contributions promote education
<p>2025 Commitment By 2025, BIC will improve learning conditions for 250 million children, globally</p>	<p>UN SDG¹</p> 

New commitments for plastics

In 2020, BIC reinforced its contribution to Sustainable Development as part of its Horizon plan. The company defined two ambitious objectives to reduce its climate and environmental footprint linked to the use of plastics:

- **By 2025, 100% of packaging will be reusable, recyclable, or compostable,**
- **By 2030, we will use 50% non-virgin petroleum plastic or alternatives in our products.**

Through these objectives, BIC responds simultaneously to three major current environmental challenges: climate change, the depletion of natural resources due to the consumption of fossil fuels, and environmental pollution, in particular, plastic pollution in the oceans and on land.

The purchase of goods represents 29% of BIC's carbon footprint, particularly materials purchased for the manufacture of products. Plastics represent 21% of the company's carbon footprint. BIC estimates that achieving these commitments could reduce its CO₂ emissions by around 10% by 2030.

¹ United Nations Sustainable Development Goals



TEAM MEMBERS

Unified through common culture and a shared vision, working in an environment that enables their growth and development, BIC team members are at the cornerstone of the Group's transformation.

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



BIC's commitment to gender diversity

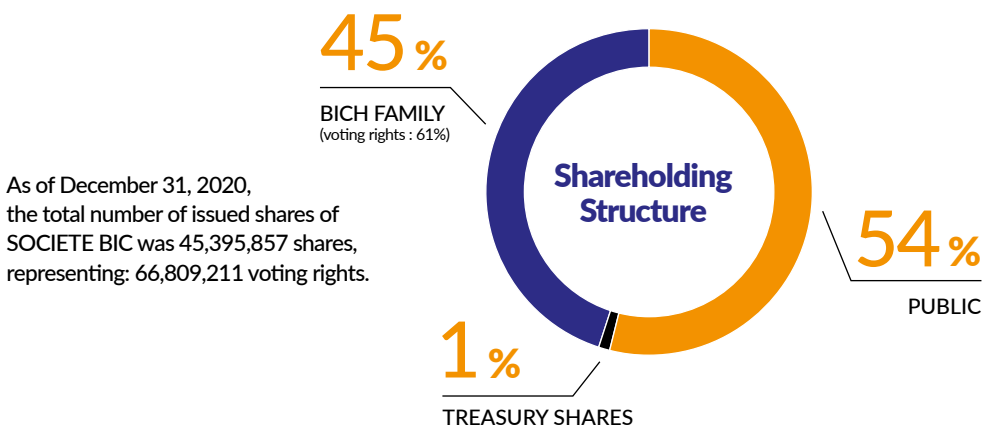
Positive results have emerged from BIC actions to improve women representation in the workforce:

- 36% women in top 10% of positions
- 26% women at Executive Management level
- 22% of Executive Committee members are women (2 of 9)

The Group's target is to reach 40% female in Executive positions by the end of 2027. Programs to build on this momentum include improving talent identification and management process, delivering gender balanced slates of candidates, introducing mandatory unconscious bias training and reviewing employment offer to attract and retain female talent.

GOVERNANCE

BIC's governance is organized to ensure the proper functioning of the Group and the respect of its values.



* In accordance with the AFEP-MEDEF Code, Directors who represent the employees are not taken into account when assessing the ratio of Independent Directors. Furthermore, in accordance with the law, the Directors who represent the employees are not included when assessing the percentage of women on the Board. Data as of 31 December 2020.



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.



• Independent

1 Pierre Vareille •
Chairman of Board of Directors
 Appointed Independent Director on May 14, 2009. Chairman of the Board since May 16, 2018
Expertise: Management, Finance, Manufacturing

2 Gonzalve Bich
Director and Chief Executive Officer
 Director and Chief Executive Officer since May 16, 2018
Expertise: Management, International, Consumer, Innovation, Human Resources

3 Elizabeth Bastoni •
Director
 Appointed Independent Director on May 15, 2013. Chair of the Remuneration Committee, and of the Nominations, Governance and CSR Committee
Expertise: Consumer, Human Resources, CSR

4 Vincent Bedhome
Director
 Representing the employees. Appointed Director on December 13, 2017. Member of the Remuneration Committee
Expertise: Manufacturing

5 Marie-Aimée Bich-Dufour
Director
 Appointed Director on May 22, 2019. Member of the Nominations, Governance and CSR Committee
Expertise: Legal, CSR

6 Timothée Bich
Director
 Co-opted Director on December 10, 2019, ratified by BIC's AGM on May 20, 2020
Expertise: Finance, International

7 Maëlys Castella •
Director
 Appointed Independent Director on May 22, 2019. Member of the Remuneration Committee and Chair of the Audit Committee
Expertise: Finance, CSR, Innovation

8 Marie-Pauline Chandon-Moët
Director
 Appointed Director on May 28, 2003
Expertise: Consumer, Management

9 John Glen
Director
 Co-opted Independent Director on December 10, 2008, ratified by BIC's AGM on May 14, 2009
Expertise: Management, Finance

10 Inna Kostuk
Director
 Appointed Director on December 08, 2020
 Representing the Employees
Expertise: Finance

11 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

12 Société MBD
Director
 Represented by Edouard Bich. Appointed Director on May 24, 2006. Member of the Audit Committee
Expertise: Investing, Finance

13 Jake Schwartz •
 Appointed as Independent Director on May 20, 2020, Member of the Audit Committee
Expertise: Digital, Finance, Management

¹ Acknowledging that he will lose his Independent Director status after his 12 years of tenure on the Board, Pierre Vareille informed the Board that he will not stand for re-election at the Annual Shareholders' Meeting on May 19, 2021. The recruitment of a new Independent Non-Executive Chair remains underway, though no longer expected to be completed before BIC's 2021 Annual Shareholders' General Meeting. Consequently, the Board of Directors will submit John Glen's re-election as Director at the upcoming Annual Shareholder's Meeting and intends to appoint him to serve as Interim Non-Executive Chairman. John Glen's mandate as Director will be effective for a period of one year. The Board also intends to appoint Elizabeth Bastoni as Interim Independent Lead-Director



EXECUTIVE COMMITTEE



1 Gonzalve Bich
Chief Executive Officer

2 Thomas Brette
Group Insights and Innovation Officer
Objective: reinvigorate our innovation processes, placing the consumer at the center of our business, collect data and generate insights to create innovative products and services aligned with our brand strategy and our Sustainable Development commitments

3 François Clément-Grandcourt
Group Lighter General Manager
Objective: continue to grow the Lighter category through its unique manufacturing processes and R&D, maintaining a strong focus on safety and quality

4 Peter Dalsberg
Group Supply Chain Officer
Objective: enhance efficiency throughout manufacturing operations, centralized procurement and “end to end” Supply Chain while maintaining product safety, quality, and affordability

5 Sara LaPorta
Chief Strategy & Business Development Officer
Objective: develop a comprehensive corporate strategy, identify and analyze potential business growth opportunities

6 Mallory Martino
Chief Human Resources Officer
Objective: 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

7 Charles Morgan
Chief Administrative Officer
Objective: lead the Group Information and Technology (IT) function

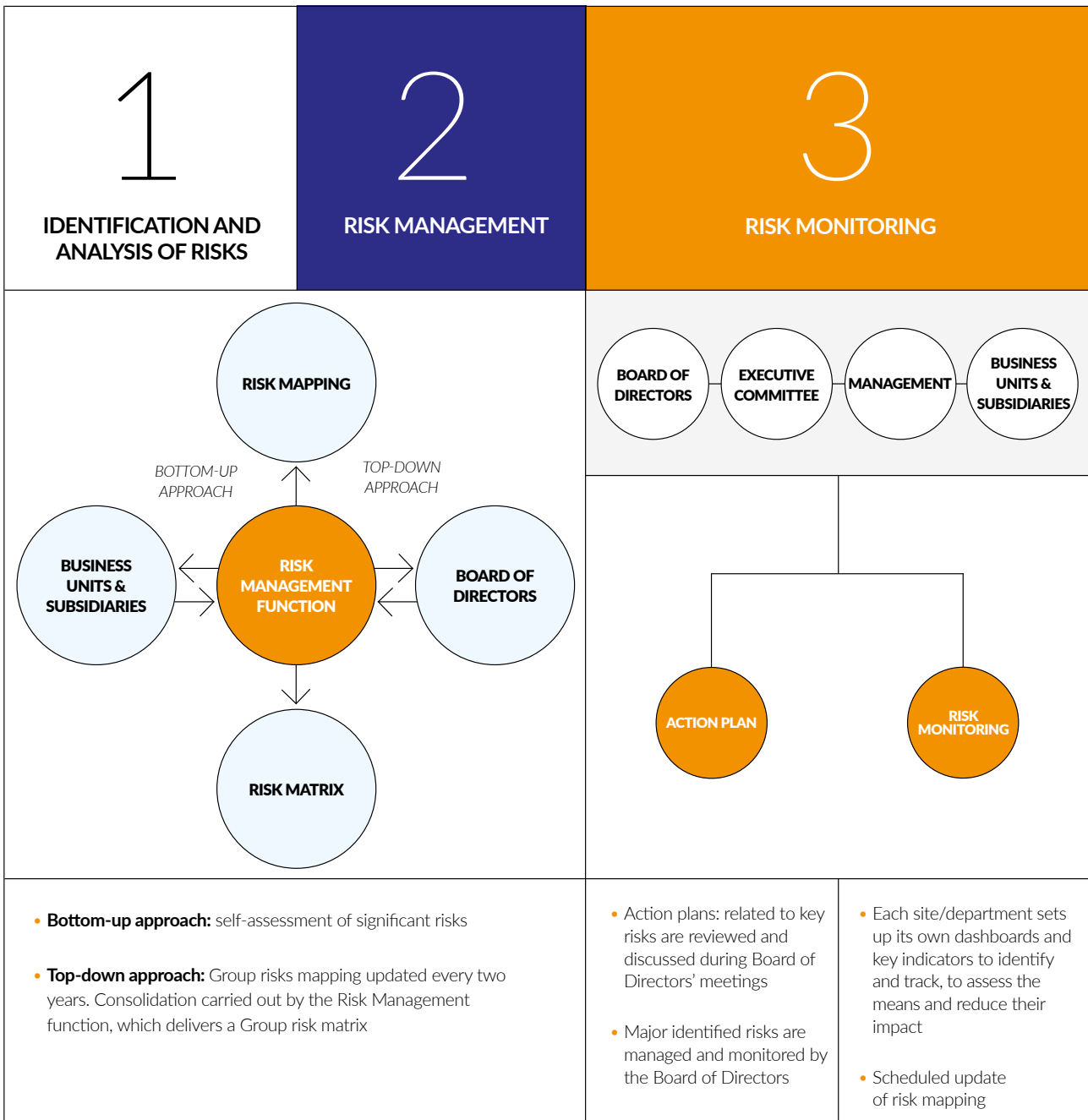
8 Chad Spooner
Chief Financial Officer
Objective: evolve a best-in-class Finance function by establishing reliable, transversal processes, and continue to ensure the accuracy of financial reporting and efficient planning to drive our global financial performance

9 Chester Twigg
Group Commercial Officer
Objective: lead commercial operations and drive an omnichannel online and off-line go-to-market while integrating next generation capabilities



RISK MANAGEMENT

BIC has established a clear and effective risk management methodology to address risks that could significantly impact the company. This process includes the identification, mapping and monitoring of external and internal risks to mitigate or insure against their impact.



CREATING SUSTAINABLE VALUE

KPIs	2018	2019	2020	Targets	ODD
FINANCIAL PERFORMANCE					
Net sales (in million euros)	1,949.8	1,949.4	1,627.9		
Normalized income from operations (in million euros)	352.4	331.8	229.1		
Normalized income from operations margin (in %)	18.1%	17.0%	14.1%		
Net income group share (in million euros)	173.4	176.1	93.7		
Net cash position (in million euros)	161.5	146.9	183.9		
Earnings per share group share (in euros)	3.80	3.91	2.08		
Normalized earnings per share group share (in euros)	5.87	5.47	3.54		
NON-FINANCIAL PERFORMANCE					
Energy consumption (gigajoules/tons)	12.14	12.59	12.96		
% of renewable energy used (WTFT ¹)	68 %	76 %	80 %	80% by 2025	7,8,9,12,13
Water consumption (m3/tons)	5.32	4.87	5.22		
Greenhouse gas emissions normalized to production (tCO ₂ /tons)	1.014	1.070	1.031		
Number of training days	19,511	16,629	24,202		
% of reusable recyclable or compostable packaging	ND ¹	ND ¹	49.3%	100% by 2025	
Use of non-virgin petroleum plastic in BIC's products	ND ¹	3 %	4.3 %	20% by 2025 & 50% by 2030	
% of products with improved environmental or societal footprint (WTFT)	15	45	68	100% by 2025	3,6,8,12
Number of accidents across all operations (WTFT)	84	74	50	0 by 2025	3 and 8
Number of children whose learning conditions were improved (WTFT) (accumulated data)	15	61	118	250M by 2025	1, 4, 5, 6, 8 and 13

¹ KPIs measured for the first time in 2020, to monitor the engagement taken by BIC



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.

DISTRIBUTION TO STAKEHOLDERS ¹				
GOVERNMENTS €65.2M Including 50.0 million euros paid around the world as corporate income tax and 15.2 million euros in other taxes	COMMUNITIES €1.4M Donations of funds and products	SHAREHOLDERS €110.2M dividends and €7.4M share buyback Dividend paid and share repurchased	BANKS €+1.4M Net interest received	SUPPLIERS €862.2M Purchased of raw materials, consumables and bought-in services



Share the benefits of growth



Invest to ensure a sustainable growth



INVESTMENTS	
CAPITAL EXPENDITURE €83.1M	EMPLOYEES² €465.5M

¹ Distribution to stakeholders does not take into account the change in working capital requirements

² Payroll, bonuses & profit-sharing payments



GROUP PRESENTATION, PERSPECTIVES, AND STRATEGY

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1.1. HISTORY

1944

Marcel Bich acquires a factory in Clichy, France, and starts a Writing Instrument 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 in Italy.

1956

Early ventures in Brazil.

1957

Development in the United Kingdom

1958

Acquisition of the Waterman Pen company in the U.S. Expansion in Africa and the Middle-East.

1969

Launch of Promotional Products via the writing instrument segment.

1972

On November 15, SOCIÉTÉ BIC is listed on the Paris Stock Exchange.

1973

BIC diversifies its product portfolio and launches the BIC® Lighter with an adjustable flame.

1975

BIC pioneers the "one-piece shaver."

1981

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

1992

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

1994

Bruno Bich is appointed Chairman of the Board and Chief Executive Officer.

1997

Purchase of Tipp-Ex®, the leading European correction products brand, and Sheaffer®, a high-end brand of 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 Styphen®.

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 imprinted promotional 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: the acquisition of 40% of six Cello group entities (out of seven) is completed.

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

2010

January: Cello's management team proposes to terminate the definitive agreements signed on January 21, 2009. On August 4, 2010, BIC initiates arbitration proceedings to enforce these agreements, i.e., completion of the acquisition of 40% of one remaining entity.

June: divestiture of Norwood Promotional Products business.

2011

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

November: acquisition of the assets 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 instrument facility;
- The Court, established under the Rules of the Singapore International Arbitration Center, validates the acquisition of 40% of the shares in the seventh and last Cello Pens & Stationery (CPS) entity as per the definitive agreements signed on January 21, 2009.

September: launch of BIC® Education, an educational solution for elementary schools, combining handwriting and digital technology.

2013

September: closing of the acquisition of 40% of the seventh (and last) Cello group Stationery entity. On September 27, 2013, completion of the purchase of shares pursuant to the call option exercised on September 17, increasing BIC's stake in Cello Pens' seven entities from 40% to 55%.

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

2014

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

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

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

2015

April: BIC's Portable Fuel Cell Technology business is sold to Intelligent Energy for 14 million euros.

October: announcement of a five-year investment plan to modernize its Stationery industrial facilities in the North of France (Pas-de-Calais).

December: Cello Group sells its remaining stake in Cello Pens to BIC, increasing BIC's stake in Cello Pens to 100%.

2016

February:

- acknowledging Chief Executive Officer Mario Guevara's decision to retire in May 2016, the Board of Directors decides to combine the Chairman and Chief Executive Officer functions and to appoint Bruno Bich as Chairman and Chief Executive Officer;
- the Stationery facility in Shanghai (China) is closed down, and its production transferred to other BIC Stationery facilities.

2017

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

October: BIC's Indian subsidiary BIC Cello, acquires land and buildings for the construction of a new Writing Instrument facility in Vapi (Gujarat state).

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

2018

May: The Board of Directors decides to separate the functions of Chairman and Chief Executive Officer, with the nomination of Pierre Vareille as Chairman of the Board and the appointment of Gonzalve Bich as Chief Executive Officer.

October: BIC files an infringement complaint with the European Commission for lack of surveillance of non-compliant Lighters in France and Germany. The complaint concerns non-compliant Lighters that are either imported or sold on these domestic markets, impacting the entire European Union due to the free movement of goods.

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

December: BIC completes the divestiture of BIC Sport, its water sports subsidiary, to Take Outdoors, and discontinues its Writing Instrument manufacturing activities located at the Vannes' industrial site and transfers its current production activities to the BIC Écriture 2000-Marne la Vallée (France) and BIC Bizerte (Tunisia) sites.



2019

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

March: BIC inaugurates its East Africa Facility in Kasarani, Nairobi. This new venture comes as BIC transferred its manufacturing activities in Kenya and Distribution in the East African region from Haco Industries Kenya Ltd. at the end of 2018.

July: SOCIÉTÉ BIC files a complaint with the European Ombudsman claiming maladministration by the European Commission of the infringement procedure initiated in 2010 against the Netherlands due to their lack of actions to impose lighter safety standards compliance. SOCIÉTÉ BIC notably pointed out the unreasonable delay in processing the file by the European Commission.

October: BIC completes the acquisition of Lucky Stationery in Nigeria (LSNL). This acquisition is consistent with BIC's continued growth strategy in Africa.

2020

July: Acquisition of Djeep, one of the main manufacturers of quality Lighters. This acquisition aims at strengthening BIC's position in the pocket lighters market, in line with BIC's strategy to move towards further premiumization and personalization. It also offers substantial growth opportunities in Europe and North America.

December: acquisition of Rocketbook, the leading smart and reusable notebook brand in the U.S. This acquisition will enhance BIC's positions in the Stationery category by entering into Digital Writing, a new growth segment.

December: Purchase and Sale Agreement signed to sell its Brazilian adhesive label business, PIMACO, to Grupo CCRR. This divestiture is consistent with BIC's portfolio rotation strategy and its focus on the fast-growing consumer.

1.2. KEY FIGURES

1.2.1 KEY FINANCIAL FIGURES

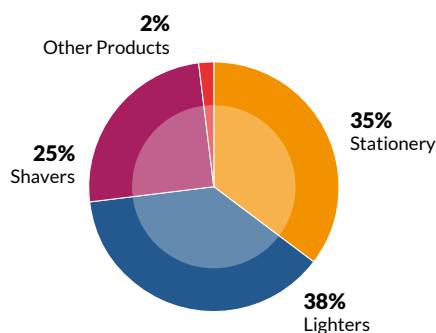
NET SALES

(in million euros)



NET SALES

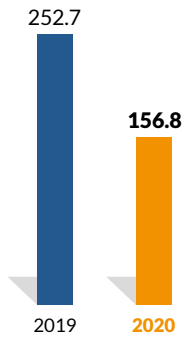
(by categories)





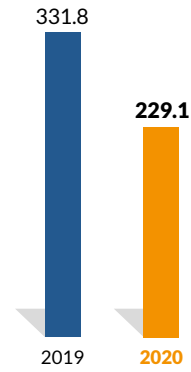
INCOME FROM OPERATIONS (IFO)

(in million euros)



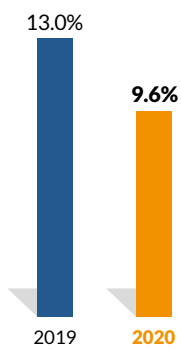
NORMALIZED INCOME FROM OPERATIONS (NIFO)

(in million euros)



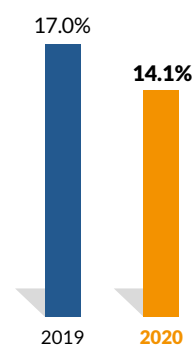
IFO MARGIN

(% of net sales)



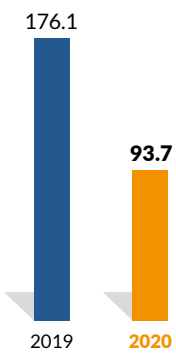
NIFO MARGIN

(% of net sales)



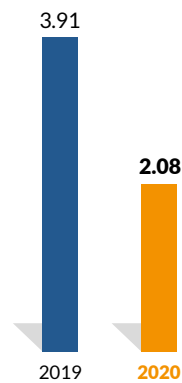
NET INCOME GROUP SHARE

(in million euros)



EARNINGS PER SHARE GROUP SHARE

(in euros)



SALES VOLUME TRENDS

<i>(in million units)</i>	2019	2020
Stationery	6,942	4,888
Lighters	1,536	1,394
Shavers	2,589	2,256

PRODUCTION VOLUME TRENDS

<i>(in million units)</i>	2019	2020
Stationery	5,698	4,139
Lighters	1,486	1,340
Shavers	2,611	2,181

NET SALES BY GEOGRAPHICAL AREA

<i>(in million euros)</i>	FY 2019	FY 2020	Change as reported	Change on a comparative basis
Group				
Net Sales	1,949.4	1,627.9	-16.5%	-12.6%
Europe				
Net Sales	558.9	517.3	-7.5%	-6.9%
North America				
Net Sales	764.4	703.1	-8.0%	-6.1%
Latin America				
Net Sales	365.6	230.1	-37.1%	-24.4%
Middle East & Africa				
Net Sales	118.4	87.2	-26.3%	-24.0%
Oceania & Asia including India				
Net Sales	142.1	90.2	-36.5%	-32.3%

MAIN INCOME STATEMENT INFORMATION

<i>Condensed profit and loss account (in million euros)</i>	FY 2019	FY 2020	Change as reported	Change on a comparative basis
Net Sales	1,949.4	1,627.9	-16.5%	-12.6%
Cost of goods	972.1	845.5		
Gross Profit	977.3	782.4		
Administrative & other operating expenses	724.6	625.6		
Income from operations	252.7	156.8		
Finance revenue/costs	(1.3)	(1.4)		
Income before tax	251.4	155.3		
Income tax expense	(75.3)	(61.6)		
Net Income Group Share	176.1	93.7		
Earnings per share Group share (in euros)	3.91	2.08		
Average number of shares outstanding (net of treasury shares)	45,056,076	44,975,070		



KEY BALANCE SHEET AGGREGATES

<i>(in million euros)</i>	December 31, 2019	December 31, 2020
Shareholders' equity	1,608.1	1,456.2
Current borrowings and bank overdrafts	65.5	90.0
Non-current borrowings	32.3	28.0
Cash and cash equivalents – Assets	198.6	265.7
Other current financial assets and derivative instruments	6.7	26.1
Net cash position^(a)	146.9	183.9
Goodwill and intangible assets	257.7	309.8
TOTAL BALANCE SHEET	2,392.2	2,169.4

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

<i>(in million euros)</i>	2019	2020
Cash flow from operations	334.5	233.9
(Increase)/Decrease in net working capital	(21.1)	129.7
Other operating cash flows	3.8	(6.0)
Net cash from operating activities ^(a)	317.2	357.6
Net cash from investing activities	(110.8)	(149.3)
Net cash from financing activities	(209.8)	(61.1)
Net increase/(decrease) in cash and cash equivalents net of bank overdrafts	(3.4)	147.2
Closing cash and cash equivalents net of bank overdrafts	146.8	264.7

(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



NET SALES IN COUNTRIES WITH NO HUMAN RIGHTS RISKS

(Source: Freedom House)



	Unit	2019	2020
Factories with environmental and health & safety management systems (or with implementation underway)	%	83	87.5
Annual energy consumption	Gigajoules	1,149,930	981,437
Share of electricity of renewable origin	%	76	80
Total amount of annual greenhouse gas emissions (GHG) (<i>location based</i>)	tCO ₂ eq	97,711	78,046
Annual water consumption	m ³	444,840	394,821
Annual waste production	Tons	20,049	17,453
GHG emissions related to intra-Company transport ^(a)	tCO ₂ eq/ton	0.291	0.246
Number of products certified with the French <i>NF Environnement</i> ecolabel		19	19
Total workforce (full-time equivalent)		16,794	13,752
• Permanent employees		12,777	11,246
• Temporary workers		4,017	2,506
Voluntary turnover	%	13	14
Percentage of permanent workforce by region			
• Europe	%	31.0	35.8
• North America	%	6.0	6.6
• Latin America	%	NA	19.2
• Middle East & Africa	%	NA	6.1
• India	%	NA	31.3
• Asia Pacific	%	NA	0.99
Number of training days per employee	days	2.2	3.1
Percentage of women in management and workforce	%	48	46
• Board of Directors	%	50	45
• Executive Committee	%	25	22
• Level 4 and above (Executives & Excom)	%	24	26
Incidence rate of workers' accidents – BIC workforce and temporary workers (accidents with temporary or permanent incapacity)	Number/million hours worked	1.87	1.63
Severity rate of workers' accidents – BIC workforce (days of temporary incapacity)	Number/thousand hours worked	0.06	0.07
Net sales from BIC® products manufactured in its own factories	%	92	92
Net sales in countries with no Human Rights risk ^(b)	%	83	80
Contribution to communities (percentage of the Group's pretax profit)	%	>0.7	>0.9

(a) Not taking into account transport by road in sea and air travels.

(b) Source: Freedom House.



1.3. STRATEGY

BIC is a world leader in Consumer Goods products. For over 75 years, the Group has honored the tradition of providing high-quality, affordable products to consumers everywhere. Through this relentless dedication, BIC has become one of the most recognized consumer brands worldwide.

In February 2019, in response to rapidly changing consumer trends, the Group launched "BIC 2022 - Invent the Future". This plan is designed to address current challenges and lay the foundations for long-term profitable growth through new organizational priorities. The Group intends to use this plan to become more agile, more effective, innovation-driven, consumer-centric and improve omnichannel distribution.

This plan is built around four strategic pillars:

- **Effectiveness:** Increase efficiency throughout our global manufacturing operations while maintaining product safety, quality, and affordability;
- **Innovation:** Enhance consumer insight capabilities and increase the pace of innovative new product launches;
- **Consumer-Centric and Relevant 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*;
- **Omnichannel Distribution:** Sharpen our commercial operations to become a genuine omnichannel specialist, online and offline.
In November 2020, BIC unveiled its new "Horizon" plan, an extension of the ongoing "BIC 2022 - Invent the Future" plan, with an increased focus on consumer needs and sustainability. This comprehensive plan not only looks to BIC's core businesses but to move beyond them into adjacent segments to ensure long-term sustainable growth and profitability. BIC reframed its three core categories through a heightened consumer lens to tap into a stronger growth trajectory.
- **In Stationery,** BIC is evolving its focus to "**Human Expression**", responding to shifting consumer habits and expanding into the faster-growing Creative Expression and Digital Writing markets.
- **In Lighters,** BIC is expanding to "**Flame for Life,**" focusing on all consumer lighting occasions in and out of the home and on a more value-driven model. This is intended to drive incremental growth and maintain profitability, powered by trade-up and personalization, innovation and a push toward sustainability.
- **In Shavers,** BIC is capitalizing on its assets, advanced innovation and manufacturing capabilities to leverage its "**Blade Excellence.**" The objective is to maximize these assets by building a selective new business as a high precision blade manufacturer.



1.4. 2021 AND LONG-TERM PERSPECTIVES

2021 OUTLOOK

We expect the overall trading environment to remain uncertain and volatile, particularly during the first half, as Covid-19 will continue to affect trade channel dynamics and consumer shopping habits in our major markets.

In 2021, our objective is to deliver +5% to +7% total Net Sales growth at constant currencies. To succeed, we will focus on increasing market share in key growing countries through new product launches and efficient promotional activities. We will also continue to expand in e-commerce.

Consistent with our Horizon plan's target, FY 2021 Free Cash Flow is expected to be above 200 million euros, resulting from improved operating margins and strict control of CAPEX and Working Capital.

MARKET TRENDS IN 2021

Our 2021 outlook is based on the following market assumptions ⁽¹⁾:

- **Europe:** flat to slight increase for the three categories, in value,
- **North America:**
 - low to mid-single digit increase in U.S. Stationery market, in value,
 - flat total US pocket Lighters market, in value,
 - low to mid-single digit decrease in total US one-piece Shavers market, in value,
- **Latin America:** low-to mid-single digit increase for the three categories, in value,
- **India:** double-digit increase in Stationery, in value;
- **NIFO and Free Cash Flow drivers:**
 - a flat Gross Profit Margin with increased volumes and positive price impact offset by higher Raw Materials costs, adverse FX from Latin American and Indian currencies and negative mix due to Net Sales Growth in India,
 - increase in Brand Support, R&D and Innovation to support Net Sales growth,

- lower OPEX as % of Net Sales,
- approximately 100 million euros in CAPEX,
- improved Working Capital.

Currency:

- 2021 USD-Euro hedging rate: 1.13.

STRATEGIC AND OPERATIONAL TARGETS

To drive efficiency and robust cash flow generation, BIC's "Invent the Future" plan is on track to achieve its operational targets by 2022:

- **effectiveness:** achieve 50 million euros in annual savings by 2022;
- **innovation:** increase the number of new patent submissions by 20% per year;
- **consumer-centric brands:** engage directly with consumers by allocating over 2/3rds of total Brand Support to Digital Media by 2022 across our top markets;
- **omnichannel distribution:** E-commerce will account for at least 10% of Net Sales by end of 2022.

The Horizon strategy aims to:

- **deliver mid-single-digit annual Net Sales growth trajectory,** this will be boosted by advanced commercial capabilities and Revenue Growth Management, and achieved by significantly expanding total addressable markets in fast-growing adjacent segments, leveraging innovation capabilities and manufacturing excellence, and capitalizing on our brands in our core markets;
- **maintain strong cash flow conversion and achieve at least 200 million euros of annual Free Cash Flow through 2022,** driven by disciplined management of operational investments, with a target of 1 to 1.2 times CAPEX to Depreciation & Amortization and strict control of Working Capital (Inventories, Receivables and Payables);
- **take our Sustainable Development journey to the next level** and transform our approach to plastics with 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.

(1) Euromonitor and BIC estimates.



LONG-TERM AMBITION

- Create high quality, safe, affordable, essential products trusted by everyone.
- Enhance profitable growth and deliver long-term sustainable value for all stakeholders: consumers, employees, local communities, customers and Shareholders.
- Invest in operations, people, innovation, new products and brands to sustain organic growth.
- Target selected acquisitions to strengthen existing activities and develop adjacent categories.
- Ensure sustainable shareholder return.

RISKS AND OPPORTUNITIES

We foresee the following major challenges in 2021:

- ongoing market decline;
- ongoing economic uncertainty due to the Covid pandemic;
- global geopolitical environment;
- foreign currency volatility;
- change in raw material costs versus prior years.

While many of these issues are beyond our control, we will make every effort to minimize the related risks across our operations.

We believe therefore, that our strongest growth potential remains the strength of our brands combined with the diverse talents of our multinational team members in over 160 countries. Our teams deliver products and programs, including advertising and promotional support, that speak directly to today's consumers and are tailored to their needs in all locations.

PERFORMANCE GOALS

Sales growth, market share gains, income from operating margins, cash flow generation and a strong balance sheet are the key indicators of the Group's performance.

RECENT EVENTS

On February 11, 2021, the Group announced the completion of the sale of its Clichy headquarters.



1.5. BUSINESS PRESENTATION

1.5.1 BUSINESS PRESENTATION BY CATEGORY

In November 2020, BIC unveiled “Horizon,” a comprehensive strategic plan aimed at driving sustainable growth by reframing our three categories to expand our total addressable markets in fast-growing segments:

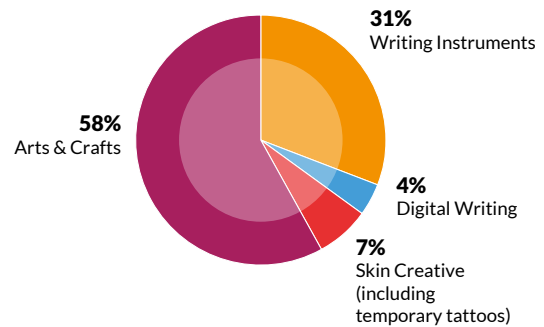
- in Stationery, we are evolving our focus to “Human Expression” and moving beyond writing instruments into Creative Expression and Digital Writing;
- in Lighters, we are expanding to “Flame for Life,” focusing on all lighting occasions, and on a more value-driven model, powered by trade-up and personalization and innovation;
- in Shavers, while reinforcing our one-piece business with consumer-driven and sustainable products, we are capitalizing on our advanced R&D and manufacturing “Blade Excellence” to build a selective new business as a high precision manufacturer to expand to the total wet shave market.

1.5.1.1 From Stationery to Human Expression

Evolving our focus to “Human Expression” and moving beyond writing instruments into Creative Expression and Digital Writing

Human Expression encompasses Writing Instruments, Art and Crafts, Skin Creative, and Digital Writing. It is a mid to high single-digit growth segment, with a total addressable market of up to 80 billion euros by 2025 ⁽¹⁾.

BREAKDOWN OF THE HUMAN EXPRESSION MARKET SIZE PER SEGMENT (2019)



Sources: Euromonitor Writing Instrument 2019 in retail value excl. pen & pencil refills./Gfk/NPD and Euromonitor 2019 arts and crafts data/Euromonitor, Grand View Research, Expert Interviews, imarc./Maia Research Analysis: Global Temporary Tattoo Market Growth.

(1) Source: Euromonitor 2019, Creative Industries, IBIS World, BIC estimates.



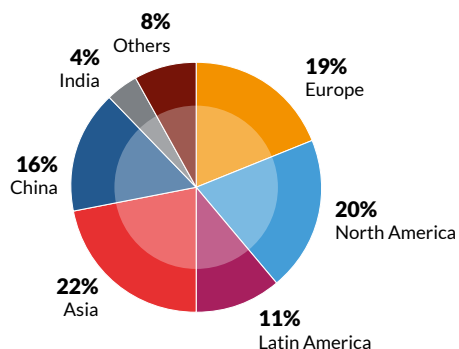
Our markets

Writing instruments

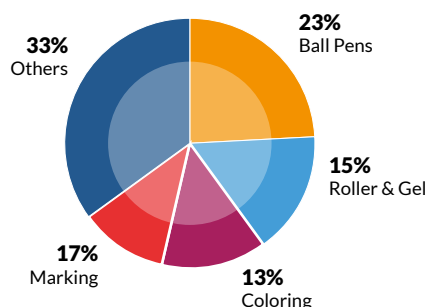
The global Writing Instrument market was about 18.4 billion ⁽¹⁾ euros in 2019. The market is fragmented, with a large number of local players. Only three players (BIC, Newell Brands, and Pilot) each account for over 5% of the global Stationery market.

BREAKDOWN OF THE GLOBAL WRITING INSTRUMENTS MARKET (IN VALUE - 2019)

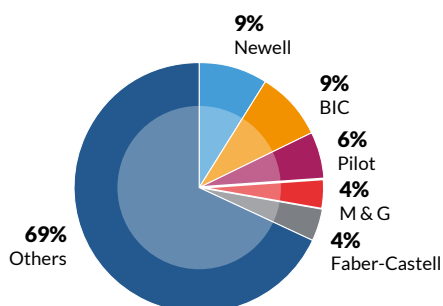
BY REGIONS ⁽¹⁾



BY PRODUCT SEGMENT



MARKET LEADERS



Arts and Craft market

Arts and Crafts is a large and mid-single digit growth market (estimated at 35 billion euros in 2019) ⁽²⁾, with kids' crafts accounting for approximately 32% of the total. It includes a variety of sub-segments including: Coloring, Finger-painting, and Watercolors, each providing opportunities to strengthen BIC's position in this market.

Skin Creative market

The Skin Creative market was about 4 billion euros in 2019, with temporary tattoos representing 115 million euros ⁽³⁾. The temporary Tattoo market is split evenly between children, teens, and adults, offering substantial growth opportunities in this segment.

Digital Writing market

The total Digital Writing market was estimated at around 2.2 billion euros in 2019, with high single-digit annual growth expected over the coming years, as technology improves and becomes more affordable. It encompasses four main sub-segments: reusable notebooks, smart pens, slate tablets, and stylus for tablets. The total market is expected to reach 4 billion euros size in 2025.

(1) Source: Euromonitor Writing Instrument 2019 in retail value excl. pen & pencil refills.

(2) Statista: Arts & Crafts Market.

(3) Global Temporary Tattoo Market Growth (Status and Outlook) 2020-2025.





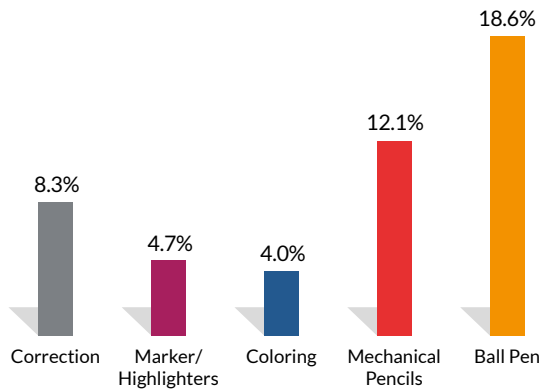
BIC's competitive positions

Market shares in value

BIC is the No.2 worldwide manufacturer, with an 8.7%⁽¹⁾ global market share.

BIC® global market positions and market shares in value

(Euromonitor Writing Instrument 2019 in value excluding pen & pencil refills)



BIC Market share by region

Western Europe	No. 1 with 18.9% ^(a)
Brazil	No. 1 with 54.3% ^(b)
US	No. 2 with 14.0% ^(c)
India	No. 1 with 25.1% ^(d)
South Africa	No. 1 with 40.5% ^(e)

(a) Source: GfK Europe 7 countries – December 2020.

(b) Source: Nielsen December 2020.

(c) Source: NPD December 2020.

(d) Source: Market Pulse Dec. 2020 in Total Stationery (Pens/Pencils/Marking).

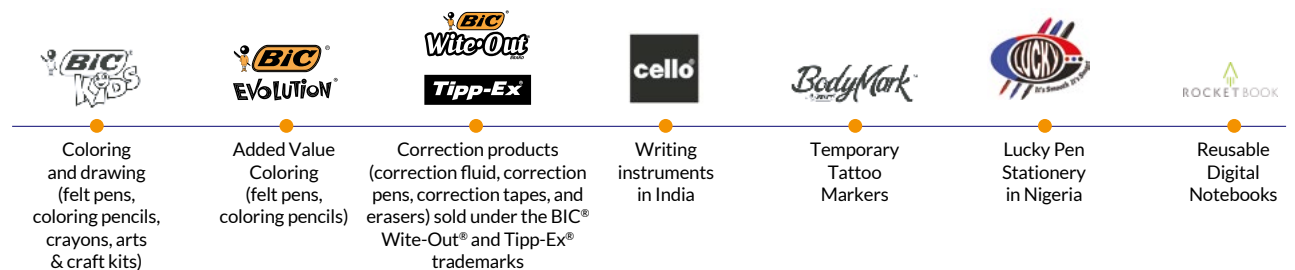
(e) Source: IRI November 2020.

BIC's Product Portfolio and Distribution Channels

Since the launch of the BIC® Cristal® pen in 1950, BIC has continually diversified its Stationery product range. Our global writing instrument portfolio, which encompasses writing, marking, correction, coloring, and drawing instruments, is divided into over 15 product sub-segments (ball pens, rollers, fountain pens, mechanical pencils, markers, correction products, etc.).

BIC's new focus on "Human Expression" will add more innovative products to its portfolio. Current examples of BIC's move towards adjacent innovative segments include the extensive skin creative product pipeline for Bodymark, BIC's temporary tattoo marker, and the acquisition of Rocketbook, the leading smart and reusable notebook brand in the US, the first demonstrative step into the Digital Writing market.

BIC'S STATIONERY BRAND PORTFOLIO



BIC Stationery products are intended to be available to consumers every day and everywhere. They are sold through a range of channels, including, omnichannel retail mass-market distributors, eCommerce (pure players, market places, B2B and B2C omnichannel retailers), and traditional stores, and Office Product stationers (contract stationers or office superstores).

(1) Source: Euromonitor Writing Instrument -2019 edition – for writing instruments.



1.5.1.2 From Lighters to “Flame for Life”

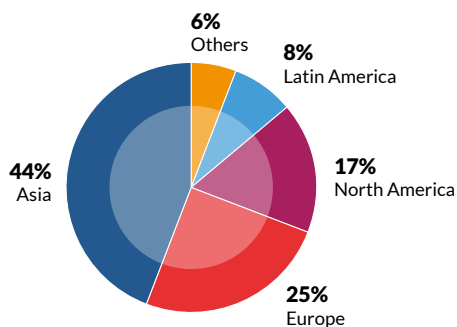
Expanding to “Flame for Life,” focusing on all lighting occasions, and on a more value-driven model, powered by trade-ups, personalization and innovation.

Our markets

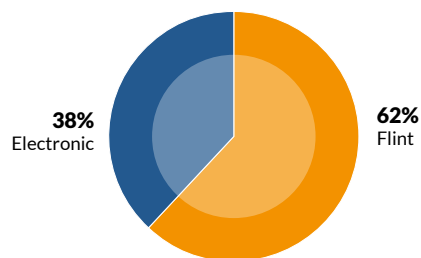
The worldwide pocket lighter market is estimated at 13.2 billion units (4.7 billion in value ⁽¹⁾).

BREAKDOWN OF THE GLOBAL POCKET LIGHTER MARKET IN 2019 (BIC ESTIMATES - IN VALUE)

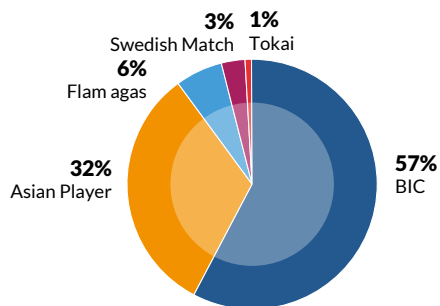
BY REGIONS



BY PRODUCT SEGMENT

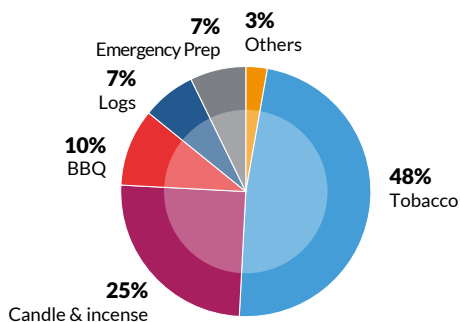


MARKET LEADERS

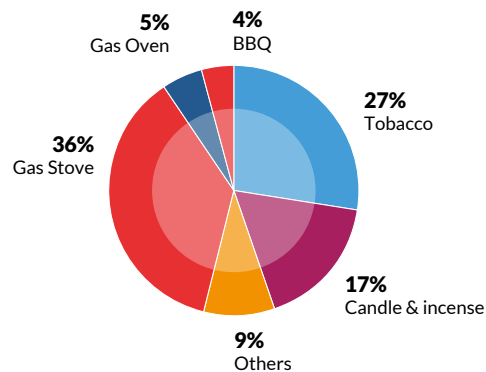


BREAKDOWN OF FLAME OCCASIONS

MEXIQUE



Associated primarily with smoking in developed countries, lighters have extensive non-smoking related usage among different types of consumer activities.



BIC’s competitive positions

BIC is No. 1 worldwide in branded Pocket Lighters in value. In 2019, BIC’s global market share (excluding Asia) was approximately 55% in value, BIC is No. 1 in North America ⁽²⁾.

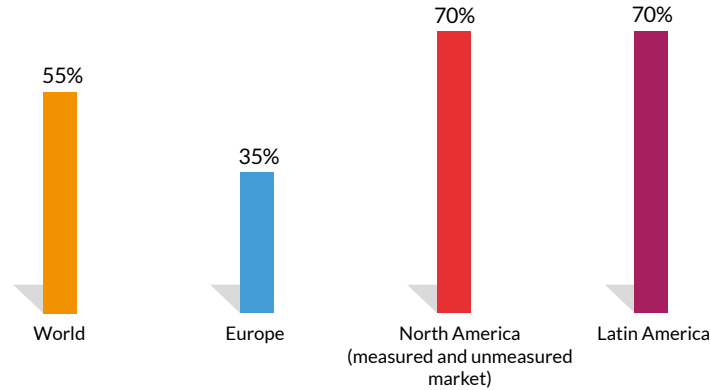
(1) Global Pocket Lighter Market Report 2019.

(2) Global Pocket Lighter Market Report 2019 (excluding Asia).



BIC® POCKET LIGHTER MARKET SHARE IN VALUE IN 2019 (EXCLUDING ASIA)

(BIC Estimates/In value)

**Safety and quality**

A Lighter contains pressurized gas placed in a reservoir. Lighters must be designed and manufactured in compliance with rigorous safety, quality, and performance requirements. 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 US (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 been gaining market share. They currently account for over half of the global market (in volume).

BIC defends its position in this competitive landscape and continues to advocate 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 guarantees the flame's stability throughout the lighter's life.



BIC's Product Portfolio and Distribution Channels

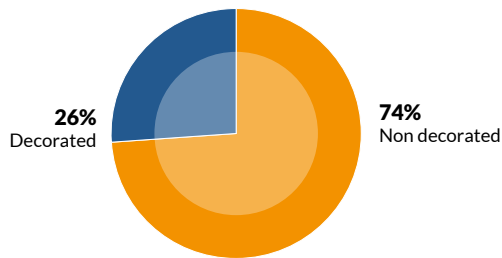
BIC offers a wide range of high-quality Pocket and Utility lighters manufactured with the highest safety standards. Each BIC® lighter model is available in a wide range of colors regularly renewed and can be decorated or personalized to better address consumers' evolving needs. The acquisition of DjEEP in July 2020 will help further strengthen BIC's personalization portfolio and leadership in decorated lighters.

BIC lighters brand portfolio

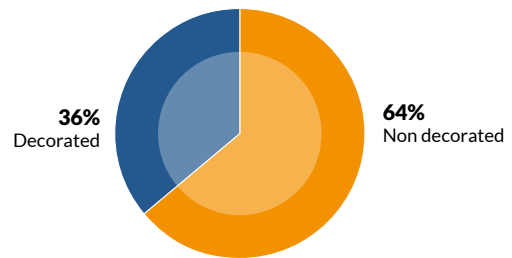


BREAKDOWN OF LIGHTERS' SALES – DECORATED AND NON-DECORATED

TOTAL GROUP



UNITED STATES

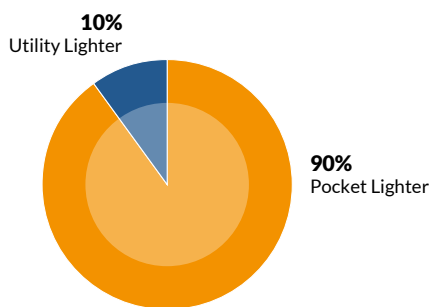


Consistent with our Horizon plan to further address all lighting occasions, BIC is pivoting to “Flame for Life,” focusing on all consumer lighting occasions and moving towards a more value-driven model. We are accelerating our innovation pipeline to

develop products for each consumption occasion. EZ reach, BIC's first pocket utility lighter, was launched in the US in July 2020.

In 2020, Utility lighters accounted for 10% of BIC's Lighters Sales.

BREAKDOWN OF BIC'S SALES: UTILITY VERSUS POCKET LIGHTER



BIC® lighters are sold through traditional distribution channels (such as convenience stores and tobacconists), retail mass-market distribution stores, and online in the US. Both online and offline, in-store visibility (“A BIC seen is a BIC sold”) is key to drive impulse purchases.





1.5.1.3 Blade Excellence – Shavers

Reinforcing our one-piece business with consumer-driven and sustainable products and capitalizing on our advanced R&D and manufacturing “Blade Excellence” to build a selective new business as a high precision manufacturer to expand to the total wet shave market.

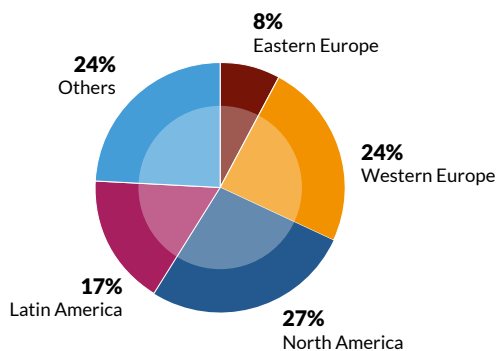
Our markets

The Wet Shave market was about 11.8 billion euros in 2019 and accounted for the majority (~60%) in value⁽¹⁾ of the total “hair removal” segment.

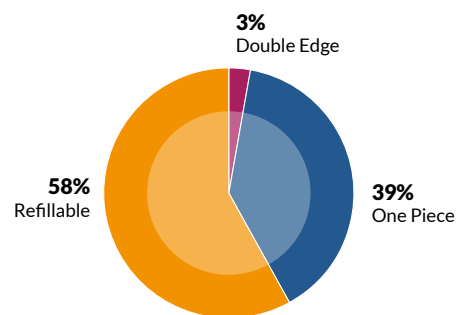
GLOBAL WET SHAVE MARKET IN 2019

(Euromonitor – 2019)

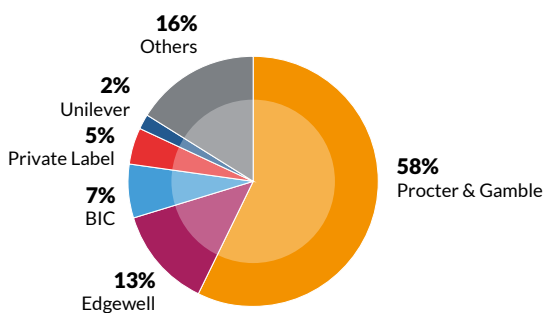
BY REGIONS



BY PRODUCT SEGMENT



BY MARKET LEADERS



This market is split into three product segments: double-edge, one-piece, and refillable. New products drive most of the market growth within the one-piece and refillable segments by offering enhanced performance and added features. With a 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), smaller players, mostly online Direct to Consumer brands, focused on lifestyle niches, and primarily in the US, have emerged over the last decade. This has led to a transformational disruption of the wet shave market.

BIC'S COMPETITIVE POSITIONS

BIC is the No. 3 worldwide player, with a 7% share of the total wet shave segment, and the No. 2 worldwide player in non-refillable shavers⁽²⁾ with key positions in Europe, the US, and Latin America.

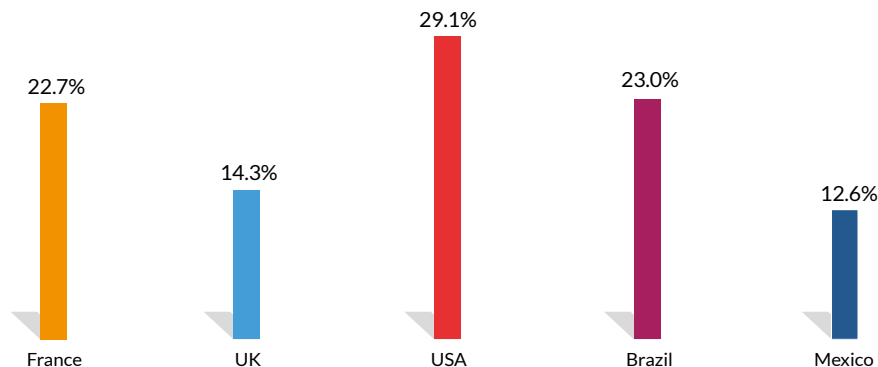
(1) Euromonitor 2019- Wet Shave Market.

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



BIC'S MARKET SHARE IN THE NON-REFILLABLE SHAVERS SEGMENT

In Value



Source: US - IRI, Year-to-date December 2020 data), Brazil and Mexico - Nielsen Year-to-date December 2020 - 62% market coverage/France Nielsen Year-to-date December 2020 Modern Trade 83% market coverage/UK IRI Year-to-date December 2020 Modern Trade.

BIC's portfolio and distribution channel

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

Over the last decade, BIC's Shaver category 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, including:

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

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.

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.

1.5.2 RESEARCH AND INNOVATION

BIC's Mission (*Raison d'Être*) to "create high quality, safe, affordable, essential products trusted by everyone" is central to its business model. Since its creation some 75 years ago, the Group's vision has been to reimagine everyday essentials through new products and groundbreaking ideas, making research and innovation part and parcel of BIC'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.

In 2020, over 230 team members were involved in research, development, and innovation. In 2020, BIC invested 1.5% of its sales in R&D. 7.6% of BIC's Net sales are derived from innovations launched in the previous three years. By 2025, the Group expects to double the contribution of innovation to its growth and achieve 20% of Net Sales from innovation. To support this goal, BIC has decided to accelerate its patent filings strategy. In 2020, 68 patents were filed and the number of granted patents increased by more than 50% to reach 346.

Innovation is an important pillar of BIC's transformation, with the aim to enhance consumer insight capabilities and increase the pace of innovative New Product launches. This led to the creation in 2019 of the Group Insights and Innovation (GI&I) division, encompassing both Stationery and Shavers to reinvigorate BIC's Innovation ecosystem and Brand, placing the consumer at the heart of the business. This division includes the R&D Department, which is organized around three activities:

- **Global Development**, identifies product and process innovation opportunities for both Stationery and Shavers;
- **Core technologies**, develops the necessary product specifications;
- **New territories**, identifies breakthrough innovations outside BIC's current core businesses.

With the launch of the "Horizon" plan in November 2020, BIC took another step towards its goal of accelerating sustainable and consumer-driven innovation and expanding its open innovation ecosystem with the following initiatives:

- the creation of an in-house Data-Driven Innovation lab, aimed at identifying early-stage technologies and integrating them into the Group's innovation pipeline;

- the signature of a partnership with Plug&Play, one of the largest startup incubators globally, allows the Group to access a wide diversity of startups and talent.

In Stationery, 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 innovations include:

- BIC® Clic Stic® PrevaGuard™, a pen with built-in protection to stop bacteria growth;
- Erasable ink with the BIC® Gelocyl Illusion;
- Tattoo body markers with the BIC® Bodymark;
- Writing felt-pen medium point with the BIC® Intensity Medium.

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

In 2020, BIC launched the EZ Reach utility lighter, which combines the accessibility of pocket lighters with the multi-purpose lighters' functional benefits. 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, as it addresses new lighting occasions.

In Shavers, 15 to 20 new products are developed annually, ranging 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 Glow®, BIC® Soleil Click 5;
- for Men and Women: "Made For YOU" in the US offering a 5blade refillable gender-neutral shaver sold online, "Us", a gender-neutral shaver sold in-store.



1.5.3 MANUFACTURING FOOTPRINT

92% of Group Net Sales are generated in BIC owned factories (including Cello Pens).

BIC owns and operates 25 manufacturing locations around the world:

- 15 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) One factory is dedicated to the Advertising and Promotional Products activity (BIC Graphic).

(2) End of production in Guyaquil (Ecuador) in Q4 2020. End of production in Pentek in Q3 2020 and planned for Q1 2021 in CWI; those 2 sites are part of the sites BIC Cello owns in Daman (India). Remaining sites in Daman (India) are CWA, CSP and TIPS.

(3) In December 2020, signing of an agreement to sell Brazilian adhesive label business, PIMACO, to Grupo CCRR. The closing was completed on February 26th, 2021.

1

EXISTING OR PLANNED MATERIAL TANGIBLE FIXED ASSETS (INCLUDING LEASED PROPERTY) AND ANY MAJOR ENCUMBRANCES THEREON

Country	Use	Location	Own/lease	Main manufactured products
SOUTH AFRICA	Factory, warehouse, offices	Johannesburg	Lease	Stationery (ball pens, coloring felt pens, markers)
BRAZIL	Offices and warehouse	Cajamar	Lease	-
	Offices and factory	Rio de Janeiro	Own	Stationery (stickers)
	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
U.S.	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	Own	^(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	Stationery (writing instruments)
	Factories	Daman	Own	Stationery (writing instruments)
		Karembeli	Own	-
		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.

Major related encumbrances correspond to depreciation.



1

GROUP PRESENTATION, PERSPECTIVES, AND STRATEGY





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.

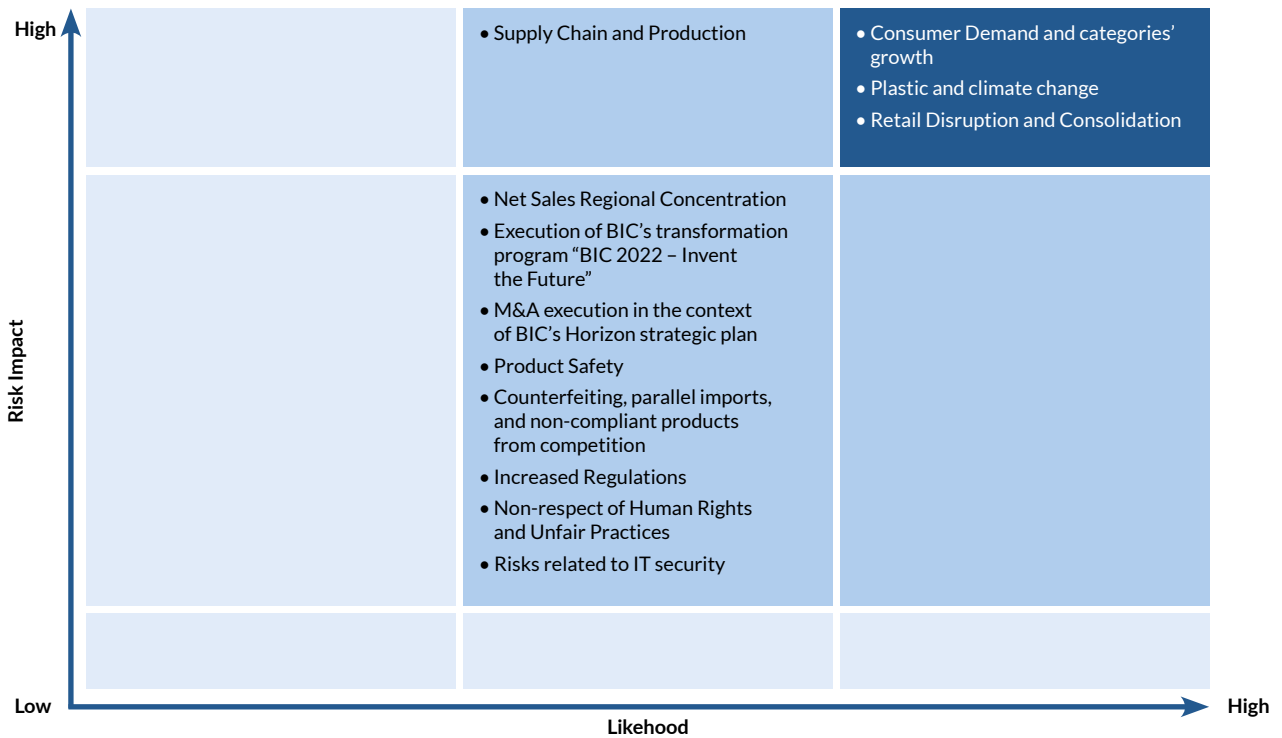
This approach is based on the identification and analysis of the main risks to which the Group is exposed.

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



	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 the execution of BIC's transformation program "BIC 2022 - Invent the Future".	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 the non-respect of Human Rights and Unfair Practices.	X	
Risks related to IT Security	X	

Impact of the Covid-19 pandemic on BIC's risk management in 2020

Some of the identified risks potentially impacting BIC materialized during the pandemic. These risks include:

- Consumer Demand and Growth in our three business categories, specifically, a sharp decline of consumption and an evolution of consumer habits;
- Supply Chain and Production, including the mandatory partial or total shutdown of BIC's factories in certain countries, and the disruption due to the closure of borders in Europe, Latin America and Africa;
- Retail disruption and Consolidation due to widespread and extended closure of traditional and convenience stores during the lockdown periods.

These risks required mitigation measures to protect the health and safety of our employees while ensuring business continuity. The Group applied the government directives in each country where it operates. Work organization was adapted in accordance with health authority recommendations and working remotely was implemented whenever possible.

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



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), and to 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. BIC's Climate Report.

Level of risk: high

Potential Impact on BIC:

- rarefaction and price volatility of plastics material (and potential impact of carbon regulations);
- brand image depreciation linked to plastic usage in the products;
- single-use "Plastic bashing" from consumers;
- increased regulations on Plastics impacting BIC's direct or indirect operations;
- carbon regulations affecting operating costs (specific tax for production activities, energy costs, raw material costs...);
- disruption or interruption of production activities due to extreme weather conditions;
- environmental Labelling of products impacting sales.

Examples of Risk Mitigation:

- since 2003, a Sustainable Development Program, to limit the environmental impact of BIC's activities covering BIC activities, products, and supply chain;
- a circular economy approach fully embedded into BIC's historical approach to its product with its 4R philosophy (Reduce, Recycled or Alternative, Refillable, Recyclable);
- the announcement in 2020 of ambitious commitments that will radically transform how BIC uses plastics and will contribute to reducing BIC environmental and carbon footprint:
 - 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;
- the launch in 2018, of "Writing the Future. Together" strategy, with ambitious commitments:
 - by 2025, the environmental and/or societal footprint of BIC® products will be improved ("2025 Commitment: #1 Fostering sustainable innovation in BIC® products"). The ambition is based on the deployment of a comprehensive eco-design process fully integrated into each product category's innovation processes. Through this commitment, BIC will contribute to mitigating two risks: the Plastic challenge and the Carbon footprint of its products,
 - by 2025, BIC will use 80% renewable electricity. 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. It is part of a long-term vision to operate on 100% renewable electricity. It supplements BIC's continued efforts on energy consumption reduction and energy efficiency to limit its emissions,
 - in 2018, BIC launched a study to review the physical risks linked to Climate Change for all its sites and some contract manufacturers and suppliers.

All these initiatives and those mentioned in the Group's Sustainable Development Strategy presented in § 3.2.1, 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: high**Potential Impact on BIC:**

A lack of viable responses to the decline in consumer demand for all three business categories due to reduced usage of tobacco products, the shift in shaving trends, and the rise in Digital Stationery technology, would impact sales and profitability.

Change in Consumer habits impacting BIC's three categories were observed during the Covid-19 pandemic, including:

- shift to e-learning in Stationery;
- increase in home-grilling in Lighters;
- decrease in shaving frequency in Shavers.

Examples of Risk Mitigation:

- Research & Development (R&D) focused on product innovations and brand positioning to address the decline and change in consumer demand;
- adopt a Consumer-lens to category expansion, adapt to shifting consumer habits and expand in faster-growing creative expression and digital writing markets;
- continued 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, direct to consumer channels.

Level of risk: high**Potential Impact on BIC:**

Changes in consumer purchasing patterns may result in reduced pricing power through e-commerce channels.

With a change towards e-commerce, a potential market share threat in terms of distribution (i.e., ease of finding BIC® products on the e-commerce portals), which may cause a decline in BIC sales.

Change in e-commerce purchasing trends by consumers to "need-driven" rather than "impulse buying".

Traditional and convenience stores were particularly affected by reduced activity due to total or partial store closures during the lockdown periods, implemented to fight against the Covid-19 pandemic.

Examples of Risk Mitigation:

Serve consumers wherever they shop, including all channels from e-commerce to hyper markets, to Stationery stores to small Mom and Pop stores.

Expand in e-commerce by covering the spectrum from Pure-Play e-retailers to omniretail customers 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 interruptions at suppliers (repetition), particularly during critical seasonal purchasing periods such as "back-to-school" in Stationery.

BIC operates several manufacturing and warehousing sites throughout the world; however, certain products may be concentrated within specific geographic, 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: medium**Potential impact on BIC:**

Reliance on outside vendor's supply chain could lead to a shortage of raw materials if the vendor suffers a catastrophic event.

A lengthy supplier qualification timeframe of 1-2 years may impact the availability of potential suppliers.

Risks of losing supply of 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 in the event a peril causes an inability to ship product from a manufacturing site to distribution, which would impair the ability to supply goods to consumers, particularly during critical seasonal periods such as "back to school", etc.

The Covid-19 crisis impacted 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.

Examples of Risk Mitigation:

BIC has formed a Procurement group to focus 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. Working with R&D to qualify additional suppliers.

Utilization of an enhanced communication platform (Control Tower) between sales and production teams to "right-size" product quantities and locations.

In all BIC factories:

- constant attention is paid to the implementation and monitoring of 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 defined in all factories to cover key materials and components;
- training programs in place in all factories to back up the critical processes and secure the flexibility to cover market needs;
- maintenance programs in place in all factories to protect key equipment and technical processes.

In particular, certain Group factories are subject to the European Union SEVESO Directive, which identifies industrial sites that could pose significant accident risks and requires the 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. For the two SEVESO plants, BIC has also implemented a safety management system. 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 are reliant upon a significant concentration in a few key regions, such as the United States and Latin America.

Level of risk: medium**Potential impact on BIC:**

A high level of concentration in revenue generation exposes the Company to the risk of shifting consumer demand and regulatory action in a small number of geographies.

Potential business disruption due to geographic transformation as BIC looks to expand in other regions.

Examples of Risk Mitigation:

Continued focus on sales growth in Developing Markets.

Balance the risk of concentration by deploying a portfolio approach and focusing on "Invest to grow" countries

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

In 2019, BIC embarked on a transformation plan called "BIC 2022 - Invent the Future". With many new innovative initiatives, there is an associated human capital and cultural risk. While the overall benefit to BIC is expected to be transformative, positive, and inclusive, potential risks of a change of this magnitude may include staff turnover, inability to acquire and retain required talent with necessary skill sets, and/or loss of institutional knowledge.

Level of risk: medium**Potential impact on BIC:**

Risk of losing institutional knowledge as well as 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.

Challenges in retaining talent due to other organizations potentially offering a more competitive employee value proposition.

Examples of Risk Mitigation:

Talent retention plans have been established and put in place.

Talent acquisition with the relevant skillsets and experience ahead of the transformation.

A centrally led talent management team created to tackle talent management risks.

Active recruitment protocol leveraging educational institutions to increase our talent pool.

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: medium**Potential impact on BIC:**

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.

Examples of Risk Mitigation:

A dedicated centrally led M&A team has been created, with professionals with extensive M&A backgrounds.

A clear operating model has been established with strong governance and clear accountabilities.

Due diligence and execution are supported by a disciplined process aimed at identifying and assessing value creation.

Integration is governed by a strong planning process and a focus 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: medium**Potential impact on BIC:**

Impact on Consumers Health and Safety.

Impact on the Brand image (Consumers), and business interests.

Examples of Risk Mitigation:

BIC wants to offer safe and compliant products that answer consumers' needs. The Group strives to strictly comply with increasingly stringent regulations regarding the use of chemicals and products.

The Product Safety Policy, implemented in 2001, includes ten commitments to ensure that products designed and manufactured by the Group are safe for health and the environment.

With the primary objective of bringing to the market safe and compliant products, BIC integrates regulatory compliance and product safety risk management into its strategy through a rigorous set of processes. In this way, BIC supplies millions of constant quality products every day, verified by multiple tests and risk assessments.

It also means integrating the consumers' health and safety concerns into product design and manufacturing. For example, 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 § 3.2.2 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, principally 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 in Europe often do not comply with safety standards, the ISO 9994 international safety standard, and the EN 13869 child resistance standard.

Level of risk: medium**Potential impact on BIC:**

Impact on the Brand image (Consumers), and business interests.

Examples of Risk Mitigation:

BIC, through its Legal Department, fights against these counterfeits, gray goods or non-compliant products. This is done by working in close cooperation with local authorities and law enforcement agencies. This is also done through 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 filed a trademark action with the U.S. International Trade Commission against manufacturers, importers, and sellers of infringing Chinese lighters and achieved a general exclusion order, the broadest possible remedy.

BIC also fights against non-compliant lighters through communication activities, informing the different stakeholders (customers, market surveillance authorities, EU Commission, EU Parliament, etc.).

The Group has launched legal actions, the latest being filings before the European Commission in October 2018, requesting the opening of infringement procedures against France and Germany, after the Netherlands in 2010. The European Commission closed the procedures in 2020.

In 2020, the Group continued to contribute to public consultations launched by the EU Commission to improve market surveillance rules and their enforcement. Also, part of the Group's proposals was included in the EU Parliament's Walsmann report published in November 2020.

Risks related to increased regulations

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

Level of risk: 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.

For example:

- BIC filed a court action against the Spanish Valencian region Decree banning non-refillable shavers and is making proposals to improve the relevance of new laws, as was the case with the law of the Balearic Islands regarding certain plastic products;
- Together with other European manufacturers, BIC continues to object to the EU Commission's interpretation of the scope of the EU's CLP regulation. This regulation would require the labeling of each writing instrument and lighter, with warning phrases on the chemical substances in containers.



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

- Non-compliance with fundamental human rights such as child labor, discrimination or forced labor.
- Corruption and unfair practices.

Level of risk: medium

Potential Impact on BIC:

Legal action against BIC and major 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.

Moreover, BIC's reliance on contract manufacturing is relatively low. Overall, 92% of its net sales are generated by products made in its own factories. 87% 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.

More information is available in § 3.5. of Chapter 3 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 standards of the BIC Code of Conduct (issued in 2020 and which regroups the former Code of Ethics and Code of Conduct), 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 Ethics and the fight against corruption).

Risks related to IT Security

The Group is exposed to risks stemming from cyberattacks and risks related to 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.

Level of risk: medium

Potential Impact on BIC:

- Loss of strategic or confidential information.

IT and telecommunication system failure.

- Disruption of the normal of business operations.

Cyber Security risks have grown over time and increased during the Covid-19 pandemic.

Examples of Risk Mitigation:

- Dedicated IT Security & Data governance processes have been established, including the creation of 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.

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 2020 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 now 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 2021.



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 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 the BIC Group.

BIC has implemented a body of documents to facilitate risk management. Those that address the topics covered by Law and provide the basis for the BIC Group's Vigilance Plan are: the BIC Group 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 3.1.2. Our Policies.

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 § 3.2.1 Our products' environmental performance.
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 § 3.3.1 Writing The Future, Together – §2 Acting against climate change.
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 § 3.2.2 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 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 Ethics and the fight against 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	<p>Environment: Plastics consumption, water pollution and soil pollution related to the extraction of raw materials</p> <p>Human Rights: Exposure of local populations to the releases from the production sites</p> <p>Exclusion of the conflict minerals</p> <p>Health and Safety: Chemicals impacts on team members' health and safety</p> <p>Products safety for the consumers</p> <p>Ethics: Regulatory compliance, Corruption</p>	<p>The Supplier Code of Conduct (issued in 2020), the Global procurement Policy (issued in 2020)</p> <p>2025 Commitment: #4 Proactively Involving Suppliers</p>	Implementation by Group Procurement, Industrial Departments, and Sustainable Development Department
Packaging	<p>Environment: Deforestation, overpack, water pollution resulting from the manufacturing process</p> <p>Health and safety: Environmental impact of the chemicals used (inks, adhesives)</p> <p>Ethics: Regulatory compliance, corruption, use of wood from non-sustainable exploitation</p>	<p>The Supplier Code of Conduct (issued in 2020), the Global procurement Policy (issued in 2020)</p> <p>BIC Code of Conduct</p>	Implementation by Group Procurement, Industrial Departments, and Sustainable Development Department
Transport & Logistics	<p>Environment: Greenhouse gas emissions, consumption of non-renewable energy sources</p> <p>Health and safety: Road accidents and accidents in handling</p> <p>Ethics: Corruption</p>	<p>The Supplier Code of Conduct (issued in 2020), the Global procurement Policy (issued in 2020)</p> <p>BIC Code of Conduct</p>	Implementation by Group Procurement, Industrial Departments, and Sustainable Development
Contract manufacturers	<p>Environment: Greenhouse gas emissions, consumption</p> <p>Societal and Human Rights: Compliance with ILO Conventions in terms of working conditions, forced labor, constrained work or child labor</p> <p>Team members Health and Safety</p> <p>Ethics: Regulatory compliance, corruption</p>	<p>The Supplier Code of Conduct (issued in 2020), the Global procurement Policy (issued in 2020)</p> <p>BIC Group's Code of Conduct Code of Ethics</p>	Implementation by Group Procurement, Industrial Departments, and Sustainable Development
Indirect suppliers	<p>Environment: water and energy consumption, water pollution especially for maintenance personnel</p> <p>Societal and Human Rights: the strike by team members especially for the goodies sector</p> <p>Ethics: Corruption</p>	<p>The Supplier Code of Conduct (issued in 2020), the Global procurement Policy (issued in 2020)</p>	Implementation by Group Procurement

2



Mitigation and remediation measures/Due diligence process

- In 2019, BIC built 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 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 will be expanded to the other categories in 2021.
- In addition, BIC has finalized the Responsible Procurement 2025 Road Map, which 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 2020, 24.7% 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 a Responsible Procurement Training Program as a part of the BIC Capability Building Program.
- The Group's Responsible Purchasing Charter, which was released in 2014, was incorporated in the Supplier Code of Conduct in 2020 and is communicated to all BIC suppliers.
- As part of the Group's third-party due diligence program, BIC acquired in 2019 an online database and risk focused due diligence tool. Its purpose is to assess the compliance of BIC's suppliers with the Law. Such evaluation is performed through a database background screening and documentary evaluation via an online questionnaire to be filled out by each strategic supplier. Thus, a continuous monitoring system has been put in place to ensure full compliance of BIC's suppliers.
- In parallel, and conjunction with the above, BIC has updated the list of its strategic suppliers (287 as of the end of 2020) based on specific criteria.

- In 2020, 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. Responsibilities related to our supply 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 allows any violation of the BIC Anti-corruption Policy and BIC Code of Conduct to be reported (see § 3.5.3 Ethics and the fight against corruption) and thereby offers an alert mechanism to report on risks covered by the Law. The alert hotline has been made accessible to third parties since 2019 and 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 to our Team members, 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 to our team members;
- 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 Group'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 Risk Management Department performs risk identification and analysis.

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. To allow for a fluid approach, the risk identification and analysis process consist of two complementary components: a bottom-up free approach and a top-down structured approach. This two-fold approach allows to identify overlaps and gaps.

Bottom-up approach

Since 2015, within a framework defined by Group Risk Management function, a self-assessment of significant risks is conducted at the subsidiary level on a voluntary reporting basis.

Questionnaires are addressed to the representatives of the targeted level (local General Manager/local Chief Financial Officer). They are requested to complete and return the questionnaire to Risk Management function whenever a risk must be notified.

Top-down approach

Following a recommendation of the Audit Committee and a request of the Executive Committee, in 2010, the Company initiated a project to improve the formalization of risk management.

This project enables us to obtain a synthetic overview of major risks that the BIC Group is or could be exposed to.

The approach that consisted of a risk mapping of the BIC Group can be summarized as follows:

- risk identification through a questionnaire completed by each member of the Executive Committee and an individual interview led by the project team;
- synthesis of main risk areas;
- ranking of risks according to criteria in terms of potential impact and management effectiveness.

The year following the Risk Mapping, an update reviews the status of prior risks identified. Every other year, the Risk Mapping is reviewed and reassessed with any potential new risk.

In 2017, the Top-down approach also included questionnaires sent to contributors outside of the Executive Committee. Risks listed by this approach have been considered for the internal audit schedule.

The Risk Management function 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 deliver a Group Risk Matrix. This matrix provides for all risk categories the impact for the BIC Group 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.

A similar methodology has been applied to the process of preparing financial statements and consolidation.

b) Risk Management and Mitigation

The Executive Committee manages the major risks identified in the BIC Group 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 closely.

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 took a fresh approach and engaged external consultants to provide an independent review of the Group's critical risks as part of a formalized enterprise risk management protocol. 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.

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 via an "Internal Control bulletin" 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

On February 13, 2019, BIC announced the creation of the BIC Executive Committee. This Committee consists of a team of eight 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.

Three newly created roles are part of the Executive Committee:

- Group Insights & Innovation Officer – Thomas Brette;
- Group Supply Chain Officer – Peter Dalsberg;
- Group Commercial Officer – Benoît Marotte until January 2020, succeeded by Chester Twigg.

Also, the Executive Committee team includes the following existing roles:

- Group Lighter General Manager - François Clement-Grandcourt;
- Chief Financial Officer – James DiPietro until July 2020, succeeded by Chad Spooner;
- Chief Human Resources Officer – Alison James until October 2020, succeeded by Mallory Martino;
- Global Strategy and Business Development – Sara LaPorta;
- Chief Administrative Officer – Charles Morgan.

This new 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 closely. 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 Group Finance Department 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 2020

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

The 2020 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.

If necessary, the General Manager of the subsidiary provides details of non-significant weaknesses for which corrective actions will be implemented the following year. These actions should ensure that reasonable confidence can be placed on the achievement of operational goals, the reliability of financial information reported, and compliance with relevant laws and regulations in force.

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 2021

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 function

The function of the Risk Management Department is to collect, analyze and rank the external and internal arising risks that could have an impact on the Group. It 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 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 the BIC Group 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 (“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: an International 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 international 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; 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 3.7 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.



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 elements of information required by French executive order No. 2017-1265 of August 9, 2017⁽¹⁾ in different chapters of its management report in order to facilitate the reader's comprehension.

Consequently, BIC's business model is presented in the extracts from the Integrated Report.

The CSR risks identified under the NFPS are listed and described in paragraph 3.1.1.5. Those of which are also major risks for BIC are equally presented in chapter 2.1.

Chapter 3. Our environmental, social and societal responsibility, presents:

- in the introduction to each section, a description of the challenges of sustainable development;
- in the "Risks and Opportunities" sections: the risks identified in the Non-Financial Performance Statement and the related opportunities;
- in the "Policies, actions taken, results and perspectives" sections: a description of the policies adopted and actions implemented by the BIC Group, including due diligence procedures undertaken to identify, prevent and reduce the frequency of risks or to seize the identified opportunities, as well as the results of these policies, including key performance indicators, and, where applicable, perspectives on these points.

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

BIC identifies information expressly required in the Non-Financial Performance Statement with the initials [NFPS] and [NFPS Risk X]. Firmly convinced of the value of the BIC Sustainable Development Program, which has been in effect for more than 15 years, the Group has also decided to continue presenting all of the action plans implemented as part of this program, including those that do not directly help prevent or reduce a major risk. However, the Group has reorganized this chapter to give priority to the elements relating directly to the Non-Financial Performance Statement.

A summary table of the Non-Financial Performance Statement is also available below.

The main CSR risks resulting from BIC's operations and the use of its goods and services [NFPS]

BIC identifies 9 main non-financial risks resulting from its operations and the use of its goods and services:

- risks related to plastics: plastic waste and resource depletion [NFPS risk 1];
- risks related to climate change [NFPS risk 2];
- risks related to product safety and consumer health and safety [NFPS risk 3];
- risks related to health and safety of team members [NFPS risk 4];
- risks related to non-respect of human rights (child labor, international conventions, ILO) [NFPS risk 5];
- risks related to unfair practices (corruption) [NFPS risk 6];
- risks related to our operations and the environment [NFPS risk 7];
- risks related to reputation and brand [NFPS risk 8];
- risks related to experienced team members and skills [NFPS risk 9].

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 the present Universal registration document.

Below, the summary table of the Non-Financial Performance Statement summarizes the elements required by French executive order No. 2017-1265 dated August 9, 2017 (for the application of decree No. 2017-1180 dated July 19, 2017 concerning the disclosure of non-financial information by certain large companies and corporate groups).

(1) For the application of decree No. 2017-1180 dated July 19, 2017 concerning the disclosure of non-financial information by certain large companies and corporate groups.



SUMMARY TABLE OF THE NON-FINANCIAL PERFORMANCE STATEMENT

Non-financial risks	Description of the risks	Opportunities	Policies and actions taken	Main results/indicators*
R1	Risks related to plastics: plastic waste and resource depletion.	<p>On the one hand, plastic risk is incurred 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 on the other hand, it occurs downstream with the growing problems of pollution related to plastic waste. In addition to these issues, there is also the growing regulatory environment regarding the use of plastics and the perception of consumers and citizens.</p> <p>Increase the use of recycled and alternative materials in the products in order to promote more responsible consumption.</p> <p>Create circular economy loops that enable the collection, recycling and reuse of the products.</p> <p>Based on the feedback from this experience, to establish well-adapted, appropriate systems for each product and country, while improving the products and their use.</p> <p>To stand out in its markets through BIC® products that offer environmental and social benefits.</p>	<p>BIC's policies</p> <p>Writing the Future, Together #1 Fostering sustainable innovation in BIC® products.</p> <p>Writing the Future, Together: #2 Acting against climate change.</p> <p>BIC's approaches</p> <p>The "4 Rs" philosophy (Reduce, use Recycled and alternative materials, Refill, Recycle).</p> <p>An eco-design approach incorporating social and societal criteria.</p> <p>An approach to increase the use of recycled and alternative materials in all products.</p> <p>Systematic evaluation of all products based on environmental and social criteria.</p> <p>Developing an innovative circular economy model.</p> <p>Partnerships for innovation approach.</p>	<ul style="list-style-type: none"> • 4.3% of recycled or alternative materials in BIC® products (3% in 2019) • 49.3% of reusable, recyclable or compostable plastic in consumers' packaging • 48.9% recycled content of plastic packaging • 94.4% PVC-free packaging • 97.3% of BIC cardboard packaging comes from a certified and/or recycled source • 90% of the BIC® product portfolio had been evaluated using EMA in 2019 • 9 products improved between April and December 2020 • 19 BIC® products have earned the NF Environnement label • At least, 50%⁽¹⁾ of BIC® products offer environmental benefits • At the end of 2020, more than 54 million pens collected through TerraCycle • 24 alternative materials tested

(1) This figure takes into account top-ups and intra-company sales.



Non-financial risks	Description of the risks	Opportunities	Policies and actions taken	Main results/indicators*
R2	<p>Risks related to climate change.</p> <p>Major risks related to Climate Change are:</p> <ul style="list-style-type: none"> 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. 	<p>To develop production centers closer to the Group's markets, supporting local economic development and know-how in the countries where the Group has operations, while at the same time limiting the products' environmental footprint and the physical risks linked to climate change.</p> <p>To stand out in its markets by offering BIC® products with a reduced carbon footprint, in particular through the use of recycled and alternative materials and the implementation of circular economy loops.</p> <p>To innovate in order to make the Group's materials and products more responsible.</p> <p>Reduce production costs by optimizing energy consumption.</p>	<p>BIC's</p> <p>Writing the Future, Together #1 Fostering sustainable innovation in BIC® products.</p> <p>Writing the Future, Together: #2 Acting against climate change.</p> <p>Environment, Health & Safety Policy.</p> <p>BIC's approaches</p> <p>Purchasing electricity from renewable sources.</p> <p>Eco-design approach.</p> <p>Action plan with measures to mitigate climate-related risks at the sites.</p> <p>Environmental management systems at the sites.</p> <p>Energy efficiency approach.</p>	<ul style="list-style-type: none"> 4.3% of recycled or alternative materials in BIC® products (3% in 2019) 80% Share of renewable energy. The Group's objective is achieved 78,046 teqCO₂ (location-based) direct and indirect GHG emissions (scopes 1 and 2), i.e. -20% compared to 2019 1.03 teqCO₂/ton of production (scopes 1 and 2) 12.96 gigajoules/tonne of production, i.e. +3% compared to 2019 0.84% Share of air freight (in tons/kilometers) (vs. 0.75% in 2019)
R3	<p>Risks related to product safety and consumer health and safety.</p> <p>The risk related to product safety and consumer health and safety is a risk of placing non-compliant or unsafe products on the market.</p>	<p>To establish BIC as a brand of reference in terms of the quality and safety of its products, meeting or surpassing the regulatory requirements on each market.</p> <p>To develop expertise in the evaluation of materials, especially for recycled and alternative materials.</p>	<p>BIC's policies</p> <p>Writing the Future, Together #1 Fostering sustainable innovation in BIC® products.</p> <p>Product Safety Policy.</p> <p>The seven BIC commitments to ensure the quality and safety of its lighters.</p> <p>BIC's approaches</p> <p>Regulatory watch and compliance.</p> <p>Process for marketing safe products that comply with health and environmental standards.</p> <p>Process for evaluating recycled materials.</p> <p>Systematic testing and evaluation programs.</p>	<ul style="list-style-type: none"> 291 products have been tested by independent laboratories



Non-financial risks	Description of the risks	Opportunities	Policies and actions taken	Main results/indicators*	
R4	Risks related to health and safety of team members.	BIC's operations, both industrial and commercial, expose its workers to various professional risks (physical, chemical, psychosocial, biological, ergonomic) that differ from function to function (headquarters, factories, sales force). For the Group, workplace safety means ensuring its team members' physical and mental well-being by preventing accidents and occupational diseases.	To position the Group as a desirable employer through an ambitious health and safety policy.	<p>BIC's policies</p> <p>Writing the Future, Together: #3 Committing to a safe work environment.</p> <p>Environment, Health and Safety (EH&S) Policy.</p> <p>BIC's approaches</p> <p>Deployment of the EH&S Suite platform.</p> <p>Health-Safety reporting.</p> <p>Environment-Health-Safety guidelines.</p> <p>Safety watch.</p> <p>Safety certification (OHSAS 18,001) for four Stationery factories.</p> <p>"Quality of Life at Work" program.</p>	<ul style="list-style-type: none"> • 50 Lost-Time Injuries • 62 sites without injuries • 1.63 On-site accident incidence rate—BIC team members and temporary employees • 0.07 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).	Non-compliance with fundamental human rights such as child labor, discrimination or forced labor may result in legal action against the Group and major consequences in terms of reputation and attractiveness.	<p>To highlight the culture of control over quality, costs and production conditions that BIC has pursued since its founding (92% of BIC products are manufactured in its own factories).</p> <p>To strengthen relations with the Group's strategic suppliers.</p>	<p>BIC's policies</p> <p>Writing the Future, Together: #4 Proactively involving suppliers.</p> <p>BIC Group Code of Conduct.</p> <p>Supplier Code of Conduct</p> <p>Responsible Purchasing Charter.</p> <p>BIC's approaches</p> <p>Social audit program.</p> <p>EcoVadis evaluation.</p>	<ul style="list-style-type: none"> • 85% of permanent employees work in "free countries" with respect to human rights • 92% of all BIC® products are produced in the Group's own factories. • 58% of contract manufacturers audited between 2019 and 2020.
R6	Risks related to unfair practices (corruption).	The risk of corruption and unfair practices can lead to legal action against the Group and major consequences in terms of reputation and attractiveness.	To further develop BIC's culture of ethics within the Group.	<p>BIC's policies</p> <p>BIC Group Code of Conduct.</p> <p>BIC Group anti-corruption policy.</p> <p>BIC's approaches</p> <p>Anti-corruption training.</p> <p>Deployment of the Group's Code of Conduct.</p> <p>BIC Speak-up hotline.</p>	<ul style="list-style-type: none"> • 80% of BIC sales generated in countries considered to have a medium or low risk of corruption according to Transparency International



Non-financial risks	Description of the risks	Opportunities	Policies and actions taken	Main results/indicators*	
R7	Risks related to our operations and the environment.	<p>The nature of BIC's manufacturing operations, primarily the molding and assembly of plastic products and printing of products, has a local environmental impact that remains relatively low compared with other manufacturing sectors.</p>	<p>To optimize production costs by limiting the consumption of resources (water, energy, etc.) and the production of factory waste.</p> <p>To facilitate the factories' integration in their local surroundings by reducing their environmental footprint, adopting exemplary practices and initiating outreach actions to benefit the local populations.</p>	<p>BIC's policies</p> <p>Environment, Health & Safety (EH&S) Policy.</p> <p>BIC's approaches</p> <p>Environmental management systems at the sites (internal or ISO 14,001).</p> <p>Various certifications for certain sites: ISO 50,001, European Water Stewardship Gold, BREEAM, LEED.</p> <p>Water consumption reduction approach.</p> <p>Waste reduction approach.</p> <p>See also Risk 2.</p>	<ul style="list-style-type: none"> • 5.22 m³/tonne annual water consumption • 0.197 tonne of non-hazardous waste/tonne of production • 0.033 tonne of hazardous waste/ton of production • 73% of non-hazardous waste recycled (in tons) • 39% of hazardous waste incinerated with energy recovery (in metric tons) • 142 volunteer operations, product donations and financial donations worldwide in 2020 (all areas combined). • 1.4 million euros in product donations and financial aid worldwide • 1.3 million in aid as part of the Covid crisis
R8	Risks related to reputation and brand.	<p>In the context of increasing environmental awareness, the brand image could be associated with disposable products, leading to customer disaffection for BIC® products.</p>	<p>To position BIC as a brand that delivers quality and safety and as a responsible brand, emphasizing its long-term commitment and ambitious programs.</p> <p>To launch innovative products that counter BIC's image as a maker of disposable products: multi-use products designed to use minimum materials and last a long time.</p> <p>To stand out on the Group's markets through BIC® products that offer environmental and social benefits.</p>	<p>BIC's policies</p> <p>Writing the Future, Together #1 Fostering sustainable innovation in BIC® products</p> <p>Responsible Communication Charter.</p> <p>BIC's approaches</p> <p>The "4 Rs" philosophy (Reduce, use Recycled and alternative materials, Refill, Recycle).</p> <p>An eco-design approach incorporating social and societal criteria.</p> <p>Increased use of recycled and alternative materials in all products.</p> <p>Systematic evaluation of all products based on environmental and social criteria.</p> <p>Development of an innovative circular economy model.</p> <p>Partnerships for innovation.</p>	<ul style="list-style-type: none"> • BIC® products' performance in use: <ul style="list-style-type: none"> • more than 2-km of writing for a ballpoint pen • up to 3,000 flames for a lighter • 17 shaves for a triple-blade shaver • 19 BIC® products have earned the NF Environnement ecolabel • 100% of the environmental claims for BIC® products on packaging, in catalogs and on websites are validated by the Legal Department • 4.3% of recycled or alternative materials in BIC products (3% in 2019) • 49.3% of reusable, recyclable or compostable plastic in consumers' packaging • 48.9% recycled content of plastic packaging



3

OUR ENVIRONMENTAL, SOCIAL, AND SOCIETAL RESPONSIBILITY

Non-financial risks	Description of the risks	Opportunities	Policies and actions taken	Main results/indicators*	
R9	Risks related to experienced team members and skills.	BIC has specific skills thanks to its experienced team members, especially in manufacturing processes and business practices. The loss of experienced team members could slow down the implementation of the Group's development plans. It could also result in the inability to implement the Group's strategy.	To develop programs that favor the employability of our team members in the Company and outside the Company.	<p>BIC's approaches</p> <p>Succession Plans.</p> <p>Team members training.</p>	<ul style="list-style-type: none"> 24,202 Number of training days—permanent employees

* See also 3.8.3 Indicators table.



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 nearly 15 years, it has played a fundamental role in BIC's strategy, helping guide its various endeavors, 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, and that it makes a meaningful contribution to the lives of its team members and the planet over the long term.

Through its "Writing the Future, Together" program, BIC seeks to build on its longstanding involvement in sustainable development and to bolster its engagement by pledging to five commitments for the period of 2018 to 2025.

In 2020, seeking to go even further, the BIC Group announced additional commitments related to its basic commitment #1 Fostering sustainable innovation in BIC products. These new commitments will fundamentally transform the Group's approach to the use of plastics:

- 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.

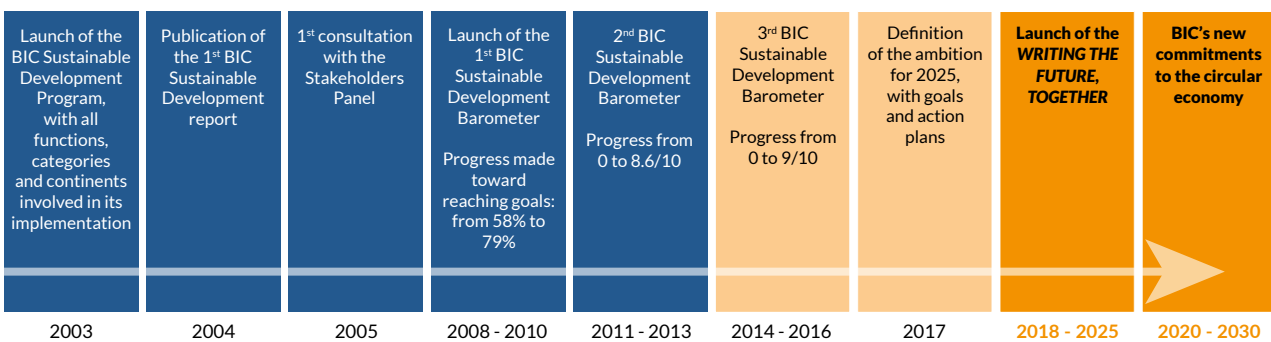
3.1.1 THE HISTORY OF BIC'S SUSTAINABLE DEVELOPMENT PROGRAM

Launched in 2003, the BIC Sustainable Development Program has continued to evolve and expand, incorporating major environmental and human issues as well as the expectations of stakeholders, but also benefiting from advances in R&D, innovations, and take the evolutions in the Group's operations into account.

This exhaustive program encompasses all key sustainability issues as well as the related risks ⁽¹⁾ to which BIC, in order to fulfill its corporate responsibility, must respond. A specific reporting system is used to monitor the Group's performance as part of a dynamic of ongoing improvement. Since 2018, the BIC Program has been

guided by the five ambitious commitments that comprise "Writing the Future, Together". In 2020 this program was enriched with additional commitments that will fundamentally transform the way the Group uses plastics.

Through its Sustainable Development Program, the Group also contributes to the global Sustainable Development Goals adopted by the UN in its successive programs (the Millennium Development Goals until 2015 and the Sustainable Development Goals since then) (see also § 3.1.2.1).



(1) The main CSR risks related to the activities and use of BIC Group's goods and services are presented in the Chapter "Risks management" on page 47.



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 the people we employ and society in the long term, simply because it is the right thing to do.

We think that promoting sustainable innovation in our products, acting against climate change, providing our team members with a safe workplace, making our supply chain more responsible and reinforcing our commitment to education are key in shaping our business tomorrow so that we can write a sustainable future for all."

3.1.2 WRITING THE FUTURE, TOGETHER, A COMMITMENT FOR 2025

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

The vision thus defined is expressed in the signature "Writing the Future, Together", driven by BIC's ambition for sustainability (see 3.1.1.1) and comprising five ambitious commitments. These commitments are an integral part of the Group's strategy:

➔ 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).




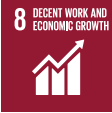



#2 Acting against climate change: By 2025, BIC will use 80% renewable electricity (SDG 7, 8, 9, 12, 13).

#3 Committing to a safe work environment: By 2025, BIC aims 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).

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

WRITING THE FUTURE, TOGETHER					
5 commitments	Progress as of Dec. 2020	Other factors: approach and performance	§	UN SDG ^(a)	Issues and risks addressed ^(b)
 <p>By 2025, the environmental and/or societal footprint of BIC® products will be improved.</p> <p>By 2030, BIC aims for 50% non-virgin petroleum plastic for its products, with a goal of 20% by 2025.</p> <p>By 2025, 100% of BIC consumer plastic packaging will be reusable, recyclable, or compostable.</p>	<p>As of end 2020 the EMA tool, concerning the process and criteria for product evaluation and improvement, has been finalized and integrated in the operational models.</p> <p>90% ^(c) of the BIC® product portfolio had been evaluated using EMA ^(d) in 2019.</p> <p>9 products improved between April and December 2020.</p>	<p>BIC’s product portfolio is now undergoing evaluation and Group-wide performance monitoring indicators are being defined.</p> <p>A similar system is also being developed for evaluating and improving the CSR performance of the Group’s packaging.</p> <ul style="list-style-type: none"> • 4.3% of recycled or alternative materials in BIC® products (3% in 2019). • 49.3% of reusable, recyclable or compostable plastic in consumers’ packaging. • 48.9% recycled content of plastic packaging. • 94.4% PVC-free packaging. • 97.3% of BIC cardboard packaging comes from a certified and/or recycled source. • 19 BIC® products with the NF Environment ecolabel. • At least 50% ^(e) of BIC® products have environmental benefits. • At the end of 2020, more than 54 million pens collected through TerraCycle in Europe, the United States, Australia and New Zealand. • 24 alternative materials tested. 	3.2.1.2	     	<p>[NFPS Risk 3]: risks related to products safety and consumers health and safety.</p> <p>[NFPS Risk 1]: risks related to plastics.</p> <p>[NFPS Risk 2]: risks related to climate change.</p>



(a) UN Sustainable Development Goals.

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







(c) Based on 2018 sales volumes.

(d) Environmentally & socially Measurable Advantage.

(e) This figure takes into account top-ups and intra-company sales.





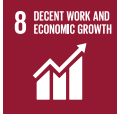
WRITING THE FUTURE, TOGETHER

5 commitments	Progress as of Dec. 2020	Other factors: approach and performance	§	UN SDG ^(a)	Issues and risks addressed ^(b)
 <p>By 2025, BIC will use 80% renewable electricity.</p>	<p>80% of electricity is of renewable origin. The Group has reached its objective.</p>	<p>The BIC Group's use of renewable electrical energy is part of a global energy approach that also encompasses energy efficiency in operations.</p> <p>The use of certified renewable electricity is expected to help reduce BIC's GHG emissions by 50% by 2025 (market-based).</p> <p>Installation of several solar panels in Daman (India) and Tarragona (Spain).</p> <p>The signing of a partnership with Schneider Electric for the installation of a tool to manage energy consumption at all sites. The goal is to optimize consumption and the related costs while increasing the use of renewable energy.</p> <p>In terms of energy efficiency, the Group is continuing its efforts. Thus, over the last 10 years, energy consumption per ton of products has decreased by 5.8%.</p>	3.3.3.1	    	<p>[NFPS Risk 2]: risks related to climate change.</p> <p>[NFPS Risk 1]: risks related to plastics.</p>

(a) UN Sustainable Development Goals.

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

WRITING THE FUTURE, TOGETHER

5 commitments	Progress as of Dec. 2020	Other factors: approach and performance	§	UN SDG ^(a)	Issues and risks addressed ^(b)
 <p>By 2025, BIC aims for zero accidents across all operations.</p>	<p>At the end of 2019, BIC integrates its Health-Safety approach in the key departments of its new organization.</p> <p>In 2020, due to the health crisis caused by the coronavirus pandemic, the roll-out of the safety culture and implementation of the health-safety roadmaps proceeded more slowly than planned.</p>	<p>The Group belongs to "Vision 0", a program of the International Social Security Association.</p> <p>Every month, the factory Directors and their EH&S managers participate in a conference call to assess progress made and share feedback from experience.</p> <p>Launch of the construction of a centralized health-safety management system, following the creation in late 2019 of a Quality Director position in the Group Supply Chain (GSC) business unit.</p> <p>Formalization of the job descriptions for the EH&S "family" and roll-out in video form of the strategic vision for the skills of the EH&S network.</p> <p>Updating of the EH&S maturity reference system and its integration in the "production" maturity reference system.</p> <p>Definition and implementation in GSC of a centralized safety progress chart comprising four proactive safety indicators that make it possible to evaluate the actions taken rather than the results obtained.</p> <ul style="list-style-type: none"> • 50 accidents (-32%). • 1.63 On-site accident incidence rate—BIC team members and temporary employees. • 0.07 Severity rate of on-site accidents—per thousand hours worked—BIC team members. • 62 sites with 0 accident. 	3.4.3.2	 	<p>[NFPS Risk 4]: Risks related to the health and safety of team members.</p>



(a) UN Sustainable Development Goals.

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



WRITING THE FUTURE, TOGETHER

5 commitments	Progress as of Dec. 2020	Other factors: approach and performance	§	UN SDG ^(a)	Issues and risks addressed ^(b)
 <p>By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing.</p>	<p>As of end 2020, 25.8% of strategic suppliers have integrated the responsible purchasing program (excluding Cello Pens).</p>	<p>ESG evaluations (EcoVadis tool) of strategic suppliers since 2011.</p> <p>Program for CSR auditing of global or local contract manufacturers.</p> <p>Launch of a pilot resilience study on the supply chain for the production of lighters, covering nine materials and 26 strategic suppliers.</p> <ul style="list-style-type: none"> • 300 strategic suppliers identified. • 10 purchasing categories evaluated. • 95 risks identified. • 31 action categories identified. • 58% of contract manufacturers audited between 2019 and 2020. • 100% of all buyers trained in the responsible purchasing approach. 	3.5.1.2	  	[NFPS Risk 5]: Risks related to non-respect of Human Rights (child labor, ILO's international conventions).
 <p>By 2025, BIC will improve learning conditions for 250 million children globally.</p>	<p>Learning conditions for more than 118 million children were improved since 2018 through direct actions with children or with teachers and parents.</p>	<p>Development of activity sheets and workshops for teachers.</p> <p>Assistance brought to parents, teachers and children in many countries during the closure of schools due to the health situation (Covid-19).</p> <p>Animation operations and workshops in schools such as awareness raising on the importance of education and writing, production of writings or thematic coloring contests for the youngest.</p> <p>44% of philanthropic contributions (product or financial donations, skills) undertaken by local entities for local communities or by the BIC Corporate Foundation promote education (52% in financial value) ^(c).</p>	3.6.2.1	     	

(a) UN Sustainable Development Goals.

(b) Risks identified within the framework of the NF

(c) For this indicator, all sponsorship actions in favor of education are considered, including those carried out as part of commitment #5.



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



GOALS SUSTAINABLE DEVELOPMENT



#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 80% renewable electricity.
#3 Committing 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.
#7 Improving lives through education	By 2025, BIC will improve learning conditions for 250 million children, globally.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
#1			x			x		x				x			x	x	
#2								x	x	x		x	x				
#3			x					x									
#4								x				x					x
#7	x			x	x	x		x					x				

The table shown above charts the ways in which “Writing the Future, Together” contributes to the UN SDGs. To create it, BIC evaluated its contribution to the targets defined by the UN for its 17 major goals. The Group contributes mainly to two goals, in particular through the products that it manufactures and markets in more than 160 countries:

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 § 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, and through its monitoring and compliance program, which ensures that the products it markets are safe and comply with health and environmental standards (see § 3.2).

Within the direct scope of its operations or its sphere of direct influence –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 impacts 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– the Group also contributes to the following UN Sustainable Development Goals:

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. Aquatic life;

SDG 15. Life on land;

SDG 16. Peace, justice and strong institutions.



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

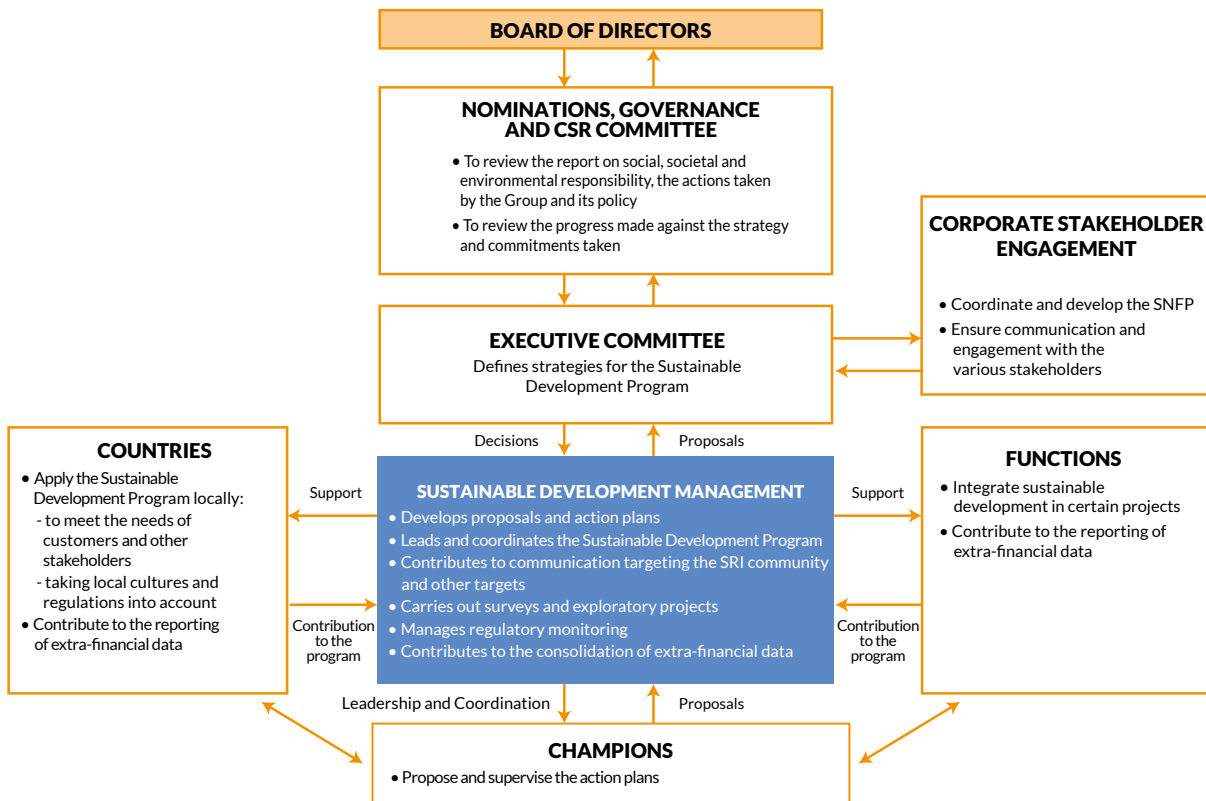
3.1.3.1 Sustainable development as a key factor in the decision-making process

The issues of sustainable development are considered in the Company’s decision-making process from the perspective of risks to be controlled and opportunities to be seized. Topics related to sustainable development are regularly discussed at Executive Committee meetings, in particular: 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 at least once a year to the Board of Directors and at the Annual Shareholders’ Meeting. In 2020 the new commitments of

the “Writing the Future, Together” program were explained to the Board of Directors as part of the presentation of the “Horizon” strategic plan. In addition, the Audit Committee is kept abreast of the policies and programs implemented by the Group.

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 and monitors the deployment of the “Writing the Future, Together” strategy as well as the Group’s progress in responsible innovation, the circular economy and the development of new responsible products.



As part of BIC’s transformation plan, “BIC 2022–Invent the Future”, the Sustainable Development Department is now integrated into the Group Insights & Innovation division, focusing on products and innovation. With this change, the teams of the Sustainable Development Department, while continuing to pursue their transversal missions, also work closely with the innovation and product design teams, providing everyday support to help facilitate responsible innovation and speed the improvement of the products’ carbon footprint and/or societal impact.

As part of this effort, in 2020 the Group shared its new commitments with them during the presentation of the Group’s strategic orientations (the “Horizon” strategic plan). In addition, year after year, BIC fulfills its commitment to respond to the questions submitted by the following non-financial ratings agencies: Vigéo, Sustainalytics, MSCI, GAIA and FTSE. The Stakeholders Commitment Department is available to investors, ready at all times to answer questions concerning ESG. The Sustainable Development and Stakeholders Commitment Departments regularly participate in ESG conferences hosted by financial intermediaries.

3.1.3.2 Listening to investors and Shareholders

The BIC Group engages in an ongoing dialogue with the financial community.



3.2. OUR PRODUCTS ^[NFPS]

BIC produces and markets consumer products that are lightweight, have a long performance life, and are affordable by everyone. Right from the start, BIC® products have been designed and made with just what's necessary in terms of raw materials, leaving out anything that is superfluous.

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

BIC also contributes to the development of the circular economy by initiating partnerships for the use of secondary raw materials, and by cooperating in the implementation of a pilot channel for the recycling and remanufacturing of stationery products.

BIC® products are designed to meet and anticipate the expectations of all consumers in developed as well as developing countries. In addition, the Group takes all necessary measures 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 wastes. The goal is to transition from a society based on a linear extraction-production-waste model to a more circular economic model.⁽¹⁾

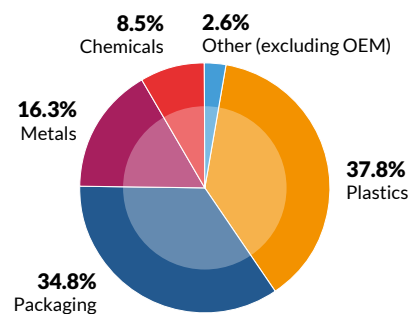
At BIC the principles of the circular economy are expressed in the Group's "4 Rs" philosophy, which serves as a guide for all of its "product" processes:

- **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.) and resources (water and energy), and generates waste.

BREAKDOWN OF RAW MATERIAL PURCHASES IN 2020



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

Starting in 1994, when BIC conducted its first life cycle studies, the Group defined its founding principle of "just what's necessary"⁽²⁾ in order to offer fairly priced products with less environmental impact.

(1) Source: website of the French Ministry for the Ecological Transition.

(2) "Il y aura l'âge des choses légères" by Thierry Kazazian, Victoires Éditions, 2003.



ENVIRONMENTAL PERFORMANCE MEASUREMENTS FOR THREE MAIN 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%

Among the major CSR risks related to its products, the BIC Group identifies:

- risks related to plastics *[NFPS risk 1]*, including:
 - upstream, the use of this material in BIC® products, contributing to the depletion of a non-renewable resource which is therefore subject to rarefaction and price volatility,
 - downstream, with the growing problems of pollution resulting 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]* due to the use of petroleum-derived raw materials (plastics). The effort to minimize the use of these raw materials and use more recycled and alternative materials is part of the plan for controlling these risks (see also *Writing the Future, Together # 1* § 3.2.1.2).

For BIC, the challenges related to plastic waste and resource depletion also offer opportunities, such as:

- differentiation on the markets by offering products with environmental benefits;
- innovation in materials and products, backed up by the close monitoring of technical and regulatory developments concerning plastics;
- the implementation of a recycling and remanufacturing channel, paving the way toward the circular economy, and making use of feedback on this experience to initiate other similar systems adapted to each country;
- communication to inform customers and consumers of the products' environmental benefits in order to help them make more responsible choices.

3.2.1.2 New ambitious goals for products and packaging, in keeping with the “4 Rs”

In 2020 BIC wanted to go further. In keeping with its “4 Rs” philosophy, the Group made new commitments to use more recycled and alternative materials in its products, and to speed the transition toward reusable, recyclable or compostable packaging:

- 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 provided by 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 uniting all of the entities concerned within the Group (Group Insight & Innovation, Group Global Supply Chain, Group Lighter and Group Commercial), based on recommendations and expertise from outside the Group (in particular the Ellen MacArthur Foundation).

These goals have been integrated 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 everyday operations:

- by 2025 the environmental and/or societal footprint of BIC® products will be improved (“Writing the Future, Together” #1 Fostering Sustainable Innovation in BIC® products).



(1) BIC analysis.



3.2.2 APPLYING THE “4 RS” PHILOSOPHY TO PRODUCTS ^[NFPS]

3.2.2.1 Policy, actions taken, results and perspectives ^[NFPS]

The “4 Rs” – Reduce the consumption of materials

BIC has always sought to optimize its use of raw materials as much as possible. As an expert in the processing of plastics, BIC exercises its responsibility above all by minimizing its use of these materials. The Group updates its product designs on a regular basis, with the aim of optimizing and reducing its consumption of materials.

In the Stationery category, 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 (more than 10% material reduction since inception), it continues to benefit from ongoing research to minimize the quantity of material used:

- it has a minimum writing length of more than 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 Shavers category, BIC achieves 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 Lighters category launched the EZ Reach™ utility lighter, whose environmental footprint in terms of materials is reduced by two-thirds compared with the U140 model.

The “4 Rs” – Use Recycled or alternative materials

Since 2014, BIC has been conducting a research program to maximize the use of recycled and alternative materials in BIC® products. To achieve this, the research teams have identified all BIC® products whose design could be modified or adapted for production using alternative/recycled materials without sacrificing quality. The challenge is:

- to ensure a perennial source of such materials that meet the specifications and are available on the market;
- to convert any products that lend themselves to this adaptation.

Regarding the identification of recycled or alternative materials, the 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 available for industrial use is kept up to date. From this list, engineers select materials that correspond to industrial and economic requirements with the objective of conducting feasibility tests. Depending on the products' 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, woodchips, etc. Once a formulation is ready, it is tested to ensure that it meets industrial specifications for quality and safety, sometimes going all the way to the finished product qualification stage.

“ 24 alternative materials tested in 2020 including: 11 recycled plastics; 10 hybrid materials; 3 materials from renewable resources. ”

Exemplifying this approach, the BIC® Ecolutions® range is a complete Stationery line that consists of products manufactured using recycled materials (at least 50%) in compliance with the standard ISO 14,021. The BIC® Matic Ecolutions® mechanical pencil, for example, contains 65% recycled materials. All Stationery lines now include at least one product made with alternative (in particular recycled) materials.

The Velleda whiteboard, containing 50% pencil production residue, was launched in France at the start of the school year last fall.

In 2021 BIC plans to launch several products that integrate alternative materials, including:

- a retractable ballpoint pen in the BIC ReVolution line in the United States, made with 73% recycled (“ocean-bound”⁽¹⁾) plastic;
- a J26 lighter combining multiple eco-friendly improvements: a single bio-sourced plastic for easy recycling, plastic-free packaging, PET case cover, recycled metal parts, no added dyes, etc.

The “4 Rs” – Design and manufacture Refillable products

In keeping with its “4 Rs” philosophy, BIC makes an ongoing effort to launch refillable products when possible due to their environmental advantages. However, in the case of low-end Stationery products the consumer demand for refills is virtually non-existent, and in the case of lighters the BIC Group's highest priority is ensuring its consumers' safety.

In the Stationery category, BIC continues to offer refillable pens. For example, the BIC® Gel-ocity® line of refillable gel ink pens, the 4-Color™ and 4-Color™ 3+1, which combine three ink colors and a mechanical pencil, are all refillable. On the U.S. market, pen refills are available on a dedicated website: www.shopbic.com.

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

(1) Plastics littered on the ground, near rivers or shores.

In the Shaver category, the BIC® Hybrid shaver is sold as a handle with four-to-six heads. 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 those of a conventional handle. Because it comes with four-to-ten heads, the product's performance life is at least four times that of a standard non-refillable shaver. Over its entire life cycle and for one year of shaving, the environmental impact of the BIC® Hybrid shaver is 28% less than that of a similar non-refillable BIC® model, like the BIC® Comfort 3® Action®.

In late 2020 the BIC Group acquired Rocketbook, the number one brand in the United States for reusable smart notebooks. Its products meet the needs of a great many consumers, allowing them to store and share handwritten notes quickly and efficiently in an environmentally-friendly way. Rocketbook's line of affordable, innovative products expands and enriches BIC's range of writing instruments, offering consumers a complete and sustainable ecosystem for writing and creating.

Going even further with the functional economy

In 2019 the BIC Group set out to further develop the refill model by experimenting with a new circular economy model –the functional economy– through a partnership with LOOP, a circular economy e-commerce platform created by Terracycle, the world leader in the recycling of wastes that are considered difficult to recycle. LOOP offers a practical, affordable circular economy e-commerce solution based on sustainable and refillable products and containers. It reduces dependency on packaging through home delivery, returnable packaging and supply based on actual consumption. Three BIC® products are carried by LOOP, all three listed as approved school supplies: the BIC® Gel-ocity® Illusion™ erasable gel pen and its cartridges, the BIC® Criterium™ refillable mechanical pencil and its six-lead refill case, and a box of 10 woodless colored pencils, for which consumers can reorder single pencils of a specific color.

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

In keeping with its “4 Rs” philosophy, the BIC Group constantly strives to make its products more recyclable by improving their design and by exploring all available recycling channels in order to gain an understanding of its products' end-of-life phase.

Since 2011, BIC has been exploring the development of channels for the recycling of its products, thus becoming active in the field of waste management, a completely new activity for the Group in relation to its core business. Taking part in a collaborative effort with different stakeholders, BIC is the initiator of an independent recycling industry, which offers a circular economy model unique in France. This circular economy sector relies on two major partnerships:

- **BIC's partnership with TerraCycle** for the collection of used writing instruments: since 2011, the BIC-TerraCycle program has been offering the collection and recycling of used writing instruments in Europe. A pioneer in this field, the program allows users of these products to organize at their consumption sites the collection of all types of writing instruments, whether BIC® branded or not, to be recycled. For each instrument collected, one euro cent is donated to a charity or non-profit association of the organizer's choice or, in the case of schools, directly to the school to finance an educational project. As of the end of 2020, more than 54 million pens had been collected and 680,000 euros in

donations made. This program, funded entirely by BIC, enables the Group to gain a better understanding of the mechanisms of selective collection, to encourage responsible consumption (using products until the very end of their service life) and to promote the habit of waste sorting at the site of consumption.

After its launch in Australia and New Zealand in 2019, the TerraCycle program was rolled out in the United States in 2020;

- **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 materials are shipped to Govaplast, which converts them 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. This range comprises seven models. 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 –qualities in keeping with the Values of BIC® products– they have a smaller environmental footprint than outdoor furniture made from farmed wood.

At the end of 2020 Ubicuity™ posted strong sales in France, showing steady growth since 2017 (with more than 500 pieces of outdoor furniture sold in three years). Buoyed by this success, Plas Eco and BIC have expanded the product range with the launch in 2020 of a new line for nursery and grade schools.

BIC hopes that this product line and the circular economy channel that spawned it will grow rapidly in the years to come, as exemplified by the program's extension to Australia and New Zealand in 2019.

Furthermore, several years ago, the Lighters category has launched a test phase of several collection and recycling loops. The objective is to understand consumer behavior with regard to collection and recycling, and to define the most effective models for implementing the collection of used lighters.

The “4 R's” in the product teams' everyday operations

The BIC Group wants to make responsible innovation and the improvement of its products' environmental and societal footprint an integral part of its teams' everyday operations. To aid in this effort, the Group has developed a tool for evaluating its products: the EMA (Environmentally & socially Measurable Advantage) Scorecard.

EMA is based on eight criteria (service life, product weight, the materials' environmental impact, the use of recycled and/or alternative materials, the materials' recyclability, etc.). Conceived 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 within the Group by adopting an objective, scientific approach in the design processes. Directly connected to the existing tools used for eco-design (e-DEA and SimaPro), EMA unites all of the R&D work conducted at BIC for the purpose of product improvement. The criteria defined for EMA are applied to all products (both new and updated existing products) and integrated into the innovation process. This tool makes the eco-design approach developed by the Group for many years now the focal point of product development at BIC, establishing its guidelines as unconditional principles.



TOOLS TO FACILITATE THE ECO-DESIGN PROCESS

Life Cycle Analysis

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

The product design teams are equipped with an array of tools such as SimaPro, associated with e-DEA ⁽¹⁾ (software, design interfaces, product environmental profiles, eco-design and LCA guides), which allow them to carry out comprehensive, detailed environmental assessments as well as rapid analyses to facilitate decision-making during the design process.

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

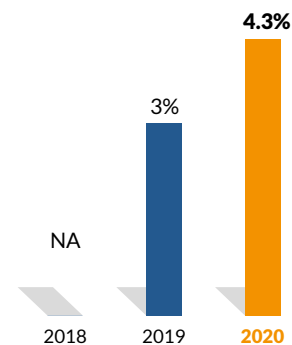
Since 2015, 100% of new products are thus subject to eco-measurement.

In 2020 the digital development of EMA was completed and the scorecard was totally integrated into the product development processes. All Marketing teams have received training on how to use this tool for the design or updating of a product, and an analysis of the Group's product portfolio is underway. Having succeeded in this initial development for product improvement, in 2020 BIC began conceiving a similar tool for its packaging.

The roll-out of product improvement plans in all three BIC® product categories is scheduled to begin in 2021, in particular integrating the use of recycled and alternative raw materials, as specified in the Group's most recent commitments. Progress will be assessed according to an indicator showing the percentage of BIC® products improved in comparison with the year of reference.

At the end of 2019, 90% ⁽²⁾ of the BIC® product portfolio had been evaluated using EMA. Since the finalization and integration of EMA into business processes in April, nine products have been improved.

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



BIC has defined the environmental benefits for its products by complying with at least one of the following:

- lightweight and long-lasting (writing instruments ≤ 3 g/km; correction products ≤ 1.8 g/m; lighters ≤ 8 g/1,000 flames; shavers ≤ 1 g/shave);
- made from alternative materials (recycled, vegetable origin, etc.);
- refillable;
- eco-labeled (*NF Environnement*, etc.).

This indicator is calculated on the number of units and concerns the products of the three main categories (except PIMACO and Cello Pens activities).

(1) *Everybody can Design with Environmental Awareness.*

(2) *Based on 2018 sales volume.*

Perspectives

An extension of the EMA tool for evaluating BIC® products is underway for packaging. Making it possible to evaluate new packaging in order to optimize it and reduce its environmental footprint, this tool will be used by the packaging development teams in their everyday decision-making process.

The BIC ecosystem, promoting the circular economy

In the past several years BIC has joined forces with key players to facilitate its progress toward the circular economy:

- in 2019, BIC became a partner in the Circular Economy 100 initiative of the **Ellen MacArthur Foundation**. Its various programs will enable BIC's teams to expand their knowledge, develop their skills, build a network and collaborate with key organizations on topics related to the circular economy;
- in 2020 the BIC Group also joined the **Plug & Play** network, the world's largest innovation ecosystem. This will give the Group easy access to the right partners and the best startups on the market in order to speed up the research and development process for the creation of 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 in order to improve the state of the art;

- since 2019 the BIC Lighters division has backed the **Tara Ocean Foundation**, whose oceanographic research vessel sails the world's oceans, uniting scientists in an effort to understand the dynamics of the degradation of plastic objects at sea. This research program also documents the impact of plastic wastes on the oceans, with the long-term goal of identifying substitute materials;
- BIC has joined **Bio-speed**, a consortium for the purpose of accelerating the emergence of a biomass economy. It unites a number of groups, including Danone, Faurecia, Lego, Michelin, L'Oreal and Quicksilver, with the goal of reducing fossil fuel dependency and the environmental footprint of manufactured products by promoting the conversion of non-food biomass into polymers;
- in R&D on alternative materials, over the years BIC has cultivated more than 100 strategic partnerships in research and development with startups, companies at the forefront of innovation, universities, research institutes and external laboratories, playing a leading role in a community with which it pursues long-term prospective and development programs. For example, the Group works closely with a number of French startups, like **Pilibio and Inofib**, specializing respectively in the production of inks from microorganisms and in natural cellulose fibers. Since 2012, the Group has also been a member of the "**Matériaux Chimie, Chimie Verte**" **competitiveness cluster** that backs innovative projects in materials, chemistry, green chemistry and sustainable development. The projects sponsored by the cluster concern multifunctional, eco-designed and bio-sourced materials, high-efficiency processes and clean technologies.

3.2.3 APPLYING THE "4 RS" PHILOSOPHY TO PACKAGING

Packaging is needed at several stages in the life cycle of BIC® products: for their protection, shipping, storage and sale, and for promotional support. BIC's packaging consists primarily of boxes and cases made of plastic, paper and cardboard. This packaging has an environmental impact during its manufacturing and shipping, and at its 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 (81% in North America), 79% of lighters are sold in trays of at least 50 (64% in North America) and 81% of shavers are marketed in pouches of five, 10 or more (72% in North America).

Following up on its actions undertaken over the past several years, 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 Group actively seeks to reduce the weight and volume of its packaging through multiple targeted actions around the world in accordance with local distribution models.

Plastic consumption has been reduced by decreasing the thickness of plastic pouches and blister pack shells (by 15 to 20%) and by eliminating plastic trays for bulk shipping. Implemented in 2020 at the Athens (Greece) and Saltillo (Mexico) sites, this type of initiative saved 150 tons of plastic for the year.

The Group seeks to reduce its cardboard consumption by:

- **eliminating cardboard packing inserts**. For example, in 2020 the elimination of cardboard inserts for the Velleda markers and of some shipping wedges made it possible to save 13 tons of cardboard;
- **using lighter weight cardboard**. In 2020 the grammage of the blister pack cards for the shaver range was reduced by 12%, thus saving nearly 50 tons of cardboard.

The "4 Rs" – Use Recycled or alternative materials

In Mexico and Brazil, trials are being conducted with various suppliers of recycled PET as a replacement for virgin PET.

In the United States, recycled PET is now used instead of virgin PET for blister packs, representing a quantity of nearly 500 tons.

In 2020 the transition from virgin to recycled plastic began for the 50-lighter trays, with the goal of using 100% recycled plastic.

The BIC Group estimates that as of end 2020:

- 48.9% recycled materials are used in BIC plastic packaging;
- 97.3% of BIC paper and cardboard packaging comes from certified and/or recycled sources.



The “4 Rs” – Design and manufacture Recyclable or reusable packaging

The BIC Group has been working for many years to improve recyclability for the reuse of its packaging, with initiatives like LOOP and the reuse of its display stands. In 2020 the Group announced that by 2025, 100% of its plastic consumer packaging will be reusable, recyclable or compostable.

As part of this effort, the BIC Group is pursuing its commitment to eliminate the use of PVC in its packaging. The Group has already eliminated PVC at its factories in Europe and the United States (99% of the packaging is now PVC-free). All products packaged locally in South Africa also use PVC-free packs. In 2020 the Group's South American sites stepped up their efforts to use less PVC, reducing consumption by 80 tons in Mexico and by 39 tons in Brazil.

Also in 2020, a 100% recyclable cardboard pack was developed to replace the PET blister pack for the BIC® Hybrid Flex and BIC® Click Soleil shavers. This product line was rolled out on the North American market in January 2021 and in Europe in Q1 2021, which

should reduce plastic consumption by more than 200 tons for the year in 2021.

In the United States, the plastic pouch of the BIC® Cristal® 10-pack has been replaced by a 100% recyclable cardboard case, for a savings of 25 tons of plastic over one year.

In North America, since Q1 2020, BIC has been printing recycling logos and instructions (How2Recycle) on its primary packaging in order to help consumers sort their used packaging.

For the store displays of several product lines, BIC uses semi-permanent “refillable” plastic display units as well as recyclable cardboard units. In 2020 a wooden display unit was launched in Europe for the sale of lighters. The wood used is FSC-certified and the inks are Ecolabel-certified.

As of end 2020:

- 94.4% of BIC plastic packaging was PVC-free;
- 49.3% of the Group's plastic consumer packaging was reusable, recyclable or compostable.

Results

IMPROVEMENT OF PACKAGING

	2018	2019	2020
Percentage of cardboard packaging from certified and/or recycled sources ^(a)	94.2%	95.7%	97.3%
Percentage of plastic packaging that is PVC-free ^(a)	87.9%	92.1%	94.4%
Percentage of reusable, recyclable or compostable plastic in consumers' packaging ^(b)	NA	NA	49.3%
Percentage of recycled content of plastic packaging ^(b)	NA	NA	48.9%

(a) Cello Pens excluded (see scope in § 2.8.2.3).

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

3.2.4 PRODUCT SAFETY ^[NFPS]

BIC seeks to offer safe products that meet consumer expectations and comply with all pertinent safety requirements and standards. This entails the integration of consumer health and safety concerns in 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 their health 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 the products' safety and the protection of consumers' health and safety constitute an opportunity for the Group to establish itself as a reference brand in terms of the quality and safety of its products, meeting or surpassing the regulatory requirements for each market.

3.2.4.2 Policy, actions taken, results and perspectives

The topics of product safety and the protection of consumer health are of strategic importance for the Group. With the primary goal of offering products that comply with all pertinent safety requirements and standards, BIC integrates regulatory compliance and risk management concerning product safety into its strategy through a body of documents defining its commitment, and through strict processes conceived to ensure that it markets only safe products compliant with safety requirements and standards. As a result, each day, BIC supplies millions of products while maintaining consistent quality, checked through a vast array of tests and in compliance with national and international safety requirements. From 2020, the year of its acquisition by BIC, Djeeep 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 include:

- 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 from the earliest stages of 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, in close cooperation with industry associations that share their members' expertise with the appropriate authorities;
- the integration of innovations in 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 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 cannot provide sufficient guarantees that a new product is harmless for the consumer;
- the alternatives to animal testing are not recognized by regulations.

More specifically, BIC is also developing seven commitments to ensure the quality and safety of lighters (see the box on the following page).



**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) to provide the latest and most reliable quality and safety information to its customers.
3. Each BIC® lighter undergoes more than 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, 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 nearly 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 watch procedures in addition to internal and external resources –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 non-official lists defined by NGOs, future regulations and controversial substances that are not already banned. The Group always strives to anticipate the substitution of regulated substances. By its very nature open-ended, this Watch List will be expanded to include requirements and controversies reported from outside of Europe. Since 2019 the Watch List has been taken into consideration as part of the product ratings in the EMA tools. The Product Safety team works closely with the product design teams to stay abreast of the list's evolution and ensure its incorporation in product improvement.

[Covid-19] In 2020, in response to the coronavirus crisis, the BIC Group expanded its regulatory watch processes to include biocidal products (hydroalcoholic gels), personal protective equipment (visors) and filtering masks for the general public.

BIC, as a member or Executive Committee member of numerous sectoral organizations and industry associations⁽¹⁾, actively participates in regulatory watch and interactions with local regulatory authorities, an important activity for staying abreast of new requirements.

In order to keep pace with future regulatory challenges, in 2019 the Product Safety teams participated in various events in Europe and around the world. In 2020 many of these events were canceled. The teams were able to participate in the REACH DII conference, and later to remote-attend work sessions of the TIE association and AFNOR (toy standardization committee) as well as webinars organized by FEBEA.

In response to the CLP regulation, BIC complied with the EU toxicovigilance statements and began including the UFI (Unique Formulation Identifier) number on the packaging of its products covered by the regulation. Seven products (one glue and six correction fluids) now have UFI numbers, and all of the packaging and labels for these formulas have been modified (for a total of more than 40 items updated).

(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 the Fédération des Entreprises de la Beauté in France.



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.

To address these requirements, BIC created a dedicated organization to allow the integration of the REACH topics. At Group level, an expert was appointed who, with the support of specialized firms, monitors the regulation, evaluates the impacts for the Group and creates the administrative files. This person is the contact person for all entities on this topic. 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. After the deadline of 2018 for products representing 1 to 100 tons per year, the authorities are now evaluating the compliance of the registration files received. BIC remains on the lookout for potential impacts on the files submitted.

Many countries are adopting regulations similar to the EU REACH regulation. As of end December 2020, BIC has pre-registered 19 substances for South Korea, 141 for Eurasia (Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia) and 30 substances for Turkey.

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

To guarantee 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 Group's commitment to ensure that its products comply with regulations and are safe for health and the environment (see above);
- monitoring by dedicated regulatory watch teams (see above);
- a product safety qualification process for all products before they are launched in the market (see below).

This solid, longstanding organization is constantly being adapted and expanded to take changing regulations into account. The Executive Committee and management teams are systematically kept abreast of new developments in product safety and regulations.

In 2020, in response to the recommendations and exemptions issued by the relevant authorities, BIC undertook qualification for the production of masks and hydroalcoholic gels at its sites. These products were manufactured for the protection of the Group's own employees and for donations.

[Covid-19] In addition, the lockdown measures imposed in France from March to May 2020 obliged the Product Safety teams to reorganize the management of samples in order to compensate for the closing of some laboratories and maintain the product qualification processes.

Systematic testing and evaluation programs

Before they arrive on the market, all BIC® products, whether new or modified, must undergo a comprehensive program of safety tests and qualification evaluations. These tests and evaluations make it possible to assess potential hazards and to identify the chemical substances present, evaluate their risk level, verify their compliance with standards, and identify any adaptations of 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 conducted by independent accredited laboratories, more than three quarters of the lighter models in the European market fail to meet standards. The Group has initiated actions to raise awareness among the various parties involved.

In 2010, emphasizing the consequences for consumer safety, BIC filed a complaint against the Netherlands with the European Commission for non-enforcement of EU safety standards for lighters. As a result, the Commission opened an infringement procedure against the Netherlands. In March 2012 and then in July 2014, the country was served formal notice to explain its failure. In April 2019, the *Association des Brûlés de France* (French burn victims' association) participated in a hearing with the European Parliament after petitioning the European Commission regarding the lack of progress in the regulatory compliance of lighters in Europe.

In 2020 the European Commission decided to terminate the infringement proceedings against the Netherlands, as well as the complaints filed by the BIC Group in 2018 against France and Germany for non-enforcement of safety standards on the lighters market.

The European Commission is now in the process of revising its General Product Safety Directive, and the BIC Group, based on its knowledge of the market and long experience with the shortcomings of the system, in particular as a result of the infringement proceedings against the Netherlands, is formulating constructive proposals for the fundamental improvement of the European framework for product safety supervision.

“ 291 products have been tested by independent laboratories ⁽¹⁾. ”

(1) Product qualification excluding lighters.



Training

In 2020, as part of its transformation program, the BIC Group introduced training on regulatory obligations and product safety, but the roll-out was not as extensive as planned due to the public health crisis. A training course was taken by 25 members of the operational teams of the Samer and Verberie sites (France), including project managers, production teams and quality teams. The Product Safety team prepared remote training courses for all project teams, and an initial session took place in October for the quality teams, with more than 70 people participating.

Perspectives

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 watch activities to remain ready to adapt its processes, products and formulas as needed. The BIC Group also plans to offer training in the main principles of its product safety policy to the teams concerned. This training will emphasize the importance of ensuring maximum safety for all BIC products and for all markets throughout the world, in particular in order to meet the challenges of e-commerce.

3.2.5 PRODUCTS DESIGNED TO MEET AND ANTICIPATE CONSUMERS' EXPECTATIONS ^[NFPS]

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

BIC distinguishes its "customers" (i.e., companies, public administrations and office supply distributors, as well as major mass-market retailers) from its "consumers," the end users of its products. Customers are becoming increasingly demanding in terms of environmental and social performance of the products they buy, as well as the evaluation of their suppliers' Sustainable Development Policies. They submit many questionnaires addressing increasingly specific and diversified topics. Retailers and wholesalers also want their collaborators in the distribution chain to show how they are helping to reduce the global environmental and societal impact of their operations, and impose increasingly strict requirements on the packaging of the products that they carry.

3.2.5.1 Risks and opportunities ^[NFPS]

[NFPS risk 8] Among its main CSR risks, BIC has identified risks related to reputation and brand. In the context of increasing environmental awareness, the brand image could be associated with so-called disposable single-use products, leading to customer disaffection for BIC® products. In addition, BIC seeks to improve its communication operations, in particular concerning its products' environmental and social performance, to ensure that they allow the Group to retain the confidence of its stakeholders.

Meeting consumer expectations is also a source of opportunities for BIC, such as:

- positioning BIC as a responsible brand that delivers quality and safety through its long-term commitment and ambitious programs;
- highlighting its products' environmental and social benefits, standing out on the brand's markets and overcoming the disposable/sustainable contradiction;
- innovating in order to make BIC® products affordable to all.



➔ OVERCOMING THE DISPOSABLE/SUSTAINABLE CONTRADICTION

BIC® products are very often stigmatized as "disposable". Although not all of them are refillable, neither are they used just once. On the contrary, most of them offer long-lasting performance: more than two-km of writing for a ball pen, up to 3,000 flames produced for 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, and BIC makes an ongoing effort to reduce their environmental impact in daily use. Each of the various products on the market, whether refillable or not, meets a specific consumer need.

3.2.5.2 Policies, actions taken, results and perspectives ^[NFPS]

Since its founding, BIC has strived to develop and offer simple, affordable products, leaving out anything superfluous, that meet consumers' expectations, especially in terms of environmental and social performance. To that end, the Group develops various programs and policies:

- Writing the Future, Together #1 Fostering sustainable innovation in BIC® products (see § 3.2.1.2);
- the "4 Rs" philosophy (see § 3.2.2);
- communication on the products' environmental benefits in order to encourage more responsible consumption (see below);
- defined in 2013, the Responsible Communication Charter formalizes BIC Group's integration of the Value of Responsibility in its communication. This Charter expresses BIC's intention to share reliable information and release clear, accurate messages; it applies to all communication undertaken by the Group around the world towards all of its stakeholders;
- BIC participates in Walmart's Thesis program (for shavers and writing instruments), which assesses suppliers' sustainability performance according to indicators established by the Sustainability Consortium. BIC also carries out specific reporting for Walmart every year through the CDP Supply Chain and participates in the yearly Gigaton project;

- in addition to responding to its customers' specific questionnaires on its CSR approach, BIC discusses all pertinent topics with them, including sustainable development issues, as part of its commercial relations. In certain cases these relations can 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 to all.

Encouraging consumers to adopt more responsible consumption habits

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, while others supply information on their environmental and social qualities (eco-values) to help consumers choose products that meet their expectations. The most appropriate approach is chosen for each continent or category. For example, the communication in Europe emphasizes the *NF Environnement* ecolabel certification of a given product, where it was manufactured, the amount of recycled materials in it or its writing length. In the Lighter category, 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.





Made in France

In 2019, BIC in North America became 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.

In France, BIC participates in the joint effort now underway on environmental labeling of products. To this end, in 2012 the Group launched a test score posting in the form of a dedicated website ⁽¹⁾ that shows the ecological footprint of the BIC® Flex 3 and BIC® Flexi Lady shavers and proposes eco-habits that allow consumers to help reduce the footprint.

Since 2015, in compliance with French law, BIC has been offering consumers sorting instructions for its packaging. This information is posted in a dedicated section of the Group’s website.



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 impact on the environment. To obtain this ecolabel, a product must comply with certain functional and ecological guidelines conceived to reduce its environmental impact throughout 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. Today, a full range of 19 BIC® products has been granted this ecolabel, including historical products like the BIC® Cristal® and the BIC® 4-Color™ ballpoint pen, as well as the pens in the BIC® Ecolutions® line.

Results

100% of the environmental claims that appear on the packaging, in the catalogs and on the websites for BIC® products are approved by the Legal Department.

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

Perspectives

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

(1) www.bicworld.com/fr/affichage-environnemental.

3.3. OUR INDUSTRIAL SITES AND OFFICES ^[NFPS]

As an industrial leader in the manufacture of consumer products, BIC is committed to ensuring that its sites, including both factories and offices, operate in an environmentally responsible way. BIC Group strives to reduce the impact of its manufacturing operations and optimize the shipping of its products.

BIC exerts good environmental control over its entire manufacturing chain, in particular due to two factors. It favors in-house production over contract manufacturing: 92% 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 activity and is committed to minimizing it. While the need for raw materials is determined mainly by the design of the products (see section 3.2.1 Our products), the factories that manufacture BIC® products assume the important responsibilities of optimizing their water and energy consumption, as well as reducing greenhouse gas (GHG) emissions and waste production.

- regulatory compliance;
- continuous improvement;
- awareness and involvement.

Since 2010, the Environment, Health & Safety (EH&S) Policy is deployed at all BIC Group industrial sites. BIC maintains a formal procedure to review the BIC EH&S Policy to ensure that it remains pertinent and appropriate to the business. This procedure describes a periodic assessment and revision of the Policy to ensure that it is still appropriate for any changes in the Group's activities and products, including acquisitions and changing stakeholder expectations.

In addition, since 2018, all BIC sites (factories, packaging or distribution centers, head offices and other offices and installations) have been equipped with a system for documenting and managing safety incidents, as part of the implementation of commitment #3 Writing the Future, Together (see § 3.4.3.2).

3.3.1 RISKS AND OPPORTUNITIES ^[NFPS]

[NFPS risk 7] Among its main CSR risks, BIC has identified risks related to its operations and the environment: the nature of the Group's manufacturing operations, primarily the molding and assembly of plastic products and printing of products, has a local environmental impact that remains relatively low compared with other manufacturing sectors.

Reducing its factories' environmental footprint is also a source of opportunities for BIC, such as:

- optimizing production costs by limiting the consumption of resources (water, energy, etc.) and the production of factory waste;
- facilitating the factories' integration in their local surroundings by reducing their environmental footprint, adopting exemplary practices and initiating outreach actions to benefit the local communities.

3.3.2 POLICIES AND MANAGEMENT SYSTEMS ^[NFPS]

The **Environment, Health & Safety (EH&S) Policy**, defined in 2005, codifies the Group's commitment to minimizing the environmental and safety impacts that result from our operations, from production to distribution, in order to better protect the environment. The Policy specifies BIC's dedication to:

- pollution prevention;
- health and safety risk prevention;

3.3.2.1 At the industrial sites

The Eh&S Policy on 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 deploying these management systems. In addition, the Stationery category, which has the most sites around the world, employs a central EH&S manager who guides and coordinates the network of EH&S managers in this category. He also ensures that all facilities comply with the Group's Policy and objectives, and monitors site performance by consolidating, analyzing and communicating the results achieved.

The environmental management system helps ensure compliance of the activity with applicable laws and regulations concerning the environment. This may include daily or periodic controls, to comply with local regulations, that are carried out internally or with the assistance of an independent external company. An action plan is established to correct any identified compliance issues.

Within the framework of the management systems, an in-depth review of all aspects of the site's activities and environmental impacts (water, air, soil, noise, etc.) is performed and action plans are defined to limit these environmental impacts. 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 deployed at the Group's industrial sites 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 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 have also implemented a Safety Management System.

Outside France, some Group plants have equivalent emergency plans that address risks with potential off-site consequences. For example, plants in the U.S. maintain an Emergency Response Plan that includes prevention and management of the off-site consequences of any accidents.

Management Systems and Certifications

In 2020 the implementation of BIC management systems at the Group's industrial sites was 84% complete for the environment and 91% complete for health and safety.

Beyond the implementation of management systems, the BIC Group also invests regularly in the obtainment and renewal of certifications. In 2020, the following certifications were obtained or renewed:

- **ISO 14001:** BIC Écriture 2000, CONTE, PIMACO Autoadesivos, BIC Mexico – Stationery, BIC South Africa, BJ75, BIC Iberia, BIC CORP – Milford, BIC Rasoirs, BIC Viorex, BIC Shavers Mexico – Industrial de Cuautitlan, BIC Amazonia, BIC Graphic Europe;
- **ISO 45001:** BIC Rasoir, BIC Viorex, BIC Amazonia.

3.3.2.2 In the offices

For the sake of exemplarity, the BIC sustainable development approach covers all of its operations, including office activities, even though they represent a non-significant part of the Group's environmental impact. The environmental performances of the Group's three main offices (Clichy in France, Shelton in the U.S. and Cajamar in Brazil), which have been monitored for the past six years, are presented in consolidated form with the performances of the Group's industrial sites.

Initiatives have been undertaken at these sites to reduce their environmental footprint. The Shelton (U.S.) offices were granted LEED (Leadership in Energy and Environmental Design) certification in 2009 and are powered by electricity from renewable sources. The Clichy site (France) also purchases electricity from renewable sources.

3.3.2.3 In the supply chain

Beyond the accounting of its own environmental impacts, BIC Group also considers the impacts of its supply chain. Since 2014, the Workplace Conditions Assessment (WCA) platform for auditing subcontractors' working conditions (see § 3.5.2.2) has included a comprehensive questionnaire on environmental performance, accounting for 6% of the total number of questions posed. Between 2019 and 2020, 31 subcontractors, or 58%, were audited.

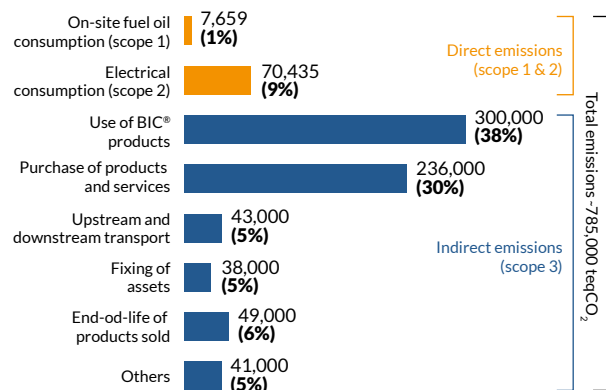
3.3.3 ACTIONS TAKEN TO CONTROL ENVIRONMENTAL IMPACTS, RESULTS AND PERSPECTIVES ^[NFPS]

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

BREAKDOWN OF GREENHOUSE GAS EMISSIONS – IN TEQCO₂ – BIC GROUP – 2020





Risks and opportunities related to climate change and their impacts ^[NFPS]

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

- 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, such as:

- innovating in terms of energy supply, in particular through “Writing the Future Together” commitment #2: Acting against climate change, and by streamlining energy costs;
- improving the products’ environmental performance, in particular through “Writing the Future Together” commitment #1 Fostering sustainable innovation in BIC® products;
- standing out on the markets by offering products with a reduced carbon footprint.

Using renewable energy at BIC sites

Electricity consumption at BIC sites accounts for 9% of the Group’s total emissions. Through the commitment Writing the Future, Together – #2 Acting Against Climate Change, the BIC Group aims to use 80% renewable electricity by 2025, and in the longer term, 100%. Building on the experience acquired in recent years at certain of its sites, BIC defined a roadmap for this goal. This roadmap reflects a strategy in which each country or site examines its opportunities for sourcing renewable electricity, taking their regulatory and operational constraints into account. It serves as a

guide for the countries and sites, which must also keep pace with the frequent market and regulatory evolutions that affect this business sector. To bring about a far-reaching change in its purchasing process for electricity, BIC is putting the focus on renewable energy certificates ⁽¹⁾, green contracts and long-term Power Purchase Agreements, and is investigating the production potential of certain sites.

In 2020, the BIC Group has reached its target of 80% of electricity from renewable sources. In the coming years, the Group will work to consolidate this performance and investigate options for long-term contracts or on-site developments.

More specifically, in 2020:

- in France, BIC purchases renewable energy certificates (Guarantees of Origin, or GoO) for all of its factories plus the Clichy headquarters. This means that all BIC® products manufactured in France are produced using renewable electricity;
- in Greece, the purchase of GoO certificates has covered all of the BIC Violex site’s electrical consumption since 2016;
- in Spain, the BIC Iberia and BIC Graphic Europe sites have been using renewable electricity through the purchase of certificates (GoO) since 2018;
- in the United States, the purchase of renewable wind energy certificates (U.S. RECs) covers the energy needs of most American sites;
- in Brazil, the Manaus site has been using wind energy since 2018 through the purchase of iREC certificates;
- in Mexico, the BIC Group has launched a tender for the purchase of long-term renewable energy (Power Purchase Agreements), thus specifically supporting the development of new infrastructures;
- in Daman (India) and Tarragona (Spain), solar panels have been installed.

In addition, since 2018, 100% of the lighters factories have been powered by green electrical energy, and research is underway to develop the sites’ self-sufficiency (recovery of waste heat, development of photovoltaic and solar thermal energy, etc.).

GREENHOUSE GAS (GHG) EMISSIONS – IN TEQCO₂

	2018	2019	2020	Variation 2020/2019
Direct GHG emissions (scope 1)	9,813	9,278	7,659	-17%
Indirect GHG emissions (scope 2 location based)	88,470	88,432	70,435	-20%
Indirect GHG emissions (scope 2 market-based)	48,829	36,549	25,277	-31%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED])	98,283	97,711	78,046	-20%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 MARKET-BASED)	58,646	45,827	33,097	-28%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED]) NORMALIZED TO PRODUCTION*	1.014	1.070	1.031	-4%
GHG emissions related to purchases of raw materials (scope 3)	316,000	347,000	232,000	-33%
GHG emissions related to intra-company transport ^(a) (scope 3)	37,000	34,000	18,000	-47%

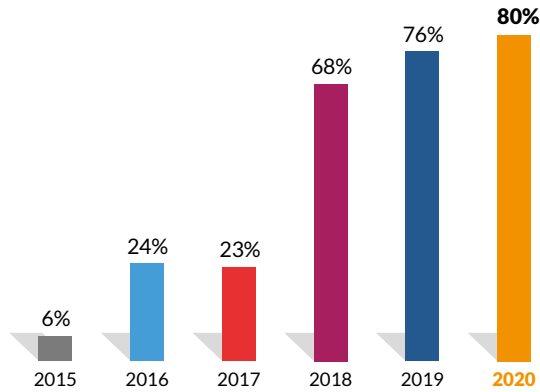
* TeqCO₂/ton.

(a) Does not take into account road transport in sea and air fret

(1) Is considered renewable, electricity generated from biomass (including biogas), geothermal, solar, water (including hydro) and wind power.



SHARE OF RENEWABLE ENERGY – AS OF TOTAL CONSUMPTION



Optimizing energy consumption

The BIC Group has been implementing energy efficiency programs in its factories for many years. As a result, the Group has improved its energy efficiency by 5.8% in ten years.

In 2020 BIC signed a partnership with Schneider Electric for the implementation of a system that will closely monitor energy consumption at all BIC sites, with the goal of optimizing consumption and the related costs while increasing the use of renewable electricity. Energy audits of the Group's sites are also planned. In 2021 the first audits will take place at the following sites: Mexico City, Marne La Vallée (France), Violex (Greece), Samer and Boulogne (France).

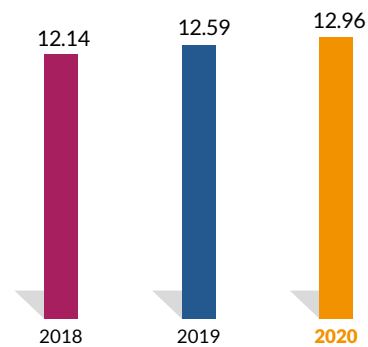
Seventeen energy reduction projects were launched in 2020. Three of these projects involved lighting (replacement of conventional light bulbs by LED bulbs and increased use of natural daylight). Eight projects were conceived to reduce electrical consumption and three to reduce gas consumption.

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 sites' environmental footprint:

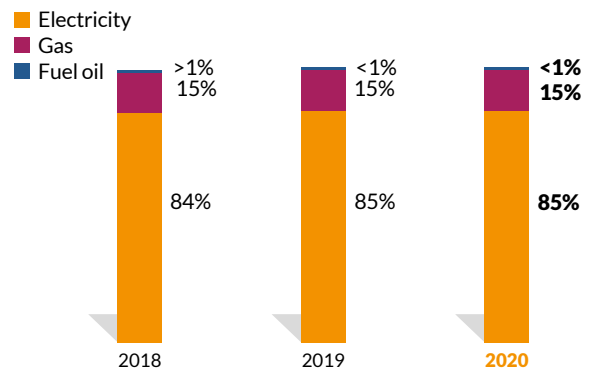
- in 2020 a manager was assigned to oversee Green IT operations, including defining a strategy and implementing best practices;

- about 85% of the Group's internal and external servers are now virtualized. In 2020 BIC continued to install evermore efficient servers. In particular, they produce less heat, thus reducing the amount of energy needed to cool the data centers;
- as part of the implementation of teleworking due to the public health crisis, all employees in all regions are now equipped with remote coworking tools. An average of 28,000 meetings are organized every month.

ANNUAL ENERGY CONSUMPTION NORMALIZED TO BIC GROUP PRODUCTION – IN GIGAJOULES/TON



BREAKDOWN OF BIC GROUP ENERGY CONSUMPTION





Emissions related to purchases

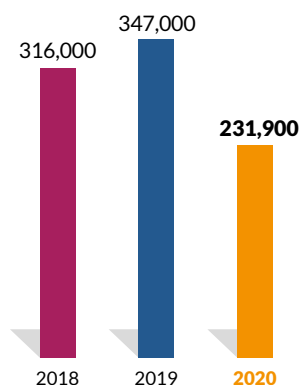
The emissions in this category are mainly related to the Group's purchases of materials, especially plastics (74%).

In 2020 BIC announced two new ambitious goals as part of its "Writing the Future, Together" program. These two goals, which are also integrated in the Group's "Horizon" corporate strategy plan, will help significantly reduce its GAG 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 attained through the implementation of the Group's "4 Rs" philosophy (described in § 3.2.2.1) and could help reduce its GAG emissions by about 10% (at constant perimeter).

GREENHOUSE GAS EMISSIONS FROM PURCHASES OF PRODUCTS AND MATERIALS - IN TEQCO₂ - BIC GROUP - 2020



The carbon footprint of our transport activities

The objective of BIC's shipping management system is to ensure the availability of its products while maximizing customer satisfaction, reducing the environmental impact of its transport activities, and optimizing costs. BIC Group has factories all over the world, which tends to limit the need for shipping its products. For example, more than 80% of the products sold in Europe are manufactured on that continent.

BIC engages in 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 the factories or warehouses to the end customer.

Due to the environmental and financial impact of air freight, the key challenge for the Group is to use this form of shipping as little as possible. Even though it accounts for only 0.84% of the total tonnage shipped, air freight is the transport method that generates the most GHG: in 2020 it represented 49% of the Group's total emissions from transport.

BIC pays close attention to the proportion of this type of transport, with the goal of continuing to keep it below 2.3% for intra-company transport.

In addition, 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.

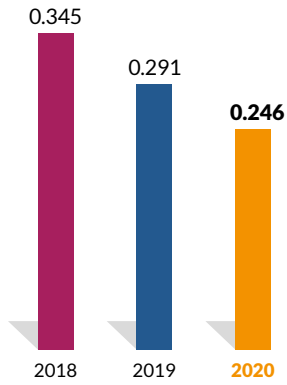


The responsible shipping approach comprises three objectives, whose actions are described in the following table:

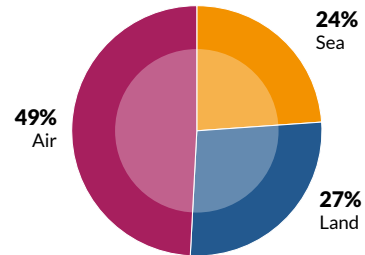
Objectives of the responsible shipping approach	Actions taken
Raising awareness and controlling emissions	<p>Since 2014 a steering working group has been tasked with identifying solutions to achieve significant and long-term reductions in air freight, uniting all the professional functions involved and working closely with teams from every category and from all over the world. Transport companies that are committed to sustainable development are also regularly consulted.</p> <p>The specific monitoring of air transport was introduced in 2014, with quarterly reports to the management teams in each zone. In 2020 a tool for overseeing airfreight was implemented Group-wide. This tool requires multiple justifications and approvals prior to the authorization of any shipment by air. Already in 2020, this new tool reduced BIC's total annual air freight by 51%, for a saving of 8,600 tons of CO₂.</p> <p>In addition, in 2020, the BIC Group has launched a project to capture all of its downstream transportation flows and thus better track the associated emissions. The first results are expected in early 2021.</p>
Optimizing shipments and routes	<p>In shipping, the main leverage points for decreasing emissions are the reduction of the distances traveled, the choice of transportation mode and load optimization. BIC's logistical teams work on all three points in cooperation with other departments within the Group, such as Production and Sales, and service providers.</p>
Selecting responsible carriers	<p>Logistical operations are carried out by transport companies chosen by BIC. Therefore, their equipment, methods and management systems are determining factors in the level of GHG emissions, including the age of the vehicles, training in the techniques of eco-driving, the use of speed governors, tire technology, emission measurement capacities, etc.</p> <p>In conjunction with the Group's responsible purchasing policy, BIC selects carriers that can reduce the ecological footprint of its shipping operations. For example, in the U.S. and Canada, the Group only works with carriers that have received SmartWay[®] certification, a program designed by the U.S. Environmental Protection Agency.</p> <p>To encourage its transport service providers to adopt responsible practices, BIC has incorporated the reduction of GHG emissions in its criteria for selecting carriers.</p>



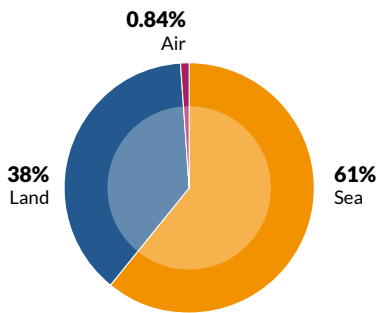
GAG EMISSIONS FROM INTRA-COMPANY TRANSPORT ⁽¹⁾
(EXCLUDING CELLO PENS) - TEQCO₂/TON OF PRODUCTS



BREAKDOWN OF GHG EMISSIONS BY MODE OF TRANSPORT - AS % OF TOTAL



BREAKDOWN OF TONNAGE SHIPPED BY MODE OF TRANSPORT - AS % OF TOTAL



Emissions related to the use of products

The energy used to heat water when shavers are used is the most emitting station, with 38% of total emissions. BIC is exploring opportunities to reduce this position and hopes to launch concrete projects in the coming years.

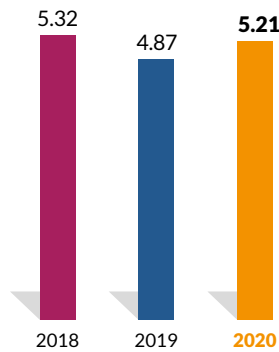
(1) Not taking into account transport by road in sea and air travels.



3.3.3.2 Water ^[NFPS]

BIC consumed 394,822 m³ of water worldwide in 2020.

ANNUAL WATER CONSUMPTION NORMALIZED TO BIC FACTORIES PRODUCTION - BIC GROUP - IN M³/TON



An increase of 7.1% in water consumption per ton of production is observed between 2019 and 2020. Over this same period, BIC's total water consumption dropped by 11% while production dropped by 17%. These changes can be explained by the implementation of programs to optimize the Group's industrial processes and equipment, combined with the Covid-19 crisis, which increased water needs by 4.1% for hygiene (62% of water is consumed for domestic use).

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 where water is a scarce resource. The uneven distribution of water across the planet, and limited access to it, may give rise to severe political and social tensions.

Eight sites show a moderate risk of water stress (in Europe, the United States, India, Africa, Mexico and Brazil) according to a global risk assessment on water and its future availability conducted by BIC in 2018. The Group will continue striving to improve its water consumption ratios, taking the scarcity of this resource into account in order to prioritize its action plans for the reduction of water consumption.

BIC East Africa (Kenya) is planning to build a water treatment plant for wastewater treatment.

3.3.3.3 Waste ^[NFPS]

Total waste production

As part of its industrial activities, BIC Group generates both Hazardous and Non-Hazardous waste. Non-Hazardous waste represents the 86% of the total (in tonnes) and includes, for example:

- packaging waste;
- manufacturing waste (production scrap, plastics, metal, wood, cardboard...);
- maintenance waste (metal, paper); and
- waste from employees' activities.

Hazardous waste, which represents the 14% of the total waste (in tonnes), 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 best valorization of waste.

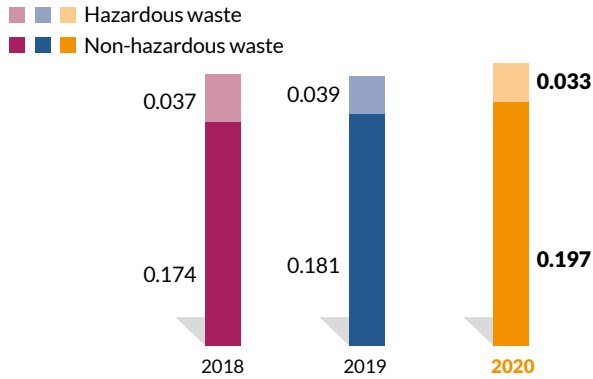
In 2020 various projects were carried out in BIC Group's plants, in particular:

- on Conté site (France), recovered waste helped reduce by 20% the quantity of waste generated per ton of production;
- BIC East Africa (Kenya) site undertook recycling of plastic scraps.

The results achieved by the BIC Group in 2020 regarding waste production and management are as follows:

- a 13% decrease in the quantity of waste generated per ton of production between 2019 and 2020;
- the percentage of recovered waste (recycled or incinerated with energy recuperation) at 82% increased between 2019 and 2020. The increase of 1 point is due to increased incineration with energy recovery;
- the percentage of recycled industrial waste remained stable at 64.5% between 2019 and 2020;
- nine sites reported zero waste to landfill in 2020. In addition, efforts continue to determine the reasons for the landfill disposal of certain types of waste at the Group's sites. In particular, these reasons can include regulatory obligations or the lack of waste processing channels in remote areas.

ANNUAL PRODUCTION OF WASTE NORMALIZED TO PRODUCTION - IN TONS/TON - BIC GROUP

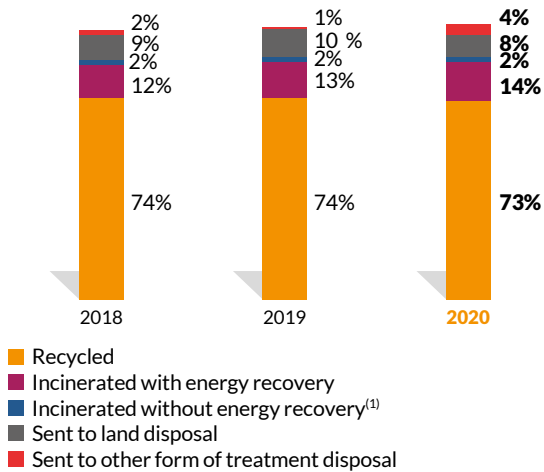


Non-hazardous industrial waste

The results achieved by the BIC Group in 2020 regarding the production and management of non-hazardous waste are as follows:

- a 9% increase in the quantity of non-hazardous industrial waste per ton of production;
- in the main offices, waste production reached 80 tons, a decrease of 55% in comparison with 2019 in particular due to the employees' absence.

BREAKDOWN OF NON-HAZARDOUS WASTE -% OF TOTAL EXPRESSED IN TONS - BIC GROUP ⁽¹⁾

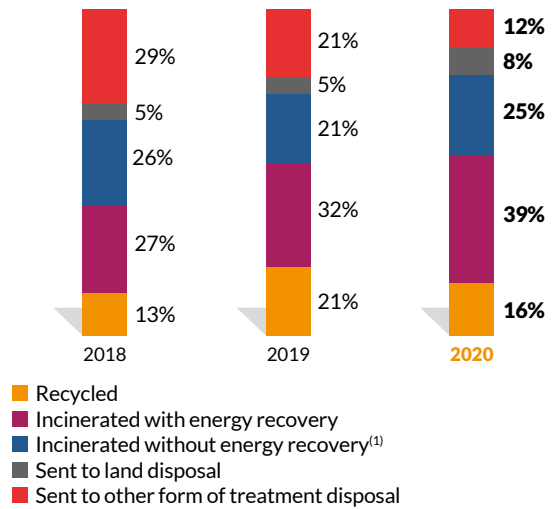


Hazardous industrial waste

Some factories are equipped with wastewater treatment plants to treat hazardous waste, such as that from the surface treatment workshops, transforming it into metal hydroxide sludge that can be processed to eliminate almost all risk to the environment.

The results achieved by the BIC Group in 2020 regarding the production and management of hazardous waste are as follows: a 15% decrease in the quantity of hazardous waste per ton of production between 2019 and 2020, mainly resulting from Group's optimization of industrial processes and equipment the decrease.

BREAKDOWN OF HAZARDOUS WASTE TREATMENT -% OF TOTAL EXPRESSED IN TONS - BIC GROUP



(1) The "Incinerated without energy recovery" category was created in 2018. In 2017, these waste were categorized under "Other form of treatment disposal".



3.4. OUR SOCIAL RESPONSIBILITY ^[NFPS]

The women and men who make up BIC Group have been the key to its success from the very beginning. With factories all around the world, distribution teams in 57 countries and with approximately 4 million sales outlets spanning the globe, BIC thrives on a shared corporate culture, enriched by local specificities. The challenge for its Human Resources is to continue to nurture this common culture, founded on BIC's Values and philosophy, across geographic, professional and organizational borders. Shared protocols, based on the Group's history and built to serve its industrial and commercial goals both present and future, are deployed to develop the skills and strengthen the commitment of everyone in the Company, while protecting and improving their health, safety and well-being. Working with its social partners, BIC strives to create a favorable environment for the long-term development of its team members, and of the Group as a whole.

3.4.1 THE WORKFORCE

For the year ending December 31, 2020, BIC Group had 11,246 permanent team members, 587 fixed term contracts (FTC) and an average of 1,919 temporary staff.

The following sections describe BIC's workforce in 2020 and its evolution.

3.4.1.1 Breakdown of the workforce by region and activity

With the implementation of our Invent the Future strategy, the organizational structure was strategically arranged to address the future vision of the Company. These changes reflect a grouping of activities by business units in the various regions of Europe, the Middle East and Africa (MEA), Asia and Oceania (APAC), India, North America, and Latin America (LAM). As a result, the distributional reporting by region has split Developing Markets into the four regions of LAM, MEA, APAC and India.

Due to production fluctuations, the number given for temporary workers will now be considered an average for the entire twelve months.

Changes in staff numbers by region are shown below:

WORKFORCE BY REGION – AS OF DECEMBER 31*

Workforce by region	2018	2019	2020	Variation 2020/2019
Europe	4065	3,939	4,025	2%
North America	745	750	740	-1%
Latin America	2,568	2,435	2,163	-11%
Middle East and Africa	406	664	683	3%
India	5,665	4,806	3,524	-27%
Asia Pacific	215	183	111	-39%
TOTAL PERMANENT STAFF	13,664	12,777	11,246	-12%
Temporary staff plus FTC*	3,291	4,017	2,506	-38%
Average FTE Temps through Agency	NA	NA	1,919	
Total Fixed Term Contracts 31-DEC	NA	NA	587	
TOTAL	16,955	16,794	13,752	-18%

* Headcount no longer being reported as Full Time Equivalent.

The reduction in Headcounts since 2019 reflects both the "Invent The Future" strategy implementation and the impact of the global Covid-19 related crisis.

PERMANENT TEAM MEMBERS – BIC BUSINESS UNIT

Business unit	2020
Group Commercial	2,030
Graphic	280
Group Supply Chain	7,453
Lighters	941
Group Insights & Innovation	194
Group BIC Services	104
BIC Group	1
BIC Foundation	1
Corporate Stakeholder Engagement	6
Group Communications	13
Group Finance	58
Group HR	34
Group IT	91
Group Legal	37
Strategy & Business Development	3

This is a new reporting structure for 2020. This is a reflection of the Invent The Future Strategy restructure which includes new business units and the creation of a Shared Services Center (Group BIC Services). Comparisons year to year will become available in the future.

3.4.1.2 Breakdown of the workforce by age

The breakdown of generations was modified this year, so there is no comparison to 2019. However, as with prior years, all age groups are represented.

BREAKDOWN OF THE WORKFORCE BY AGE GROUP

	2020
Under 20 years	0.1%
20 to 29 years	12.6%
30 to 39 years	33.1%
40 to 49 years	33.7%
50 to 59 years	17.8%
Over 60 years	2.8%

3.4.1.3 Recruitment and terminations

The Group enhances awareness of BIC in the international employment market using global recruitment attraction tools such as LinkedIn, Glassdoor and Indeed. The Group also partners with internationally known specialized recruitment companies. In recent years, BIC has reinforced its managers' expertise in recruitment techniques and has developed a more efficient selection and tracking process. Specifically, the Group utilizes a global applicant tracking system, SmartRecruiters, to implement interview processes shown to decrease bias in the selection process by focusing solely on skills and experience needed to perform the job.

BIC has also implemented internal training webinars to educate the recruitment and 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 our human resources community to share ideas on global best practices.

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

New Set of Vision and Values

In November 2020, BIC announced a new vision and updated set of Values.

BIC: we bring simplicity and joy to everyday life

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 access to a high quality, everyday item at a 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 consumers' daily lives 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 provided the foundation for our 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 across the globe 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 all over the world 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.

How

The BIC way – simplifying to the essential – dictates everything we do.

Our consumers: We put finding affordable and reliable solutions for consumer needs at the center of all we do.

Our customers: We value our customer relationships, and partner with them to provide value-driven solutions that help their business grow.

Our team: We respect each one of our team members around the globe and are energized by the diversity of their strengths and talents.

Our planet: We advocate for sustainability through the long, versatile life of our products and strive to use the least material possible in our designs. Our aim is to deepen this commitment through investments in future technologies that help minimize our impact on the planet. We are a responsible corporate citizen by supporting causes that facilitate fair access to education and improve learning conditions for children.

Our Shareholders: We operate with prudence, transparency, and the highest ethical standards – the essential drivers of long-term value creation.

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.

3.4.3 HEALTH/SAFETY AND WELL-BEING IN THE WORKPLACE ^[NFPS]

For the Group, workplace safety means ensuring its team members' physical and mental well-being by preventing accidents and occupational diseases.

For BIC Group, team member health and well-being are also a matter of 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 to organization and health-safety in the workplace, programs to promote well-being at work are coordinated Group-wide and deployed locally depending on each site's specific needs.

3.4.3.1 Challenges, risks and opportunities related to team members health and safety ^[NFPS]

[NFPS Risk 4] BIC has identified the “health/safety in the workplace” risk as one of the major CSR risks resulting from its operations. BIC’s operations, both industrial and commercial, expose its workers to various professional risks (physical, chemical, psychosocial, biological, ergonomic) that differ from function to function (headquarters, factories, sales force).

For the Group, a commitment to improving safety in the workplace is a key factor for team members’ engagement, helping build loyalty among the work teams.

The information presented in this chapter on health and safety in the workplace concerns all of the Group’s activities.

TEAM MEMBERS SECURITY RELATED TO GEOPOLITICAL RISKS

For many years BIC has relied on its world-recognized partner International SOS to help its employees plan business travel under the best possible health and safety conditions, providing all necessary information and assistance prior to departure and during the completion of travel formalities. Before their arrival, employees are apprised of all the potential risks in terms of health and safety as well as political and climatic conditions. International SOS also provides immediate logistical assistance in the case of an unforeseen development affecting international travelers and expatriates’ health or safety. An emergency service is also available to inform BIC of any serious event that could be of concern to its employees.

In 2020, as part of BIC’s health procedures, any employees have been instructed to check their travel conditions through the International SOS platform prior to their departure abroad.

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 whose bywords are safety and assistance.

3

3.4.3.2 Policies, action taken, results and perspectives ^[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 materializes this commitment by targeting zero accidents at all BIC sites by 2025.

The Group deploys all useful means: health and safety management, ongoing improvement of working environments and the organization of working hours, and actions to raise team members’ 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 integrates the dimensions of safety, health, and well-being at work, at every level, with the goal of achieving zero sick leave days due to on-site accidents for everyone who works for BIC. It is based on the ISSA’s Seven Golden Rules: take leadership – demonstrate commitment; identify hazards – control risks; define targets – develop programs; ensure a safe and healthy system – be well-organized; ensure safety and health in machines, equipment and workplaces; improve qualifications – develop competence; invest in people – motivate by participation.

This “zero accidents” goal implies an intensification of the Group’s safety culture and policies in all of its operations, and includes the implementation of specific local actions.

BIC Group’s Environment, Health & Safety Policy ^[NFPS]

BIC adopts a Health & Safety program that allows it to guarantee a working environment that protects its team members’ physical integrity. 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 people who live or work near its production sites.

The Group deploys safety management systems at its production sites. Each site has an EH&S manager in charge of the deployment of the EH&S Policy and follow-up of programs for reducing the team members’ health and safety risks, under the responsibility of the Industrial Directors.

Within the Global Supply Chain business unit, the Group’s health-safety program is based on a number of tools that evolve to keep pace with the organization’s needs:

- the **“e-EHS Suite” platform**, which monitors and manages workers’ 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 sites (factories and headquarters);
- an **Environment, Health & Safety reference system**, also called the EH&S maturity reference system;
- **safety watches** (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;

(1) The International Social Security Association (ISSA) is an international organization uniting social security administrations and institutions around the world.



- **Global Safety Call**, a monthly teleconference bringing together the Factory Directors, their EH&S managers and the management team.

In the Shavers category, since 2011 three of the four factories have earned triple certification for their development and deployment of the EH&S Policy: Safety (OHSAS 18,001), Quality (ISO 9001) and Environment (ISO 14,001). This year, the Verberie, Manaus and Violex factories obtained ISO 45,001 certification, which replaces OHSAS 18,001.

Deployment of the health and safety culture ^[NFPS]

In 2020, the public health crisis caused by the coronavirus pandemic slowed down the implementation of the health-safety roadmaps and the safety culture adoption plan. However, the Group made noteworthy progress in several areas:

- the construction of a centralized health-safety management system began in 2020, following the creation in late 2019 of the position of Group Supply Chain (GSC) Quality Manager;
- the formalization of the EH&S “family” job descriptions, plus the sharing in video form of the strategic vision for the EH&S network’s skills and the tools made available to this community;
- the updating of the EH&S maturity reference system and its integration in the maturity reference system for operational excellence in production;
- the definition and deployment of a safety scorecard comprising four proactive safety indicators, making it possible to assess the measures as they are implemented rather than the results:
 - % of workstations whose professional risk analysis is up to date,
 - % of application of good practices observed during safety tours,
 - % of events of potentially moderate or high severity, with an analysis of the underlying causes,
 - % of completion of the routine checklists for verifying the equipment’s safety features.

[Covid-19] A number of measures were adopted in 2020 as part of the plan for protecting employees against the coronavirus:

- the limitation of business trips;
- the definition of a protocol for the actions to be taken in the case of an employee contracting the virus;
- the formation of a “business continuity plan” Group to organize the maintenance of operations at the Group’s production sites in countries not affected by government-ordered shutdowns;
- the production and distribution of masks and antiseptic gel at all BIC sites and the reorganization of working conditions

(shorter shifts to avoid having two teams in the locker rooms at once, fewer briefings, floor markings to encourage social distancing, etc.);

- the organization of teleworking for head office employees and the opening of negotiations for a Group agreement on teleworking.

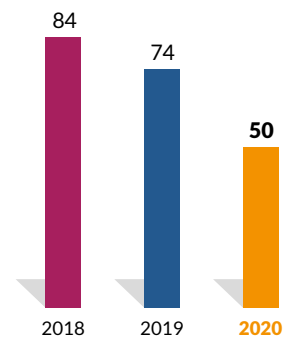
These measures have won the Tunisia and Mexico City sites the praise of local authorities for the protection that they offer the Group’s employees.

In all BIC sites, accidents resulting in lost work time for BIC team members are mainly caused by same-level falls, by the handling of materials and machines. In 2020, BIC recorded 50 lost time injuries (-32% compared to 2019) and 62 sites with 0 accident. The frequency rate for BIC employees and temporary workers decreases in 2020 from 1.87 to 1.63. The incident rate for BIC team members reached 1.85 in 2020. It should be noted that none of the factories in India have had a lost-time accident. The development and implementation of actions plans will continue in 2021 and should lead to an increased safety culture and a decrease of this rate.

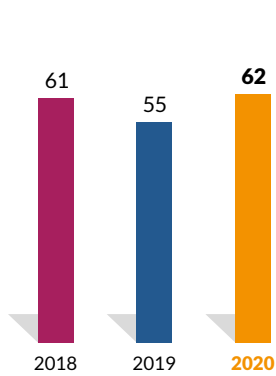
Most of the occupational diseases, which so far have only been monitored in France, are related to musculoskeletal disorders.

“ 50 lost time injuries and 62 sites without injuries. ”

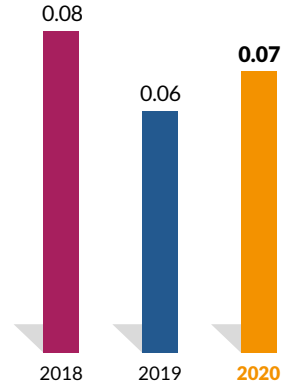
NUMBER OF ACCIDENTS LEADING TO LOSS OF WORK TIME – BIC WORKFORCE AND TEMPORARY WORKERS



NUMBER OF SITES WITHOUT LOST-TIME INJURIES

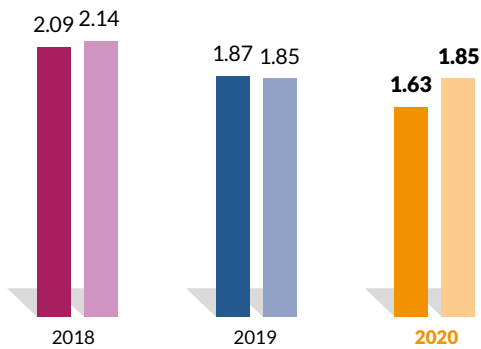


SEVERITY RATE: NUMBER OF CALENDAR DAYS LOST DUE TO AN ACCIDENT - PER THOUSAND HOURS WORKED - BIC WORKFORCE



INCIDENT RATE: NUMBER OF ACCIDENTS LEADING TO LOSS OF WORK TIME - PER MILLION HOURS WORKED - BIC WORKFORCE AND TEMPORARY WORKERS

■ ■ ■ BIC workforce
■ ■ ■ BIC workforce and non-permanent staff



In 2021, the adoption of the safety culture and the implementation of the health-safety roadmaps will resume, in particular with the introduction of safety relays at the Group's largest factories and the deployment of the strategic vision for EH&S skills, with:

- a skills self-evaluation 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.

The worldwide "Quality of Life at Work" program

The Group's worldwide program called "Quality of Life at Work", launched for the purpose of defining goals and a global strategy for improving quality of life in the workplace, continues to be developed at many sites. As part of this worldwide program, action plans have been defined and implemented locally based on past initiatives deployed in various countries. Through this program, BIC seeks to promote wellness at work in the interest of its team members and their engagement. In this way, the Group will help limit the effects of professional or personal stress on its team members' health.

This program promotes both short - and long-term initiatives and action plans based on a combination of reactive and preventive approaches. It includes a section dedicated to the "Role of Managers". "Quality of Life at Work" also examines team members' job responsibilities and the quality of their working environment.



The efforts focus on four main areas:

- **health and well-being:** safety, physical exercise, nutrition;
- **the manager's role:** stress management and prevention as well as the new skills required for team leaders;
- **workspace and workstations:** ergonomics, configuration of workspaces and common areas;
- **team member services:** to make everyday life easier and help team members deal with personal and professional difficulties.

In each of the four above-mentioned fields, new initiatives have been undertaken and the programs developed over the past several years in various countries are being continued. The most significant programs are described below.

Progress made in 2020: prevention/awareness campaigns

Prevention, screening and awareness campaigns are carried out in all of the countries where BIC has operations.

In the United States, health and well-being continue to be a large component of the benefits package for our team members. 80% of our team members are enrolled in a Health Savings Account (HSA), which provides them with the opportunity to set aside money for future health care expenses. HSAs have three main tax benefits: team members can contribute on a pretax basis, their savings grow tax-free, and withdrawals to cover qualified health care expenses are also tax-free.

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. Onsite biometric screenings (cholesterol, glucose and triglycerides) are offered at all locations in the U.S.

The Mexico factory achieved 100% participation in the annual medical check-ups for team members.

In Brazil, three specific actions were taken:

- **labor gym + mindfulness:** due to the pandemic and teleworking, the labor gym usually offered in the office was shifted to an online version to encourage team members to maintain an exercise routine. Mindfulness meditation, an effective way to contribute to mental health, was also offered online;
- in order to ensure a safe environment for everyone when returning to the office, online training sessions were organized for all employees to review the new practices to be adopted;
- an influenza and H1N1 vaccination campaign was conducted at the Manaus site. In July, more than 500 team members were vaccinated.

At the Clichy (France) headquarters, a psychologist has been made available to employees, a particularly useful measure given the combination of the reorganization linked to the "Invent the Future" strategic plan and the pandemic. The site also offers weekly Pilates and yoga classes.

In **Morocco,** online activities have been organized in response to the coronavirus pandemic, including some sports challenges. A track and field athlete was invited to share his experience and explained how to access personal resources to overcome challenges.

Progress made in 2020: the role of the manager

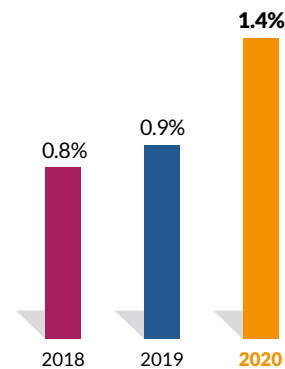
During the Covid-19 crisis, a specific learning path was created and implemented by BIC University's internal trainers to help managers and leaders support their teams. This training focuses on how to manage uncertainty, how to weather a crisis with resilience and how to deliver a difficult message. It was particularly appreciated for helping participants manage stress better, on both a personal and professional level.

Progress made in 2020: team member services

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 zone 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.

[Covid-19] Special support has been developed for the management of the coronavirus crisis. Support for teleworking, adaptation of procedures in plants, specific monitoring of people identified as vulnerable, support for people on short-time working or technical unemployment: many support actions have been offered remotely by managers.

ABSENTEEISM RATE FOR ILLNESSES LESS THAN THREE MONTHS OLD (EXCLUDING ON-SITE ACCIDENTS AND MATERNITY) - BIC GROUP PERMANENT WORKFORCE



The increase in the absenteeism rate, not including workers' accidents and maternity leave, is primarily the result of personal reorganization on the part of employees due to the Covid-19 crisis.

3.4.4 TEAM MEMBER DEVELOPMENT ^[NFPS]

3.4.4.1 Challenges, risks and opportunities related to team member development ^[NFPS]

[NFPS Risk 9] Before the crisis, among its primary CSR risks, the BIC Group identified risks related to the skills of its team members, especially those with the most experience: 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 deployment of the Group's development plans and prevent the Group from implementing its strategy.

In 2020, as a result of the physical distancing arrangements put in place around the world in response to the coronavirus pandemic, on-the-job training was severely curtailed. All instructor-led training sessions in classroom environments were canceled indefinitely.

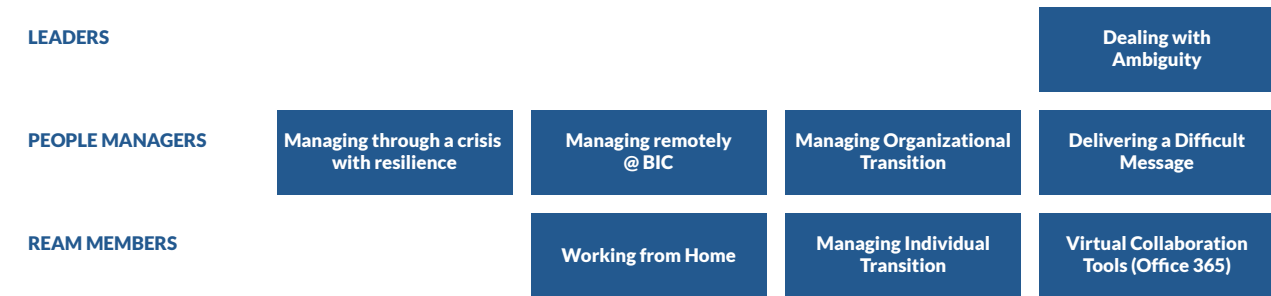
Employees whose physical presence in the workplace is not strictly indispensable were obliged to leave their workstations and rapidly find solutions for doing their jobs from home.

A number of steps were taken to design and adapt training programs and expand the e-learning offered by BIC University. Online training, already in development before the pandemic, became the priority.

3.4.4.2 Policies, actions taken, results and perspectives ^[NFPS]

Crisis Management Learning Path

The BIC University team quickly developed and deployed a Crisis Management Learning Path to help our leveled team members adapt to their new environments. Timing was critical. Within weeks, sessions were developed with a specific focus for leaders and managers. By the end of Q3, 1,850 leaders, managers and team members had been trained in the following:



Internal trainers delivered 96% of the training and experienced 83% satisfaction and 76% anticipated impact ratings (both above benchmark).

Improving BIC University's online offering

After the crisis management training course, BIC University also quickly converted its face-to-face and online training offerings to enable teleworking employees to continue developing their skills in personal effectiveness, collaboration, leadership and project management. By December 31, 2020, all BIC University courses had been converted to virtual training.

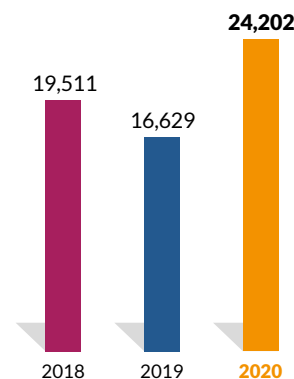
BIC University also partnered with SkillSoft, an e-learning content provider, to add 470 additional courses to the existing library on topics such as financial management, human resources, management and leadership, professional effectiveness, project effectiveness, sales and customer relations.

Expand BIC University's reach

BIC University continues to increase its reach across the globe. More than 2,000 team members from 54 countries and from all business units have completed training in the full curriculum. This represents an increase of 59% over the same period in 2019.

In 2020, 7,864 team members received training (66% of headcount present on December 31, 2020).

NUMBER OF TRAINING DAYS - BIC GROUP - PERMANENT WORKFORCE



BIC University Ambassador Program Relaunch

The BIC University Ambassador Program enables human resources professionals to support employees in their learning and skills development. Through this program, ambassadors learn adult learning principles as well as how to deliver training, develop audio and video for educational purposes and maintain their networks within the Group. More than 20 ambassadors received this training in 2020.



NUMBER OF TRAINING HOURS (PER THEME) – BIC GROUP -2020 – PERMANENT WORKFORCE

Technical training	Personal Effectiveness	Management Skills	Crisis Management	Business Skills for Tomorrow	Health and well-being training
124,634	33,508	4,009	4,095	4,408	22,960

Due to our Invent the Future initiative, the training categories have modified to align with the necessary skills and competencies needed for the future leaders and team members.

Mobility and succession plans

The “Open Positions Review” sessions facilitated by the Group Talent Development Team are designed to facilitate the mobility process. During these meetings, open positions are discussed 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 the available talents. 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 GROUP

Recruitment	2020
External Recruitment	825
Inter-Company Move	16
Promotions	270

The new scope for this indicator is total promotions within a calendar year for the entire population. Promotion is someone who changed levels to a superior level. In 2020, there were 270 promotions.

The BIC Group has two types of short-term variable remuneration:

- periodic (monthly or quarterly) variable remuneration 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 performances goals defined by territory (commercial management excluding the operational sales force) or Group-wide (manufacturing, marketing, support functions, etc.), combined with the degree of success in implementing more individualized action plans. This policy applies to all BIC managers across the Board, up to and including the CEO.

Variable remuneration represents a target percentage of fixed remuneration that can vary by 5% for the most junior positions to more than 50% for certain members of the Executive Committee.

In addition, since the mid-2000s it has been Group policy to incentivize its most experienced and most deserving team members by basing their long-term compensation on shares in the Company (stock options, performance share plan, granted shares). As a result, some 750 employees benefited from the performance share plan in 2020.

An analysis of the external competitiveness of BIC managers’ base salaries is conducted on a periodic basis. This competitiveness analysis conducted at end-2019 shows that, on average, BIC managers’ base salaries are positioned at their local market median (average compa-ratio between market data and the target total cash compensation of level 1 to 5 managers).

The difference in pay between team members reflects responsibilities, experience, performance, potential and considers the characteristics of local markets.

3.4.5 THE REMUNERATION SYSTEM

BIC seeks to develop a fair and motivating remuneration system that can make the Group both competitive and appealing to current and potential team members.

BIC Group’s remuneration policy is determined every year 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.

The acknowledgement of the performance of the individuals and the teams is an essential element in BIC Group’s remuneration policy. Thus, for managers, salary increases reflect individual merit (except in certain countries where legal obligations require general increases).

For non-managers, BIC guarantees an appropriate remuneration and respects minimum salaries determined by local laws and which is inspired by local and international companies locally.

Human Resources teams worldwide are responsible for implementing BIC Group’s remuneration policy and for ensuring that it is adhered to.

3.4.6 PROMOTING DIVERSITY

As stated in the BIC Code of Conduct, the Group Values diversity and inclusion (D&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 or 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 element of team culture.

Furthermore, the recent events of racial inequality and social injustice that have garnered a global reaction has made DEI 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 new BIC Diversity & Inclusion Credo, which was signed by the CEO and the CHRO in May 2019, reinforces BIC's commitment to Diversity and Inclusion by appreciating that the blending of different backgrounds, experiences and perspective 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 of the Group's entities worldwide and has been translated into the main languages used in the Group.

As part of its Diversity & 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";
- social media posts from the CEO and CHRO in response to the death of George Floyd and on Global Pride Day 2020;
- in January 2021, Gonzalve Bich, BIC's CEO, 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 D&I.

3.4.6.1 Male/Female equality

BIC has set a target to reach 40% female in Executive positions by the end of 2027. To reach this target it has made the following commitments:

- implement the Human Capital Management System – SuccessFactor – to improve its talent identification and management process and the data to support these processes;
- continue focus on delivering gender balanced slates of candidates;
- launch mandatory unconscious bias training to ensure fair and equitable hiring, performance management, development and compensation practices;
- launch of new Employment Brand highlighting key attributes that will attract and retain female talent.

Within this framework, initiatives have been launched by the Group since 2020, such as:

- participation in the "Break the Ceiling Touch the Sky Summit" in New York (U.S.), which offered companies an opportunity to learn DEI best practices and connect with women leaders from around the world;
- launch of the "EmpowHerment" program within the Global Supply Chain business unit which brings together all the business lines related to operations. As part of this program, workshops offered employees (more than 70 participants) an opportunity to get in touch and share their knowledge and experience on how to successfully progress within the Group. Many ideas were implemented, including the creation of the WiSC ("Women in Supply Chain") network. Within WiSC, champions are responsible for co-constructing a strategy of career development training, coaching and team awareness programs in order to spread a culture of EmpowHerment and to continue building an inclusive environment in which everyone can unleash their potential. One of the highlights of the event was the inauguration of a daycare center at the Daman site (India). The launch day of the EmpowHerment program concluded with a commitment by the Cello Pens' Industrial Director and management team to provide more leadership opportunities for women in production activities;
- the Women@BIC Leadership Group was established in North America to allow women to discuss their aspirations and the challenges they face in the workforce.



PERCENTAGE OF WOMEN IN THE PERMANENT WORKFORCE BY LEVEL – BIC GROUP

	2019	2020
Board of Directors	50%	45%
Level 4 and above (Executives, including Executive Committee)	24%	26%
Level 3 (Senior Managers)	37%	39%
Level 1 and 2 (Managers & Professionals)	38%	39%
Non-managers	51%	49%

PERCENTAGE OF WOMEN IN THE PERMANENT WORKFORCE BY ZONE – BIC GROUP

	2019	2020
Europe	33%	38%
North America	42%	44%
Latin America	49%	49%
Middle East and Africa	47%	38%
India	60%	56%
Asia & Pacific	40%	47%

Concerning remuneration, the Group also strives to ensure gender equity among women and men with equivalent positions and responsibilities. In compliance with French law, BIC publishes an annual report on its gender equity ratio in France.

In 2020 BIC was named one of the Top 20 SBF120 companies for gender parity in management teams, following a study conducted by an independent firm commissioned by the French ministry in charge of gender equality.

3.4.6.2 Intercultural diversity

Key initiatives and development opportunities have been made available to employees to increase their ability to work across borders as effectively as possible. These include:

- two new online training courses: Managing Remotely@BIC, available to all employees, and Manager in Uncertainty, aimed at managers of level 4 and higher;
- intercultural training for the Group Insights & Innovation function;
- Intercultural Assimilation Support for employees embarking on a new mission abroad;
- the launch of the Alliances for Diversity & Inclusion program, which invites employees to express their interest in D&I and become "Allies". More than 50 people have volunteered to take on the following roles: participating in the deployment of

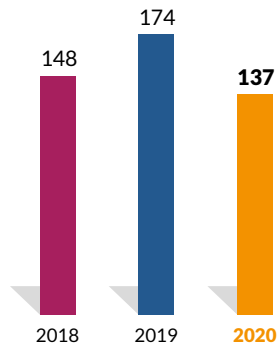
the Group's D&I strategy, promoting authentic behavior and fostering ties between employees, encouraging curiosity and understanding of others and their differences, and organizing local events to celebrate World Diversity Day;

- the launch of 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", which is designed for targeted managers and takes the form of facilitated small group discussions over a three-month period. The objective is to develop participants' leadership skills and expand their networks,
 - a "Management Accelerator" that targets leaders at the beginning or middle of their careers. Over the course of a six-month program, participants develop their leadership and management skills and deepen their understanding of key functional areas (business strategy, problem solving, business fundamentals) while building an expanded network of peers in different sectors and business units.

3.4.6.3 Disabled workers

BIC Group is committed to promoting employment for the disabled. Its entities conduct short-term and long-term initiatives in this direction at the local level, reflected in particular by training and employment assistance programs for disabled workers.

**NUMBER OF DISABLED WORKERS ON THE PERMANENT WORKFORCE
- BIC GROUP**



In 2020, disabled workers at the Group's largest sites totaled 137 (excluding indirect jobs associated with outsourcing). They numbered 68 in Europe, 9 in North America, 54 in Latin America and 6 in the rest of world (Middle East, Africa, India, Oceania, and Asia).

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 on page 98. 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, or through investments to improve the working environment.

These types of social progress are a subject of prior dialogue, and the team members and their representatives are kept informed to ensure optimal communication.

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 have been initiated through social dialogue.



The following table gives a few examples of such agreements.

Perimeter	Topics
Clichy (France)	During the lockdown, a short-time work agreement was negotiated to mitigate the decline in sales force activity, and at the end of that period return-to-work measures were discussed with the CSE. In addition, teleworking will soon be deployed in the Group's various entities. The economic redundancy plan signed in 2019 continued into 2020: the third phase of voluntary departures took place from September 1 to 30, 2020. Follow-up committees with employee representatives are held every month.
Gaffney (United States) Saltillo and Cuautitlán (Mexico) Manaus (Brazil)	<p>We were aiming for three goals:</p> <ul style="list-style-type: none"> • to reduce mobility in order to avoid infection and protect our employees' safety; • to deliver orders to our customers and keep the business running; • to ensure that our employees' incomes were affected as little as possible. <p>To accomplish these goals and still keep producing in response to recent customer requests, we needed to switch some vacations days and rearrange work shifts.</p> <p>This was discussed with unions (where applicable) and works councils, and directly between employees and management. We reached agreements that were beneficial for all sides – truly a win-win situation.</p>
Gaffney (United States)	<p>Investigations and discussions with employees were held to ensure that no one at our factory was the victim of racism or discrimination.</p> <p>An incident of discrimination was reported and through discussions with HR and legal it was successfully addressed. Training on discrimination avoidance is forthcoming.</p>
Saltillo (Mexico)	The yearly Collective Bargaining Agreement was successfully negotiated despite the health crisis, requiring only two days of discussions.
Cuautitlán (Mexico)	The "Open Channel" program has been in place for a few years now and took on particular importance in 2020. It is a physical "suggestion box" system, available to employees, which is then managed digitally by a committee whose majority of members are unionized employees. Through this program, employees have raised a number of issues about the pandemic and how to manage its consequences in the workplace. Requests, doubts and questions are systematically answered, building employee confidence in the system.
Manaus (Brazil)	Employees can always make observations and comments on "Open Channel" and through the "HR & You" program. A new project called "BIC Up", inspired by the book "Ideas Driven Organization: Unlocking the Power in Bottom-Up Ideas" ^(a) , is currently being tested. Everyone is invited to share, comment, and implement their own ideas and those of others.

(a) Authors : Alan G. Robinson and Dean M. Schroeder.

This culture of remaining attentive to its personnel and taking collective requests into consideration is vital for the Group and will be maintained in the years to come through contacts with both labor unions and employee representatives. For 2021, the BIC Group is planning to set up permanent and generalized methods for distance working.

3.5. ETHICS AND BUSINESS CONDUCT ACROSS THE VALUE CHAIN ^[NFPS]

The societal challenges undertaken by BIC include maintaining control over its entire value chain, recognizing the importance of its suppliers and subcontractors' involvement in meeting the corporate responsibility to uphold ethics and Human Rights in the workplace and to fight corruption. To meet these challenges, the Group's operations and subcontracting activities integrate its new general Code of Conduct, its Code of Ethics, its 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 more than 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: stock levels, sourcing zones, single sourcing, etc.

3.5.1.1 The Supplier Code of Conduct

In 2020 the BIC Group 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 integrates the former Responsible Purchasing Charter, which codifies the Group's six basic Values: Ethics, Responsibility, Teamwork, Simplicity, Ingenuity 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, the BIC Group requires that its suppliers comply with the stricter standards and principles.

In a spirit of ongoing improvement, the BIC Group 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 Group 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 the BIC Group 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 function;
- single-source supply;
- a significant impact on BIC's growth.

In 2020 the BIC Group identified an average of 300 strategic suppliers from among the constantly evolving roster of 15,000 suppliers in its database.



In 2020 the Purchasing Department reached 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 initial extraction sites. A webinar was held for the suppliers concerned. As a result, action plans could be launched to modify the supply of certain materials. In the longer term, this resilience evaluation will be extended to other materials and to all categories, conducted by the BIC buyers who have completed the training.

In addition, in 2020 the Group continued to incorporate its existing tools into its responsible purchasing approach, along with a number of new tools:

- the guide for assessing and selecting suppliers based on CSR performance. Each purchasing family has its own guide;
- compliance with the newly created Supplier Code of Conduct;
- audit programs (see § 3.5.2.2);
- an annual EcoVadis campaign, launched in October 2020, covering ten strategic suppliers per purchasing family, for a total of some 70 suppliers evaluated according to CSR criteria;
- the roll-out of the responsible purchasing training program, which is now integrated into the required training curriculum for buyers. As of end 2020, 100% of the Purchasing Department had completed this training.

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 2020 a list of "responsible purchasing actions" was defined for each purchasing family in relation to the goal of "ensuring the most secure, innovative and efficient sourcing." These actions can be:

- conducting a strategic resilience study;
- the EcoVadis campaign;
- working with suppliers to identify solutions for meeting BIC's commitments concerning its products (recycled or alternative plastics);
- reducing the use of materials, etc.

In fact, all of these actions help the BIC Group make progress toward its goals regarding products and energy (see § 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 2020, 25.8% ⁽¹⁾ of strategic suppliers were involved in at least one responsible purchasing action. BIC aims at reaching 100% by 2025.

(1) Excluding Cello Pens
(2) Source: Freedom House.

In 2021 the BIC Group's Purchasing Department will be equipped with a supplier management tool conceived to create programs of interactions with suppliers and to monitor business relations, audits, etc. It will serve the Group's overall goal of continuing to progress in close cooperation with its suppliers while developing new skills within the Purchasing Department.

3.5.2 ENSURING RESPECT FOR HUMAN RIGHTS IN THE WORKPLACE ^[NFPS]

Upholding and promoting Human Rights and preventing violations of those rights constitute an important aspect of corporate social responsibility. Respect for basic Human Rights is a key concern for the BIC Group, as it is for all corporations and their entire value chain, from the parent company to the subsidiaries to the 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 human capital.

3.5.2.1 Risks and opportunities ^[NFPS]

[NFPS risk 5] Among its main CSR risks, BIC has identified risks related to the non-respect of human rights (child labor, ILO's international conventions): 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, such as:

- controlling quality, cost and production conditions by manufacturing most (92%) of the Group's products in its own factories;
- strengthening relations with strategic suppliers in order to ensure the most secure, innovative and efficient sourcing;
- identifying opportunities for partnerships in order to meet the environmental and product development challenges of tomorrow.

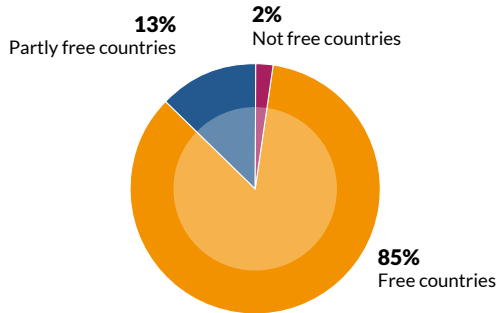
3.5.2.2 BIC's human rights in the workplace policy ^[NFPS]

Limiting contract manufacturing

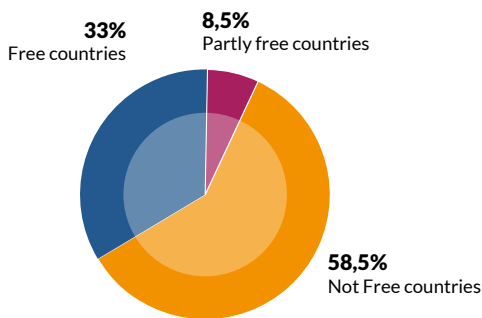
BIC's reliance on contract manufacturing is relatively low. Overall, 92% of the Group's net sales are generated by products made in its own factories. 84% of these factories are located in countries with no Human Rights risk according to Freedom House ⁽²⁾.

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 ⁽¹⁾ IN 2020 – BIC GROUP



CONTRACT MANUFACTURERS BY CATEGORY OF COUNTRY IN RELATION TO HUMAN RIGHTS RISK ⁽¹⁾ IN 2020 – BIC GROUP



The Supplier Code of Conduct

See § 3.5.1.1.

The social audit program ^[NFPS]

Compliance with the 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 more than 15 years to ensure compliance with its Code of Conduct by contract manufacturers. The program applies to both global contract manufacturers and contract manufacturers under local contracts 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 maintained at a satisfactory level.

Audits are carried out by third party Auditors. In 2014, BIC Group introduced the Workplace Condition Assessment (WCA) platform. This assessment tool is based on national laws, integrating ILO standards and existing best practices, and is consistent with the Group Code of Conduct. The WCA comprises more than 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 and 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 in relation to each indicator. Deficiencies in each evaluation criterion are rated as major, moderate or minor, thus allowing the implementation of targeted corrective action plans where needed. 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) Source: Freedom House.



THE SIX STEPS FOR EVALUATING CONTRACT MANUFACTURERS

1. The BIC contract manufacturer signs the BIC 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.

Between 2019 and 2020, 31 contract manufacturers (Consumer Products or BIC Graphic) were audited, representing 58% of active contract manufacturers.

3.5.3 BUSINESS CONDUCT AND THE FIGHT AGAINST CORRUPTION ^[NFPS]

BIC generates 20% of its sales in countries where the risk of corruption is considered high or very high (Brazil, Mexico, India, Italy and Argentina) and 80% in countries with a medium or low risk of corruption according to Transparency International, including France, the United States and Spain.

3.5.3.1 Risks ^[NFPS]

^[NFPS risk 6] Among its main CSR risks, BIC has identified risks related to corruption: the risk of corruption and unfair practices can lead to legal actions against the Group and major consequences in terms of reputation and attractiveness.

3.5.3.2 Policy, actions taken, results and perspectives ^[NFPS]

The BIC Code of Conduct

As compliance laws change, the BIC Group is evolving its internal policies and directives to keep pace with the legal and regulatory environment. Thus, the Code of Ethics (2014) was reviewed and updated in 2020 to incorporate the Group's vision, mission and updated Values, as well as best practices in Codes of Conduct and all necessary updates to ensure that the team members are able to take ownership of this legal and regulatory context.

This update has taken the form of a new BIC Group Code of Conduct. Part of BIC's ongoing monitoring of compliance measures, the new Code outlines:

- the expectations of how BIC's business is to be 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, and all applicable laws, regulations and industry standards that relate to their individual work.

The new BIC Code of Conduct covers the following topics:

- **protecting the integrity of the BIC Group 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:** information technology 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.

On each topic, a concrete situation or question is proposed and the right attitude to adopt is described.

With this update, the BIC Code of Conduct now covers the topics previously covered by the Code of Ethics. The Supplier Code of Conduct (see 3.6.1.1) and the Anti-Corruption Policy (see below) are a vital part of this Code concerning these specific topics.

This updated Code of Conduct was distributed to all employees in October 2020. It has been 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.bicworld.com. Training sessions on the Code of Conduct and the Anti-Corruption Policy were launched in October 2020. All employees have been invited to attend these training sessions to ensure a complete and comprehensive understanding of the Code.

BIC Anti-Corruption Policy

Since 2016, the Group Anti-Corruption Policy has defined the appropriate conduct mandatory for all BIC personnel, including team members, managers or Directors, and for all parties acting on the Group's behalf: subsidiaries, affiliate companies, partners under contract, wholesalers, or consultants. The Policy describes how business must be conducted with third parties to protect against corrupt practices and avoid their occurrence. BIC Group does not tolerate any kind of corruption or bribery and has made a commitment to fight corruption in all of its 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 was updated and distributed to all employees in October 2020. It has been 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.bicworld.com. The changes update references to the new Code of Conduct, provide clarity on contacts for guidance and heighten standards with respect to dealing with third parties.

The training sessions on the Anti-Corruption Policy were launched in October 2020. All employees have been invited to attend these training sessions to ensure a complete and comprehensive understanding of the Anti-Corruption Policy. As of end 2020 3,824 employees had completed the training.

“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 24 hours a day and is available in more than 200 languages.

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.

Additionally, as part of BIC's continuing efforts to ensure compliance with the BIC Anti-Corruption Policy, the BIC Code of Conduct and other legal requirements, policies and guidelines, the alert hotline became accessible to third parties in 2019.

Now improved and updated for easier accessibility, the alert hotline is featured on the BIC Intranet and www.bicworld.com. This alert mechanism aims to prevent any actions or conduct that would be contrary to integrity, honesty or equity.

It is the responsibility of the entities' CFOs or equivalent Officers to assess the entities' tax positions and manage all tax filings. The Group Tax Department provides broader support to all entities. In 2020, the internal control procedures did not detect any case of tax evasion linked to the activities of the Group.

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, and strong policies and processes are in place to mitigate these risks. There will be a strong focus on data privacy tools, third party due diligence, risk assessment mechanisms and training in 2021.

3.5.4 RESPONSIBLE LOBBYING AND PARTICIPATION IN SECTOR WORKING GROUPS

BIC Group considers lobbying to be a positive action, making good use of its industrial expertise and knowledge of the market in its relationships with the public authorities. For the Group, lobbying is quite simply the communication, targeted towards decision makers and important players on key issues, and the lessons learned from its experience to help establish the necessary balances. Its purpose is to help improve the effectiveness of the authorities' regulatory actions, to improve the safety of the products available on the market, thus 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 that affect its operations.

3.5.4.1 Participation in sector dialogue

BIC Group pursues its lobbying activities in a responsible, ethical way to ensure that the legal and regulatory decisions, as well as the actions undertaken to enforce the rules, have realistic and effective technical and economic consequences, maintaining or restoring fair and honest relations among all the market players.

Although BIC has no tradition of making public statements on major industrial or societal topics, the Group does address the public when this type of action seems necessary. It also participates in sector dialogue and seeks to exert its influence in four key areas that are directly related to its commitments as a responsible corporation: product safety, the fight against counterfeiting, the fight against unfair competition and environmental protection.

BIC carries out its lobbying primarily as a member of various organizations, participating as needed in their working groups and the conception 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 the pertinent 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 2020 the BIC Group continued to focus on the monitoring of pending regulations and standards concerning Stationery products (EU directives and regulations, REACH, CLP, Toy Safety), lighters (safety standards and market surveillance, CLP, e-commerce), and both lighters and shavers (legislation in Spain's autonomous communities concerning product typologies and end-of-life management).

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 actions on a regular basis.

The operational responsibility for BIC's relationships with public authorities and institutions is delegated to a small number of

specifically identified managers, who have been named to represent the Group in the above-mentioned proceedings. The members of the Executive Committee are kept informed of the progress of laws and regulations that affect their operations.

BIC Group 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 persons to be notified in case of violation.

3.5.4.3 Team members' awareness

The latest developments concerning lighters are shared with the Group's team members during the results presentations. The General Managers and Marketing Managers are also kept directly abreast of BIC's lobbying actions on lighters.

3.6. OUR SOCIETAL COMMITMENT

In September 2015, the United Nations 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 through 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 ones.

Lastly, BIC seeks to support local communities through the development of philanthropic policies that favor involvement at both the Group and the individual levels.

3.6.1 MAKING OUR PRODUCTS AFFORDABLE TO ALL

BIC Group is guided by a vision: "To offer simple, inventive and reliable choices for everyone, everywhere, every time". For BIC Group, making products that everyone can afford means adapting them to markets in developing countries. The pens and shavers marketed by BIC in more than 160 countries promote access to education and personal care. BIC is thus contributing to social progress around the world.

In 2020, 25% of the Group's turnover came from these growth markets.

BIC Group's approach consists of adapting all possible parameters to make its products affordable:

- building close relations between its production units and their distribution markets. In 2019, BIC strengthened its position in Africa with the acquisition of a 100% share in Lucky Stationery Nigeria Ltd, Nigeria's leading manufacturer of writing instruments. With this acquisition, BIC is bolstering its presence on the Tanzanian, Ethiopian and Ugandan 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, in consideration of 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

The UN Sustainable Development Goal No. 4 is "to ensure inclusive and equitable quality education and to promote lifelong learning opportunities for all." It underlines the two key challenges regarding education: access to education and equity in learning. The latest US⁽¹⁾ report shows that today:

- 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 projections show that without major changes, by 2030, one child in six will be outside the school system;
- the quality of the education provided is a critical issue: 55% of primary and lower secondary school children and adolescents do not acquire the minimum knowledge in reading and 60% in mathematics.

Through its activities of designing, manufacturing and distributing writing instruments, BIC Group has long been involved in the promotion of education. Firmly convinced that education is crucial for the development of free will and independence, and to combat poverty, BIC has in particular been an active advocate of writing by hand, even before its importance in the structuring of 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 acts 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 (detailed in section 3.6.2.2);
- actions to help improve learning conditions, including awareness of the benefits of writing by hand in the learning 3.6.2 and memorization processes (detailed in section 3.6.2.3).

(1) UNESCO Institute for Statistics.



At the end 2020, BIC estimated the number of children whose learning conditions have been improved through direct actions with children or through actions with teachers and parents at 118 million since 2018.

“ 118 million children whose learning conditions have been improved between 2018 and 2020. ”

Examples of projects backed by the BIC Corporate Foundation in each of its main fields of action in 2020:

Le Bal

The photo-documentary exhibition center Le Bal hosts a pedagogic program entitled *La Fabrique du Regard* that offers children the opportunity to learn through imagery and photography. The BIC Corporate Foundation sponsored the implementation of the program at a middle school in Clichy (France), in a class for non-French-speaking immigrant students. The children discovered the world of photography and learned how to use it to portray their view of the world and their life stories. The goal of these workshops is to help these children regain an interest in education and feel more at ease with the French educational system, and to give them the opportunity to express themselves and grow personally.

Enactus UK

The BIC Corporate Foundation sponsored the “BIC Inclusive and Equitable Education Challenge” based on the UN’s Sustainable Development Goal #4, Quality Education. This challenge consists of inviting Enactus groups of university students working on education-related social business plans to apply for mentorship and seed funding from BIC UK & Ireland. The initiative proved to be very rewarding and motivating for BIC team members, who offered their patronage to the students, and was also an opportunity for them to develop valuable soft skills. It was also the Foundation’s first immersion in skills-based sponsorship, a target for the future mandate.

Le Projeto Uerê

Projeto Uerê is a school that provides a complementary curriculum for children living in a violent favela in Rio de Janeiro (Brazil). The NGO has developed a unique pedagogy recognized by UNICEF as an effective methodology for helping children who live in violent contexts to overcome trauma and continue developing. Uerê is characterized by a holistic curriculum proposal focusing on the development of soft skills through music, dance, art and sports, but also including academic support courses.

3.6.2.2 Awareness and coaching actions

In the learning process, writing by hand is a basic skill that helps structure the thought process. For this reason, writing instruments are indispensable tools for advancing the improvement of learning conditions. In recent years, BIC teams have taken action to support and facilitate handwriting and promote its importance in children’s development, especially through:

- the development of activity sheets and workshops for teachers on various themes such as motor development, coding and writing exercises;
- the assistance brought to parents, teachers and children in many countries during the closure of schools due to the health situation (Covid-19) thanks to the creation of activity manuals, organizational advice and donations of products;
- animation operations and workshops in schools such as awareness raising on the importance of education and writing, production of writings or thematic coloring contests for the youngest.

3.6.2.3 Philanthropic actions by BIC and its subsidiaries

The philanthropic actions of BIC and its subsidiaries can take three forms: the donation of products, monetary gifts and volunteer work/skills sponsorship. BIC and its subsidiaries favor operations that benefit local populations near its sites.

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 humanitarian gesture, because part of the purchase price is donated to a charitable organization. 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 Oceania is a partner of the “Children’s Charity Network” (CCN), which aims to improve the literacy of children across Australia. The charity has two main focuses: providing writing and drawing workshops for children in underprivileged communities with the support of professional authors and illustrators who volunteer their time, and facilitating the Young Australian Art & Writers Awards, an annual competition open to any school-aged children. Works are published in a quarterly magazine and judged by a panel of volunteer experts, culminating in the presentation of category winners in November each year. BIC’s partnership provides financial support – approximately 15,000 euros in 2020 – that enables CCN’s volunteers to visit rural and remote communities. BIC also donates products to local communities that often cannot afford basic school supplies, in order to facilitate the writing and drawing workshops and enable the children to continue in-classroom and at-home learning.

BIC Italy and the BIC Foundation are now in their third year (2018–2020) of supporting the *Indifesa Radio Network*, a project by the NGO *Terre Des Hommes*. Its goal is to counteract bullying, cyberbullying and all forms of discrimination and stereotyping that too often cause children to drop out of school. The project also promotes education to reduce the gender gap in the Italian school system. In addition, during the Covid-19 lockdown, BIC Italy donated 60,000 writing instruments and marking products to hospitals in the Lombardy Region.

BIC Iberia sponsors the Red Cross educational and social project *Éxito Escolar* (“School Success”), which focuses on vulnerable children in Tarragona province. It addresses the needs of children ages 6 to 16 from difficult social environments, offering them support to improve their quality of life and help them in their studies, meals, habits and personal development. In 2020 BIC’s support totaled 14,000 euros plus the donation of nearly 3,000 writing instruments, benefiting more than 210 children.

BIC Amazonia sponsors the *Crescer* project, which promotes social, cultural and sports programs and community integration, as well as nutrition, providing breakfast, lunch and snacks for children. In education and culture, the project organizes workshops, lectures, holiday celebrations, tours and visits with psychologists and social workers. In 2020 BIC’s support amounted to 16,000 euros, benefiting 710 children and students.

In addition, during the Covid-19 lockdown BIC Amazonia donated 120,000 writing instruments to multiple NGOs.

In 2020 **BIC South Africa** renewed its large-scale “Buy a Pen, Donate a Pen” charity products campaign. South Africa is a country that faces enormous educational challenges: more than 2 million of its citizens are illiterate and its unemployment rate exceeds 27%. In this campaign, for each product purchased, BIC South Africa donates one pen to the NGO READ Educational Trust, which distributes them to underprivileged children. As in previous years, the operation was a huge success, with 1.5 million pens donated once again, bringing the overall total to 11.5 million pens in eight years. In 2020 **BIC Morocco** joined the project through the donation of no fewer than 400,000 units to various NGOs, including the renewed SOS Children’s Village program in Morocco.

In line with its actions undertaken with schools, **BIC Morocco** perpetuates the concept of “illustrated poems” about Values. An inter-school themed poetry competition was organized, conceived to spark children’s thinking, imagination and poetic creativity, and to make them aware of an important value: respect. The children learned the basics of this Value – respect for family, friends, and neighbors – thus contributing to the well-being of their community. The participating schools received free kits of BIC products for their students. In all, no fewer than 1,200 school kits containing pens, pencils, colored pencils, markers, etc., were offered to the young poets.

BIC Canada is a partner of the “Krinkle Project,” an initiative that distributes loot bags to children who are temporarily living in women’s shelters in the Greater Toronto Area. In 2020, BIC Inc. donated Stationery products to create more than 50 loot bags for needy children.

Since 2015 **BIC Cello** (India) has been sponsoring 55 learning centers in remote villages near its Haridwar factory in northern India. The centers are managed by the NGO IIMPACT. The main objective of the project is to provide access to education for underprivileged girls who are not able to attend government-run schools due to social practices in India. Some 2,000 children have benefited from this initiative.

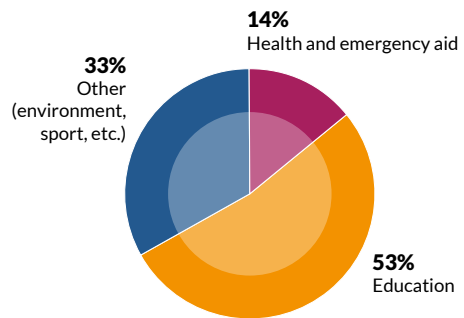
In 2020, product donations and financial aid worldwide represented 1.4 million euros (internal valuation), primarily in education⁽¹⁾, health and emergency aid. Finally, BIC donated pens, coloring products, other writing instruments and shavers, with a total value of 1.3 million euro, to help local communities, hospitals, children and the homeless in the fight against Covid-19.

“ 1.4 million euros in donations and financial aid worldwide in 2020 ”

“ 142 philanthropic projects involving volunteer work, product donations and financial aid carried out worldwide in 2020 (all fields combined). ”



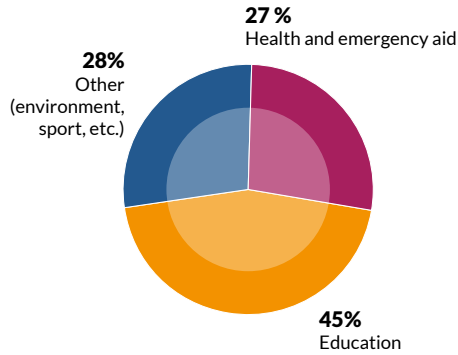
FINANCIAL BREAKDOWN OF ACTIONS – BIC GROUP – 2020



(1) For this indicator, all philanthropic actions in favor of education, including those carried out under commitment # 5, are considered.



BREAKDOWN OF ACTIONS BY NUMBER – BIC GROUP – 2020



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 BIC team members’ sense of pride and belonging. Its mission is to support access to quality education for all, following the approach of “give to create” – in other words, seeking to make children and youth more versatile and self-reliant by helping them develop skills and showing them a path forward: their own. It focuses on two main fields, namely reducing the school dropout rate and promoting equal access to education for boys and girls, as well as the advancement of environmental education. Over the long term, it also emphasizes the funding of social entrepreneurship and innovation in education.

The BIC Corporate Foundation Board of Directors consists of nine members, six from BIC plus three external experts:

- Runa Khan, founder and President of the NGO Friendship;
- Marine de Bazelaire, Head of Sustainability Continental Europe, HSBC;
- Jean-Marc Guesné: Associate, Azao Consulting.

On October 1, 2020, Group CEO Gonzalve Bich assumed the presidency of the BIC Corporate Foundation, replacing Marie-Aimée Bich-Dufour, who retired from her position, and Alison James became the Foundation’s Executive Director. New members were also appointed to the Board of Directors:

- Claire Bottineau, Sustainable Development Director, Group Insights & Innovation;
- Mario Berra, SVP Global Manufacturing, Group Supply Chain;
- Ganesh Parameswaran, Counsel MEA, India & APAC, Group Legal.

Supporting a total of 43 projects in 20 countries, the BIC Corporate Foundation has a global reach. In 2020 it adapted to the public health crisis by backing projects that help prevent students from dropping out of school due to quarantine limitations, thus focusing mainly on its mission to reduce the school dropout rate. Upon employee request, the Foundation continued to provide its expertise to help BIC teams that want to enter into partnerships to promote educational causes, in particular helping them choose appropriate, reliable partners (NGOs, non-profit organizations, etc.).



3.7. THE CLIMATE-RELATED PERFORMANCE REPORT

Anthropogenic climate change constitutes one of the main challenges facing humanity in the 21st century. The BIC Group 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 more than ten years, the BIC Group has been reporting on its response to climate issues by participating in the Carbon Disclosure Project (CDP). In keeping with the positive performances of previous years, in 2020 BIC received an 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).

3.7.1 GOVERNANCE

3.7.1.1 Board of Directors

One of the primary missions of the Nominations, Governance and Corporate Social Responsibility (CSR) Committee is to examine the Group's challenges concerning sustainable development, including those related to climate change, as well as its sustainable development strategy and the progress made in applying that strategy.

In addition, the BIC Group'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 Shareholders at their Annual 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 in the Group's decision-making processes and the related risks are included in the Group risk mapping prepared 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 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.

3.7.2 STRATEGY

3.7.2.1 Risks and opportunities related to climate change and their impact ^[DPEF]

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

- 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, such as:

- innovating in terms of energy supply, in particular through "Writing the Future Together" commitment #2: Acting against climate change, and by streamlining energy costs;
- improving the products' environmental performance, in particular through "Writing the Future Together" commitment #1 Fostering sustainable innovation in BIC® products;
- standing out on the markets by offering products with a reduced carbon footprint.

3.7.2.2 Strategy to address the risks and opportunities related to climate change

Using renewable energy at BIC sites

Electricity consumption at BIC sites accounts for 9% of the Group's total emissions. Through the commitment Writing the Future, Together - #2 Acting Against Climate Change, the BIC Group aims to use 80% renewable electricity by 2025, and in the longer term, 100%.



Building on the experience acquired in recent years at certain of its sites, BIC defined a roadmap for this goal. This roadmap reflects a strategy in which each country or site examines its opportunities for sourcing renewable electricity, taking their regulatory and operational constraints into account. It serves as a guide for the countries and sites, which must also keep pace with the frequent market and regulatory evolutions that affect this business sector. To bring about a far-reaching change in its purchasing process for electricity, BIC is putting the focus on renewable energy certificates⁽¹⁾, green contracts and long-term Power Purchase Agreements, and is investigating the production potential of certain sites.

In 2020, the BIC Group has reached its target of 80% of electricity from renewable sources. In the coming years, the Group will work to consolidate this performance and investigate options for long-term contracts or on-site developments.

Specifically, in 2020:

- in France, BIC purchases renewable energy certificates (Guarantees of Origin, or GoO) for all of its factories plus the Clichy headquarters. This means that all BIC® products manufactured in France are produced using renewable electricity;
- in Greece, the purchase of GoO certificates has covered all of the BIC Violex site's electrical consumption since 2016;
- in Spain, the BIC Iberia and BIC Graphic Europe sites have been using renewable electricity through the purchase of certificates (GoO) since 2018;
- in the United States, the purchase of renewable wind energy certificates (U.S. RECs) covers the energy needs of most American sites;
- in Brazil, the Manaus site has been using wind energy since 2018 through the purchase of iREC certificates;
- in Mexico, the BIC Group has launched a tender for the purchase of long-term renewable energy (Power Purchase Agreements), thus specifically supporting the development of new infrastructures;
- in Daman (India) and Tarragona (Spain), solar panels have been installed.

In addition, since 2018, 100% of the lighters factories have been powered by green electrical energy, and research is underway to develop the sites' self-sufficiency (recovery of waste heat, development of photovoltaic and solar thermal energy, etc.).

Optimizing energy consumption

The BIC Group has been implementing energy efficiency programs in its factories for many years. As a result, the Group has improved its energy efficiency by 5.8% in ten years.

In 2020 BIC signed a partnership with Schneider Electric for the implementation of a system that will closely monitor energy consumption at all BIC sites, with the goal of optimizing consumption and the related costs while increasing the use of renewable electricity. Energy audits of the Group's sites are also planned. In 2021 the first audits will take place at the following sites: Mexico City, Marne-la-Vallée (France), Violex (Greece), Samer and Boulogne (France).

Seventeen energy reduction projects were launched in 2020. Three of these projects involved lighting (replacement of conventional light bulbs by LED bulbs and increased use of natural daylight). Eight projects were conceived to reduce electrical consumption and three to reduce gas consumption.

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 sites' environmental footprint:

- in 2020 a manager was assigned to oversee Green IT operations, including defining a strategy and implementing best practices;
- about 85% of the Group's internal and external servers are now virtualized. In 2020 BIC continued to install evermore efficient servers. In particular, they produce less heat, thus reducing the amount of energy needed to cool the data centers;
- as part of the implementation of teleworking due to the public health crisis, all employees in all regions are now equipped with remote coworking tools. An average of 28,000 meetings are organized every month.

Emissions related to purchases

The emissions in this category are mainly related to the Group's purchases of materials, especially plastics (74%).

In 2020 BIC announced two new ambitious goals as part of its "Writing the Future, Together" program. These two goals, which are also integrated in the Group's "Horizon" corporate strategy plan, will help significantly reduce its GAG emissions:

- 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.

These goals will be attained through the implementation of the Group's "4 Rs" philosophy (described in § 3.2.2.1) and could help reduce its GAG emissions by about 10% (at constant perimeter).

The carbon footprint of our transport activities

The objective of BIC's shipping management system is to ensure the availability of its products while maximizing customer satisfaction, reducing the environmental impact of its transport activities, and optimizing costs. BIC Group has factories all over the world, which tends to limit the need for shipping its products. For example, more than 80% of the products sold in Europe are manufactured on that continent.

(1) Renewable electricity is defined as electricity generated by biomass sources (including biogas), geothermal, solar, water (including hydroelectric) or wind power.





BIC engages in 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 the factories or warehouses to the end customer.

Due to the environmental and financial impact of air freight, the key challenge for the Group is to use this form of shipping as little as possible. Even though it accounts for only 0.84% of the total tonnage shipped, air freight is the transport method that generates the most GHG: in 2020 it represented 49% of the Group’s total emissions from transport.

BIC pays close attention to the proportion of this type of transport, with the goal of continuing to keep it below 2.3% for intra-company transport.

In addition, 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	<p>Since 2014 a steering working group has been tasked with identifying solutions to achieve significant and long-term reductions in air freight, uniting all the professional functions involved and working closely with teams from every category and from all over the world. Transport companies that are committed to sustainable development are also regularly consulted.</p> <p>The specific monitoring of air transport was introduced in 2014, with quarterly reports to the management teams in each zone. In 2020 a tool for overseeing airfreight was implemented Group-wide. This tool requires multiple justifications and approvals prior to the authorization of any shipment by air. Already in 2020, this new tool reduced BIC’s total annual air freight by 51%, for a savings of 8,600 tons of CO₂.</p> <p>In addition, in 2020, the BIC Group has launched a project to capture all of its downstream transportation flows and thus better track the associated emissions. The first results are expected in early 2021.</p>
Optimizing shipments and routes	<p>In shipping, the main leverage points for decreasing emissions are the reduction of the distances traveled, the choice of transportation mode and load optimization. BIC’s logistical teams work on all three points in cooperation with other departments within the Group, such as Production and Sales, and service providers.</p>
Selecting responsible carriers	<p>Logistical operations are carried out by transport companies chosen by BIC. Therefore, their equipment, methods and management systems are determining factors in the level of GHG emissions, including the age of the vehicles, training in the techniques of eco-driving, the use of speed governors, tire technology, emission measurement capacities, etc.</p> <p>In conjunction with the Group’s responsible purchasing policy, BIC selects carriers that can reduce the ecological footprint of its shipping operations. For example, in the U.S. and Canada, the Group only works with carriers that have received SmartWay® certification, a program designed by the U.S. Environmental Protection Agency.</p> <p>To encourage its transport service providers to adopt responsible practices, BIC has incorporated the reduction of GHG emissions in its criteria for selecting carriers.</p>

Emissions related to the use of products

The energy used to heat water when shavers are used is the most emitting station, with 38% of total emissions. BIC is exploring opportunities to reduce this position and hopes to launch concrete projects in the coming years.

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 RISK MANAGEMENT

3.7.3.1 Identifying and evaluating risks related to climate change

Climate-related risks are integrated in 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 driver for identification is the

3.7.3.2 Management of risks related to climate change and integration of climate-related risks in the overall risk management system

The Executive Committee is in charge of managing the risks identified in the BIC Group’s major risk mapping. Updates on the progress of the action plans for addressing certain key risks are also reviewed at the Board of Directors Meetings.

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

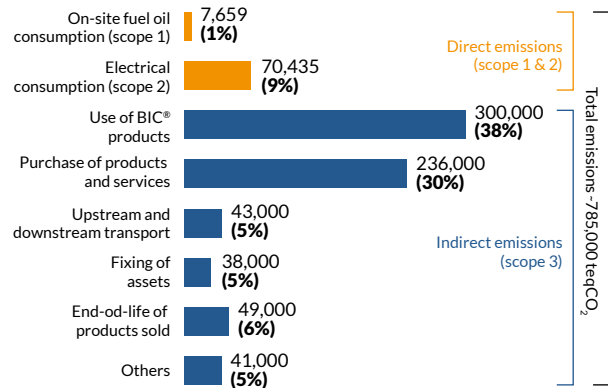
Measurement method

In 2020 the BIC Group reviewed its method for evaluating scope 3 emissions in order 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 compliance with the GHG Protocol.

The biggest emission sources 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 TEQCO₂

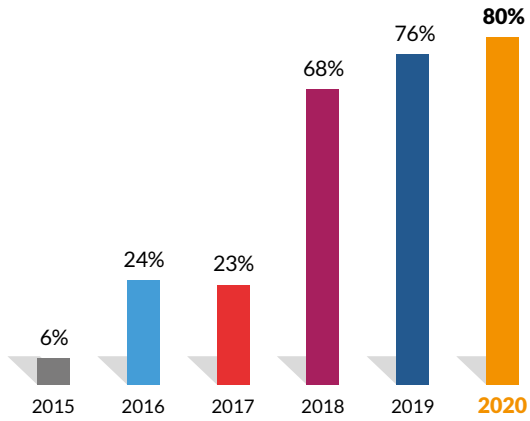
	2018	2019	2020	Variation 2020/2019
Direct GHG emissions (scope 1)	9,813	9,278	7,659	-17%
Indirect GHG emissions (scope 2 location based)	88,470	88,432	70,435	-20%
Indirect GHG emissions (scope 2 market-based)	48,829	36,549	25,277	-31%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED])	98,283	97,711	78,046	-20%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 MARKET-BASED)	58,646	45,827	33,097	-28%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED]) NORMALIZED TO PRODUCTION*	1.014	1.070	1.031	-4%
GHG emissions related to purchases of raw materials (scope 3)	316,000	347,000	232,000	-33%
GHG emissions related to intra-company transport ^(a) (scope 3)	37,000	34,000	18,000	-47%

* TeqCO₂/ton.

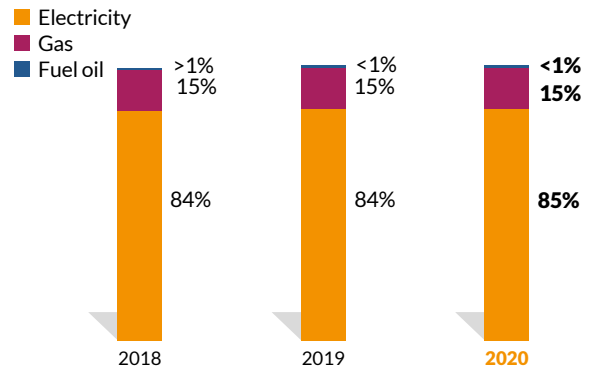
(a) Does not take into account road transport in sea and air fret.



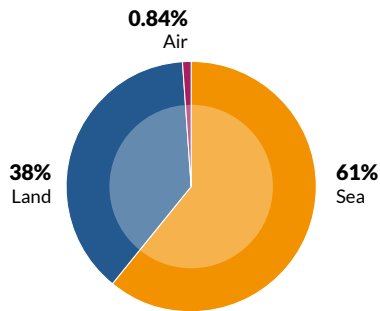
SHARE OF RENEWABLE ENERGY – AS OF TOTAL CONSUMPTION



BREAKDOWN OF BIC GROUP ENERGY CONSUMPTION



BREAKDOWN OF TONNAGE SHIPPED BY MODE OF TRANSPORT – AS % OF TOTAL

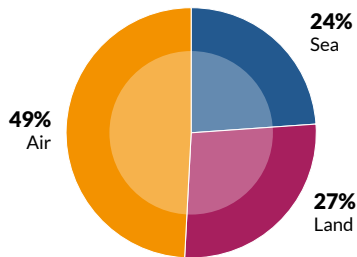


ANNUAL ENERGY CONSUMPTION NORMALIZED TO BIC GROUP PRODUCTION – IN GIGAJOULES/TON

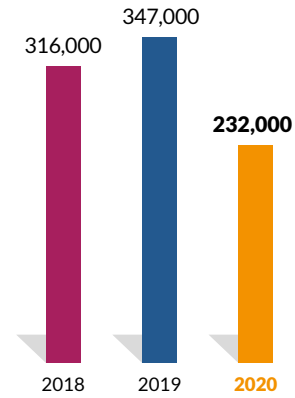
Year	2018	2019	2020	Variation 2020/2019
Normalized Consumption (GJ/Ton)	12.14	12.59	12.96	3%



BREAKDOWN OF GHG EMISSIONS BY MODE OF TRANSPORT - AS% OF TOTAL



GREENHOUSE GAS EMISSIONS FROM PURCHASES OF PRODUCTS AND MATERIALS - IN TEQCO₂ - BIC GROUP - 2020



GOALS AND RESULTS

Goal	Perimeter	Deadline	2018	2019	2020
80% electricity of renewal origin ^(a)	Sites	2025	68%	76%	80%
Keep airfreight below 2.3% for intra-company transport ^(b)	Transport	Annual	0.93%	0.75%	0.84%
BIC's goal is to use:	BIC® products				
• 20% recycled or alternative plastics in its products		2025	NA	3%	4.3%
• 50% recycled or alternative plastics in its products		2030	NA	3%	4.3%
100% of BIC plastic packaging will be reusable, recyclable or compostable ^(c)	Consumer packaging	2025	ND	ND	49.3%
100% of BIC paper and cardboard packaging will be from certified and/or recycled sources	Packaging	2025	94.2%	95.7%	97.3%
100% of BIC plastic packaging will be PVC-free	Packaging	2025	87.9%	92.1%	94.4%
75% of the materials used in BIC plastic packaging will be recycled ^(c)	Packaging	2025	ND	ND	48.9%

(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 in 2020.



3.8. MILESTONES ^[NFPS]

The present report follows the methodological recommendations of the Global reporting Initiative (GRI). The GRI indicators used herein are included in the cross-reference table of environmental and social information on page 340.

3.8.1 EXTRA-FINANCIAL RATINGS

In 2020, BIC was listed on the following socially responsible investment indexes:

- CDP Climat 2020: Leadership Level A- (see § 3.7);
- CDP Supplier Engagement Rating 2020: Management level: B.

In 2020, based on data published in 2019, the rating agency Gaia assigned BIC an ESG rating of 82 (+7 vs. 2019).

3.8.2 PERIMETER AND SELECTION OF INDICATORS

The reporting period covered by the present report is from January 1 to December 31, 2020.

3.8.2.1 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 effect on biodiversity takes place primarily through its land use (industrial, logistical and administrative sites). To evaluate this impact, BIC relies on a "site approach". A cartographic analysis of the physical surroundings of each BIC ⁽¹⁾ factory was carried out in 2011. 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.

(1) The study perimeter does not include Cello Pens.

Air, water and soil release that seriously affect the environment

The nature of 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 site to measure, evaluate and reduce their significant environmental impacts.

Conditions for use of soil

In Europe and the United States, where most of the Group's sites are located, whenever an industrial site is closed, BIC ensures that plant decommissioning is performed in accordance with local laws and best environmental practices. When appropriate or when required by law, BIC carries out studies of the soil and subsoil, although most sites are not subject to compulsory examination. Studies of pollution at European plants that had been in operation for many years demonstrate 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.

Concerning noise impact, measures are taken within the property limits in order to fulfill administrative requirements according to local regulations. If any noise pollution is brought to the Group's attention in the future, studies will be conducted and any appropriate corrective actions implemented.

Fighting against food waste, combating 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.

3.8.2.2 Reporting perimeter of indicators

Regarding the indicators that refer to human resources, the reporting perimeter encompasses all permanent employees of all French and foreign operational units within the Group, with the exception of information on training and the disabled, for which temporary employees are included.

The environment indicators concern the 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, as well as its engineering units and packaging operations of more than 50 employees or whose operations are regulated by government directives such as SEVESO (EU), PSM or RMP (U.S.). Group headquarters with more than 200 permanent employees are also included in the reporting. BIC Nantong is excluded from the reporting scope because this plant produces less than 1% of the Group's total lighter volume.



In 2020, the East Africa (Kenya) Stationery factory was added to the perimeter.

For health and safety indicators, all Group sites (offices or industrial sites) are included in the perimeter.

In 2020, Ecuador site and Cello Pentek Pen & Stationery, were removed from the environment-health-safety perimeter due to their closure.

Lucky STATIONARY NIG. Ltd entity is excluded from the perimeter for all indicators.

3.8.2.3 Indicators

The published indicators are chosen to best represent BIC's main social and environmental challenges.

The inventory of BIC's activities for the benefit of communities is compiled from information and data sent annually by the management of each subsidiary. This reporting is an estimate of project numbers and value.

The financial indicators, those referring to Human Resources, workers' accidents and the environment are compiled using several data collection systems that give preference to the use of 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.

The environmental indicators are normalized to production so that their measurements are less affected by variations in 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.

In addition, for BIC, the term "water consumption" is understood to mean total water withdrawal, regardless of any subsequent treatment or emissions of wastewater.

Concerning environmental indicators, the classification of the type of waste treatment is based on the channels to which they are directed.

Concerning the reporting of greenhouse gases 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), the BIC Group provides an annual report on its emissions. The underlying hypotheses and emission factors are reviewed regularly in order to confirm their relevance.

In addition, to ensure transparency, some indicators have been more specifically detailed below:

Greenhouse gas emissions related to purchase of raw materials

This indicator includes the main raw materials used in the products of the three main categories, including Cello (since 2018) and the

Stationery activity of BIC Sport (France) and in the packaging reported in the indicator "Percentage of responsible materials for packaging" for the three main categories (excluding Cello Pens, Canada, APAC and recent sales and acquisitions).

Percentage of BIC® products with at least one environmental benefit

BIC has defined environmental benefits for its products by complying with at least one of the following criteria as follows:

- light and long lasting (writing instrument ≤ 3 g per km; correction tape ≤ 1.8 g per m; lighter ≤ 8 g per 1,000 flames; shaver ≤ 1 g per shaving);
- made from alternative materials (recycled, vegetable origin, etc.);
- refillable;
- ecolabeled (*NF Environnement*, etc.).

This indicator is calculated on the number of units and concerns the products of the three main categories (excluding Pimaco and Cello Pens activities). For the Lighters category, only lighters are considered. For the Stationery and Shavers categories, refills and business-to-business sales are considered in the calculation.

Share of the BIC® product portfolio assessed using EMA

In 2020, the perimeter of application for this indicator is as follows:

- Stationery: all writing, marking, coloring and correction products excluding: Cello® products, Sheaffer® products, products under license, unbranded writing instruments, sticky notes, certain specific writing products (Stypen Easy Clic, Fountain Xpen, Gilbert products, Velleda® whiteboards), some coloring products (paints, gouache, glitter pens);
- Shavers: one-piece products, hybrid products excluding products in the System family;
- Lighters: pocket lighters, and excluding products from the Utility family.

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 the that of consumer packaging being either reusable, recyclable or compostable. It is calculated on material weight and concerns the consumer plastic packaging (pouch, blisters, etc.). The indicator reported for 2020 concerns the products of the three main categories (excluding Cello Pens, Canada, APAC and recent sales and acquisitions).

Percentages of responsibly sourced cellulose packaging, PVC free plastic packaging and recycled plastic packaging.

This indicator includes all packaged BIC® products delivered to the Group's customers all over the world (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 Cello Pens, Canada, APAC and recent sales and acquisitions).

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. In 2018, the activities of Cello Pens were included in the reporting perimeter for this indicator.

Emission factors were updated in 2019: The emission factors used are taken 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 of 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 who have integrated the sustainable purchasing program" is also calculated excluding Cello.

Writing the Future, Together - #5 Improving lives through education

The number of children whose learning conditions have been improved by BIC is an estimation of children reached by direct actions and/or impacted through actions towards teachers, deans or parents.

This number is a minimum because some of the actions carried by BIC may not be reported.

Since 2019, the methodology for estimating the number of children affected by an action through teachers is the following: 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 ($3 \times 30 = 90$ children per teacher).



3.8.3 INDICATORS TABLE

Environmental indicators	Unit	2018	2019	2020
Management systems of factories				
Factories with environmental and health & safety management systems (or with implementation under way)	%	83.0	83.0	87.5
Energy consumption				
Annual energy consumption	Gigajoules	1,176,465	1,149,930	981,437
Writing the Future, Together #2: Share of electricity of renewable origin	%	68	76	80
Annual energy consumption normalized to production	Gigajoules per ton	12.14	12.59	12.96
Greenhouse Gas (GHG) emissions				
Total amount of annual GHG emissions (location-based)	tCO ₂ eq	98,283	97,711	78,046
• Direct GHG emissions (Scope 1) (location-based)	tCO ₂ eq	9,813	9,278	7,659
• Indirect GHG emissions (Scope 2) (location-based)	tCO ₂ eq	88,470	88,432	70,387
Total amount of annual GHG emissions GES (market-based)	tCO ₂ eq	58,646	45,827	33,185
• Indirect GHG emissions (Scope 2) market-based	tCO ₂ eq	48,829	36,549	25,438
Total ratio of annual GHG emissions to production	tCO ₂ eq/ton	1,014	1,070	1,031
GHG emissions related to raw material purchase	tCO ₂ eq	316,000	347,000	232,000
GHG emissions related to intra-company transport ^(a)	tCO ₂ eq	37,000	34,000	18,000
Water consumption				
Annual water consumption	m ³	515,296	444,840	394,821
Ratio of annual water consumption to production	m ³ per ton	5.32	4.87	5.22
Waste production				
Annual waste production	Tons	20,515	20,049	17,453
• Non-hazardous industrial waste	Tons	16,908	16,526	14,931
• Hazardous industrial waste	Tons	3,607	3,522	2,522
Ratio of annual production of industrial waste to production	Tons/tons	0.212	0.220	0.230
Recycled waste	%	64	65	64.5
Recovered waste (recycled or incinerated with energy recovery)	%	78	81	82
Transportation				
GHG emissions related to intra-company transport ^(a)	tCO ₂ eq/ton	0.345	0.291	0.246
Intra-company transport operated without airfreight	%	99.07	99.25	99.16
Products				
Writing the Future, Together #1 Share of recycled or alternative materials in BIC® products	%	ND	3	4.3
Number of products certified with the French <i>NF Environnement</i> ecolabel		19	19	19
Number of products that have at least one environmental benefit ^(b)	%	>50.0	>50.0	>50.0
Packaging				
BIC cardboard packaging from a certified and/or recycled source	%	94.2	95.7	97.3
BIC plastic packaging PVC free	%	87.9	92.1	94.4
Writing the Future, Together #1 Reusable, recyclable or compostable plastic in consumers' packaging ^(c)	%	NA	NA	49.3
Writing the Future, Together #1 Recycled content of plastic packaging ^(c)	%	NA	NA	48.9
Other Indicators				
Provisions and guarantees for environmental risks ^(d)	Million euros	-	-	-
Compensation paid during the fiscal year under court order	Million euros	-	-	-

(a) Not taking into account transport by road in sea and air travels.

(b) Excluding Cello Pens.

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

(d) Guarantees received regarding the environment are listed in Note 26 "Off-balance sheet commitments: sureties, deposits and guarantees" to the consolidated financial statements for the year.

Social indicators	Unit	2018	2019	2020
Group workforce				
Total workforce		16,955	16,794	13,752
• Permanent employees	number of employees ⁽¹⁾	13,664	12,777	11,246
• Fixed term contracts	number of employees	incl. in temporary workers	incl. in temporary workers	587
• Temporary workers	FTE	3,291	4,017	1,919
Voluntary turnover	%	14	13	14
Permanent workforce by region				
Percentage of permanent workforce by region				
• Europe	%	30.0	31.0	35.8
• North America	%	5.0	6.0	6.6
• Developing countries	%	65.0	63.0	NA
• Latin America	%	NA	NA	19.2
• Middle East & Africa	%	NA	NA	6.1
• India	%	NA	NA	31.3
• Asia Pacific	%	NA	NA	0.99
Permanent workforce by activity				
Percentage of permanent workforce by activity				
• Manufacturing and R&D	%	75	74	NA
• Distribution, marketing and G&A	%	13	13	NA
• Sales force and customer service	%	12	13	NA
• Group Commercial	%	NA	NA	18
• Graphic	%	NA	NA	2.5
• Group Supply Chain	%	NA	NA	66.3
• Lighters	%	NA	NA	8.4
• Group Insights & Innovation	%	NA	NA	1.7
• Group BIC Services	%	NA	NA	0.92
• BIC Group	%	NA	NA	0.01
• BIC Foundation	%	NA	NA	0.01
• Corporate Stakeholder Engagement	%	NA	NA	0.05
• Group Communications	%	NA	NA	0.12
• Group Finance	%	NA	NA	0.52
• Group HR	%	NA	NA	0.3
• Group IT	%	NA	NA	0.8
• Group Legal	%	NA	NA	0.3
• Strategy & Business Development	%	NA	NA	0.03

3

(1) In FTEs for 2018 and 2019, in number of employees for 2020.



Social indicators	Unit	2018	2019	2020
Training, career management and engagement				
Percentage of employees that have received training	%	68	60	70
Number of training days	Days	19,511	16,629	24,202
Number of training days per employee	Days	2.0	2.2	3.1
Number of training hours per theme	Hours	220,042	133,035	193,614
• Technical training	Hours	154,564	100,725	124,634
• Leadership skills	Hours	27,827	5,607	NA
• BIC culture	Hours	23,738	11,814	NA
• Health & Wellbeing	Hours	13,905	14,889	22,960
• Personal Effectiveness	Hours	NA	NA	33,508
• Management Skills	Hours	NA	NA	4,009
• Crisis Management	Hours	NA	NA	4,095
• Business Skills for Tomorrow	Hours	NA	NA	4,408
Internal promotion rates among managers (highest levels: 3 to 6)				
• External recruitment	%	38	41	NA
• Internal recruitment	%	62	59	NA
Internal development moves and promotion rate	%	25	25	NA
Number of Total Promotions (Superior Level)	Number	NA	NA	270
Diversity				
Percentage of women in management and workforce	%	49	48	46
• Board of Directors	%	40	50	46
• Executive Committee	%	14	25	22
• Managers (highest levels: 3 to 6)	%	32	32	NA
• Level 4 and above (Executives & Excom)	%	NA	24	26
• Level 3 (Senior Managers)	%	NA	37	39
• Level 1 and 2 (Managers & Professionals)	%	NA	38	39
• Non-managers	%	NA	51	49
• Europe	%	NA	33	38
• North America	%	NA	42	44
• Latin America	%	NA	49	49
• Middle East & Africa	%	NA	47	38
• India	%	NA	60	56
• Asia Pacific	%	NA	40	47
Safety				
Writing the Future, Together #3: Lost time injuries	Number	84	74	50
Sites without lost time injuries	Number	61	55	62
Incidence rate of workers' accidents – BIC workforce (accidents with temporary or permanent incapacity)	Number/million hours worked	2.09	1.85	1.85
Incidence rate of workers' accidents - BIC workforce and temporary workers		2.14	1.87	1.63
Severity rate of workers' accidents – BIC workforce (days of temporary incapacity)	Number/thousand hours worked	0.08	0.06	0.07
Absenteeism				
Absenteeism rate (excluding on-site accidents and maternity)	%	0.8	0.9	1.4

Societal indicators	Unit	2018	2019	2020
Suppliers' relationships				
Writing the Future, Together #4: of strategic suppliers integrated in the responsible purchasing program	%	NA	NA	25.8
Respect for Human Right in the workplace				
Net sales from BIC [®] products manufactured in its own factories	%	92	92	92
BIC permanent employees working in countries with no Human Rights risk ^(a)	%	87	87	85
BIC factories located in countries with no Human Rights risk ^(a)	%	87	83	84
Net sales in countries with no Human Rights risk ^(a)	%	84	83	80
Sponsorship				
Contribution to communities (percentage of the Group's pretax profit)	%	>0.5	>0.7	0.9
Improving lives through education				
Writing the Future, Together #5: Children with improved learning conditions (cumulated)	million	15	61	118

(a) Source: Freedom House.



3.8.4 REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON FINANCIAL STATEMENT

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely 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 year ended December 31, 2020

To the Shareholders,

In our capacity as Statutory Auditor of BIC SA, appointed as independent third party and accredited by COFRAC under number 3-1048 (scope of accreditation available at www.cofrac.fr), we hereby report to you on the consolidated non financial statement for the year ended December 31, 2020 (hereinafter the "Statement"), 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*).

Company's responsibility

The Board of Directors is responsible for preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented with respect to these risks as well as the results of these policies, including key performance indicators. The Statement has been prepared by applying the company's procedures (hereinafter the "Guidelines"), summarized in the Statement and available on request from its headquarters.

Independence and quality control

Our independence is defined by the requirements of article L.822-11-3 of the French Commercial Code and the 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 regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

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."

However, it is not our responsibility to provide any conclusion on the company's compliance with other applicable legal and regulatory provisions, particularly with regard to the duty of vigilance, anti-corruption and taxation nor on the compliance of products and services with the applicable regulations.

Nature and scope of procedures

We performed our work in accordance with Articles A.225-1 *et seq.* of the French Commercial Code defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement and with ISAE 3000 (*Assurance engagements other than audits or reviews of historical financial information*).

We conducted procedures in order to assess the Statement's compliance with regulatory provisions, and the fairness of the Information:

- We familiarized ourselves with the Group's business activity and the description of the principal risks associated.
- 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, as well as in the second paragraph of Article L.22-10-36 regarding the 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 principal risks associated with all the entity's activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its 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⁾ - work carried out on the consolidating entity.
- 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 the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information.

(1) **Qualitative information:** Product safety, Social Dialogue, Business conduct and the fight against corruption



- We carried out, for the key performance indicators and other quantitative outcomes⁽¹⁾ that in our judgment were of most significance:
 - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
 - substantive tests, on a sampling basis, 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 21% and all the consolidated data for the key performance indicators and outcomes selected for these tests;
- We assessed the overall consistency of the Statement in relation to our knowledge of the company.

We believe that the procedures we have performed, based on our professional judgment, are sufficient to provide a basis for a limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work engaged the skills of six people between September 2020 and March 2021.

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.

Paris-La Défense, March 29, 2021

One of the statutory auditors,

Deloitte & Associés

Jean-Pierre Agazzi
Partner

Julien Rivals
Partner, Sustainability Services

Conclusion

Based on our work, nothing has come to our attention that cause us to believe that the non financial 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.

Comment

Without qualifying the conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comment:

- as mentioned in the methodological milestones of the non-financial statement, the reporting perimeter is limited for some indicators (including those related to packaging, to the strategic suppliers reached by a responsible purchasing action and to the products that have at least one environmental benefit that do not cover Cello Pens).



(1) **Progress of the Writing the Future, Together program in 2020:** 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: Percentage of BIC® products with at least one environmental benefit, Percentage of recycled plastics used in the manufacturing of products, Percentage of cardboard packaging from a certified and/or recycled source, Percentage of plastic packaging PVC free

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 Viorex (Greece), BIC Amazonia (Brazil), BIC Conté (France), BIC Stationery Mexico (Mexico), BIC Milford (USA), BIC South Africa



3

OUR ENVIRONMENTAL, SOCIAL, AND SOCIETAL RESPONSIBILITY





CORPORATE GOVERNANCE

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This chapter, prepared with the support of the Remuneration Committee, the Nominations, Governance and CSR Committee and Audit Committee, for the parts specific to them, includes the Corporate Governance Report referred to in Article L. 225-37 of the French Commercial Code. It was approved by the Board of Directors held on February 16, 2021.

The cross-reference table for Corporate Governance indicates the sections of the Universal Registration Document corresponding to the sections of the Corporate Governance Report, which do not appear in this chapter.

The Company refers to the AFEP-MEDEF's Corporate Governance Code for listed corporations (version dated January 2020 available on the website www.medef.fr). The Company complies with this Code except when indicated 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 history of our Group is deeply rooted in an entrepreneurial spirit. This has led to inventive expansion into new categories and dynamic expansion into new geographies. 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 in our culture for future generations.

The Board works with the Chief Executive Officer to build a Vision, and a set of expectations and guidelines. This included setting our growth aspirations, to determine what businesses we should be in, our margin expectations, how acquisitive we should be in pursuit of our goals etc. The Chief Executive Officer and his team construct the long-term strategy and annual plans designed to achieve these goals. In turn the Board reviews these plans, challenges where needed, and ultimately approves. Upon approval, the Board and the Chief Executive Officer are both accountable for our 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 the responsibility of monitoring the performance of the business. Establishing expectations and scope of activity is one of the most important functions of the Board. It is the Chief Executive Officer's responsibility to provide the necessary information, analysis and insight so that the Board may effectively discharge its duties. The information includes, but is not limited to, macro-economic trends, competitive landscapes, new technologies, potential acquisitions, SWOT analyses, ROI projections and post-analyses, etc.

Method of performance of General Management

Following the Shareholders' Meeting held on May 16, 2018, the Board decided to separate the offices of Chair and Chief Executive Officer. Gonzalve Bich was appointed as Chief Executive Officer and Pierre Vareille as non-executive Chair of the Board.

The Chair of the Board is responsible for the leadership, governance and overall functioning of the Board and its Committees, while the Chief Executive Officer is responsible for the operations, reporting to the Board of Directors. The mission of the Board of Directors, of the Chair and of the Chief Executive Officer are described in more detail in section 4.1.2.1. - Remits of the Board of Directors and Chair.

The Executive Committee Reports to the Chief Executive Officer. A complete chart of the Executive Committee is presented in section 2.4.3.2. - The Executive Committee.

Evolution of Administrative and Management Bodies occurred up to the Universal Registration Document's date of publication

	Departure	Appointment	Reappointment
Board of Directors		Ratification of the co-optation of Timothée Bich as Director to replace François Bich, who resigned on December 3, 2019 Appointment of Jacob Schwartz as Director <i>May 20, 2020</i> Appointment of Inna Kostuk as Director employee representative <i>October 16, 2020</i>	Renewal of Candace Matthews as Director <i>May 20, 2020</i> Renewal of Marie-Pauline Chandon-Moët as Director <i>May 20, 2020</i> Renewal of Vincent Bedhome as Director employee representative <i>November 9, 2020</i>
Audit Committee	Resignation of John Glen as Chair and member of the Audit Committee <i>December 8, 2020</i>	Appointment of Maëlys Castella as Chair of the Audit Committee <i>December 8, 2020</i> Appointment of Jacob Schwartz as member of the Audit Committee <i>December 8, 2020</i>	Renewal of Candace Matthews as member of the Audit Committee <i>May 20, 2020</i>
Remuneration Committee			Renewal of Vincent Bedhome as a member of the Remuneration Committee <i>November 9, 2020</i>
Nominations, Governance and CSR Committee			Renewal of Candace Matthews as member of the Nominations, Governance and Corporate Social Responsibility (CSR) Committee <i>May 20, 2020</i>
Executive Officer	Resignation of James DiPietro as Executive Vice-President <i>July 1, 2020</i>		

4.1.1.2 Composition of the Board of Directors

The Board of Directors is chaired by Pierre Vareille. The Directors are appointed by the Shareholders' Meeting. The term of their office is three years, it may be shortened in order to enable a staggered renewal of the Directors' terms.

In accordance with the Company's Articles of incorporation, the Board of Directors must have between three and twelve members, without including the Directors representing the employees.

Diversity policy applicable to the Board composition

Supported by the Nominations, Governance and CSR Committee, the Board strives for a balanced composition adapted to the challenges the Group faces. The Board is thus composed of women and men, with management experience and/or with expertise in a particular field (such as finance, manufacturing and human resources). Moreover, the Board of Directors endeavors to be composed of at least one-third Independent Directors.

Information on how the Company is seeking gender balance on the Executive Committee and on the results in terms of gender equality among the 10% top positions is available in section 3.4.6.1 – Male/Female Equality.



Among the thirteen members of the Board of Directors of SOCIÉTÉ BIC are:

- five women: Elizabeth Bastoni, Marie-Aimée Bich-Dufour, Maëlys Castella, Marie-Pauline Chandon-Moët and Candace Matthews, resulting in 45%⁽¹⁾ female Board members since May 2020;
- two employee representatives: Inna Kostuk, Vincent Bedhome;
- four different nationalities, helping the Group to benefit from an international perspective;
- five Independent Directors within the meaning of the AFEP/MEDEF Corporate Governance Code: Elizabeth Bastoni, Maëlys Castella, Candace Matthews, Jacob Schwartz and Pierre Vareille (until the 2021 Shareholders' Meeting), resulting in 45%⁽¹⁾ independent members of the Board.

	Personal information				Number of shares	Experience		Position in the Board			Participation in Board committees
	Main position	Age	Gender	Nationality		Number of directorships in listed corporations ^(a)	Independence	Initial date of appointment	Term of office	Length of service on the Board	
Company Officers											
Pierre Vareille (non-Executive)	Co-President, Founder of The Vareille Foundation	63	M	FR	6,000	2	√	2009	2021	12 years	
Gonzalve Bich (Executive)	Chief Executive Officer	42	M	FR U.S.	^(b)	-		2018	2022	3 years	
Directors											
Elizabeth Bastoni	Chair of the Board of Directors and of the Nominations and Remuneration Committee of Limeade Inc.	55	F	U.S.	500	2	√	2013	2022	8 years	Remuneration Committee (Chair) Nom., Gov. and CSR Committee (Chair)
Timothée Bich	Portfolio Manager	35	M	FR	^(b)	-		2019	2023	1 year	
Marie-Aimée Bich-Dufour	Director of SOCIÉTÉ BIC	62	F	FR	^(b)	-		2019	2021	2 years	Nom., Gov. and CSR Committee
Maëlys Castella	Director of SOCIÉTÉ BIC	54	F	FR	500	-	√	2019	2022	2 years	Audit Committee (Chair) Remuneration Committee
Marie-Pauline Chandon-Moët	President of Château de Ferrand SAS	54	F	FR	^(b)	-		2003	2023	18 years	
John Glen	Chief Operating Officer of DC Thomson	61	M	UK	500	-		2008	2021	12 years	
Jacob Schwartz	Co-Founder of Brave Health	41	M	U.S.	500	-	√	2020	2023	<1 year	Audit Committee
Candace Matthews	Chief Reputation Officer - Amway	62	F	U.S.	500	1	√	2017	2023	4 years	Audit Committee Nom., Gov. and CSR Committee
SOCIÉTÉ M.B.D. (Édouard Bich)	Managing Director of SOCIÉTÉ M.B.D.	56	M	FR	12,840,000	-		2006	2021	15 years	Audit Committee

(1) Excluding the Director representing the employees.

	Personal information				Experience		Position in the Board				
	Main position	Age	Gender	Nationality	Number of shares	Number of directorships in listed corporations ^(a)	Independence	Initial date of appointment	Term of office	Length of service on the Board	Participation in Board committees
Director representing employees											
Inna Kostuk	Group Tax Director	45	F	FR/UKR	605	-		2020	2023	< 1 year	
Vincent Bedhome	Stationery Project Manager	55	M	FR	100	-		2017	2023	4 years	Remuneration Committee

(a) Number of directorships held by the Director in listed companies outside of the Group, including foreign companies, assessed in accordance with the recommendations of the AFEP-MEDEF Code.

(b) Holds directly more than 100,000 BIC shares and indirectly BIC shares through the family holding, SOCIÉTÉ M.B.D. On December 31, 2020, the holding held 12,870,000 shares, i.e. 28.35% of SOCIÉTÉ BIC share capital and 38.33% of the voting rights.



Independence of Directors

Based on the recommendations of the Nominations, Governance and CSR Committee, the Board of Directors reviewed the qualification as Independent Director at its meeting of March 25th, 2021, in the light of the criteria set out in the AFEP-MEDEF Corporate Governance Code (§ 8):

Criterion 1	Not to be and not to have been within the previous five years: <ul style="list-style-type: none"> • an employee or executive officer of the Company; • an employee, executive officer or Director of a company consolidated within the corporation; • an employee, executive officer or Director of the Company's parent company or a company consolidated within this parent company.
Criterion 2	Not to be an executive officer of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the Corporation (currently in office or having held such office within the last five years) holds a directorship.
Criterion 3	Not to be a customer, supplier, commercial banker, investment banker or consultant: <ul style="list-style-type: none"> • that is significant to the corporation or its Group; • or for which the corporation or its Group represents a significant portion of its activity. <p>The evaluation of the significance or otherwise of the relationship with the Company or its Group must be debated by the Board and the quantitative and qualitative criteria that led to this evaluation (continuity, economic dependence, exclusivity, etc.) must be explicitly stated in the annual report.</p>
Criterion 4	Not to be related by close family ties to a company officer.
Criterion 5	Not to have been an auditor of the corporation within the previous five years.
Criterion 6	Not to have been a Director of the Corporation for more than 12 years. Loss of the status of Independent Director occurs on the date of the 12 th anniversary.
Criterion 7	A non-executive officer cannot be considered independent if he or she receives variable compensation in cash or in the form of securities or any compensation linked to the performance of the corporation or group.
Criterion 8	Directors representing major shareholders of the corporation or its parent company may be considered independent, provided these shareholders do not take part in the control of the corporation. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the nominations committee, should systematically review the qualification as independent in the light of the make-up of the corporation's capital and the existence of a potential conflict of interest.

Criteria	Pierre Vareille	Gonzalve Bich	Elizabeth Bastoni	Inna Kostuk	Vincent Bedhome	Timothée Bich	M-A. Bich-Dufour	Maëlys Castella	M-P. Chandon-Moët	John Glen	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 significant business relationships	✓		✓			✓	✓	✓	✓	✓	✓	✓	✓
4: No family ties	✓		✓	✓	✓			✓		✓	✓	✓	
5: Not an auditor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6: Period of office not exceeding 12 years	✓ ⁽¹⁾	✓	✓	✓	✓	✓	✓	✓			✓	✓	
7: No compensation linked to the Company's or Group's performance	✓		✓			✓		✓	✓	✓	✓	✓	✓
8: Not representing a major shareholder	✓		✓	✓	✓			✓		✓	✓	✓	

(1) Until the May 2021 AGM



Independent Directors do not have any relation of any kind with the Company, its Group or its management that would color their judgment. In 2020, the sole relationships between a Director and BIC Group involved Directors qualified as non-independent. This relationship has been reviewed by the Audit Committee on February 12, 2021. They are considered non-significant in view of the commitments, the amount of the transactions it represents for the interested company (less than 0.5% of the commercial flows of each) and its normal conditions.

According to the Internal Rules and Procedures, Directors qualified as independent strive to maintain this quality. However, if a Director believes that he/she can no longer or will soon no longer be qualified as independent under the AFEP-MEDEF's Corporate Governance Code, such Director must immediately notify the Chairman, who will place this item on the agenda of the next meeting of the Board of Directors.

Having reached a 12-years tenure on December 9, 2020, John Glen ceased 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 the non fulfillment of this specific criterion is not likely to color John's Glen's judgment.

Training of the Directors

Each Director is provided, if he or she considers it to be necessary, with supplementary training relating to the Company's specific features, its businesses, its business sector and its social and environmental responsibility aspects.

4.1.1.3 Evolution of the Board of Directors following the Shareholders' Meeting of May 19, 2021

The terms of office of Marie-Aimée Bich-Dufour, MBD, Pierre Vareille and John Glen as Directors expire at the end of the Shareholders' Meeting of May 19, 2021.

It will be proposed at this Meeting to renew the terms of office of Marie-Aimée Bich-Dufour and MBD for a period of three years.

Pierre Vareille has chosen not to stand for reelection at the Shareholders' Meeting of May 19, 2021, due to the non fulfillment of the recommended independence criterion under the AFEP-MEDEF Corporate Governance Code.

Consequently, it will also be proposed at this Meeting to renew John Glen's director mandate for one year. The Board of Directors intends to appoint John Glen to serve as Interim Non-Executive Chair of the Board. The Board also intends to appoint Elizabeth Bastoni as Independent Lead Director during the interim. The missions of the Lead Director are set forth in the Internal Rules and Procedures of the Board of Directors.

Subject to the approval of the Shareholders' Meeting, the Board will be composed as follows:

- John Glen - Director and interim Chair of the Board;
- Gonzalve Bich – Director and Chief Executive Officer;
- Elizabeth Bastoni – Lead Director (independent);
- Vincent Bedhome – Director representing the employees;
- Timothée Bich – Director;
- Marie-Aimée Bich-Dufour – Director;
- Maëlys Castella – Director (independent);
- Marie-Pauline Chandon-Moët – Director;
- Inna Kostuk – Director representing the employees;
- Candace Matthews – Director (independent);
- SOCIÉTÉ M.B.D. (Édouard Bich) – Director;
- Jake Schwartz – Director (independent).

4



4.1.1.4 Mandates and duties of the Corporate Officers and Directors as of December 31, 2020

PIERRE VAREILLE ●**Chairman of the Board of Directors**

63 years old

Nationality: French**Number of BIC shares held:** 6,000

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 14, 2009

Expiration date:

Annual Shareholders' Meeting in 2021, for fiscal year 2020

Member of a committee: No**Professional address:**BERNOS ADVISORS – Schwerzelrain 2
6315 Oberaegeri – Switzerland**Biography**

Pierre Vareille has been non-executive Chair of the Board of Directors of SOCIÉTÉ BIC since May 16, 2018 and an Independent Director since 2009. He was Vice-President of the Board and Lead Director from 2016 to May 2018.

Pierre Vareille started his career in 1982 with Vallourec, holding various positions in manufacturing, financial control, sales and strategy. He held General Management positions at GFI Aerospace, Faurecia and Péchiney, and was Chief Executive of the English automotive equipment manufacturer Wagon PLC, from 2004 to 2008. From 2008 to 2011, he served as Chairman and CEO of FCI and, from 2012 to 2016, as Chief Executive Officer of Constellium.

Pierre Vareille graduated from the École Centrale de Paris and is an alumnus of the Institut d'Études Politiques de Paris as well as the Sorbonne University (Economy and Finance) and the Institut de Contrôle de Gestion.

Main position

- Co-President, Founder of "The Vareille Foundation" – Switzerland

Other current mandates or functions

- Director – Verallia – France (listed company)
- Director – Outokumpu Oyj – Finland (listed company)

Expired mandates or functions in the previous five years (non-BIC Group companies)

- Director – Etex SA – Belgium (listed company)
- Director – Ferroglobe plc – United Kingdom (listed company)
- Chief Executive Officer – Constellium NV – Netherlands
- Chairman of the Board of Directors – Constellium Switzerland AG – Switzerland
- President – Constellium France Holdco – France
- Director – Vectra – U.S.A.

● Independent Director

GONZALVE BICH**Director and Chief Executive Officer**

42 years old

Nationalities:

French/American

Independent Director: No

Number of BIC shares held:

Holds directly more than 100,000 BIC shares and indirectly shares through the family holding, SOCIÉTÉ M.B.D. On December 31, 2020, SOCIÉTÉ M.B.D. held 12,870,000 shares, i.e. 28.35% of SOCIÉTÉ BIC share capital and 38.33% 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 of Directors of May 16, 2018

Expiration date:

Director: Annual Shareholders' Meeting in 2022 for fiscal year 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 and took the 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 of SOCIÉTÉ BIC

Other current mandates or functions

- 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) – U.S.A.
- Director – Enactus Association – U.S.A.
- Director – Stewardship Foundation – Switzerland

Expired mandates or functions in the previous five years (non-BIC Group companies)

- None

(a) BIC Group.



ELIZABETH BASTONI**Director**

55 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 fiscal year 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 more than 20 years' experience serving Boards in the executive and director capacity in Europe and the USA. Having occupied all the functions in the boardroom, Elizabeth Bastoni has expertise in establishing governance boundaries, enabling strategy development and leading effective oversight. An experienced Board Chair and former CHRO with a history of working successfully across the consumer goods, tech and hospitality industries, Elizabeth Bastoni combines her board and executive experiences to create value at the intersection of business strategy and people strategy

Before joining BIC, she served on the boards and chaired the Remuneration Committee for The Rezidor Hotel (Stockholm) Group and CarlsonWagonlit Travel (Paris). In her career 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 in the International Tax Practice with KPMG in Europe. Elizabeth Bastoni was appointed as Independent Director for SOCIÉTÉ BIC in 2013. She is Chair of the Remuneration Committee and Chair of the Nominations, Governance and CSR Committee.

Elizabeth Bastoni has a Bachelor of Arts degree from Providence College located in Providence, Rhode Island (U.S.A.). She studied French at the *Alliance Française* (Paris) and French history and culture at La Sorbonne (Paris). She is a former student at *L'École du Louvre*.

Main position

- Chair of the Board of Directors and Chair of the Nominations and Remuneration Committee – Limeade Inc. – U.S.A (Listed company).

Other current mandates or functions

- President of Bastoni Consulting Group, LLC – U.S.A.
- Member of the Audit Committee – Jerónimo Martins – Portugal (listed company)
- Chair of the National Association of Corporate Directors – Seattle Chapter – U.S.A.

Expired mandates or functions in the previous five years (non-BIC Group companies)

- Chair, Compensation Committee – Jerónimo Martins - Portugal (listed company)

● Independent Director

INNA KOSTUK**Director representing the employees**

45 years old

Nationality: French

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 of Directors' Meeting of November 9, 2020 (designated 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 started her carrier in the Ukrainian State Tax Administration as tax auditor. She held positions of tax manager at Delphi subsidiary in France and joined BIC in 2010 as Tax Manager Europe. Since 2013 she is Group Tax Director supervising all international taxation aspects.

Main position

- Director, Group Tax

Other current mandates or functions

- None

Expired mandates or functions in the previous five years (non-BIC Group companies)

- None



VINCENT BEDHOME**Director representing the employees**

55 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 of Directors' Meeting of December 13, 2017 (designated 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

In the Group 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 mandates or functions

- None

Expired mandates or functions in the previous five years (non-BIC Group companies)

- None

TIMOTHÉE BICH**Director**

35 years old

Nationality: French

Number of BIC shares held:

Holds directly more than 100,000 BIC shares and indirectly shares through the family holding, SOCIÉTÉ M.B.D. On December 31, 2020, SOCIÉTÉ M.B.D. held 12,870,000 shares, i.e. 28.35% of SOCIÉTÉ BIC share capital and 38.33% 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 of Directors of December 10, 2019

Expiration date:

Annual Shareholders' Meeting in 2023, for fiscal year 2022

Member of a committee: No

Professional address:

SOCIÉTÉ BIC -14, rue Jeanne d'Asnières -92110 Clichy – France

Biography

Since 2020 Timothee Bich has been an analyst at Moore Europe Capital management supporting a team of macro portfolio managers. From 2012 to 2019, Timothee held various roles, including execution trader, Head of Execution and portfolio manager at Stone Milliner holding. 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 of Science in Risk and Asset Management from EDHEC and a degree in Finance from University Paris Dauphine.

Main position

- Portfolio manager

Other current mandates or functions

- None

Expired mandates or functions in the previous five years (non-BIC Group companies)

- None



MARIE-AIMÉE BICH-DUFOUR**Director**

62 years old

Nationality: French

Number of BIC shares held:

Holds directly more than 100,000 BIC shares and indirectly shares through the family holding, SOCIÉTÉ M.B.D. On December 31, 2020, SOCIÉTÉ M.B.D. held 12,870,000 shares, i.e. 28.35% of SOCIÉTÉ BIC share capital and 38.33% 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 2021, for fiscal year 2020

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, 1st 2020.

From March 22, 1995 to March 31, 2019, she was Executive Vice-President of SOCIÉTÉ BIC and Board of Directors' Secretary.

She was Group General Counsel until February 1, 2016.

She was responsible of BIC's Sustainable Development program between 2004 and 2018.

Before joining BIC Group, Marie-Aimée served 12 years as a Lawyer at the Paris' bar.

She holds a Master's degree in Private Law from Paris Panthéon-Assas University and a Professional Lawyer's Certificate (CAPA).

Main position

- Director of SOCIÉTÉ BIC

Other current mandates or functions

- Representative of SOCIÉTÉ BIC in the Board – ANSA (Association Nationale des Sociétés par Actions) – France
- Representative of SOCIÉTÉ BIC in the Board – METI (Mouvement des Entreprises de Taille Intermédiaire) – France

Expired mandates or functions in the previous five years (non-BIC Group companies)

- None

MAËLYS CASTELLA**Director**

54 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 fiscal year 2021

Member of a committee:

Chair of the Audit Committee

Remuneration Committee

Professional address:Haagsche Hof, Parkstraat 83
The Hague 2514JG The Netherlands**Biography**

Maëlys Castella 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 working for international listed companies since 1992. She is the founder and CEO of a consulting firm AminonaConsulting 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 has started her career in the oil and gas industry working in finance during eight years for Elf, now part of Total Group. 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. Then she was Chief Financial Officer and member of the Board of Management of AkzoNobel from 2014 until 2017 and 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 (U.S.A.) and the French Institute of Petroleum (IFP).

Main position

- CEO and Director of AminonaConsulting

Other current mandates or functions

- Independent Director, Chair of the Audit Committee and member of the sustainability committee of C&

Expired mandates or functions 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

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● Independent Director.



MARIE-PAULINE CHANDON-MOËT (MAIDEN NAME: BICH)**Director**

54 years old

Nationality: French

Number of BIC shares held: Holds directly more than 100,000 BIC shares and indirectly shares through the family holding, SOCIÉTÉ M.B.D.

On December 31, 2020, SOCIÉTÉ M.B.D. held 12,870,000 shares, i.e. 28.35% of SOCIÉTÉ BIC share capital and 38.33% 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 fiscal year 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 a Director of 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 successively held, since 1991, the positions of 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 (U.S.A.).

Main position

- President of Château de Ferrand SAS – France

Other current mandates or functions

- Member and treasurer of the office of the Academy of Bordeaux Wines

Expired mandates or functions in the previous five years (non-BIC Group companies)

- Member of the Supervisory Board – SOCIÉTÉ M.B.D. – France

JOHN GLEN**Director**

61 years old

Nationality: British**Number of BIC shares held:** 500**Independent Director:**

Yes, until December 9, 2020

Basis of the appointment:

Article L. 225-18 of the French Commercial Code

Date of 1st appointment:

Board of Directors of December 10, 2008 ratified by the Annual Shareholders' Meeting of May 14, 2009

Expiration date:

Annual Shareholders' Meeting in 2021 for fiscal year 2020

Member of a committee:

Chairman of the Audit Committee until December 8, 2020

Professional address:

SOCIÉTÉ BIC – 14, rue Jeanne d'Asnières – 92110 Clichy - France

Biography

John Glen, Scottish, was Chief Executive Officer of Buccleuch, the holding company of a family-owned group that operates in industry and agro-businesses from November 2008 to March 2019. He continued to develop and commercialize a portfolio of major energy projects in sustainable technologies, on the Buccleuch family's lands until December 2019.

He has previously held various positions at Unilever and was Group Finance Director at Air Liquide (listed company) from 2000 until September 2008 and Vice-Chairman of the Supervisory Board at EFRAG (European Financial Reporting Advisory Group) for four years.

Since January 2020, John Glen has assumed the position of 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 graduated with a Master's degree in Accounting and Economics from the University of Edinburgh.

Main position

- Chief Operating Officer - DC Thomson

Other current mandates or functions

- Director – The Three Stills company – United Kingdom

Expired mandates or functions in the previous five years (non-BIC Group companies)

- Chief Executive Officer of Buccleuch Group – United Kingdom
- Director – Thames River Property Investment Trust – United Kingdom (listed company)

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CANDACE MATTHEWS**Director**

62 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 fiscal year 2022

Member of a committee:Audit Committee
Nominations, Governance
and CSR Committee**Professional address:**AMWAY -7575 Fulton Street East –
Ada – MI 49355-0001 – U.S.A.**Biography**

Since June 2020, Candace Matthews has been Chief Reputation Officer of Amway. From November 2014 – May 2020, Candace Matthews has been Region President, The Americas, of Amway. She was recruited to Alticor, the parent company of Amway, in December 2007, as Global Chief Marketing Officer.

Prior to joining Amway, she was President from 2001 to 2007 of Soft Sheen-Carson, Consumer Products Division of L'Oreal from 2001 – 2007. Before that, she held different 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 Engineering from Carnegie Mellon University in Pittsburgh, Pennsylvania (U.S.A.) and an MBA in Marketing from Stanford University Graduate School of Business in Palo Alto, California (U.S.A.).

Main position

- Chief Reputation Officer – Amway – U.S.A.

Other current mandates or functions

- Member of the Board – Herman Miller Inc. (USA listed company),
- Fifth Third Bank, Western Michigan – U.S.A. (listed company)

Expired mandates or functions in the previous five years (non-BIC Group companies)

- Member of the Board – Popeyes Louisiana Kitchen Inc. – U.S.A. (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 – Register of Trade and Companies of Nanterre (France)

Number of BIC shares held:

12,870,000 shares,
i.e. 28.35% of SOCIÉTÉ BIC share capital and 38.33% of the voting rights (as of December 31, 2020).

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 2021, for fiscal year 2020

Member of a committee:

Audit Committee

Address:

1 place Paul Verlaine -92100
Boulogne-Billancourt – France

Permanent representative:

Édouard BICH

56 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 (U.S.A.).

Main position

- Managing Director of SOCIÉTÉ M.B.D.

Other current mandates or functions

- Member of the Supervisory Board – Stockage Plus SAS – France
- Member of the Strategic Committee – UnifAI SAS – France
- Member of the Executive Board for Europe, the Middle East and Africa – The Wharton School – U.S.A.
- Managing Director – Platypus Capital SPRL – Belgium

Expired mandates or functions in the previous five years (non-BIC Group companies)

- Member of the Supervisory Board – Digital Fashion Group SAS – France
Holds directly more than 100,000 BIC shares and indirectly shares through the family holding, SOCIÉTÉ M.B.D.

Other current mandates or functions

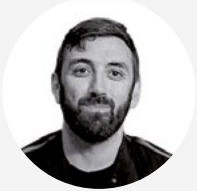
- None

Expired mandates or functions in the previous five years (non-BIC Group companies)

- None

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JACOB SCHWARTZ ●**Director**

41 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 fiscal year 2022

Member of a committee:

Since December 8, 2020 – Audit Committee

Professional address:

SOCIÉTÉ BIC – 14, rue Jeanne d'Asnières – 92110 Clichy – France

Biography

Jake Schwartz is a serial entrepreneur, investor and advisor. Until 2020, Jake Schwartz served as CEO of General Assembly (GA), the global leader in education and career transformation, that he co-founded in 2011. Jake grew GA to over 1000 employees on 5 continents. In 2018, GA was acquired by The Adecco Group.

Jake co-founded and serves as Chairman 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 B.A. 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-founded of Brave Health

Other current mandates or functions

- Chairman of Brave Health

Expired mandates or functions in the previous five years (non-BIC Group companies)

- CEO of General Assembly (GA)

● Independent Director.

Mandates expired in 2020

Jim DiPietro

Executive Vice-President of SOCIÉTÉ BIC from May 18, 2016 to July 1, 2020.

John Glen

Chair of the Audit Committee until December 8, 2020.

Absence of court conviction of the Directors and Corporate Officers

To the best of the Company's knowledge, during the last five years, no Director or Corporate Officer has been convicted in relation to fraudulent offences, bankruptcy, receivership or liquidation or the subject of any official public incrimination or sanction by statutory or regulatory authorities (including designated professional bodies) or a decision by a court disqualifying them from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

Absence of conflict of interests among the Directors and the 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 (for further developments, see section 4.1.2.3. - *Rights and duties of the Directors - Insider dealing rules - Conflicts of interests - Shareholders Relation*).

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 binding any of the Corporate Officers to SOCIÉTÉ BIC or any of its subsidiaries providing for the granting of benefits at the end of this contract.

4.1.1.5 Transactions in Company shares by Corporate Officers and Related Persons in 2020

Summary of notifications established pursuant to Article L. 621-18-2 of the French Monetary and Financial Code (details available on www.amf-france.org):

Declaring	Type and number of transactions					Balance of transactions involving transfer of ownership over the year
	Purchase	Sale	Exchange	Donation	Other	
Gonzalve Bich, Chief Executive Officer	1	1			1*	2,197
James DiPietro, Executive Vice-President (until 1st of July, 2020)	1	1				4,190
SOCIÉTÉ M.B.D., Director	5					30,000
Jacob Schwartz, Director	1					500
Vincent Bedhome, Director	1					77

* Return of shares lent by Mr Bruno Bich.

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4.1.2 FUNCTIONING OF THE BOARD OF DIRECTORS

SOCIÉTÉ BIC's Internal Rules and Procedures formalize the mission, organization and ethical principles that guide the actions of the Board of Directors. The Internal Rules and Procedures are available on the website of the Company (https://us.bic.com/en_us/investors).

4.1.2.1 Remits of the Board of Directors and Chair

Board of Directors

The Board of Directors determines the guiding principles of the Company's business activities and ensures their implementation in accordance with its corporate interest, taking into consideration the social and environmental challenges of its business. It deals with all matters relating to the proper conduct of the Company's business and decides all pertinent issues.

The Board of Directors has to give its opinion on matters that can have a significant impact on the development, strategy or operation of the Group.

The mission of the Board of Directors is defined as follows:

- install the proper governance structure and ensure its effective and ethical operations;
- define the Company's business perimeter and appetite for risk, ensuring that the key risks to which the Company is exposed are in keeping with its strategies and objectives;
- select, value and determine the compensation of the Chair, all Board members, the Chief Executive Officer, and Executive Vice-Presidents;
- plan the succession procedure for all Board members, including the Chair, the Chief Executive Officer and the Executive Vice-Presidents. Long term planning of the necessary human resources, focusing on the Executive Committee;
- evaluate, challenge and approve both long-term strategy and annual plans proposed 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 Shareholders and other stakeholders interests;
- approve significant investments or divestitures, operations impacting the capital structure, and use-of-cash & dividend policies;
- ensure adequate resources have been secured for successful business operations;
- measure and monitor implementation of the strategy, review quarterly financial statements, and approve first-half and annual financial statements;
- is responsible for information to Shareholders.

The Board endeavors to promote long-term value creation by the Company by considering the social and environmental aspects of its activities. If applicable, it proposes any statutory change that it considers appropriate.

In relation to the strategy it has defined, the Board regularly reviews, the opportunities and risks, including financial, legal, operational, social and environmental risks, as well as the measures taken accordingly. To this end, the Board of Directors receives all of the information needed to carry out its task, notably from the executive officers.

It ensures the implementation of a mechanism to prevent and detect corruption and influence peddling. It receives all of 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 the balanced representation of men and women on the governing bodies.

Chair

The Chair is in charge of organizing and directing the work of the Board and reports to the Shareholders' Meeting as provided by the legislation. He also ensures that the bodies of the Company function properly and that the Directors are able to fulfill their mission.

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 its executive responsibilities. Activities are organized to ensure the Chair's availability and put his experience in service to the Group.

4.1.2.2 Limitation of the powers of the 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 relations with third parties.

He exercises his powers within the limitations of the corporate purpose, and subject to any powers expressly attributed by law to the Shareholders' General Meeting and Board of Directors.

The Internal Rules and Procedures specify the type of operations that must in all cases be subject to prior authorization by the Board of Directors:

- transactions outside SOCIÉTÉ BIC's announced strategy;
- decisions to set up French or foreign operations by creating an establishment, direct or indirect subsidiary, or by acquiring a shareholding, as well as any decisions to discontinue such operations, if the amount of such operations exceeds 50 million euros;
- internal reorganization if 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 investments in organic growth or significant internal restructuring actions.

4.1.2.3 Rights and duties of the Directors – Insider trading rules – Conflicts of interests – Shareholders Relation

Information of the Board

In order to successfully carry out its mission, the Board of Directors has complete, accurate and early information, particularly regarding the performance of each business, and the financial and treasury position of the Company. 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 he/she receives sufficient and relevant information in due time.

Stock ownership and insider trading rules

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 must 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 4.2.2.7. - Performance-based share allocations). Any Director, as well as the permanent representatives of Corporate Directors, must put in registered form the shares of the Company that they hold at the time of their appointment, then 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 the Directors with regard to the Company's shares, in particular due to the Directors' holding of information concerning the Company which, if made public, may have a significant impact on the share price, or during critical periods of which the Company apprises the Directors.

Finally, Directors must inform the Company and the AMF of any operation performed by them on BIC's shares (see section 4.1.1.5. - Transactions in Company shares by Corporate Officers and Related Persons in 2020). The declaration also concerns transactions carried out by persons closely related to the Directors as identified by the applicable legal and regulatory provisions.

Conflict of interests

According to the Internal Rules and Procedures, any Director must inform the Board, in full and beforehand, of any actual or potential conflict of interest in which he/she could be directly or indirectly involved. In such case, the Director cannot take part in either the debates or in the decision on this matter.

Directors issue an annual statement on the absence of conflict of interest.

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 the 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, there are no restrictions accepted by the members of the Board of Directors and the Management Team regarding the sale, within a certain period of time, of the Company's shares that they hold, provided however that SOCIÉTÉ M.B.D., holding company of the Bich family and owner of over 20% of the capital and voting rights in the company has concluded various collective agreements whereby it would retain at least 12 million shares. These agreements were concluded since December 17, 2003 for the oldest one. They regroup 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 part or all of these contracts: Gonzalve Bich. All signatories have close relationships with Gonzalve Bich, none of whom, except SOCIÉTÉ M.B.D., holds more than 5% of the share capital or voting rights of the Company.

Shareholder relations

Shareholders' dialogue with the Board of Directors is entrusted to the Chair of the Board during Shareholders' Meetings. Throughout the year, this dialogue is handled either directly by Gonzalve Bich, Director and Chief Executive Officer, or by BIC teams (Stakeholders Engagement, Financial Communication, Legal, Finance...) in accordance with securities laws, in particular with equal access to information. Main comments, questions, points of interest, and main concerns from Shareholders and proxy advisors are reported to the Board of Directors.

Negative statements concerning the members of the Board of Directors and the Executive Committee

To the best of the Company's knowledge over the past five years:

- no Director or member of the Executive Committee has been convicted of fraud;
- no Director or member of the Executive Committee has been associated with bankruptcy, receivership or liquidation or placing of companies under administration;
- no Director or Executive Committee member has been challenged and/or officially sanctioned by statutory or regulatory authorities;
- no Director or member of the Executive Committee has ever been deprived by a court of the right to hold office as a member of an administrative, management or supervisory body of an issuer or to take part in the management or conduct of the business of an issuer.



4.1.2.4 Organization and work

Invitation and notification to Board members for upcoming meetings may take place by any means and are always confirmed 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 throughout the year. The Executive Vice-President, Executive Committee members or any other person having a particular expertise as to the matters included in the agenda, are authorized, at the request of the Chair,

to attend the whole or part of the Board meeting. The Statutory Auditors can also be invited to attend meetings other than the ones for which their presence is legally required.

At least once a year, an informal meeting is organized by the Board of Directors without the presence of the Executive Officers. As these meetings are informal, no minutes are taken.

In 2020, the Board of Directors met twelve times with an average length of 3 hours 16 minutes. The attendance rate at the meetings was 99.3%.

REGULAR ATTENDANCE OF MEMBERS OF THE BOARD OF DIRECTORS

	Attendance at the Board of Directors	Attendance on the Audit Committee	Attendance at the Remuneration Committee	Attendance at the Nominations, Governance and CSR Committee
Pierre Vareille	100%	n/a	n/a	n/a
Gonzalve Bich	100%	n/a	n/a	n/a
Elizabeth Bastoni	100%	n/a	100%	100%
Vincent Bedhome	100%	n/a	100%	n/a
Inna Kostuk (from Oct. 27, 2020)	100%	n/a	n/a	n/a
Jacob Schwartz	89%	n/a	n/a	n/a
Timothée Bich	100%	n/a	n/a	n/a
Marie-Aimée Bich-Dufour	100%	n/a	n/a	100%
Maëlys Castella	100%	100%	100%	n/a
Marie-Pauline Chandon-Moët	100%	n/a	n/a	n/a
John Glen	100%	100%	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 of the accounts, review of the quarterly results, approval of the annual budget, approval of the compensation of the Executive Officers, etc.), the Board also deliberated in 2020 on:

- design of the Long-Term Strategy of the Group;
- definition of the Visions, Values, Mission and Raison d'Être of BIC;
- monitoring of the Group strategy and progress in e-commerce;
- review and debate on the geographic presence of BIC in Latin America, India, and Asia;
- debate over and decision on strategic acquisitions of DJEEP and Rocket Book;
- definition of the Group Financing Model and Update on Scenario Planning based upon Net Sales and Normalized Income from Operations Estimates;
- determination of a new capital allocation policy;
- study of Group financing options and securing access to external financing capabilities;
- review of the Group Risk Mitigation plan;
- review of the financial communication of the Group which was presented during BIC's Capital Markets Day;
- debate over and decision on the divestiture of BIC's Clichy headquarters;
- the review of the 2019 CSR Report, and the monitoring of the Group's Sustainable Development Goals and Roadmaps;
- the evaluation of the Board composition and performance conducted with the support of external consultants and the implementation of consecutive actions;
- the update of CEO and Chair emergency succession plans. The design of the CEO long term succession plan;
- the design and implementation of the succession at the Audit Committee;
- the Executive and Non-Executive Officers and Directors Succession Planning;
- definition and review of safeguard measures against Covid-19 and how the business reacts. Review of the impacts of the pandemic on the Group's results, the markets where the Group operates and the Company's commercial plans, the measures taken in relation to employees including the revision of short and long-term management incentives in light of Covid-19 crisis;
- monitoring of the set up and effective implementation of the Global Business Services company in Sofia. Ensuring the adequacy of Internal controls;
- renew of the mandate of the BIC Foundation for a three-year term guided by a new mission and vision focusing on Creative Expression.

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 a point of its agenda to debating its composition, organization and operating mode, it can decide, on this occasion, to adapt itself to new circumstances. This assessment must enable discussion that includes the functioning of the Board of Directors in order to increase its efficiency, to ensure that the important questions are suitably prepared and discussed and to measure the actual contribution of each Director to the Board's works based on his/her competencies and involvement in discussions.

In 2020 an evaluation of the Board's composition and performance both collective and individual was conducted with the support of external consultants. It was carried out by the Nominations, Governance and CSR Committee on the initiative of its Chair.

4.1.2.6 Committees set up by the Board of Directors

The Board of Directors benefits from the preparatory work performed by its three specialized Committees:

- the Audit Committee;
- the Remuneration Committee;
- the Nominations, Governance and CSR Committee.

The Committees act strictly in accordance with the remit given to them by the Board. They are actively involved in preparing for the Board's work. They make proposals, but do not have any decision-making powers. In the context of the fulfilment of their tasks, the Committees may contact the Company's principal executive managers after having informed the Chair of the Board of Directors that they intend to do so, and subject to reporting on their discussions with the said executives to the Board.

Once they have informed the Chair of the Board of Directors that they intend to do so, Committees may request for external technical studies at the Company's expense, on subjects that come within their competence. Their requests are also subject to reporting on these studies to the Board.

a) Audit Committee

Composition

Maëlys Castella Chair (Independent Director), who was appointed to the Audit Committee on May 22, 2019 and Chair of the Committee on December 8, 2020.

Candace Matthews (Independent Director).

Édouard Bich (permanent representative of SOCIÉTÉ M.B.D.)

Jake Schwartz (Independent Director), was appointed to the Audit Committee on December 8, 2020.

Three out of four Directors are independent, *i.e.*, 75%. The Committee shall not include any Executive Board members. The majority of the members shall have competence in accounting and/or auditing.

The backgrounds of the Audit Committee members provide them with the financial and accounting skills necessary to fulfil their mission.

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 working for international listed companies since 1992. She is the founder and CEO of a consulting firm AminonaConsulting 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 has started her career in the oil and gas industry working in finance during eight years for Elf, now part of Total Group. 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 and 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 (U.S.A.) and the French Institute of Petroleum (IFP).

Candace Matthews is Chief Reputation Officer of Amway. From November 2014 - May 2021 Candace Matthews has been Region President, The Americas, at Amway. She was recruited to Alticor, the parent company of Amway, in December 2007, as Chief Marketing Officer. Prior to joining Amway, she was Executive President from 2001 to 2007 of Soft Sheen-Carson, later acquired by L'Oréal. Before that, she held different 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 from Carnegie Mellon University in Pittsburgh, Pennsylvania (U.S.A.) and an MBA in Marketing from Stanford University Graduate School of Business in Palo Alto, California (U.S.A.).

Édouard Bich spent eight years in the Finance Department of Procter & Gamble in France. He holds an MBA in Finance from Wharton University - U.S.A.

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 Chairman 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 B.A. from Yale and an MBA from The Wharton School of Business at the University of Pennsylvania. He is a former CFA charter-holder.

Main remits

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, and to ensure that the internal consolidation procedures and controls yield financial statements that fairly represent business results.

The review of financial statements by the Audit Committee is accompanied by a presentation from the Statutory Auditors of their audit reports and the accounting methods chosen. It is also accompanied by a presentation from the Chief Financial Officer of 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 communication and provides input and advice thereon.

The Audit Committee is responsible for providing its opinion on the nomination 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 matters, and Internal Audit and Risk Control.

These interviews can be held, if the Committee so wishes, without the presence of the corporation's executive management. Furthermore, the Chair of the Audit Committee meets (alone) with the Statutory Auditors at least once a year.

2020 main activities

During 2020, the Audit Committee met six 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 when Company results were reviewed. Whenever feasible the meetings of the Audit Committee relating to the review of the financial statements are held several days before the examination by the Board, allowing the management team to take any necessary corrective measures before the Board Meeting.

Among other tasks, the Audit Committee regularly monitors the provisions and requirements related 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 in International Financial Reporting Standards, the Internal Control structure and any other financial reporting matters, including the Universal Registration Document.

In 2020, the Audit Committee also worked on:

- the Group's Internal Control and Audit findings;
- the review of treasury arrangements including liquidity, banking arrangements and FX Hedging Policy;
- the review of Business Development activities;
- in the context of the Covid-19 situation, the review of related risks, cash collection & liquidity;
- the review of the savings related to Invent The Future (ITF) initiative, and how the funds would support the Horizon strategy going forward;
- the review of the financial reporting and costs related to the new organization implemented to support ITF.

In February 2021, the Audit Committee reviewed the 2020 financial statements and notes, which 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

Composition

- Elizabeth Bastoni – Chair (Independent Director);
- Maëlys Castella (Independent Director);
- Vincent Bedhome (Director representing employees).

Current composition of the Committee: two independent members out of two members (excluding the Director representing the employees).

Main remits

The role of the Remuneration Committee is to study, review and prepare the deliberations of the Board of Directors related to compensation policies and their implementation.

The Remuneration Committee regularly examines and challenges management proposals and issues recommendations to the Board of Directors (when relevant) regarding:

- the remuneration philosophy and policy for the Board of Directors, Chief Executive Officer and the Executive Vice-Presidents;
- the procedures for the establishment of remuneration 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, Executive managers, and employees; and
- the competitiveness of all individual remuneration elements of the members of the Executive Committee.

The Committee is also kept informed of the application of the remuneration policy of the Group.

Moreover, the Committee annually contributes to the chapter of the Annual Report devoted to informing the Shareholders on the remuneration of Executive Officers (*mandataires sociaux exécutifs*) and Non-Executive Directors (*mandataires sociaux non exécutifs*) and to the related resolutions proposed for a vote at the General Meeting of Shareholders.

2020 main activities

The Remuneration Committee met four times in 2020, including once jointly with the Audit committee. The attendance rate was 100%. In 2020, the Committee's activity 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-President, 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;
- the Committee was regularly informed of the impact of the Covid-19 crisis on the business outcome and its consequences on the Human Resources practices of the Group. In this context, jointly with the Audit Committee, the Remuneration Committee proposed that the Board adjust the incentive related targets for the Year 2020 during the second half of the year in order to maintain a high level of engagement among the eligible team members;
- design, level and grant of long-term incentive plans based on shares;
- review of the remuneration of Executive Committee members;
- review the shareholding requirement guidelines and current and forecasted status for each Executive Committee member;
- review of the incentive philosophy and structure, including the possibility of using different stock-based awards to further engage and reward our employees;



- review of remuneration related documentation to be disclosed through the Universal Registration Document (Say on Pay) and the remuneration policy related resolutions to be voted at the General Meeting of Shareholders.

In addition, management presented their approach to remuneration for the organization, in light of the Covid-19 related crisis to the Committee, for its information.

Pierre Vareille, non-executive Chair of the Board of Directors, and Gonzalve Bich, Chief Executive Officer, took part in the Committee work for certain topics. Gonzalve Bich did not attend any discussion regarding his own remuneration.

c) Nominations, Governance and CSR Committee

Composition

- Elizabeth Bastoni – Chair (Independent Director).
- Marie-Aimée Bich-Dufour.
- Candace Matthews (Independent Director).

Two Independent Members out of three.

Main remits

- The Nominations, Governance and CSR Committee's role includes:

1. Nominations

- To regularly examine issues concerning the composition of the Board of Directors, the required skills mix and opportunities to further strengthen the skill set of the members of the Board.
- To propose the criteria for selecting the members of the Board of Directors and to make a recommendation on the renewal of sitting Directors. The selection criteria are based on a desired balance in the composition of the Board of Directors with the skills of its members. The Board introduced a skills matrix to ensure that the skills on the Board are well aligned with the strategy of the business and the operations of the Board.
- To propose development plans for board individually and collectively.
- To organize and execute a process for selecting the Directors and the Chair of the Board of Directors. The Committee works with the Chair and CEO, as appropriate, to execute any search.
- 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; the Chair of the Board of Directors and the CEO are involved, as appropriate, in these tasks.

The Committee is informed of the succession plan and the appointment of Leadership Team Members/EXCOM and in some cases it participated in the recruitment of key Leadership Team Members.

In some cases, the Chair of the Board and the CEO participated, in the Committee's work.

2. Governance

- To evaluate the qualification of Directors as Independent.
- To ensure that the Board of Directors makes a regular assessment of its operating methods and that of the Committees.
- To monitor and actively participate in the compliance of the Company in corporate governance matters.
- More generally, to deal with any issue regarding a significant risk in terms of human capital for the Group, or regarding governance as submitted by the Board of Directors.

3. Social, societal and environmental responsibility

- To review and discuss the report on social, societal and environmental responsibility, the actions taken by the Group and its policy.
- To review and monitor the progress made against the strategy and commitments taken.
- To ensure compliance by the Group with laws and regulations pertaining to gender and wage equality and review the related indicators.

2020 main activities

The Nominations, Governance and CSR Committee met seven times in 2020. The rate of attendance was 100%.

- The Committee's activity focused specifically on: the evaluation of the performance of the Board with the support of external consultants; results were reviewed, areas for improvements identified and actions taken;
- calibration, search and selection of a new Director to become Chair of the Board;
- the identification of critical areas of development for 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 Chief Executive Officer and Executive Vice-Presidents;
- the setting of objectives for Chief Executive Officer and Executive Vice-President;
- the emergency and long-term succession plans for the Chair and Chief Executive Officer;
- the transition to a new Chair for the Audit Committee;
- the onboarding of two new Directors;
- the review of the legal requirements of BIC and the current status and new policy concerning Gender and Equality Policy;
- the annual review of the organization and its human capital (including diversity policy within the Group and top management) which included the 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	
	Supplementary pension schemes must be subject to the condition that the beneficiary must be a Director or employee of the Company when claiming his or her pension rights pursuant to the applicable rules.	<p>James DiPietro, Executive Vice-President of SOCIÉTÉ BIC and CFO of BIC International, a U.S. company, withdrew from his duty as Corporate Officer on 30-Jun-2020 and since that date is acting as a Senior Adviser to the Chief Executive Officer. He is entitled to a pension with defined benefit established by BIC Corporation, even while no longer being a Corporate Officer of SOCIÉTÉ BIC and BIC International when exercising his pension rights. This pension scheme is not governed by Article L. 137-11 of the French Social Security Code. All U.S. senior managers who are members of the Group Executive Committee promoted before 2011, benefited and continue to benefit from this pension plan established by BIC Corporation more than 30 years ago. James DiPietro, in the Group for over 22 years, has been eligible for this pension for more than 17 years, therefore well before his appointment as Executive Vice-President. This pension plan has not been modified since this appointment.</p> <p>Gonzalve Bich, Chief Executive Officer of SOCIÉTÉ BIC and President – Chief Operating Officer of BIC International, a U.S. company, could be entitled to a pension with defined benefit established by BIC Corporation, if he does not resign before the age of 52, even though he would no longer be a Corporate Officer of SOCIÉTÉ BIC and BIC International when exercising his pension rights. This pension scheme is not governed by Article L. 137-11 of the French Social Security Code. All U.S. employees hired before 2007 benefited and continue to benefit from this pension plan. Gonzalve Bich, in the Group for almost 18 years, has been eligible to this pension since then, therefore well before his appointment as Chief Executive Officer.</p>
	The supplementary pension scheme may not give right to more than 45% of the reference income (fixed and variable annual remuneration due in respect of the reference period).	<p>The pension plans of James DiPietro and Gonzalve Bich are not governed by Article L. 137-11 of the French Social Security Code. The structure of Pension entitlements in the United States of America where both the Chief Executive Officer and the Executive Vice-President have their personal interests and have conducted their career and where their contractual relationship with the Group is set, cannot compare to the ones in France. Therefore, the limitation of the maximum right to 45% of the reference income cannot apply.</p> <p>James DiPietro has already accrued a pension benefit equivalent to 52.34% of the average remuneration of the last three years of service. This rate is the maximum entitlement offered by the Plan rules.</p> <p>If he does not resign before the age of 52, Gonzalve Bich will have accrued a pension benefit equivalent to 26.17% of the average remuneration of the last three years of service.</p> <p>All details regarding these Pension plans are disclosed on Chapter 4.2.2.6 Pension plans</p>

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 as amended by the "Loi Pacte" dated May 22nd, 2019 and the AMF recommendation DOC-2012-05 as amended on October 5th, 2018, the Company has drafted a procedure to periodically assess whether regular agreements entered into under standard market conditions fulfil the conditions to be qualified as such. This procedure was adopted by the Board of Directors on December 8th, 2020. The procedure provides that the Legal Department shall be informed of the conclusion, modification or renewal of these "unrestricted" agreements. Once a year the Legal Department

submits to the Audit Committee a list and a description of any new unrestricted agreements. The Audit Committee subsequently assesses these unrestricted agreements and may, as part of this review, request the opinion of the statutory auditors should there be any doubt as to the qualification of an agreement. Following this review, the Audit Committee shall issue a report to the Board of Directors on the unrestricted agreements concluded during the financial year. The Board of Directors shall conduct an annual review of the criteria used to qualify unrestricted agreements in order to assess the relevance of the selected criteria.

4.2. CORPORATE OFFICERS' REMUNERATION

In accordance with articles L. 22-10-28, L. 22-10-9, L. 22-10-34 and R. 22-10-14 of the French Commercial Code in particular, this report of the Board of Directors details the remuneration and benefits of all kind of Corporate Officers paid or granted for or during fiscal year 2020, as well as their remuneration policy. At the 2021 Shareholders' Meeting, the following resolutions will be submitted to a vote of the Shareholders:

- approval of the remuneration information related to Corporate Officers for 2020;
- approval of the remuneration of Mr. Pierre Vareille, Chair of the Board, related to 2020;
- approval of the remuneration of Mr. Gonzalve Bich, Chief Executive Officer, related to 2020;
- approval of the remuneration of James DiPietro, Executive Vice President for the period from January 1 to June 30, 2020;
- approval of the remuneration policy for the Chair of the Board for fiscal year 2021;
- approval of the remuneration policy for Executive Corporate Officers for fiscal year 2021.
- approval of the remuneration policy for Directors;
- approval of the global envelope dedicated to Board fees.

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 considering the principles and criteria defined in the

AFEP-MEDEF Code of Corporate Governance. The Board of Directors ensures that these are also directly aligned with the Company's global strategy and Shareholders' interests to support the Company's performance and competitiveness in the medium and the long term. It also considers the social and environmental issues related to the Company's activity. Remuneration principles are aligned with the AFEP-MEDEF Code except those recommendations not applied, as stated in section 4.1.2.7 Summary table of the implementation of the AFEP-MEDEF Code.

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 of the Company.

The remuneration policy for the Chair of the Board has a single component, fixed remuneration. It does not include any variable remuneration, long-term incentives, or any other element. The fixed remuneration of the Chair 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 Directors' remuneration yearly envelope presented below.

4.2.1.1.2 Directors

At the Shareholders' Meeting of May 20, 2020, Shareholders set the maximum amount of Directors' remuneration due for the 2020 financial year at 500,000 euros, consistent with previous years. The distribution of this amount is allocated between the Directors based on role(s) and attendance.

Total Directors' remuneration paid to each Director is determined based on their specific role, including their membership to specific committees, and their participation in the meetings of the Board of Directors. The variable part of this remuneration is thus intended to represent the majority of their remuneration as Directors.

4



Effective from 2020, the allocation of Directors' remuneration is based on the following amounts, unchanged since 2019, and based on an analysis of French Market practices (SBF120):

Board of Directors		Fixed remuneration	13,300 euros <i>per annum</i> - prorated upon duration of membership during the year
		Variable remuneration	23,200 euros <i>per annum</i> for participation in all Board meetings - prorated in case of absence. 3,000 euros additional per meeting on continent other than that of residence*
Lead Director (effective 2021)		Fixed Remuneration	36,000 euros <i>per annum</i> - prorated upon duration of office during the year
Audit Committee	Chair	Fixed remuneration	19,100 euros <i>per annum</i> - 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	9,600 euros <i>per annum</i> - prorated upon duration of time in role during the year
	Committee member	Fixed remuneration	7,100 euros <i>per annum</i> - prorated upon duration of membership during the year
Remuneration Committee	Chair	Fixed remuneration	9,600 euros <i>per annum</i> - prorated upon duration of time in role during the year
	Committee member	Fixed remuneration	7,100 euros <i>per annum</i> - prorated upon duration of membership during the year

* Ms Candace Matthews benefits from a specific arrangement of a fixed 30 thousand euros amount instead of the travel allowance, as per previous agreement.

The Chief Executive Officer does not receive Directors' remuneration.

As of 2021, Directors representing Employees receive the fixed component of Directors' remuneration in recognition of their responsibility as Directors. The time and work in service of the Board and Committees is remunerated through their salary as employees. A maximum global envelope of 600,000 euros for 2021 will be proposed to the vote of the Annual General Meeting to allow the implementation of this new rule.

None of the Executive Committee members receive Directors' remuneration in connection with mandates as Corporate Officers or Directors of any subsidiary of the Company.

4.2.1.2 Remuneration Policy for Executive Corporate Officers

Since July 1, 2020 the Chief Executive Officer is the only Executive Corporate Officer of the Group. In the case that another Executive Corporate Officer is appointed, the following policy would apply.

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 strategy that applies for 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, understandability of the rules and proportionality.

Comprehensive and Balanced

The overall remuneration package is based on four components

1. base salary levels are competitive for the location, level, and role as a foundation to attract and retain talents;
2. variable remuneration design and level motivates and rewards performance for the year, aligns with Shareholders' interests and contributes to sustainable growth and profitability. Performance criteria are clear, aligned with short and longer-term objectives, and contribute to the realization of the long-term strategy of the Company;
3. long-term incentives represent additional at-risk remuneration, directly tied to business results on key performance metrics over a number of years. They are also an element to attract, motivate and retain key talents over a longer time frame;
4. benefits provide additional non-monetary remuneration (e.g., company car) and protection to team members and their relatives through programs like life and disability insurance, health care, savings accumulation/retirement offerings. These are all aligned with market practice.

Comparability

Each of the components are determined in the context of the local and global markets where BIC competes for talent, both in our industry and in general. BIC refers to benchmarks in every country where we have team members to ensure market competitive design of remuneration programs.

Method of determining competitiveness of the remuneration for Executive Corporate Officers

To ensure appropriate global benchmarks that match BIC's global business, BIC has engaged WillisTowersWatson, a leading global remuneration consultancy, to build special peer group surveys in France and in the United States, the two markets in which BIC employs the majority of senior executives. For the peer group surveys in France and the United States, a panel of companies is proposed, reviewed by the Remuneration Committee and adopted by the Board. The comparison panels are based on direct business competitors and other listed companies with which BIC competes for senior executive talents. Generally, there is stability in the panels to allow effective and consistent remuneration benchmarking from year to year. The peer group panels are as follows:

- **France:** Accor Hotels, Alstom, Bureau Veritas, Carrefour, EssilorLuxottica, L'Oréal, LVMH, Pernod Ricard, Safran, Schneider Electric, SEB, Tarkett, Thales, Unibail-Rodamco, Valeo, Vallourec;
- **United States:** Church & Dwight, Clorox, Colgate-Palmolive, Edgewell Personal Care, Hasbro, Hershey, Kellogg, Kimberly-Clark, Keurig DrPepper, Mattel, McCormick, Newell Brands, NU Skin Enterprises, Ontex, Scotts Miracle-Gro, Sealed Air, Snap-on, Tupperware Brands, Vista Outdoor.

These peer group surveys are used to complement the WillisTowersWatson General Industry survey of executives in the United States (over 1,200 companies). This broader survey provides a wider view of Executive Officer remuneration and is the primary market reference used by BIC.

BIC's global scope and transformation challenge is similar to that of companies in the peer groups.

COMPETITIVE POSITION OF THE CHIEF EXECUTIVE OFFICER

Comparatios	Base Salary	Target Total Cash	Long-Term Incentive	Total Direct Remuneration
Chief Executive Officer (2019 reminder)	83	88	59	71
Chief Executive Officer (2020)	83	96	56	90

The "comparatio" is a comparison versus the median of the survey data. A ratio of 100 means that the incumbent remuneration level is at exactly the median level of the survey data. The median of the sum (Total Direct Remuneration) is not the sum of the medians (Target Total Cash, Long-Term Incentive) due to difference in the pay mix among reference companies.

For Gonzalve Bich, Chief Executive Officer, the results shown above are based on the WillisTowersWatson General Industry survey of executives in the United States. The target remuneration benchmarks for the special peer group panels outlined above for both France and the U.S.A. are higher than this broader General Industry survey, and the actual remunerations of the Chief Executive Officer for 2019 and 2020 were both below the target level by respectively 12 and 10 points.

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 Covid-19 related conditions, this plan has been put on hold. Consequently, no base salary increase is recommended for 2021.

4

Internal Consistency and Proportionality

The same overall remuneration principles apply for all team members. Within the overall policy, 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 may represent the most significant components of the executive's total package. This allows alignment of team members' interests with those of Shareholders.

Understanding of 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.

Payment of the variable remuneration

Under the provisions of Article L. 225-100 (II paragraph 2) of the French Commercial Code, the payment of the variable remuneration requires a positive ex post vote of the Shareholders' Meeting.



4.2.1.2.2. Specific principles governing remuneration policies

Shareholders' dialogue

Since the last General Meeting held on May 20, 2020, the Company has engaged in a constructive dialogue with its main minority Shareholders representing over 15% of its capital and / or their Proxies, to understand their perspectives and discuss potential solutions addressing the following concerns on the remuneration policy.

- Discussions highlighted a perceived lack of transparency on the stringency of the targets and on the measurement of the achievement of the variable remuneration and long-term incentive performance criteria for the Executive Corporate Officers. The Company has taken these remarks into consideration and will provide additional details on the targets and on the achieved results. As a minimum, targets are equivalent to the guidance communicated externally, when relevant.
- Another topic of discussion was the granting of Performance Shares to the Chief Executive Officer, with a perspective that it could go against the interest of minority Shareholders, and reinforces the controlling shareholder. Taking this remark into consideration, the Board has analyzed the impact of these grants on the share of the controlling shareholder. Since Gonzalve Bich has been appointed CEO, he has been granted respectively 15,000, 17,000 and 24,781 Performance Shares. Assuming a delivery at 100%, these grants represent respectively 0.033%, 0.037% and 0.055% of the Company capital. Considering the very limited dilution effect and the positive impact due to the alignment between Shareholders', Executive Officers' and Team members, the Board has decided to maintain its current approach.

In application of the general principles of remuneration set forth in this document, and upon the recommendation of the Remuneration Committee, the Board of Directors applies a specific remuneration structure for the Executive Corporate Officers of SOCIÉTÉ BIC, with some or all of 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. In relation to their personal situation, their 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 the positions of Executive Corporate Officers of SOCIÉTÉ BIC reflects their scope of responsibility and level in the relevant competitive marketplace.

For 2021, the gross fixed remuneration of the Chief Executive Officer has been established at 770,000 U.S. dollars, unchanged *versus* 2020. In the case that another Executive Corporate Officer is appointed, the Board would establish the gross annual fixed remuneration upon market conditions and below a maximum of 600,000 euros.

Variable remuneration

The variable remuneration for the Executive Corporate Officers of SOCIÉTÉ BIC is expressed 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	125.0%	187.5%
Executive Vice-President (if appointed)	75.0%	112.5%

The variable remuneration for 2021 will be calculated based on four criteria as shown below, similar to the criteria used for 2020.

Variable remuneration criteria (all at Group level)	2020	2021	Comments
Net Sales, in value	25%	25%	
Normalized Income from Operations, in value (Adjusted EBIT) ⁽¹⁾	25%	25%	No change
Working Capital ⁽²⁾	20%	20%	
Personal Objectives	30%	30%	In 2021, Gonzalve Bich's objectives are set around several elements of equal importance, such as implementation of Horizon strategy, growth initiatives, ESG criteria (including Diversity & Inclusion and environmental targets), and OPEX reduction. Each objective is based on quantitative (cost optimization, gender diversity...) and / or qualitative (Horizon action plan, succession planning...) achievements.
TOTAL	100%	100%	

(1) Starting 2021, the Normalized Income from Operations is renamed Adjusted EBIT.

(2) Working capital expressed in number of days of the Cash Conversion Cycle starting 2021: Days Sales Outstanding + Days Inventory Outstanding - Days Payable Outstanding.

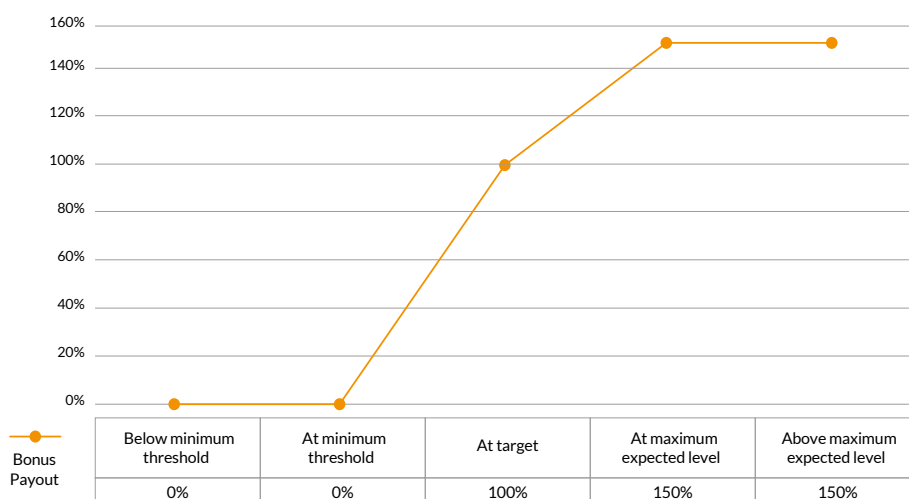
The financial objectives are based on the operating plan recommended by the Audit Committee and approved by the Board of Directors, at budgeted FX rates. Each of the financial criteria is assessed separately. Targets are equivalent to the guidance communicated externally, when relevant.

Payments are strongly aligned with business results. For each financial objective:

- a minimum threshold is established to trigger the payment of the part of the variable compensation relating to the KPI. For example, the minimum level can be set at the level reached during the previous fiscal year;
- a target level is established, on the basis of the budget validated by the Board of Directors, triggering a payment of 100%;
- the payment linked to each criterion is capped at 150% of the target value, corresponding to an expected level of over-performance;
- between each milestone, the payout is calculated by linear interpolation.

4

CALCULATION RULES OF THE PAYOUT OF THE VARIABLE REMUNERATION



The assessment of individual objectives is performed globally by the Board of Directors, on the recommendation of the Nominations, Governance, and CSR Committee. The assessment considers the overall achievements of the year and results in a payout aligned to a stringent step-by-step scale (0%; 30%; 60%; 100%; 135%; 150% payout), as for all other BIC team members.



Long-Term Incentives

Long-term incentive grants to executives and other critical team members are a core element of BIC's total rewards strategy, aligning remuneration with business results and are part of a competitive overall remuneration.

Since 2005, exercising the power placed at its disposal by the Shareholders' Meeting, the Board of Directors has maintained a policy of granting shares (or options) where payout is based on business performance over a three-year period, aligning the interests of Shareholders and our team members.

Grant of Performance Shares

For the Executive Corporate Officers, the maximum market value at grant that each individual may be allocated is per the chart below, unchanged since the decision taken by the Board of Directors to grant Performance Shares in value and not in units, on February 10, 2020, aligning with market practice.

Position	Maximum Market Value of Performance Shares at Grant Date
Chief Executive Officer	2,000,000 euros, representing circa 3 times his 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 General Meeting of Shareholders) will not exceed 0.4% of the share capital as of the date of the decision made by the Board of Directors to grant the shares.

Performance conditions for performance shares

Objectives are set 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 2021 performance year, the objectives are as follows:

- Free Cashflow (FCF) defined as Cash from Operating Activities less Capital Expenditures, 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

SOCIÉTÉ BIC had not granted Stock Options since 2011, but instead delivered long-term remuneration in Performance shares. On a one-time, exceptional basis, the Board has decided to leverage this remuneration element to reinforce alignment between Senior Management and Shareholders on the delivery of the Horizon strategy. The one-time grant will be restricted to a group of senior executives, including the CEO, with a significant, direct impact on the Horizon plan execution, and will also be subject to performance conditions..

Social Responsibility. This performance condition is weighted at 10% of the total grant.

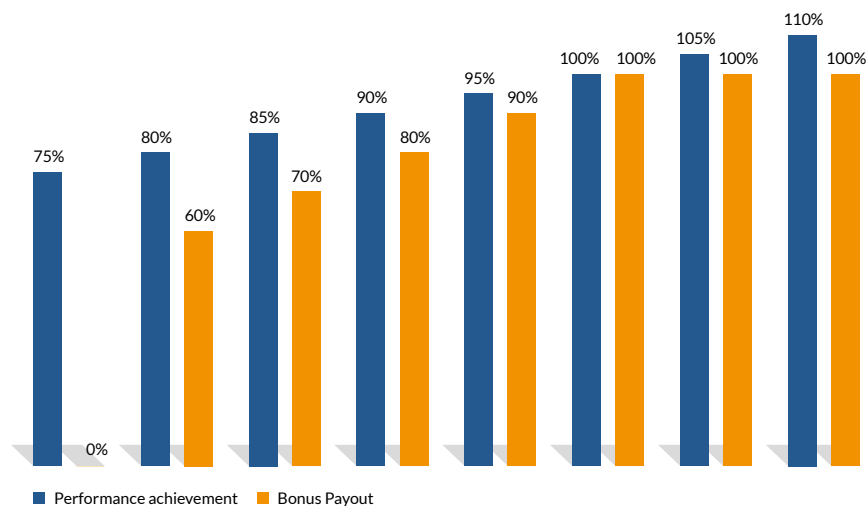
Actual performance is assessed separately for each objective versus a yearly target set at the beginning of the performance period by the Board of Directors.

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 paid out upon vesting 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)

**Share Holding Requirement Guidelines**

BIC Executive Corporate Officers (as well as Executive Committee members) are required to keep 20% of shares granted in registered form, until their mandate expires or they are not part of the Executive Committee any more. The 20% holding requirement

- is reduced to 10% when the Chief Executive Officer and the Executive Vice-President own five or three years, respectively, of their base remuneration in BIC shares;
- is waived when, and as long as, the Executive Committee members own two years of their base remuneration in BIC shares.

Note: The reference for base salary is the annual gross base salary of December 31st of the previous year (Year Y-1). The number of shares to hold is calculated using the average share price at close of market for the last 30 trading days of the previous year (Year Y-1), multiplied by the average exchange rate at close of market of the previous year (Year Y-1) as published by BIC Group Treasury. On December 30, 2020, the CEO has already fulfilled this minimum requirement with more than five years of his base salary owned in BIC shares.

4

Grant of Stock Options (2021)

For the Executive Corporate Officers, the maximum IFRS value at grant that each individual may be allocated is per the chart below.

Position	Maximum IFRS Value of Stock Options at Grant Date
Chief Executive Officer	2,500,000 euros, representing circa 1.4 times his annual target remuneration

The total number of Stock options granted to the Executive Corporate Officers (over the period covered by the resolution approved by the General Meeting of Shareholders) will not exceed 1% of the share capital as of the date of the decision made by the Board of Directors to grant the options.

Performance conditions for Stock options

The Stock options "Achieving Horizon" plan is based on stringent long-term performance conditions directly linked to the delivery of the Horizon plan. Objectives are set by the Board at the beginning of the vesting period and are focused on growth and profitability. The Board will assess achievement versus the performance conditions and decide the vesting of grants, as appropriate, when fiscal year 2025 results are published, aligned with the timing of the Horizon plan. No progressive or phased vesting is considered for this plan (cliff effect). The vesting is capped at 100% of the total target number of options.



Retention conditions of share-based elements in case of departure

If an Executive Corporate Officer leaves the Company, the Board of Directors will assess whether he/she may retain the right, in full or in part, to be delivered previously granted and un-vested performance shares, subject to the following limits and conditions:

- retention is only possible in case of retirement or a forced departure, *i.e.*, not in the event of resignation;
- no delivery is authorized before the acquisition date specified in the relevant plans' rules. Consequently, no early vesting of performance shares is possible;
- the performance conditions must continue to apply throughout the specified acquisition period.

If an Executive Corporate Officer leaves the Company as such during the vesting period (except in case of death), he/she may not retain any right to be delivered unvested Stock Options. In case of death or retirement during the exercise period, stock options might be maintained..

Supplementary pension plans

The Chairman of the Board, already a retiree from other companies, does not benefit from any supplementary pension

The Executive Corporate Officers benefit from supplementary pension plans as presented in detail in section 4.2.2.6 below.

Benefits in kind

Executive Corporate Officers may benefit from a company car or an equivalent car allowance and of standard health 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 shall not receive a Termination Payment if and when leaving the Company at the end of his duties which can be terminated at any time (*ad nutum*).

The Board reserves the right to:

- consider pre-established potential termination payments for other Executive Corporate Officers under guidance of the AFEP-MEDEF Code recommendations and ceilings, in case of a future appointment;
- make provisions for sign-on payments for newly hired Executive Corporate Officers reflecting the personal situation of Executive Corporate Officers recruited to join the Company (*e.g.*, change in status, termination of an employment contract, etc.).

Other elements

No other elements are part of this policy, specifically,

- no exceptional remuneration shall be granted to Executive Corporate Officers apart from the possible sign-on as described above;
- no non-compete agreements are considered as part of the policy.

Claw back clause

The Board of Directors may, in its sole discretion, ask for the reimbursement of the last annual variable remuneration paid and the last long-term incentive delivered to Executive Corporate Officers if the beneficiary would be found accountable of a voluntary gross mis-conduct or fault by the Board, while employed by or providing services to the Company.

4.2.2 REMUNERATION AND BENEFITS FOR YEAR 2020

4.2.2.1 Remuneration of Non-Executive Corporate Officers and Directors

Pierre Vareille received a gross remuneration of 300,000 euros for his duties as Chair of the Board in 2020.

Applying the rules defined by the Board of Directors and detailed in the section 4.2.1.1 Remuneration Policy for Non-Executive Corporate Officers and Directors, Directors received the following remuneration for their duties.

TABLE C – SUMMARY OF DIRECTORS' REMUNERATION

(Table 3 following the format of French Financial Markets Authority Position-Recommendation No. 2009-16)

Board members (during 2019 and 2020)	Directors' remuneration relating to 2019 (in euros)	Directors' remuneration relating to 2020 (in euros)
John Glen (Chair of the Audit Committee)	61,600	55,600
Elizabeth Bastoni (Chair of the Remuneration and Nomination Committees)	70,700	58,700
Marie-Pauline Chandon-Moët	42,500	36,500
Maëlys Castella	42,505	57,600
Candace Matthews*	87,600	87,600
Marie-Aimée Bich-Dufour**	-	10,900
SOCIÉTÉ M.B.D.	56,500	50,500
Jake Schwartz	-	24,333
Timothée Bich	4,423	36,500
François Bich	16,614	-
Mario Guevara	15,170	-
Marie-Henriette Poinot	21,087	-
TOTAL FROM AUTHORIZED ENVELOPE	461,140	418,233

* Ms Candace Matthews benefits from a specific arrangement of a fixed 30 thousand euros amount instead of this travel allowance, as per previous agreement.

** Marie-Aimée Bich-Dufour, as an employee from BIC Services, received a gross remuneration and an end-of-career indemnity for a total amount of 110,428 euros for her duties from January 1, 2020 to September 30, 2020, when she retired. She started receiving remuneration as a Director on October 1, 2020.

Directors representing employees, in application of the existing Directors' remuneration policy, did not receive any remuneration for their participation to the Board in 2020.

The decrease in the total expense of Directors' remuneration is mainly linked to the limited travels for Board meetings in 2020, due to the Covid-related restrictions.

4.2.2.2 Variable Remuneration of Executive Corporate Officers

The Board of Directors set the fixed remuneration of Executive Corporate Officers for 2020 and the target variable remuneration:

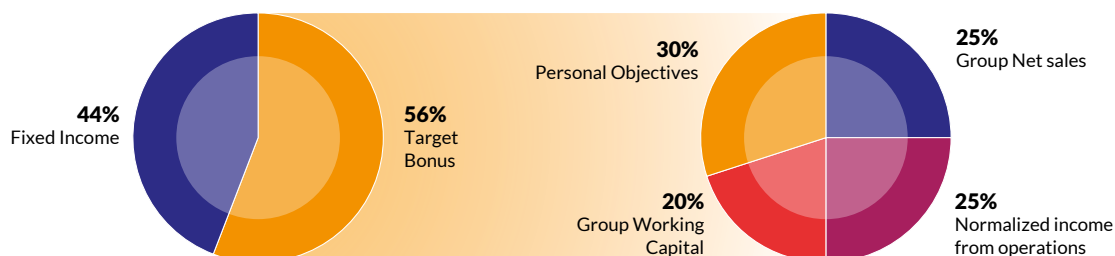
Corporate Officer	Fixed remuneration in 2020 (in U.S. dollars)*	Target variable remuneration in 2020 (corresponds to 100% achievement of the objectives)
Gonzalve Bich	770,000 U.S. dollars	
Chief Executive Officer	(675,142 euros)	125% of the fixed remuneration
James DiPietro	292,000 U.S. dollars	
Executive Vice-President (January 1 to June 30, 2020)	(262,078 euros)	75% of the fixed remuneration

* Amounts in U.S. dollars were converted into euros using the average exchange rate for 2020 (1 EUR = 1.1405 USD), see Note 3 in the consolidated financial statements.

The variable remuneration to be paid to the Chief Executive Officer, Gonzalve Bich, and to the Executive Vice-President, James DiPietro (from January 1 to June 30, 2020), was calculated on the basis of three collective criteria in addition to individual objectives. All objectives – financial and personal – were reviewed and approved by the Board.



STRUCTURE OF THE TARGET VARIABLE REMUNERATION OF GONZALVE BICH IN 2020



AMOUNT OF THE ACTUAL VARIABLE REMUNERATION OF GONZALVE BICH FOR 2020

Criteria	Weight of criteria	2020 variable as a % of base remuneration			Index of achievement of 2020 objectives	Payout of criteria	Target as % of Base remuneration 125%
		Minimum (index 80)	Target (index 100)	Maximum (index 116.7)			Actual 2020 variable paid, as a % of the base remuneration
Group Net Sales	25%	12.5%	31.3%	46.9%	94.9%	84.8%	26.5%
Normalized Income from Operations	25%	12.5%	31.3%	46.9%	90.2%	70.5%	22.0%
Group Working Capital	20%	10.0%	25.0%	37.5%	90.7%	72.1%	18.0%
Personal Objectives	30%	15.0%	37.5%	56.3%	100.0%	100.0%	37.5%
TOTAL	100%	50.0%	125.0%	187.5%		83.3%	104.1%

Guidance was suspended in March 2020 due to the pandemic and related Covid-19 crisis. The financial objectives were reviewed by the Board regularly during the year as the crisis evolved and set by the Board of Directors during the second half of the year. These adjusted targets have been applied consistently for all team members eligible for the Corporate variable remuneration plan. In accordance with the 2020 Remuneration policy, the targets set for each objective were:

- Net Sales: 1,750 million euros;
- Normalized IFO: 262.5 million euros;
- average Working Capital, expressed as a percentage of Net Sales: 42% (this objective was not modified in H2 and remained as set at beginning of performance year).

Achievement versus each objective is described in table above.

The personal objectives represent 30% of the target variable remuneration and a maximum of 56.25% of the fixed remuneration. For 2020, in addition to the above mentioned financial objectives, the personal objectives will be paid at 100% of target, as recommended by the Nominations, Governance, and CSR Committee and approved by the Board on February 16, 2021, based on achievement described below versus the individual objectives:

- set the strategy. Established a clear and compelling Horizon Plan in collaboration with the Board that is understood by the

organization and key stakeholders. It repositions the Brand, organization and operational initiatives in the context of Sustainable Development and other relevant macro topics of importance and was presented to investor community in 2020;

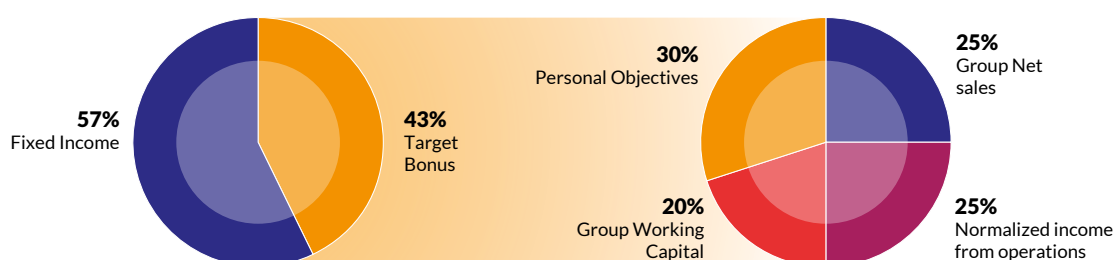
- continue to raise the bar for talent. Leadership initiatives elevated performance bar and improved experience-sets, capabilities and diversity of the executive team and the organization more broadly. The newly formalized Executive Committee has been finalized with the appointment of a new Chief Financial Officer and a new Chief Human Resources Officer. BIC has been recognized among the Top 20 French companies for gender equality in governing bodies by the Ministry of Female and Male equality;
- focus on Growth. Despite the crisis situation, a continuous focus on important growth initiatives enabled the mobilization of the key assets of the Company (human, financial, organizational) toward key customers, regional programs and initiatives, and new business development. This resulted in regional and major market-specific growth and transformation initiatives in line with Horizon plans through a renewed engagement with top global customers. In addition, two in-organic growth initiatives have been achieved with the acquisition of Djeep in France and Rocketbook in the United States;

- Invent-the-Future: continuous focus on organizational initiatives delivered the planned savings in operating plan 2020, with focus on Global Procurement and Global Supply Chain initiatives, notably through the closure of manufacturing facilities in Ecuador and India. A clear innovation product roadmap has also been designed, in support of our Horizon plans, including important Sustainable Development initiatives and new research fields linked to new materials and technologies;
- environment, Sustainability and Governance: A reviewed set of Corporate values and a new statement of the Corporate vision and mission have been built and presented. The new strategy of the Group clearly embeds environmental objectives for 2025 (packaging) and 2030 (products). Additionally, over 3,000 team members completed a 90-minute e-learning training session dedicated to the BIC Code of Conduct and Anti-Corruption Policy. In parallel, a new procurement policy and set of procedures has been implemented for an improved tracking of financial flows;

In addition to the objectives set at the beginning of the performance period, the Covid-19 pandemic required the development and implementation of contingency plans in all countries where the Group operates. The plans included strong health and well-being protection measures, ensuring the continuity of production and optimizing operational efficiency, and a focus on agility in our sales teams. By shifting more aggressively to eCommerce platforms the negative impact of the global crisis on business outcomes was limited;

The Board of Directors, in its meeting held on February 16, 2021, noted it was very satisfied with the CEO contributions for 2020 but considered, in light of Covid related situation, not to pay him more than the target on the achievement of his personal objectives, even if his performance would have merited it. It therefore decided to award Gonzalve Bich a variable remuneration amounting to 801,291 U.S. dollars representing 83.3% of the target variable remuneration for the achievements of the fiscal year 2020 (or 104.1% of the fixed remuneration).

STRUCTURE OF THE TARGET VARIABLE REMUNERATION OF JAMES DIPIETRO IN 2020 (JANUARY 1 TO JUNE 30, 2020)



AMOUNT OF THE ACTUAL VARIABLE REMUNERATION OF JAMES DIPIETRO FOR 2020 (JANUARY 1 TO JUNE 30, 2020)

Criteria	Weight of criteria	2020 variable as a% of base remuneration			Index of achievement of 2020 objectives	Payout of criteria	Target as % of Base remuneration 75%	Actual 2020 variable paid, as a% of the Base remuneration
		Minimum (index 80)	Target (index 100)	Maximum (index 116.7)				
Group Net Sales	25%	7.5%	18.8%	28.1%	94.9%	84.8%	15.9%	
Normalized Income from Operations	25%	7.5%	18.8%	28.1%	90.2%	70.5%	13.2%	
Group Working Capital	20%	6.0%	15.0%	22.5%	90.7%	72.1%	10.8%	
Personal Objectives:	30%	9.0%	22.5%	33.8%	100.0%	100.0%	22.5%	
TOTAL	100%	30.0%	75.0%	112.5%		83.3%	62.4%	

The financial criteria have been valued based on the same targets and achievements as for the CEO.

The personal objectives represent 30% of the target variable remuneration and represent a maximum of 33.75% of fixed remuneration.

On the same date, and after reviewing his personal objectives and related achievements over the first half of year 2020, the Board has decided to award James DiPietro a variable remuneration amounting to 182,320 U.S. dollars representing 62.4% of his fixed remuneration and 83.3% of his target variable remuneration.



4.2.2.3 Individual remuneration

Total remuneration and fringe benefits awarded for fiscal years 2019 and 2020 by SOCIÉTÉ BIC and by the companies it controls, within the meaning of Article L. 233-16 of the French Commercial Code, to members of the Management bodies of SOCIÉTÉ BIC in respect of their functions within the Group, were as follows:

TABLE A – SUMMARY OF REMUNERATION, OPTIONS AND SHARES AWARDED TO EACH CORPORATE OFFICER

(Table 1 following the format of the French Financial Markets Authority Position-Recommendation No. 2009-16)

Pierre Vareille Chair (non executive)	Fiscal year 2019 <i>(in euros)</i>	Fiscal year 2020 <i>(in euros)</i>
Remuneration due in respect of the year (detailed in table B)	300,000	300,000
Valuation of multi-year variable remuneration awarded during the year	-	-
Valuation of stock options awarded during the year (detailed in table D)	-	-
Valuation of performance shares awarded during the year (detailed in table G)	-	-
TOTAL	300,000	300,000

Gonzalve Bich Chief Executive Officer		Fiscal year 2019 <i>(in U.S. dollars)^(a)</i>	Fiscal year 2020 <i>(in U.S. dollars)^(b)</i>
Compensation due in respect of the year (detailed in table B)	USD	1,656,120	1,672,519
	EUR	1,479,207	1,466,479
Valuation of multi-year variable compensation awarded during the year		-	-
Valuation of stock options awarded during the year (detailed in table D)		-	-
Valuation of performance shares awarded during the year (detailed in table G)	USD	1,544,354	1,647,717
	EUR	1,379,380	1,444,732
TOTAL	USD	3,200,474	3,320,236
	EUR	2,858,587	2,911,211

Jim DiPIETRO Executive Vice President (January 1 to June 30, 2020)		Fiscal year 2019 <i>(in U.S. dollars)^(a)</i>	Fiscal year 2020 <i>(in U.S. dollars)^(b)</i>
Compensation due in respect of the year (detailed in table B)	USD	1,041,327	522,710
	EUR	930,088	458,316
Valuation of multi-year variable compensation awarded during the year		-	-
Valuation of stock options awarded during the year (detailed in table D)		-	-
Valuation of performance shares awarded during the year (detailed in table G)	USD	726,755	266,530
	EUR	649,120	233,695
TOTAL	USD	1,768,082	789,239
	EUR	1,579,209	692,011

(a) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2019 (1 EUR = 1.1196 USD).

(b) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2020 (1 EUR = 1.1405 USD).
(See Note 3 to the consolidated financial statements).

TABLE B – SUMMARY OF THE REMUNERATION OF EACH CORPORATE OFFICER

(Table 2 following the format of the French Financial Markets Authority Position-Recommendation No. 2009-16)

Pierre Vareille Chair (non executive)	Amounts for fiscal year 2019 (in euros)		Amounts for fiscal year 2020 (in euros)	
	Due	Paid	Due	Paid
Fixed remuneration	300,000	487,500*	300,000	300,000
Annual variable remuneration	-	-	-	-
Multi-year variable remuneration	-	-	-	-
Extraordinary remuneration	-	-	-	-
Directors' fees	-	-	-	-
Fringe benefits	-	-	-	-
TOTAL	300,000	487,500	300,000	300,000

* Remuneration 2019 as Chairman and 2018 as lead director

Gonzalve Bich Chief Executive Officer	Amounts for fiscal year 2019 (in U.S. dollars) ^(a)		Amounts for fiscal year 2020 (in U.S. dollars) ^(b)			
	Due	Paid	Due	Paid		
Fixed compensation	USD	735,008	735,008	770,000	770,000	
	EUR	656,492	656,492	675,142	675,142	
Annual variable compensation	USD	798,431	725,964	801,291	798,431	
	EUR	713,140	648,414	702,579	700,071	
Multi-year variable compensation	-	-	-	-	-	
Other compensation ^(c)	USD	34,409	34,409	15,742	15,742	
	EUR	30,733	30,733	13,803	13,803	
Directors' compensation	-	-	-	-	-	
Benefits	1) Car allowance:		1) Car allowance:		1) Car allowance:	
	USD	15,600	15,600	14,400	14,400	
	EUR	13,934	13,934	12,626	12,626	
	2) Company contributions to company U.S. savings plan:		2) Company contributions to company U.S. savings plan:		2) Company contributions to company U.S. savings plan:	
	a) 401K:		a) 401K:		a) 401K:	
	USD	8,400	8,400	7,088	7,088	
	EUR	7,503	7,503	6,215	6,215	
	b) Exec Comp Plan:		b) Exec Comp Plan:		b) Exec Comp Plan:	
	USD	29,400	29,400	30,800	30,800	
	EUR	26,259	26,259	27,006	27,006	
	3) Other:		3) Other:		3) Other:	
	USD	34,872	34,872	33,198	33,198	
EUR	31,147	31,147	29,108	29,108		
TOTAL	USD	1,656,120	1,583,653	1,672,519	1,669,659	
	EUR	1,479,207	1,414,481	1,466,479	1,463,971	

(a) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2019 (1 EUR = 1.1196 USD).

(b) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2020 (1 EUR = 1.1405 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.

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Jim DIPIETRO Executive Vice President (Jan 1 st to Jun 30, 2020)	Amounts for fiscal year 2019 (in U.S. dollars) ^(a)		Amounts for fiscal year 2020 (in U.S. dollars) ^(b)		
		Due	Paid	Due	Paid
Fixed compensation	USD	572,853	572,853	292,000	292,000
	EUR	511,659	511,659	256,028	256,028
Annual variable compensation	USD	321,800	419,322	182,320	321,800
	EUR	287,424	374,528	159,860	282,157
Multi-year variable compensation		-	-	-	-
Other compensation ^(c)	USD	67,731	67,731	13,384	13,384
	EUR	60,496	60,496	11,735	11,735
Directors' compensation		-	-	-	-
Fringe benefits		1) Car allowance:	1) Car allowance:	1) Car allowance:	1) Car allowance:
	USD	13,800	13,800	6,900	6,900
	EUR	12,326	12,326	6,050	6,050
		2) Company contributions to company U.S. savings plan:	2) Company contributions to company U.S. savings plan:	2) Company contributions to company U.S. savings plan:	2) Company contributions to company U.S. savings plan:
		a) 401K:	a) 401K:	a) 401K:	a) 401K:
	USD	9,500	9,500	2,877	2,877
	EUR	8,485	8,485	2,523	2,523
		b) Exec Comp Plan:	b) Exec Comp Plan:	b) Exec Comp Plan:	b) Exec Comp Plan:
	USD	22,914	22,914	11,680	11,680
	EUR	20,466	20,466	10,241	10,241
		3) Other:	3) Other:	3) Other:	3) Other:
	USD	32,729	32,729	13,549	13,549
EUR	29,233	29,233	11,880	11,880	
TOTAL	USD	1,041,327	1,138,849	522,710	662,190
	EUR	930,088	1,017,193	458,316	580,613

(a) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2019 (1 EUR = 1.1196 USD).

(b) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2020 (1 EUR = 1.1405 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

The following table sets out the remuneration of the Chair, Chief Executive Officer and Executive Vice President and that of employees in France in accordance with the requirements of the PACTE law in France.

The perimeter of team members is all those in BIC entities in France (note: expatriate employees in France are excluded).

The elements of remuneration accounted for are:

- base salary on a full-time equivalent basis;
- variable remuneration payments received during the year, *i.e.*, the 2020 figures include variable remuneration payments for the performance period of 2019 paid in 2020;

- share awards at the IFRS value;
- profit sharing;
- benefits in kind, *i.e.* cars;
- dividend equivalents;

As per the PACTE bill, retirement plan benefits are not included.

All amounts are in euros with conversions for the CEO and Executive Vice-President at the average exchange rate for the year

- payments in 2020: 1 euro = 1.1405 U.S. dollar;
- payments in 2019: 1 euro = 1.1196 U.S. dollar;
- payments in 2018: 1 euro = 1.1810 U.S. dollar.

2020	Remuneration (in euros)	Employees Average Remuneration		Employees Median Remuneration	
		Amount (in euros)	Ratio	Amount (in euros)	Ratio
Chair	300,000	49,682	6	35,169	9
CEO	2,846,374	49,682	57	35,169	81
Executive Vice- President ^(a)	789,665	24,841	32	17,585	45

(a) January to June 2020. Remuneration prorated for 6 months.

The change in the average and median remuneration compared to previous years is explained by an expansion of the population included in the calculation, the downward trend in the IFRS value of performance share plans awarded, the reduction in variable remuneration amounts, and reduction in headcount.

2019	Remuneration (in euros)	Employees Average Remuneration		Employees Median Remuneration	
		Amount (in euros)	Ratio	Amount (in euros)	Ratio
Chair	300,000	55,781	5	38,353	8
CEO	2,728,952	55,781	49	38,353	71
Executive Vice-President ^(a)	1,608,130	55,781	29	38,353	42
Executive Vice-President ^(b)	464,915	55,781	8	38,353	12

(a) James DiPietro.

(b) Marie-Aimée Bich-Dufour.

2018	Remuneration (in euros)	Employees Average Remuneration		Employees Median Remuneration	
		Remuneration (in euros)	Ratio	Remuneration (in euros)	Ratio
Chair ^(a)	187,500	54,934	3	37,780	5
CEO	2,061,961	54,934	38	37,780	55
Executive Vice-President ^(b)	1,470,572	54,934	27	37,780	39
Executive Vice-President ^(c)	571,187	54,934	10	37,780	15

(a) Pierre Vareille. Mid-May to December 2018. 7.5 months at an annualized salary rate of 300,000 euros.

(b) James DiPietro.

(c) Marie-Aimée Bich-Dufour.

Note: Detailed payroll data for a precise comparison is available since 2018.

4.2.2.4 Allocation of stock options

Since 2011, the Board has not awarded stock options. At the end of 2018, all vested options had expired.

4.2.2.5 Allocation of performance-based shares

From 2005, exercising the power placed at its disposal by the Shareholders' Meeting, the Board of Directors decided, upon the recommendation of the Remuneration Committee, to put in place a policy of three-year performance-based share grants. The Executive

Corporate Officers mentioned in the table below benefit from this policy.

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 results of the performance conditions related to Plan 13 (vesting March 31, 2020) did not yield a delivery of shares to the beneficiaries in 2020.



RESULTS OF THE PLANS: INDEX OF ACHIEVEMENT OF PERFORMANCE CONDITIONS, PER CRITERIA AND PER PLAN

	Plan 1 (2005- 6-7)	Plan 2 (2006- 7-8)	Plan 3 (2007- 8-9)	Plan 4 (2008- 9-10)	Plan 5 (2009- 10-11)	Plan 6 (2010- 11-12)	Plan 7 (2011- 12-13)	Plan 8 (2012- 13-14)	Plan 9 (2013- 14-15)	Plan 10 (2014- 15-16)	Plan 11 (2015- 16-17)	Plan 12 (2016- 17-18)	Plan 13 (2017- 18-19)	Plan 14 (2018- 16-17)	Average of the plans
Net sales growth	84.8	66.4	95.2	147.1	119.1	89.2	76.8	88.1	108.1	96.7	71.9	48.6	23.6	47.8	83.1
Cash Flow	85.5	88.2	98.6	99.7	110.1	103.1	98.9	105.8	98.9	98.6	100.6	102.2	100.2	99.2	99.3
Final acquisition as a percentage of the initial grant	70%	54%	94%	100%	100%	92%	76%	94%	100%	96%	72%	50%	0%	49%	75%

At its meeting held on October 27, 2020, upon a recommendation from the Remuneration Committee and after the BIC management team engaged in a dialogue with BIC's main minority Shareholders, the Board of Directors resolved that, for unvested performance share plans (Plans 14, 15 and 16, respectively vesting in 2021, 2022 and 2023), a change should be made so that the two performance conditions could be evaluated independently. Each objective has a weighting of 50%. This modification will apply to all beneficiaries, including the Executive Officers, subject to the approval of the Say-on-pay Ex-Post resolution at the General Meeting of Shareholders approving 2020 accounts. 2020 targets have been adjusted, consistent with adjustments to 2020 variable remuneration targets. All other provisions have remained unchanged.

The payout of each performance criteria is assessed independently and subject to the following payout calculation:

- if the average percentage for the achievement of 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 for the achievement of each performance condition over the three-year period is less than 75%, no shares are delivered.

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.

As there were no shares delivered in 2020 under Plan 13, there was no dilution impact.

The total number of shares granted is reported in Note 23 to the consolidated financial statements.

Starting in 2021, the allocation of performance shares will obey the rules described in paragraph 4.2.1.2.2. *Specific principles governing remuneration policies - Long-term Incentives.*

TABLE G - PERFORMANCE SHARES AWARDED DURING FISCAL YEAR 2020 TO EACH EXECUTIVE CORPORATE OFFICER

(Table 6 following the format of 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 company of the Group (Nominative list)	Number of shares awarded during the fiscal year		Valuation of the shares according to the method used for the consolidated fiscal statements (in euros)	Award date	Availability date	Performance conditions
	Number and date of the plan					
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 G – PERFORMANCE SHARES AWARDED DURING FISCAL YEAR 2019 TO EACH EXECUTIVE CORPORATE OFFICER

(Table 6 following the format of 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 company of the Group (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 fiscal statements (in euros)	Award date	Availability date	Performance conditions
Gonzalve Bich	15 (February 12, 2019)	17,000	1,379,380	March 31, 2022	March 31, 2022	1) Net sales growth 2) Cash flow from operations and change in inventory as a percentage of net sales
James DiPietro	15 (February 12, 2019)	8,000	649,120	March 31, 2022	March 31, 2022	as above

TABLE H – PERFORMANCE SHARES THAT BECAME AVAILABLE DURING FISCAL YEAR 2020 TO EACH CORPORATE OFFICER

(Table 7 following the format of 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 is definitively acquired, based on the achievement of performance conditions	2014
Gonzalve Bich	13 M (Feb. 10, 2017)	0	0% of the initial allocation is definitively acquired, based on the non-achievement of performance conditions	2017
James DiPietro	10 M (Feb. 11, 2014)	7,680	96% of the initial allocation is definitively acquired, based on the achievement of performance conditions	2014
James DiPietro	13 M (Feb. 10, 2017)	0	0% of the initial allocation is definitively acquired, based on the non-achievement of performance conditions	2017

TABLE H – PERFORMANCE SHARES THAT BECAME AVAILABLE DURING FISCAL YEAR 2019 TO EACH CORPORATE OFFICER

(Table 7 following the format of 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	9 M (Feb. 12, 2013)	1,000	100% of the initial allocation is definitively acquired, based on the achievement of performance conditions	2013
James DiPietro	9 M (Feb. 12, 2013)	6,000	100% of the initial allocation is definitively acquired, based on the achievement of performance conditions	2013

M = Main.

S = Secondary.

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TABLE I – HISTORY OF PERFORMANCE SHARE PLAN ALLOCATIONS

(Table 9 following the format of 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
Annual Shareholders' Meeting date	May 15, 2013	May 15, 2013	May 18, 2016	May 18, 2016	May 16, 2018	May 16, 2018	May 16, 2018
Board of Directors' Meeting date	February 11, 2014	February 10, 2015	May 18, 2016	February 10, 2017	May 16, 2018	February 12, 2019	February 11, 2020
Grant	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
• Of which, shares granted to the Corporate Officers (% of BIC shares as of December 31, 2020)							
• 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%)
• James DiPietro	8,000 (0.02%)	8,000 (0.02%)	8,000 (0.02%)	8,000 (0.02%)	8,000 (0.02%)	8,000 (0.02%)	8,017 (0.02%)
• Marie-Aimée Bich-Dufour	3,250 (0.01%)	3,250 (0.01%)	3,250 (0.01%)	3,250 (0.01%)	3,250 (0.01%)	3,250 (0.01%)	-
End of the Acquisition Period	March 11, 2017	March 10, 2018	May 18, 2019	March 31, 2020	May 16, 2021	March 31, 2022	March 31, 2023
End of the Holding Period	March 11, 2020	March 10, 2021	March 31, 2022	March 31, 2020	May 16, 2021	March 31, 2022	March 31, 2023
Performance conditions	1) Increase in net sales 2) Net cash from operating activities. As a percentage of net sales						
Total number of shares definitively acquired as of December 31, 2020	139,542	105,096	64,365	-	90	-	-
Total number of void or lapsed shares as of December 31, 2020 ^(a)	20,118	71,884	94,025	155,790	114,428	102,499	26,942
TOTAL NUMBER OF PERFORMANCE SHARES OUTSTANDING AS OF DECEMBER 31, 2020	-	-	-	-	56,202	59,526	207,176

(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.

Share allocated with or without performance conditions

Since 2005, exercising the power granted to it by the Shareholders' Meeting, the Board of Directors has resolved, upon the recommendation of the Remuneration Committee, to put in place a policy of three-year performance-based share grants. Since 2012, some 500 executives who historically received stock options based on their position in the Company (eligible executives) have received three-year performance-based share grants.

Regarding the plans in force, performance is assessed over a three-year period based on the achievement of two objectives:

- net sales evolution;
- net cash flow from operations and change in inventory, as a percentage of net sales.

In 2020, 234,118 performance shares were granted to 501 beneficiaries.

In 2019, 162,025 performance shares were granted to 496 beneficiaries.

In parallel, to reward staff selected by Management and key contributors of the year, the Board of Directors decided, on the recommendation of the Remuneration Committee, to award free share grants without performance conditions.

The vesting period is three years and one month from grant for the 2019 plans.

In 2020, 30,613 shares were granted without performance conditions to 242 beneficiaries

In 2019, 17,550 shares were granted without performance conditions to 239 beneficiaries.

The total number of shares is reported in Note 23 to the consolidated financial statements.

FREE SHARES GRANTED AND TRANSFERRED IN 2020 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
<ul style="list-style-type: none"> 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 company included in this perimeter who are so allocated the highest number of shares ^(a) 	51,545	3,005,074	March 31, 2023	March 31, 2023	16 M
<ul style="list-style-type: none"> 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 company included in this perimeter who are so transferred the highest number of shares ^(a) 	-	-	March 31, 2020	March 31, 2020	13 M

(a) These shares are all allocated under performance conditions.

M = Main.

S = Secondary.

4.2.2.6 Pension plans

a) Pierre Vareille, Chair from May 2018, is not eligible to participate in any BIC Pension Plan.

b) Gonzalve Bich participates in the BIC CORPORATION Restoration Plan (a U.S. supplementary pension plan), which has existed since 2006 and which benefits selected Company executives whose remuneration taken into account in the U.S. Qualified Pension Plan is restricted by regulations.

The plan benefit is 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 of pension rights acquisition:
 - 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),
 - the commitments arising from this plan are provisioned by BIC CORPORATION in accordance with IAS 19.
- 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, 2020, Gonzalve Bich had accrued a pension benefit equivalent to 26.17% of the average remuneration of the last three years of service out of his 17.9 years of service (i.e., for information, an annual pension equal to 353,670 U.S. dollars payable at age 65, inclusive of the U.S. Qualified Pension Plan benefit), assuming he had stopped his activity on December 31, 2020. He has elected to receive his Restoration Plan benefit as a lump sum.

- c) James DiPietro participates in the BIC CORPORATION Supplementary Executive Retirement Plan, which, since 1970, has benefited to the main executives of BIC CORPORATION.
- The plan benefit is 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 (base + variable remuneration) of the best three years of the last five years of service.
 - Rate of pension rights acquisition:
 - this plan provides, by year of service, an annual pension at normal retirement age (i.e., age 60) equal to 2.50% of the pensionable remuneration with a maximum of 50% (i.e., 20 years of service), including the pension granted by the U.S. Qualified Pension Plan,
 - benefits deferred beyond normal retirement age are increased with interest at the prime rate of interest in effect at the participant's normal retirement date (i.e., 4.75% for Mr. DiPietro) through the actual retirement date,
 - full vesting in the Supplementary Executive Retirement Plan occurs at age 52 with fifteen 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,
 - the commitments arising from this plan are provisioned by BIC CORPORATION, in accordance with IAS 19.



- Maximum Payments:
 - maximum of 50% of remuneration at normal retirement age (*i.e.*, age 60) and 20 years of service, including the pension granted by the U.S. Qualified Pension Plan.
- Method of funding:
 - The Supplementary Executive Retirement Plan is unfunded. However, BIC invests in life insurance policies to offset the cost of the plan. 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 actuarial valuations for the U.S. Qualified Pension Plan.

As of December 31, 2020, James DiPietro had accrued a pension benefit equivalent to 52.34% of the average remuneration of the last three years of service out of his 22.5 years of service (*i.e.*, for information, an annual pension equal to 489,365 U.S. dollars (including the benefit from the U.S. Qualified Pension Plan) as a single life annuity payable at age 60 (inclusive of the U.S. Qualified Pension Plan benefit), assuming he had stopped his activity on December 31, 2020). He has elected to receive his Supplementary Executive Retirement Plan benefit as a lump sum.

4.2.2.7 Total remuneration

All amounts mentioned in this section take into consideration the duration of the Board or Executive Corporate Officer mandate, or of the membership in the Executive Committee during the considered fiscal years.

The total amount of fixed and variable remuneration awarded to the Chair of the Board and the two Executive Corporate Officers for the fiscal year 2020 is equal to 1,231,171 euros in fixed remuneration (base) and 859,931 euros in variable remuneration. For the fiscal year 2019, the amounts paid to the four Corporate Officers were equal to 1,578,150 euros in fixed remuneration (base) and 1,000,564 euros in variable remuneration.

The total amount of remuneration awarded to the team members as a member of the Executive Committee (9 team members including the Chief Executive Officer and the Executive Vice-President) during the fiscal year 2020 is equal to 3,560,257 euros in fixed remuneration (base) and 1,681,832 euros in variable remuneration. For the fiscal year 2019, the Executive Committee comprised 9 team members and those amounts were 2,944,824 euros in fixed remuneration (base) and 1,754,762 in variable remuneration.

4.2.2.8 Commitments concerning Corporate Officers (related to the start or end of a mandate)

TABLE J

(Table 11 following the format of 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	
	Yes	No	Yes	No	Yes	No	Yes	No
Corporate Officers								
Pierre Vareille, Chair of the Board Initial date of appointment: May 16, 2018 Term: 2021 AGM		X		X		X		X
Gonzalve Bich Chief Executive Officer Initial date of appointment: June 2, 2016 Term: indefinite duration		X ^(a)	X			X		X
James DiPietro Executive Vice-President Initial date of appointment: June 2, 2016 Term: June 30, 2020		X ^(b)	X			X		X

(a) No employment contract was concluded between SOCIÉTÉ BIC and Gonzalve Bich. His remuneration is paid by BIC International. No termination payments are provided for these functions, which can be terminated at any time.

(b) No employment contract was concluded between SOCIÉTÉ BIC and James DiPietro. His remuneration is paid by BIC International. No termination payments are provided for these functions, which can be terminated at any time.



COMMENTS ON THE YEAR

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5.1. OPERATIONS AND CONSOLIDATED RESULTS

THE GROUP IN 2020

2020 Key Events

May	On May 20, five actions were announced by BIC to improve short-term resilience in the context of the Covid-19 crisis and strengthen its "BIC 2022 - Invent the Future" transformation plan to accelerate long-term growth.
June	On June 18, launch of the BIC-Iprova Invention Lab to enhance BIC's Innovation and Research & Development (R&D) capability.
July	On July 1, completion of the acquisition of Djeeep, one of the main manufacturers for quality lighters. This acquisition aims at strengthening BIC's position in the pocket lighters market and offers substantial growth opportunities in Europe and North America.
November	On November 10, launch of BIC's "Horizon" plan, aimed at driving growth and ensuring sustainable returns to Shareholders. This strategy, which is an extension of the ongoing "BIC 2022 - Invent the Future" transformation plan, is focused on a set of initiatives that build on BIC's strengths, with an intensified focus on consumer needs and sustainability.
December	On December 15, signature of a Purchase and Sale Agreement to sell its Brazilian Adhesive Label business, PIMACO, to Grupo CCRR. This divestiture is consistent with BIC's portfolio rotation strategy and its focus on fast-growing consumer businesses such as Creative Expression and Digital Writing. On December 15, acquisition of Rocketbook, the leading smart and reusable notebook brand in the U.S, marking the Group's entrance into Digital Writing.

Full Year 2020 Net Sales were 1,627.9 million euros, down 16.5% as reported and down 12.6% on a comparative basis. The negative impact of currency fluctuations (-4.2%) was mainly due to the decline of the Brazilian real and of the U.S dollar against the euro.

CONDENSED PROFIT AND LOSS ACCOUNT

(in million euros)	FY 2019	FY 2020	As reported	On a comparative basis
Net sales	1,949.4	1,627.9	-16.5%	-12.6%
Cost of goods	972.1	845.5	-	-
Gross Profit	977.3	782.4	-	-
Administrative & other operating expenses	724.6	625.6	-	-
Income from operations	252.7	156.8	-	-
Finance revenue/costs	(1.3)	(1.4)	-	-
Income before tax	251.4	155.3	-	-
Income tax expense	(75.3)	(61.6)	-	-
Net Income Group Share	176.1	93.7	-	-
Earnings per share Group share (in euros)	3.91	2.08	-	-
Average number of shares outstanding (net of treasury shares)	45,056,076	44,975,070	-	-

The 2020 Gross Profit margin decreased by 2.0 pts to 48.1% from 50.1% in 2019. Excluding the under absorption of fixed costs due to Covid-19, the Gross Profit margin rose 0.6 pts, driven by favorable Foreign Exchange movements and lower Raw Material costs, partly offset by unfavorable manufacturing cost absorption.

2020 Normalized IFO margin was 229.1 million d'euros (with a 14.1% Normalized Income From Operation margin). The margin was impacted by:

- Higher Operating Expenses and other expenses as a percentage of Net Sales resulting from lower Net Sales;
- The costs related to the implementation of our new organization;
- Higher year-on-year incentive plan costs (-0.5 pts negative impact).

This was partly offset by the reduction in other Operating expenses across all regions following the measures announced in May.

FY 2020 – normalized items mainly included:

- 41.8 million euros in Cost of Goods (35.3 million euros unfavorable manufacturing cost absorption resulting from plant closures and lower product demand due to Covid-19, and 6.5 million euros direct expenses related to additional employee protection to combat the spread of the virus (cleaning, masks, sanitizers));
- 27.2 million euros in restructuring costs (the main drivers including the transformation plan, the BIC Ecuador factory closure and the restructuring of the Latin America and Asia sales operations);
- 3.6 million euros in Operating Expenses and other expenses, mostly sales force underactivity, due to Covid-19;
- 41.7 million euros due to Cello impairment on property, plant & equipment and trademarks, due to the lower than anticipated sales caused by the lockdown and to lower volumes than initially expected, impacting the planned cost efficiencies;
- -44.1 million euros in favorable Pensions adjustment in the US ⁽¹⁾.

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KEY COMPONENTS OF THE CHANGE IN NORMALIZED IFO MARGIN

(in % points)	Q4 2020 vs. Q4 2019	FY 2020 vs. FY 2019
• Change in cost of production ^(a)	+1.5	+0.6
• Brand Support	+0.1	+0.4
• OPEX and other expenses ^(a)	(6.8)	(3.9)
Total change in Normalized IFO margin	(5.2)	(2.9)

(a) Excluding under absorption of fixed costs due to Covid-19 pandemic for the Gross Profit and excluding restructuring costs, Cello impairment, Pensions adjustment in the U.S. and non-recurring items mostly commercial force underactivity for the OPEX and other expenses.

(1) Change in the medical and pension plan in the US.



NON-RECURRING ITEMS

<i>(in million euros)</i>	FY 2019	FY 2020
Income From Operations	252.7	156.8
As % of Net Sales	13.0%	9.6%
Restructuring costs of which Transformation plan in 2019 and 2020, Ecuador factory closure in Q2 2020 & LAM commercial operations restructuring in Q3 2020	+44.7	+27.2
Cello property plant & equipment and Trademark impairment in 2020 / Trademark and goodwill impairment in 2019	+44.3	+41.7
UK pension adjustment for past service costs in 2019	(9.9)	-
Some Expenses related to the Covid-19 pandemic primarily absorption of fixed costs	-	+45.4
Favorable Pensions adjustment in the U.S.	-	(44.1)
Acquisition costs	-	+2.1
Normalized Income From Operations (IFO)	331.8	229.1
As % of Net Sales	17.0%	14.1%

NET INCOME AND EPS

<i>(in million euros)</i>	FY 2019	FY 2020
IFO	252.7	156.8
Finance revenue/costs	(1.3)	(1.4)
Income before Tax	251.4	155.3
Net Income Group share	176.1	93.7
Normalized Net Income Group Share ^(a)	246.7	159.4
Normalized EPS Group Share <i>(in euros)</i>	5.47	3.54
EPS Group Share <i>(in euros)</i>	3.91	2.08

(a) Excluding non-recurring items & Argentina hyperinflationary accounting for 2019 and 2020.

FY 2020 Finance Revenue is flat vs. 2019. Q4 Finance revenue was negatively impacted by the unfavorable fair value adjustments to financial assets denominated in USD during the quarter (versus MXN).

The 2020 effective tax rate was 39.7% compared to 30.0% in 2019 (31.2% excluding Cello impairment).

2020 GROUP NON-FINANCIAL PERFORMANCE

Water consumption: An increase of 7.1% in water consumption per ton of production is observed between 2019 and 2020. Over this same period, BIC's total water consumption dropped by 11% while production dropped by 17%. These changes can be explained by the implementation of programs to optimize the Group's industrial processes and equipment, combined with the Covid-19 crisis, which increased water needs by 4.1% for hygiene (62% of water is consumed for domestic use).

Energy consumption: BIC has been implementing energy efficiency programs in its factories for many years. As a result, the Group has improved its energy efficiency by 5.8% in ten years.

In 2020 BIC signed a partnership with Schneider Electric for the implementation of a system that will closely monitor energy consumption at all BIC sites, with the goal of optimizing consumption and the related costs while increasing the use of renewable electricity.

Renewable energy: In 2020, the share of renewable electricity consumed by the Group stood at 80%, compared with 76% in 2019. This significant increase in the Group's use of renewable electricity reflects its commitment in this area and signs the achievement of its objective for 2025.

Greenhouse gas emissions: The total amount of direct and indirect GHG emissions was estimated to be 78,046 teqCO₂ in 2020. A 20% drop in the total quantity of direct and indirect (scopes 1 and 2) GHG emissions, notably due to the decline in activity related to the Covid-19 crisis.

Waste: A 13% decrease in the quantity of waste generated per ton of production between 2019 and 2020, resulting from the decreased demand of production.

Headcount: in 2020, 70% of the headcount received training (present on December 31, 2020) with an average of 3.1 days per employee.

Diversity: In 2020, women accounted for 46% of permanent team members in the Group: 38% of the workforce in Europe, 44% in North America, 49% in Latin America, 38% in Middle East Africa, 47% in Asia-Pacific/Oceania, and 56% in India.

Health and Safety: In 2020, health and safety management systems were operational on 91% of BIC's sites.

The frequency rate of accidents resulting in lost work time for BIC employees and temporary workers decreased in 2020 from 1.87 to 1.63. The development and implementation of actions plans will continue in 2021 and should lead to an increased safety culture and a decrease of this rate.

Over the full organization in 2020, there were 50 accidents involving BIC Group team members and one for external temporary workers. The incident rate for BIC team members reached 1.85 in 2020.

Human Rights: 92% of the Group's Net Sales are generated by products produced in its factories. 84% of these factories are located in countries with no Human Rights risk according to Freedom House⁽¹⁾.

Sponsorship: In 2020, product donations and financial aid worldwide represented 1.4 million euros (internal valuation), primarily in education⁽²⁾, health, and emergency aid. BIC donated pens, coloring products, other writing instruments and shavers, with a total value of 1.3 million euro, to help local communities, hospitals, children and the homeless in the fight against Covid-19.

Education: At the end of 2020, BIC estimated the number of children whose learning conditions have been improved at 118 million through direct actions with children or actions with teachers and parents since 2018.



2020 GROUP PERFORMANCE BY CATEGORY

NET SALES AND INCOME FROM OPERATIONS (IFO) BY PRODUCT CATEGORY 2019-2020

(in million euros)	Net Sales		IFO	
	2019	2020	2019	2020
Stationery	774.4	575.6	26.8	(31.1)
Lighters	679.0	618.1	247.7	226.4
Shavers	463.0	404.2	68.5	50.6
Other Products	33.1	30.0	(5.5)	(5.2)

(1) Source: "Freedom in the World 2018", a study by the non-governmental organization Freedom House.

(2) For this indicator, all philanthropic actions in favor of education, including those carried out under commitment # 5, are considered.



IFO AND NORMALIZED IFO BY PRODUCT CATEGORY 2019-2020

(in million euros)	Norm. IFO		IFO	
	2019	2020	2019	2020
Stationery	67.4	33.3	26.8	(31.1)
Lighters	249.2	216.1	247.7	226.4
Shavers	67.8	50.1	68.5	50.6
Other Products	(4.3)	(1.9)	(5.5)	(5.2)

IFO AND NORMALIZED IFO MARGINS BY PRODUCT CATEGORY 2019-2020

(in %)	Norm. IFO Margin		IFO Margin	
	2019	2020	2019	2020
Stationery	8.7	5.8	3.5	(5.4)
Lighters	36.7	35.0	36.5	36.6
Shavers	14.7	12.4	14.8	12.5

Stationery - Human Expression

Stationery Full Year 2020 Net Sales were at 575.6 million euros down by -25.7% as reported and by -23.2% on a comparative basis. Stationery was the category that suffered most from Covid-19. Mobility and commercial restrictions due to lockdowns strongly affected consumer behavior and spending patterns. Highly dependent on Convenience and Traditional stores, Latin America, India, and the Middle East and Africa suffered the most from extended quarantine periods.

- **In Europe**, Net Sales were down mid-single digit. Despite a challenging Back-to School season due to uncertainties around school re-openings, we increased market share in France and Spain. We also became the N° 1 manufacturer in the UK during the Back-to-School season (+1.9 pt market share in value). In line with our focus on "Human Expression", we performed well in added value segments such as Coloring where we gained +3.5 pts in the UK ⁽¹⁾, and +3.8 pts in France ⁽²⁾, both driven by increased demand for products associated with arts activities.
- **In North America**, Net Sales were down double digit. Our performance was negatively impacted by school closures delaying the Back-to School season, and the decline in the Office products channel. Total U.S. Stationery market was down 12.2% year-on-year ⁽³⁾. We held share, and outperformed in Coloring and Permanent Markers, notably thanks to the BodyMark and BIC®Kids Coloring ranges.

- **In Latin America**, Net Sales were down double digit. Brazil's performance was impacted by the closure of large retailers' stores during the lockdowns. In Q4, performance was positively impacted by the reopening of specialized stores. In Mexico, the only country where schools did not reopen in September, total Stationery market was down 18.4% in value (YTD DEC).
- **In India**, Net Sales were down double digit. With mobility restrictions and social distancing rules being reviewed regularly, consumer confidence declined throughout the year. Both Modern Trade and Traditional channels were impacted. The total Stationery market declined by 37.6% in value. The ball pen segment was the worst affected. Cello maintained its leadership with a 25.1% ⁽⁴⁾ market share.
- **In Middle East and Africa**, Net Sales were down double digit. Year end was negatively impacted notably by Back-to-School delays in East and South Africa.

The FY 2020 Stationery Normalized IFO margin was 5.8% compared to 8.7% in 2019, impacted by the sharp decline in Net Sales and unfavorable fixed costs absorption. It was partly offset by favorable Forex, lower Raw Material costs and lower Brand support investments.

(1) IRI YTD December 26, 2020 – Total Grocers.

(2) IRI YTD December 2020 – Modern Trade, est. 85% market coverage.

(3) NPD YTD December 31, 2020.

(4) Market Pulse YTD December 2020.

Lighters - Flame for Life

Full Year 2020 Lighters Net Sales were at 618.1 million euros, down by 9.0% as reported and down 4.7% on a comparative basis. In Lighters, the overall annual performance was hit by limited in-store traffic and the closure of convenience stores and traditional channels in all our key markets during the lockdowns. This was offset by a solid commercial execution and on-going distribution gains in modern mass market.

- **In Europe**, Net Sales were down mid-single digit. Despite the solid performance in Russia and Germany on the back of new listings and promotional activities, sell-in was impacted by a weak performance in France, Italy and Belgium. Q4 performance was impacted by the second wave of lockdowns.
- **In North America**, Net Sales were unchanged year-on-year. Performance was driven by the June price adjustment and the positive impact of effective promotional activities, which offset the decline in volumes. The U.S. pocket lighter market was down 0.2% in value and 3.4% in volume⁽¹⁾. BIC gained 0.8 pt in value, outperforming the market in both Modern Mass and Convenience channels. The utility lighter market was boosted by increased at-home cooking and grilling throughout the year. This resulted in 27.1% growth in value in 2020, with BIC gaining +4.3 pts⁽²⁾ in value. BIC's new utility lighter EZ. Reach was a success and has performed well since its launch in June. At the end of December 2020, utility lighters, including EZ Reach accounted for 15% of total BIC Lighter sales in North America, compared to 9% in 2019.
- **In Latin America**, Net Sales were down double-digit. In Mexico, performance was affected by a high level of distributors' inventories at the start of the year. Our sell-out performance in the region was driven by Argentina and Brazil, where, in a declining market, we increased market share by 2.3 pts in value.

Full Year 2020 Normalized IFO margin for lighters was 35.0% compared to 36.7% in 2019, impacted by the decline in Net Sales, partially offset by lower year-on-year Brand Support investments.

Shavers - Blade Excellence

Full Year 2020 Shavers Net Sales were at 404.2 million euros, down by 12.7% as reported and down 6.8% on a comparative basis. The Shaver category was impacted by evolving consumer habits, compounded during the lockdowns by changing personal routines in grooming. We nevertheless outperformed our markets in all key regions. This performance was boosted by our value proposition and the success of new products in both male and female segments.

- **In Europe**, Net Sales were down high-single digit due to the overall market decline, worsened by a poor sell-in performance in France. We had a strong sell-out in the UK, driven by the female segment and we gained +0.6 pts⁽³⁾ market share. In Eastern Europe, Poland and Russia in particular, we outperformed the market thanks to the ongoing solid performance of our Flex Hybrid Range.
- **In the U.S.**, Net Sales were down mid-single digit. We outperformed the declining U.S. one-piece market (-6.4% in value year-to-date⁽⁴⁾), growing 1.0 pt to reach 29.1% market share in value. This was driven by the success of BIC's core range products, a good performance in the Men's segment and the launch of new products, such as the BIC Soleil Sensitive Advance. Us, our gender-neutral refillable shaver continued to have initial positive results from its launch.
- **In Latin America**, Net Sales were down high-single digit. In Brazil, we increased our market share in value through our product trade-up strategy towards the three-blade offering and reached our historical high of 23% market share as of year-to-date December. The performance in Mexico was notably impacted by a high level of customers' inventory at the start of the year, which weighted on the overall yearly performance.

Full Year 2020 Normalized IFO margin for Shavers was 12.4% compared to 14.7% in 2019 mainly impacted by lower Net Sales partly offset by favorable Brand Support compared to last year.

Other Products

Full Year 2020 Net Sales for Other Products totaled 30 million euros down by 8.4% on a comparative basis.

Full Year 2020 Normalized IFO for Other Products was a negative 1.9 million euros, compared to a negative 3.5 million euros in 2019.

Unallocated costs

FY 2020 unallocated costs related to Corporate headquarter costs and restructuring costs. Full Year 2020 Normalized IFO for Unallocated costs was a negative 68.4 million euros, compared to a negative 49.1 million euros in 2019. The lower Normalized Income From Operations was due to the costs incurred by the new organization.

(1) IRI - Period ending December 27, 2020.

(2) IRI - YTD 27-December-2020- MULO+C, est. 70% market coverage.

(3) YTD November 2020.

(4) IRI - Period ending year-to-date December - in value.



2020 GROUP PERFORMANCE BY GEOGRAPHIES

NET SALES BREAKDOWN BY GEOGRAPHICS

<i>(in million euros)</i>	FY 2019	FY 2020	Change as reported	Change on a comparative basis
Group				
Net Sales	1,949.4	1,627.9	-16.5%	-12.6%
Europe				
Net Sales	558.9	517.3	-7.5%	-6.9%
North America				
Net Sales	764.4	703.1	-8.0%	-6.1%
Latin America				
Net Sales	365.6	230.1	-37.1%	-24.4%
Middle East & Africa				
Net Sales	118.4	87.2	-26.3%	-24.0%
Asia & Oceania (Including India)				
Net Sales	142.1	90.2	-36.5%	-32.3%

IMPACT OF CHANGE IN PERIMETER AND CURRENCY FLUCTUATIONS ON NET SALES

<i>(in %)</i>	FY 2019	FY 2020
Perimeter	(0.4)	+0.2
Currencies	+2.3	(4.2)
• Of which USD	+1.9	(0.7)
• Of which BRL	(0.2)	(2.0)
• Of which MXN	+0.3	(0.4)
• Of which RUB and UAH	+0.1	(0.3)
• Of which ZAR	(0.3)	(0.2)

SENSITIVITY OF NET SALES TO KEY CURRENCY CHANGES

<i>(in %)</i>	2019	2020
+/-5% change in USD	+/-1.8	+/-2.0
+/-5% change in BRL	+/-0.4	+/-0.3
+/-5% change in MXN	+/-0.3	+/-0.2

Europe

Europe includes Western and Eastern Europe. In 2020, Net Sales in Europe reached 517.3 million euros, a year-on-year decrease of 6.9% on a comparative basis.

Europe performance was overall impacted by the Covid-19 pandemic notably in Stationery, where sales to Superstores and Office suppliers suffered from reduced business activity and remote-working, and uncertainties around the Back-to-School season. On the other hand, with consumers shifting more towards online purchases during the pandemic, e-commerce sales grew double digit in Europe, notably thanks to pure players such as Amazon.

- **In Stationery:** Net sales were down mid-single digit. Despite a challenging Back-to School season, BIC's solid execution led to the Group becoming the N° 1 manufacturer in the UK. BIC performed well in key added-value segments such as Coloring where BIC grew share in both France and UK, driven by increased demand for products associated with creative arts activities.
- **In Lighters:** Net sales were down mid-single digit due to weak sell-in performance in France, Italy, and Belgium, in part due to closures of traditional channel stores during the lockdowns in the first and second wave. In contrast, performance was solid in Germany and Russia on the back of new listings and promotional activities.
- **In Shavers:** Net Sales were down high-single digit due to the overall market decline. However, BIC outperformed a declining one-piece market in the UK, driven by the female segment gaining +0.6 pt in market share⁽¹⁾. In Eastern Europe, Poland and Russia in particular, BIC outperformed the market thanks to the ongoing solid performance of the Flex Hybrid Range.

North America

The North America region includes the U.S. and Canada. In 2020, Net Sales in North America reached 703.1 million euros, down 6.1% on a comparative basis. North America was overall impacted by the pandemic which led to significant changes in consumption patterns and shopping behavior. Stationery performance was the most impacted due to school and office closures. However, BIC outperformed its markets in both Shaver and Lighter in the U.S, despite weak underlying market trends. Consumers shifting to online purchases during the pandemic also supported e-commerce double-digit Net Sales growth in the region.

- **In Stationery:** Net Sales were down double digit. Performance was negatively impacted by school closures delaying the Back-to School season and the decline in the Office products channel. Total U.S. Stationery market was down double-digit year-on-year. BIC held share, and outperformed in Coloring and Permanent Markers, notably thanks to the BodyMark and BIC®Kids Coloring ranges.

- **In Lighters:** Net Sales were unchanged year-on-year. Performance was driven by strong execution, the June price adjustment and the positive impact of effective promotional activities, which offset volume declines. BIC gained 0.8 pt in value (year to date December 2020) in the U.S. pocket lighter market, outperforming the market in both Modern Mass and Convenience channels. The Utility Lighter market was boosted by increased at-home cooking and grilling during the pandemic and grew double digit in value in 2020, with BIC outperformed the market.
- **In Shavers:** Net Sales were down mid-single digit. BIC outperformed the declining U.S. one-piece market growing 1.0 pt to reach 29.1% market share in value. This was driven by the success of BIC's core range products, a good performance in the Men's segment and the launch of new products, such as the BIC Soleil Sensitive Advance.

Latin America

In 2020, Latin America Net Sales reached 230.1 million euros, a year-on-year decrease of 24.4% on a comparative basis. Highly dependent on Convenience and Traditional stores, Latin America suffered greatly from extended quarantine periods during the Covid-19 pandemic.

- **Stationery:** Net Sales were down double digit. Brazil's performance was impacted by the closure of large retailer stores during the lockdowns. In Mexico, the only country where schools did not reopen in September, total Stationery market was down approximately 18% in value in 2020, highly impacting BIC's performance, notably during the Back-to-School season.
- **Lighters:** Net Sales were down double-digit. Performance was driven by Argentina and Brazil, where in the latter, BIC gained share in a declining market. However, in Mexico, performance was affected by a high level of distributors' inventories at the start of the year.
- **Shavers:** Net Sales were down high-single digit. In Brazil, BIC increased its market share in value through its continued product trade-up strategy towards the three-blade offering and reached a historical high of market share in value. The performance in Mexico was notably impacted by a high level of customers' inventory at the start of the year, which weighted on the overall yearly performance.

Middle East and Africa

In 2020, Net Sales for Middle East and Africa reached 87.2 million euros, a year-on-year decrease of 24.0% on a comparative basis.

- **Stationery:** Net Sales were down double digit. Highly dependent on Convenience and Traditional stores, the Middle East and Africa suffered greatly from extended quarantine periods. At the end of the year, performance was impacted by Back-to-School delays in both East and South Africa.

(1) YTD November 2020.



Asia and Oceania (including India)

In 2020, Net Sales for Asia Oceania (including India) reached 90.2 million euros, a year-on-year decrease of 32.3% on a comparative basis.

- **Stationery:** In India, Cello Net Sales were down double digit, significantly impacted by the pandemic which affected both Modern Trade and Traditional channels. With mobility restrictions and social distancing rules being reviewed regularly, consumer confidence declined throughout the year. The total Stationery market in India declined double digit in value during the year. In Australia, BIC outperformed the overall Stationery market gaining share in value notably in Pen, Marking and Correction segments.
- **Lighters:** In Oceania, good performance was driven notably by double digit Net Sales growth in utility lighters, thanks to the modern mass market which was less impacted by the pandemic than other channels.
- **Shavers:** In Australia, in a declining non-refillable shaver market, performance was impacted by a tough competitive environment and BIC underperformed in both one-piece male and female segments.

5.2. FINANCIAL SITUATION AND CASH

At the end of December, the Group's Net Cash position stood at 183.9 million euros. Net Cash from operating activities was +357.6 million euros, of which +233.9 million euros in Operating Cash Flow. The positive +123.7 million euros change in Working

Capital and others year was primarily driven by improved cash collection, lower Net Sales impacting receivables and tight inventory management.

MAIN BALANCE SHEET ITEMS

<i>(in million euros)</i>	December 31, 2019	December 31, 2020
Shareholders' equity	1,608.1	1,456.2
Current borrowings and bank overdrafts	65.5	90.0
Non-current borrowings	32.3	28.0
Cash and cash equivalents – Assets	198.6	265.7
Other current financial assets and derivative instruments	6.7	26.1
Net cash position ^(a)	146.9	183.9
Goodwill and intangible assets	257.7	309.8
TOTAL BALANCE SHEET	2,392.2	2,169.4

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

<i>(in million euros)</i>	2019	2020
Cash flow from operations	334.5	233.9
(Increase)/Decrease in net working capital	(21.1)	129.7
Other operating cash flows	4.8	(6.0)
Net cash from operating activities ^(a)	317.2	357.6
Net cash from investing activities	(110.8)	(149.3)
Net cash from financing activities	(209.8)	(61.1)
Net increase/(decrease) in cash and cash equivalents net of bank overdrafts	(3.4)	147.2
Closing cash and cash equivalents	146.8	264.7

(a) See glossary.

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5.3. DIVIDENDS

The Board of Directors of SOCIÉTÉ BIC proposes the distribution of dividends primarily as a function of the Company's earnings, its investment policy, and balance sheet strength, as well as comparisons with peer companies in the same sector. BIC does not foresee a material change in this dividend distribution policy.

The Board of Directors will propose 1.80 euro of Ordinary Dividend per share for 2020 fiscal year at the Annual Shareholders' Meeting on May 19, 2021. The Dividend pay-out ratio was 69% in 2020.

The dividends paid for the last three fiscal years were as follows:

	Net ordinary dividend <i>(in euros)</i>	Net ordinary dividend divided by earnings per share* <i>(pay-out ratio)</i>
2020	2.45	69%
2019	3.45	63%
2018	3.45	91%

* Net ordinary dividend divided by Normalized earnings per share.

5.4. INVESTMENTS

PRINCIPAL INVESTMENTS OVER RECENT YEARS

Regarding industrial investments, BIC has organized its manufacturing activities in 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, we 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, after the signing of an agreement based on 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 that they had signed a definitive agreement whereby the Group acquired 40% of the Cello Writing Instrument business for 7.9 billion Indian rupees. As part of 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 to adjust to the slowdown of its markets. This initiative negatively impacted the full year 2009 IFO by 34.4 million euros. The impact on profit was partially offset by the negative goodwill related to the Antalis Promotional Products acquisition. The net impact was 24.1 million euros.

On April 27, 2011, BIC acquired Sologear LLC, maker of FlameDisk®, a portable heat source for grilling. 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 October 2012, BIC announced the launch of BIC® Education in France, a next-generation educational solution for primary schools.

In September 2013, BIC closed the acquisition of 40% of the last (7th) Stationery entity of the Cello group for a total amount of 3.7 billion Indian rupees (43.3 million euros)⁽¹⁾. On September 27, 2013, the Group announced that it had completed the purchase of shares pursuant to the call option, exercised on September 17, to increase its stake in Cello Pens' seven 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 in China. The total investment is around 14 million euros.

In July 2014, BIC completed the purchase of shares to increase its stake from 55% to 75% in Cello Pens' seven entities for 4.3 billion Indian rupees (approximately 53 million euros)⁽³⁾ after Cello group exercised its put option in March 2014, allowing it to sell 20% of Cello Pens to the Group.

In October 2015, BIC presented an investment project intended to modernize its industrial facilities in the North of France (Pas-de-Calais). Planned for a five-year period, the project includes an investment of 12 million euros to extend the production facility at Samer.

In December 2015, BIC increased its stake in Cello Pens to 100% for an amount of 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 the construction of a new writing instrument facility in Vapi (Gujarat state). The total investment in this project is around 28 million euros.

On December 31, 2018, BIC announced the transfer of Haco Industries Kenya Ltd. manufacturing facilities in Kenya and 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 in the world.

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.

(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).



On July 1, 2020 BIC announced the completion of the acquisition of Djeep. This acquisition aims at strengthening BIC's position in the pocket lighters market and offers substantial growth opportunities in Europe and North America.

On December 15, 2020, BIC signs agreement to sell Brazilian Adhesive Label business, PIMACO, to Grupo CCR, for 40 million

Brazilian Real. The closing was completed on the 26th of February, 2021.

On December 15, 2020 BIC acquires Rocketbook, the leading smart and reusable notebook brand in the U.S., entering the digital writing segment, a fast-growing market.

PRINCIPAL INVESTMENTS IN 2020

2020 Capex were 83.1 million euros.

In the **Stationery** category, major investments included:

- additional production capacity for BIC® 4-Color™ in Marne-la-Vallée (France);
- new plant investments in Nigeria and Bizerte (Tunisia).

In the **Lighter** category, we invested in new machines and molds to improve quality and productivity and accelerated investments in sustainable development.

In the **Shaver** category, major investments were related to New Products.

PRINCIPAL INVESTMENTS IN PROGRESS: GEOGRAPHIC DISTRIBUTION AND FINANCING METHODS

Not applicable.

PRINCIPAL FUTURE INVESTMENTS

Not applicable.



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6.1. CONSOLIDATED FINANCIAL STATEMENTS

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1. CONSOLIDATED INCOME STATEMENT

<i>(in thousand euros)</i>	Notes	December 31, 2019	December 31, 2020
Net sales	2-2	1,949,431	1,627,910
Cost of goods	4	(972,111)	(845,487)
Gross profit ^(a)		977,319	782,423
Distribution costs	4	(290,790)	(242,896)
Administrative expenses	4	(184,747)	(210,236)
Other operating expenses	4	(172,256)	(143,603)
Other income	5	18,307	51,007
Other expenses	5	(95,113)	(79,942)
Income from operations		252,721	156,753
Income from cash and cash equivalents	6	5,893	3,118
Net finance income/(Net finance costs)	6	(7,169)	(4,536)
Income before tax		251,445	155,335
Income tax expense	7	(75,350)	(61,611)
Net income from consolidated entities		176,095	93,724
Net income from continuing operations	8	176,095	93,724
Net income from discontinued operations		-	-
Consolidated income of which:		176,095	93,724
Non-controlling interests		-	-
Net income Group share	8	176,095	93,724
Earnings per share Group share <i>(in euros)</i>		3.91	2.08
Diluted earnings per share Group share <i>(in euros)</i> ^(b)		3.90	2.08

(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

<i>(in thousand euros)</i>	Notes	December 31, 2019	December 31, 2020
GROUP NET INCOME	A	176,095	93,724
OTHER COMPREHENSIVE INCOME			
Actuarial differences on post-employment benefits not recyclable to the income statement ^(a)		(8,092)	(13,823)
Deferred tax on actuarial differences on post-employment benefits		1,809	3,075
Other comprehensive income not recyclable to the income statement - Net of tax	B	(6,283)	(10,748)
Gain/(Loss) on cash flow hedge		872	23,347
Exchange differences arising on translation of overseas operations ^(b)		5,761	(142,303)
Equity instruments at fair value		5	3
Deferred tax and current tax recognized on other comprehensive income	7-2	1,805	(5,842)
Other comprehensive income recyclable to the income statement - Net of tax	C	8,442	(124,795)
TOTAL COMPREHENSIVE INCOME	D = A + B + C	178,254	(41,819)
Attributable to:			
• BIC Group		178,254	(41,819)
• Non-controlling interests		-	-
TOTAL		178,254	(41,819)

(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: Brazilian real -60.4 million euros, U.S. dollar -34.6 million euros, Mexican peso -18.5 million euros, Indian rupee -8.3 million euros, South African rand -3.9 million euros and Argentinian peso -3.3 million euros.

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

<i>(in thousand euros)</i>	Notes	December 31, 2019	December 31, 2020
Goodwill	10	203,705	243,829
Other intangible assets	11	53,978	65,997
Property, plant and equipment	9	713,488	613,374
Investment properties		1,656	1,454
Other non-current assets	12	41,781	23,695
Deferred tax assets	13	134,339	114,302
Derivative instruments	24-4, 24-5	220	976
Non-current assets		1,149,167	1,063,627
Inventories	14	455,644	379,021
Income tax advance payments		22,832	11,152
Trade and other receivables	14, 22-5	545,609	409,625
Other current assets		13,625	14,185
Derivative instruments	24-4, 24-5	2,698	26,081
Other current financial assets	20, 22-6	4,058	1
Cash and cash equivalents	20, 22-4	198,555	265,744
Current assets		1,243,021	1,105,809
TOTAL ASSETS		2,392,188	2,169,436



FINANCIAL STATEMENTS

Consolidated financial statements

Equity and liabilities

<i>(in thousand euros)</i>	Notes	December 31, 2019	December 31, 2020
Share capital	15-1	171,869	171,809
Reserves and retained earnings		1,436,213	1,284,399
Shareholders' equity Group share		1,608,082	1,456,208
Non-controlling interests		-	-
Shareholders' equity	SHEQ	1,608,082	1,456,208
Non-current borrowings	16, 22-6	32,331	27,985
Other non-current liabilities		6,261	12,707
Employee benefits obligation	18-3	179,059	122,964
Provisions	17	22,586	25,560
Deferred tax liabilities	13	55,374	60,914
Derivative instruments	24-4, 24-5	44	53
Non-current liabilities		295,655	250,183
Trade and other payables	14	126,403	99,470
Current borrowings	16	65,526	89,976
Current tax due		22,793	18,801
Other current liabilities	19	266,259	251,504
Derivative instruments	24-4, 24-5	7,470	3,294
Current liabilities		488,451	463,045
TOTAL EQUITY AND LIABILITIES		2,392,188	2,169,436

SHEQ: See consolidated statement of changes in equity.



4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(in thousand euros)</i>	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	Shareholders' equity Group share	Non-controlling interests	Shareholders' equity
At December 31, 2018		173,269	1,666,841	16,255	(94,948)	(118,943)	(4,347)	-	1,638,126	-	1,638,126
First application IFRIC 23 "Uncertainty over income tax treatments" impact		-	(12,850)	-	-	-	-	-	(12,850)	-	(12,850)
At January 1, 2019 restated		173,269	1,653,991	16,255	(94,948)	(118,943)	(4,347)	-	1,625,276	-	1,625,276
Dividends paid	21	-	(155,228)	-	-	-	-	-	(155,228)	-	(155,228)
Decrease in share capital ^(a)		(1,829)	(37,341)	-	-	-	-	-	(39,170)	-	(39,170)
Increase in share capital		-	-	-	-	-	-	-	-	-	-
Treasury shares		428	(1,283)	-	-	-	-	-	(855)	-	(855)
Recognition of share-based payments	23	-	-	(3,913)	-	-	-	-	(3,913)	-	(3,913)
Hyperinflation impact in Argentina		-	4,394	-	-	-	-	-	4,394	-	4,394
Other		-	(677)	-	-	-	-	-	(677)	-	(677)
Total transactions with Shareholders		(1,400)	(190,135)	(3,913)	-	-	-	-	(195,447)	-	(195,447)
Net income for the period		-	176,095	-	-	-	-	-	176,095	-	176,095
Other comprehensive income		-	2,244	-	(6,283)	5,761	438	-	2,159	-	2,159
Total comprehensive income		-	178,339	-	(6,283)	5,761	438	-	178,254	-	178,254
At December 31, 2019		171,869	1,642,195	12,342	(101,231)	(113,183)	(3,909)	-	1,608,082	-	1,608,082
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

(a) 136,383 shares have been cancelled during the year 2020.





5. CONSOLIDATED CASH FLOW STATEMENT

<i>(in thousand euros)</i>	Notes	December 31, 2019	December 31, 2020
Operating activities			
Net income Group share	IS	176,095	93,724
<i>Income and expense without cash impact:</i>			
Argentina hyperinflationary accounting		3,368	1,642
Depreciation and amortization of intangible and tangible assets and investment properties	2, 9-2, 11	117,596	115,154
Impairment loss on tangible and non tangible assets	9-2, 11	21,122	44,063
Goodwill impairment	10, 20 ^(a)	23,493	-
Subsidiaries acquisition costs			2,368
Provision for employee benefits	18	4,839	(26,828)
Other provisions (excluding provisions on current assets)	17	1,604	4,026
Unrealized foreign currency gain/loss	20 ^(b)	(4,166)	(3,814)
Hedging and derivative instruments		(667)	(5,353)
Option premium expense		899	888
Recognition of share-based payments	23, SHEQ	(3,913)	5,444
Deferred tax variation		(5,987)	2,697
(Gain)/Loss from disposal of fixed assets	5, 20 ^(c)	190	(128)
Cash flow from operations		334,475	233,885
(Increase)/Decrease in net working capital	14, 20 ^(d)	(21,104)	129,751
Payments related to employee benefits	18-2, 20 ^(e)	(13,284)	(16,317)
Financial expense/(income)		(937)	1,440
Income tax expense		81,336	58,915
Income tax paid		(63,241)	(50,028)
NET CASH FROM OPERATING ACTIVITIES		317,245	357,646
Investing activities			
Disposal of fixed assets	20 ^(c)	1,263	2,726
Purchases of property, plant and equipment	9-1, 20 ^(e)	(99,549)	(76,730)
Purchases of intangible assets	11, 20 ^(e)	(5,351)	(6,365)
(Increase)/Decrease in other investments		57	(211)
Purchase of other current financial assets	20 ^(h)	(7,769)	-
Sale of other current financial assets	20 ^(h)	16,777	3,861
Acquisition of subsidiaries	20 ⁽ⁱ⁾	(16,227)	(72,542)
NET CASH FROM INVESTING ACTIVITIES		(110,800)	(149,259)
Financing activities			
Dividends paid	SHEQ, 21, 20 ^(j)	(155,228)	(110,214)
Interest (paid)/received		931	(1,236)
Borrowings/(Repayments)	16, 20 ^(k)	2,855	77,237
Payments of obligations under leases	16	(17,554)	(18,865)
Purchase of financial instruments		(899)	(496)
Increase in treasury shares	20 ^(l)	(39,170)	(7,532)
Liquidity contract	20 ^(l)	(771)	-
NET CASH FROM FINANCING ACTIVITIES		(209,835)	(61,106)
Net cash variation		(3,390)	147,281
Opening cash and cash equivalents net of bank overdrafts	BS, 16, 22	149,795	146,846
Exchange difference		440	(29,394)
CLOSING CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	BS, 16, 22	146,845	264,733

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.



6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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SOCIÉTÉ BIC SA is a French public limited company (société anonyme), subject to all laws governing commercial companies in France, and particularly to the provisions of the French Commercial Code. The Company is headquartered at 14, rue Jeanne d'Asnières, 92110 Clichy and is listed on Euronext. The principal place of business is located at the same address.

The 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 2020 were approved by the Board of Directors' Meeting of February 16, 2021 and are submitted for approval to the Annual Shareholders' Meeting to be held on May 19, 2021.

1-1 Accounting policies

1-1-1 General policies

Pursuant to European regulation (EC) n° 1606/2002 of July 19, 2002 on 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, 2020.

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, there were no differences between the reference standards used and the standards adopted by the IASB, for which application is mandatory for the period presented.

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 remain unchanged compared to the prior year, except for the following policies, effective since January 1, 2020.

1-1-2 Adoption of new and revised IFRS, interpretations and amendments

Standards, interpretations and amendments effective for periods starting January 1, 2020

The following standards and amendments are effective since January 1, 2020 and have been applied to the consolidated financial statements for the period ended December 31, 2020:

- amendments to IAS 1 and IAS 8 – Definition of Material;
- amendments to References to the Conceptual Framework in IFRS Standards;
- amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform – Phase 1;
- amendments to IFRS 3 – Business combinations – Definition of a business;
- amendments to IFRS 16 – Leases – Covid-19 Related rent concessions.

Standards, interpretations and amendments with mandatory application after 2020 and adopted by the European Union

In 2020, the Group did not elect to early apply any standard, interpretation or amendment approved by the European Union.

Standards, interpretations and amendments issued with mandatory application after 2020 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: Classification of Liabilities as Current or Non-current;
- annual Improvements -2018-2020:
 - IFRS 1 – First IFRS application (Subsidiary as first adopter),
 - IFRS 9 – Financial Instruments (Fees included in the 10% test),
 - illustrative examples of IFRS 16 (Lease incentives);
- 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);
- amendments to IFRS 9, IAS 39 and IFRS 7 (Interest Rate Benchmark Reform – Phase 2).

Analysis on the practical consequences of these new amendments is in progress.

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 has to make estimates and assumptions that impact the financial statements and information reported 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 reduction 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 contract formulas or prices. 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 records 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.

Change in the consolidation scope

BIC announced on July 1, 2020 that it has completed the acquisition of Djeep for 36 million euros, and a deferred consideration based on Djeep future sales growth. This acquisition project aims at strengthening BIC's position in the pocket lighters market and offers substantial growth opportunities in Europe and North America.

This investment was fully consolidated in the financial statements as of December 31, 2020. This acquisition has been treated as a business combination.

A preliminary goodwill amounting 40.1 million euros has been determined based on the fair value of net assets of Djeep at the acquisition date. This amount is provisional as of December 31, 2020. The purchase price allocation was finalized as of December 31, 2020 and the preliminary goodwill was allocated to the assets as follows:

- the Djeep trademark amounting 0.4 million euros (see Note 11);

- the customer relationship amounting 11.5 million euros (see Note 11);
- the technology amounting 0.1 million euros;
- the step-up on tangible assets amounting 1.9 million euros;
- the related deferred tax liability amounting 3.6 million euros (see Note 13).

The goodwill amounts thus 29.9 million euros (see Note 10).

On December 15, 2020 BIC announced that it has completed the acquisition of Rocketbook for 44 million US dollars (37 million euros), and a deferred consideration based on Rocketbook's future performance.

This investment was fully consolidated in the financial statements as of December 31, 2020. This acquisition has been treated as a business combination.



A preliminary goodwill amounting 41.7 million US dollars (34 million euros as of December 31, 2020) has been determined based on the fair value of net assets of Rocketbook at the acquisition date. This amount is provisional as of December 31, 2020. The purchase price allocation was finalized as of December 31, 2020 and the preliminary goodwill was allocated to the assets as follows:

- the Rocket trademark amounting 14.8 million US dollars, i.e. 12.1 million euros as of December 31, 2020 (see note 11);
- the customer relationship amounting 0.8 million US dollars, i.e. 0.7 million euros as of December 31, 2020 (see note 11);
- the patent amounting 5.7 million US dollars, i.e. 4.6 million euros as of December 31, 2020 (see note 11);
- the related deferred tax liability amounting 6.4 million US dollars, i.e. 5.2 million euros as of December 31, 2020 (see note 13).

The goodwill amounts thus 26.8 million US dollars, i.e. 21.9 million euros as of December 31, 2020 (see note 10).

On December 15, 2020 – BIC announced that it has signed a Purchase and Sale Agreement to sell its Brazilian adhesive label business, PIMACO, to Grupo CCRR for 40 million Brazilian real (approximately 6.5 million euros). The transaction must be approved by the Brazilian antitrust authorities, and the closing is expected in the first quarter of 2021.

Given the immaterial nature of this disposal, we have not reclassified the assets and liabilities of PIMACO as assets and liabilities held for sale, nor have we restated the income statement and cash flow statement in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations".

1.3 Subsequent events

On February 11th, BIC has announced that it has signed with a subsidiary of BNP Paribas Real Estate and Citallios the final sale of its Clichy-La-Garenne-based (France) Headquarter and BIC Technologies sites for an amount of 175 million euros, representing approximately a 169 million euros gross capital gain.

NOTE 2 OPERATING SEGMENTS

Accounting policies

The core principle of IFRS 15 is that an entity recognizes 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:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract;
- recognize revenue when (or as) the entity satisfies a performance obligation.

The effects on the consolidated financial statements are limited and concern 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, BIC 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 reporting structure has been put in place starting in 2020.

The unallocated costs have been removed 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:

- net costs (balance of income and expenses):

- of Corporate headquarters including IT, finance, legal and HR costs,
- of shared services center;
- 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

All indicators are determined according to IFRS, except for:

- normalized income from operations, which is the income from operations 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.

(in million euros)	At December 31, 2019					At December 31, 2020						
	Stationery	Lighters	Shavers	Other Products	Unallocated costs	Total	Stationery	Lighters	Shavers	Other Products	Unallocated costs	Total
Income Statement												
• Net sales	774	679	463	33	-	1,949	576	618	404	30	-	1,628
• Depreciation and amortization	(33)	(25)	(35)	(25)	-	(118)	(34)	(26)	(33)	(21)	-	(115)
• Impairment loss	(44)	-	(1)	-	-	(45)	(42)	-	(2)	-	-	(44)
• Income from operations restated for unallocated costs	27	248	69	(4)	(87)	253	(31)	226	51	(5)	(84)	157
Restatements made to obtain normalized income from operations												
• Cello property plant & equipment and trademark impairment in 2020 / trademark and goodwill impairment in 2019	44	-	-	-	-	44	42	-	-	-	-	42
• Restructuring costs restated for unallocated costs	3	2	2	-	38	45	4	3	3	2	15	27
• Covid-19 impact	-	-	-	-	-	-	29	7	8	1	-	45
• Acquisition costs	-	-	-	-	-	-	2	-	-	-	-	2
• UK Pension	(7)	-	(3)	-	-	(10)	-	-	-	-	-	-
• U.S. Pension	-	-	-	-	-	-	(12)	(20)	(12)	-	-	(44)
• Normalized income from operations*	67	249	68	(3)	(49)	332	33	216	50	(2)	(68)	229

* Restated for unallocated costs

In 2020, some Covid-19 epidemic impacts have been considered as "non-recurring items" and are mainly related to:

- unfavorable manufacturing cost absorption due to abnormally low production volumes over the period as a result of plants closures or reduced demand for products directly linked to Covid-19, direct expenses related to employees protection (extract cleaning, masks, sanitizers) which impact the gross profit;
- commercial force under-activity which impacts other expenses.

The favorable adjustment related to the change in medical and pension regimes in the U.S. has also been considered as non-recurring items.



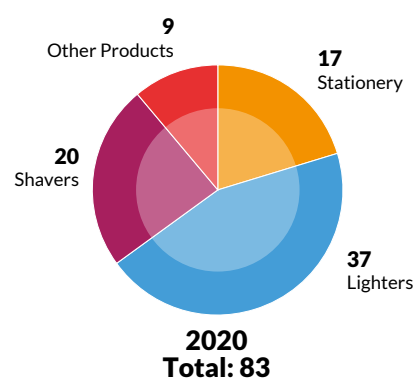
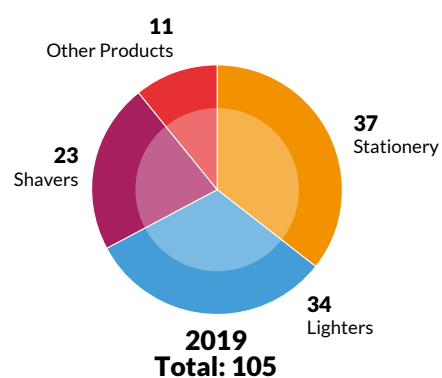
RECONCILIATION OF INCOME FROM OPERATIONS, RESTRUCTURING COSTS AND NORMALIZED INCOME FROM OPERATIONS OF 2019 FOLLOWING THE IMPLEMENTATION OF THE NEW STRUCTURE:

	Stationery	Lighters	Shavers	Other Products	Unallocated costs	Total
Income from operations as published (a)	(7)	218	47	(5)	-	253
Reclass (b)	34	30	22	1	(87)	-
Income from operations restated for unallocated costs (a) + (b)	27	248	69	(4)	(87)	253
Restructuring costs as published (a)	17	15	12	1	-	45
Reclass (b)	(14)	(13)	(10)	(1)	38	-
Restructuring costs restated for unallocated costs (a) + (b)	3	2	2	-	38	45
Normalized income from operations as published (a)	48	232	56	(4)	-	332
Reclass (b)	19	17	12	1	(49)	-
Normalized income from operations restated for unallocated costs (a) + (b)	67	249	68	(3)	(49)	332

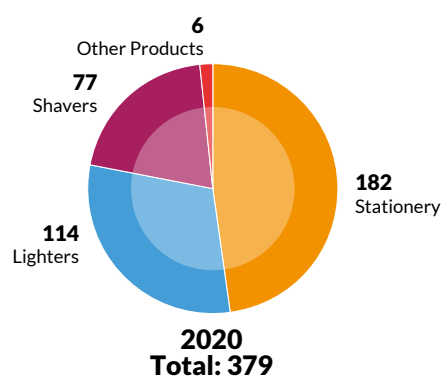
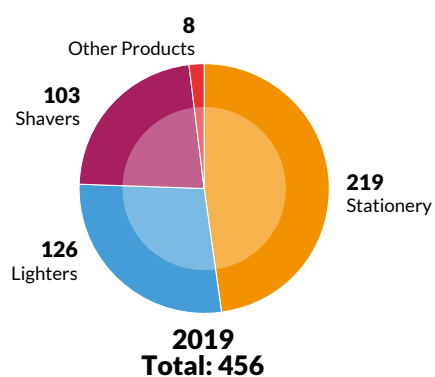
As of December 31, 2020, the Group had identified Walmart group as a major customer with which it realized more than 10% of its net sales over the period.

CAPITAL ADDITIONS

(in million euros)


NET INVENTORIES

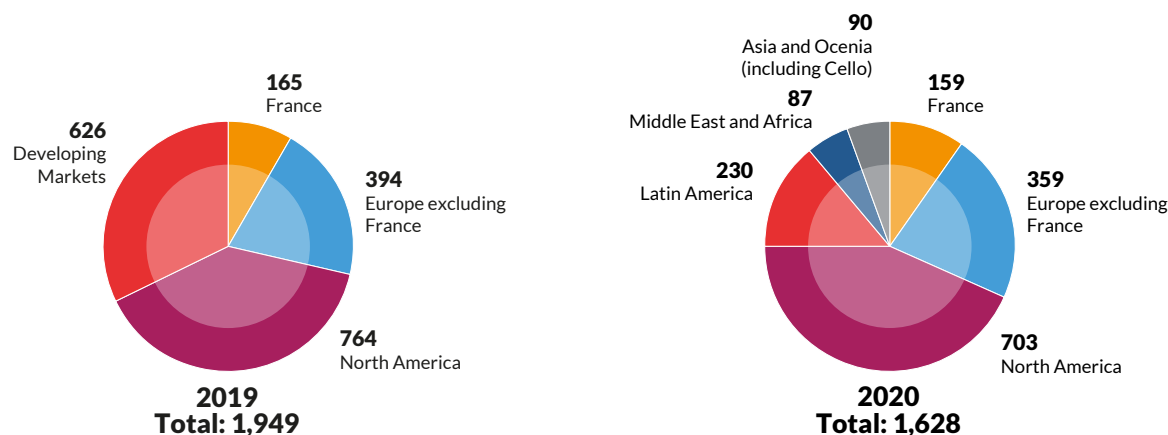
(in million euros)



2-3 Informations by geography

The geographies identified by the management are: France, Europe (excluding France), North America and Developing Markets.

NET SALES
(in million euros)

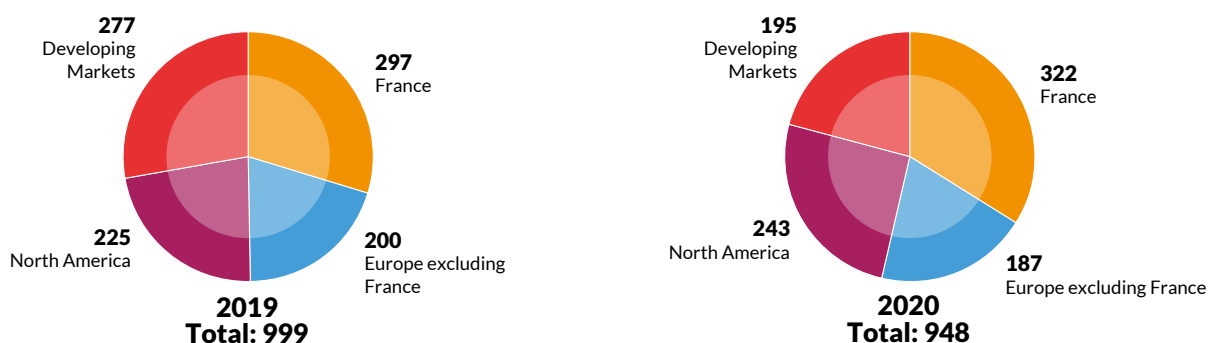


BIC's Net Sales breakdown by geography will now be presented to provide more visibility on the Group performance in Developing Markets and the breakdown for 2019 is as follows:

Latin America	366
Middle East and Africa	118
Asia and Oceania (including Cello)	142
Total	626

The Group may grant year-end rebates. These rebates are booked in net sales and amounted 91 million euros as of December, 31 2020 compared to 110 million euros as of December 31, 2019.

NON-CURRENT ASSETS ⁽¹⁾
(in million euros)



(1) Other than financial instruments (1.0 million euros in 2020 and 0.2 million euros in 2019), deferred tax assets (114.2 million euros in 2020 and 134.3 million euros in 2019).



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.
- In order 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. Such translation differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

The following table shows foreign currency equivalents of one euro (for instance: average 2020 is 1 euro = 1.14 U.S. dollars).

Foreign currency	Average 2019	Average 2020	December 31, 2019	December 31, 2020
	Euro	Euro	Euro	Euro
U.S. dollar - USD	1.12	1.14	1.12	1.23
Australian dollar - AUD	1.61	1.66	1.60	1.59
Canadian dollar - CAD	1.49	1.53	1.46	1.56
Swiss franc - CHF	1.11	1.07	1.09	1.08
Chinese renminbi - CNY	7.73	7.87	7.82	8.02
British pound - GBP	0.88	0.89	0.85	0.90
Hong Kong dollar - HKD	8.77	8.85	8.75	9.51
Indian rupee - INR	78.83	84.52	80.19	89.66
Japanese yen - JPY	121.99	121.73	121.94	126.49
Korean won - KRW	1,304.70	1,344.90	1,296.28	1,336.00
Malaysian ringgit - MYR	4.64	4.79	4.60	4.93
New Zealand dollar - NZD	1.70	1.76	1.67	1.70
Philippine peso - PHP	57.98	56.57	56.90	59.13
Polish zloty - PLN	4.30	4.44	4.26	4.56
Swedish krona - SEK	10.59	10.49	10.45	10.03
Kenyan Shilling - KES	114.35	121.31	113.91	133.76
Nigerian Naira - NGN	354.01	434.00	409.70	466.30
South African rand - ZAR	16.16	18.74	15.78	18.02
Argentinian peso - ARS	55.01	82.07	67.27	103.19
Brazilian real - BRL	4.41	5.88	4.52	6.37
Mexican peso - MXN	21.55	24.49	21.22	24.42
Ukrainian hryvnia - UAH	28.94	30.81	26.62	34.81
Russian ruble - RUB	72.42	82.48	69.96	91.47

To date, we do not see any significant impact attributable to Brexit. The British subsidiary of the BIC Group, 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 exchange rate of the British pound against the Euro is fully integrated into our foreign exchange risk management processes.

The exposure of our British perimeter amounts 13.6 million euros as of December 31, 2020.

As of December 31, 2020, Argentina is still considered a "hyperinflationary" country. As a result, the Group continues to apply IAS 29.

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.

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.

<i>(in thousand euros)</i>	December 31, 2019	December 31, 2020
Raw materials, consumables used and change in inventory	514,017	449,852
Staff costs	498,901	465,499
Depreciation and amortization expenses	117,650	115,144
Other operating expenses	475,695	412,284
Impairment loss on manufacturing equipment	(172)	(40)
Profit/(loss) on operational foreign currency translation	13,813	(2,917)
TOTAL	1,619,904	1,439,822

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 the year 2020 amounted to 24.2 million euros, versus 35.2 million euros in 2019.

They include the French research tax credit for 1.5 million euros, versus 1.4 million euros in 2019.

NOTE 5 OTHER INCOME AND EXPENSES

<i>(in thousand euros)</i>	December 31, 2019	December 31, 2020
Royalties income	142	95
Gain on disposal of fixed assets	-	128
UK future pension benefits modification	9,893	-
Favorable Pensions adjustment in the US	-	44,059
Other	8,463	6,726
Other income	18,307	51,007
Loss on disposal of fixed assets	(190)	-
Impairment on Property, Plant & Equipment and trademark - Cello	(44,265)	(41,729)
Other impairment	(523)	(2,374)
Cost reduction plans	(44,711)	(27,153)
Other	(5,613)	(8,686)
Other expenses	(95,113)	(79,942)
TOTAL	(76,806)	(28,935)

Other income and expenses incurred in 2020 mainly include:

- 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.

Other income and expenses incurred in 2019 mainly included:

- the restructuring costs amounting to 44.7 million euros related to deploying the second phase of the transformation plan announced on June 6, 2019;
- the additional Cello goodwill impairment along with the partial Cello trademark impairment for 44.3 million euros (see Notes 10 et 11); and
- the future pension benefits modification, positive adjustment of 9.9 million euros following the judgment in favor of BIC UK (see Note 18-4).

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.

<i>(in thousand euros)</i>	December 31, 2019	December 31, 2020
Interest income from cash and cash equivalents	2,843	1,728
Interest on bank deposits	3,050	1,390
Income from cash and cash equivalents	5,893	3,118
Interest expense	(3,264)	(3,204)
Cost of financial debt - IFRS 16	(1,696)	(1,352)
Argentina hyperinflation accounting - IAS 29	(5,547)	(3,266)
Net financial foreign exchange difference	3,339	3,285
Net finance income/(Net finance costs)	(7,169)	(4,536)
FINANCE (COSTS)/REVENUE	(1,276)	(1,418)

Financial income remained stable in 2020 compared to 2019. It comes from several factors:

- 2020 was less impacted by Argentina hyperinflation accounting than in 2019;
- income from cash and cash equivalents decreased compared to the previous period due to lower interest rates.

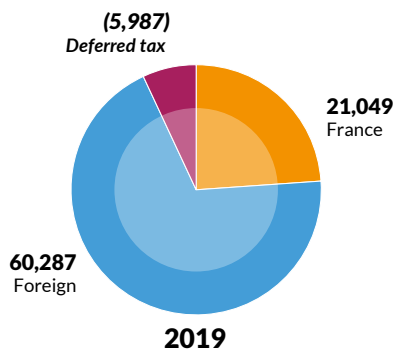
In fiscal year 2020, BIC Group has secured its access to short and medium-term liquidity through the implementation of a three-year, 200 million euro Revolving Credit Facility (R.C.F.) and a 200 million euro NeuCP program.

To date, the R.C.F. has not yet been drawn down, and NeuCP's outstanding balance amounts to 75 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.

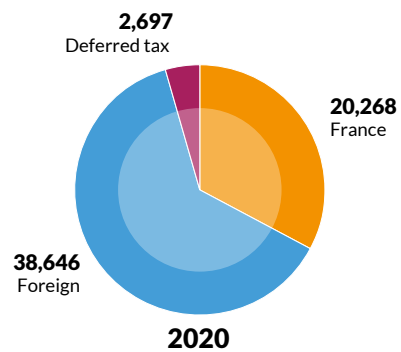


NOTE 7 INCOME TAX**Accounting policies**

- 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

**Income tax expense
Total: 75,350**



**Income tax expense
Total: 61,611**

The normal income tax rate in France is 32.02% (including social contributions) for the fiscal year 2020.

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. Thus one of the main elements of reconciliation is the effect of differences in tax rates. As of December 31, 2020, the main contributors are the U.S., United Kingdom, Greece, Spain, Slovakia and India. (As of December 31, 2019, the main contributors were the U.S., United Kingdom, Greece, Mexico, Spain and Slovakia.).

Reconciliation between theoretical income tax expense and effective income tax expense:

<i>(in thousand euros)</i>	December 31, 2019	December 31, 2020
Income before tax	251,445	155,336
Tax rate	34.43%	32.02%
Theoretical tax expense	86,572	49,739
Effects of:		
• differences in tax rates	(16,942)	(11,196)
• income taxed at reduced rate	(10)	(64)
• initial recognition exemptions	10,490	20,784
• intra-Group accruals eliminations	(3,588)	139
• tax assets not recognized on tax losses	6,135	6,663
• tax assets/liabilities not recognized on prior years	5,698	615
• tax assets recognized on prior year tax losses	327	71
• tax credits	(13,914)	(5,417)
• foreign exchange differences	582	277
INCOME TAX EXPENSE	75,350	61,611
EFFECTIVE TAX RATE	29.97%	39.66%

In addition, as of December 31, 2020, the BIC Group has 42 million euros of unrecognized deferred tax assets relating to unused tax losses, versus 40.0 million euros in 2019.

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:

December 31, 2020

<i>(in thousand euros)</i>	Other comprehensive income	Deferred taxes
Actuarial differences on defined-benefit plans (1)	(13,823)	3,075
Other comprehensive income (2)	(119,538)	(5,842)
<i>Cash flow hedge</i>	22,763	(6,775)
<i>Foreign exchange impact</i>	(142,303)	933
<i>Other</i>	3	-
TOTAL (1)+(2)	(133,361)	(2,767)

December 31, 2019

<i>(in thousand euros)</i>	Other comprehensive income	Deferred taxes
Actuarial differences on defined-benefit plans (1)	(8,092)	1,809
Other comprehensive income (2)	6,637	1,805
<i>Cash flow hedge</i>	872	(434)
<i>Foreign exchange impact</i>	5,761	2,239
<i>Other</i>	5	(1)
TOTAL (1)+(2)	(1,455)	3,614



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.

As of December 31, 2020, there are no shares with relative impact and the maximum dilutive effect from unvested free shares is around 0.3% of the share capital.

	December 31, 2019	December 31, 2020
Numerator (in thousand euros)		
Net income Group share from continuing operations	176,095	93,724
Denominator (in number of shares)		
Weighted average number of ordinary shares in circulation	45,056,076	44,975,070
Dilutive effect of free shares	118,637	148,265
Diluted weighted average number of ordinary shares in circulation	45,174,713	45,123,335
Earnings per share Group share from continuing operations (in euros)		
Earnings per share Group share from continuing operations	3.91	2.08
Diluted earnings per share Group share from continuing operations	3.90	2.08

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 operating 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 U.S. 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

<i>(in thousand euros)</i>	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, 2019	448,098	1,242,263	155,812	22,942	42,923	4,818	13,643	634	1,931,133
Acquisitions	2,503	19,893	84,389	1,459	10,706	102	3,497	4	122,553
Acquisition – Nigeria	-	449	-	388	-	-	-	-	837
Disposals/Write-offs	(1,902)	(24,354)	(736)	318	(1,396)	(118)	(1,389)	-	(29,577)
Constructions in progress put in use	18,425	71,566	(91,219)	1,228	-	-	-	-	-
Exchange differences	2,001	6,750	772	127	(427)	45	124	(4)	9,388
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 December 31, 2020	457,446	1,305,870	125,494	24,196	52,477	6,379	14,657	677	1,987,196

9-2 Property, plant and equipment – Depreciation and impairment loss

Accounting policies

- At each balance sheet date, the Group reviews 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.

<i>(in thousand euros)</i>	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, 2019	245,731	953,307	504	16,022	10,260	1,328	3,891	335	1,231,378
Amortization for the period	16,197	75,065	-	2,273	10,475	1,293	4,217	609	110,129
Impairment loss	-	350	-	-	-	-	-	-	350
Disposals/Write-offs	(2,159)	(22,608)	-	(537)	(831)	(129)	(1,017)	-	(27,281)
Constructions in progress put in use	-	(649)	5	614	-	18	12	-	-
Exchange differences	865	4,875	145	122	225	13	36	(11)	6,270
At January 1, 2020	260,634	1,010,340	654	18,494	20,129	2,523	7,139	933	1,320,846
Depreciation 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)
Transfer	2,529	(2,477)	(51)	-	-	(44)	-	43	-
Exchange differences	(10,194)	(42,739)	(1,322)	(844)	(1,506)	(157)	(651)	-	(57,413)
At December 31, 2020	265,459	1,027,197	25,987	17,164	23,923	3,677	8,967	1,449	1,373,823
NET VALUE									
At December 31, 2020	191,987	278,673	99,506	7,032	28,554	2,703	5,690	(772)	613,374
At December 31, 2019	208,491	306,227	148,364	7,968	31,677	2,324	8,737	(299)	713,489

As of December 31, 2020, the gross value of fully depreciated but still used property, plant and equipment is 745.9 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. Goodwill 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.

<i>(in thousand euros)</i>	Gross value	Impairment loss	Net value
At January 1, 2019	297,459	(87,301)	210,158
Nigeria acquisition	14,948	-	14,948
Argentina hyperinflation	118	-	118
Impairment loss – Cello	-	(23,493)	(23,493)
Exchange differences	1,212	762	1,974
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 December 31, 2020	342,552	(98,723)	243,829

The balance, as of December 31, 2020, includes the following principal net goodwill:

<i>(in thousand euros)</i>	December 31, 2019	December 31, 2020
BIC CORPORATION ^(a) – Stationery	52,691	49,168
BIC CORPORATION ^(a) – Lighters	41,871	38,819
BIC Violex	70,871	69,281
Kenya	5,675	4,852
Nigeria	14,724	12,937
Djeep	-	29,885
Rocketbook	-	21,851
Other ^(a)	17,874	17,037
TOTAL	203,705	243,829

(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	
	2019	2020	2019	2020
BIC CORPORATION				
Stationery	9.5%	8.5%	1.5%	1.5%
Lighters	9.2%	8.4%	1.5%	1.5%
Cello Pens	11.9%	14.7%	4.0%	3.4%
BIC Violex	13.1%	12.05%	1.9%	1.9%
Kenya	15.7%	18.7%	5.0%	6.0%
Nigeria	-	24.6%	-	8.1%
PIMACO	20.4%	22.9%	-1.5%	-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 Stationary 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.

As every year, as of June 30, 2020, 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.

Regarding the test performed on Cello Pens on June 30, 2020, the recoverable amount of the CGU is lower than its net carrying amount. On this basis, as goodwill was fully impaired as December 2019, the impairment was allocated to the other assets of the CGU prorated on the basis of the carrying amount of each asset in the unit. Thus, property, plant and equipment were impaired amounting 26.8 million euros and the trademark amounting 14.9 million euros. The impairment is explained due to the lower than anticipated sales resulting from lockdown, and lower volumes than initially expected, impacting the planned costs efficiencies.

In the last half of 2020, in light of Cello's unfavorable business environment, both in India and in its major export markets, the Group performed an additional impairment test on the Cello unit using the latest available long-term strategic plan, a pre-tax weighted average cost of capital (WACC) of 14.7% and a perpetual growth rate of 3.4%. This test did not lead to any additional impairment as of December 31, 2020.

Considering the impairment on part of the assets on the CGU Cello assets, 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 following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits. Among other things, the entity must demonstrate 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 availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its 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 profit 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.

<i>(in thousand euros)</i>	Software	Trademarks & patents	Research & development	Intangible assets in progress	Other	Total
GROSS VALUE						
At January 1, 2019	68,822	94,507	4,240	5,027	11,245	183,841
Acquisitions	1,179	223	-	3,943	40	5,537
Disposals/Write-offs	(288)	-	-	(143)	(12)	(594)
Constructions in progress put in use	2,030	(328)	-	(2,074)	373	-
Exchange differences	567	833	47	(38)	12	1,421
At January 1, 2020	72,311	95,235	4,287	6,715	11,657	190,205
Acquisitions	54	147	-	5,863	301	6,365
Djeep Acquisition	-	553	-	-	11,453	12,006
Rocketbook Acquisition	-	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 December 31, 2020	69,086	105,847	4,077	10,566	23,478	213,054

<i>(in thousand euros)</i>	Software	Trademarks & patents	Research & development	Intangible assets in progress	Other	Total
AMORTIZATION AND IMPAIRMENT LOSS						
At January 1, 2019	56,198	46,143	4,240	301	546	107,428
Amortization for the period	5,387	540	-	37	1,503	7,467
Impairment loss	-	20,772	-	-	-	20,772
Disposals/Write-offs	(349)	-	-	-	(12)	(361)
Exchange differences	337	519	47	15	3	921
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 transferts	302	-	-	(302)	-	-
Exchange differences	(3,454)	(4,577)	(210)	(55)	(323)	(8,619)
At December 31, 2020	61,809	77,602	4,077	-	3,569	147,057
NET VALUE						
At December 31, 2020	7,277	28,245	-	10,566	19,909	65,997
At December 31, 2019	10,738	27,261	-	6,362	9,617	53,978

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, the purchase price allocation was performed (see note 1). Intangible assets were identified amounting 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 are allocated to the cash-generating units constituted by the subsidiary Rocketbook.

The main trademarks booked in the balance sheet as of December 31, 2020 are the Rocketbook® trademark for 12.1 million euros, Pimaco® trademark for 2.7 million euros et Cello® trademark for 9.7 millions d'euros.

These trademarks have an infinite lifetime. For impairment test purposes, they are linked to the Rocketbook, PIMACO and Cello Pens subsidiaries' cash-generating units. With regard to the latter, an impairment was accounted as of June 30, 2020 amounting to 14.9 million euros and 21 million euros in 2019, as described in the note 10.



Other

In 2018, one marketing – related intangible asset was preliminary identified for a preliminary amount of 458.3 million Kenyan shillings (3.9 million euros at December 31, 2018) – This intangible asset was amortized over a three year-period. This asset was allocated to the Kenyan subsidiary cash-generating units (BIC East Africa). As of December 31, 2020, the net amount of this intangible asset represents 1.1 million euros.

Following the acquisition of Djeep, the purchase price allocation was performed (see note 1). Intangible assets were identified amounting 12.0 million at December 31, 2020, mainly customer relationships for an 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, 2020, the net amount of this asset was 11.0 million euros.

NOTE 12 OTHER NON-CURRENT ASSETS*(in thousand euros)*

	December 31, 2019	December 31, 2020
Guarantee deposits	4,391	4,265
Deferred pensions	15,471	555
Deferred compensation in the U.S. (other than pensions)	9,271	9,744
Other non-current assets	12,616	9,131
TOTAL	41,781	23,695

The decrease in deferred pensions is mainly explained by U.S. Salaried Pension asset movement to a liability position as of December 31, 2020.

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) if it is considered probable that the tax authorities will reject (accept) the position.

(in thousand euros)

	December 31, 2019	December 31, 2020
Deferred tax assets	134,339	114,302
Deferred tax liabilities	(55,374)	(60,914)
NET POSITION	78,966	53,388

The movement for the year in the Group's deferred tax position was as follows:

<i>(in thousand euros)</i>	Notes	December 31, 2020
At January 1, 2020		78,966
Deferred tax income/(expense) for the period	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)
At December 31, 2020		53,388

<i>(in thousand euros)</i>	Notes	December 31, 2019
At January 1, 2019		67,453
Deferred tax income/(expense) for the period ^(a)	CF	5,987
Booked in Shareholders' equity and other comprehensive income		3,342
Exchange differences		2,185
At December 31, 2019		78,966

(a) Including amounts booked for tax risks following the first application of IFRIC 23 as of January 1st, 2019.

Origin of deferred tax

<i>(in thousand euros)</i>	December 31, 2019	December 31, 2020
Pension and other employee benefits	37,534	29,351
Intra-Group profit elimination	23,807	22,489
Tax losses carried forward	164	126
Other temporary differences	49,933	38,325
Tax risks under IFRIC 23	(32,472)	(36,903)
NET DEFERRED TAX	78,966	53,388

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 uses the simplified method, thus a provision matrix based on its historical observed default rates over the expected remaining life of the trade receivables, which is adjusted for forward-looking estimates.
- Trade payables are initially measured at fair value.



(in thousand euros)	December 31, 2019	Cash flows impact Operating	Cash flows impact Investing ⁽¹⁾	Haco acquisition	Djeep acquisition	Rocketbook acquisition	Price adjustment and earn out clause Djeep & Rocketbook	Foreign exchange and other	December 31, 2020
Net inventory	455,644	(46,471)	-	-	2,723	3,060	-	(35,935)	379,021
• Inventory – Gross value	470,664	(45,486)	-	-	2,723	3,060	-	(36,343)	394,319
• Inventory – Impairment	(15,021)	(985)	-	-	-	-	-	708	(15,298)
Trade and other receivables	545,609	(100,735)	-	-	1,745	5,970	-	(42,964)	409,625
Trade and other payables	(126,403)	9,372	12,880	-	(853)	(890)	-	6,425	(99,470)
Other receivables and payables	(237,020)	8,084	-	2,721	(698)	(243)	(16,031)	12,004	(231,182)
NET WORKING CAPITAL	637,829	(129,751)	12,880	2,721	2,918	7,897	(16,031)	(60,470)	457,993

(1) Cash flows impact Investing includes capital additions cashed out in 2020 relating to 2019 and excludes 2020 capital additions not yet cashed out for a net amount of 12.9 million euros.

The working capital is used to finance the Group's operating cycle. Details of the elements used in the calculation are presented above.

NOTE 15 SHARE CAPITAL

15-1 Share capital

(in thousand euros)	December 31, 2019	December 31, 2020
Authorized, issued and fully paid-up share capital	173,933	173,412
Repurchase of shares of the Company	(2,064)	(1,603)
SHARE CAPITAL	171,869	171,809

As of December 31, 2020, the registered share capital of SOCIÉTÉ BIC was 173,412,173.74 euros divided into 45,395,857 shares of 3.82 euros each. Registered shares held for more than two years carry double voting rights.

In addition, SOCIÉTÉ BIC holds 419,524 treasury shares, acquired at an average price of 99.45 euros in accordance with Article L. 225-209 of the French Commercial Code, which represent 0.92% of the share capital.

The share capital breakdown is shown in section 7-3 - "Shareholding" of the Universal Reference Document.

15-2 SOCIÉTÉ BIC shares held in treasury stock and share repurchase program as of December 31, 2020

Purpose of the repurchase	Number of shares	Average acquisition price (in euros)	% of the share capital
Liquidity agreement ^(a)	37,706	47.74	0.08%
Free share grants ^(a)	381,818	104.56	0.84%
TOTAL	419,524	99.45	0.92%

(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, 2020, the liquidity account contained the following:

- 37,706 BIC shares;
- 784,476.95 euros.

At initial 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 20, 2020, to renew its share repurchase program (see 2019 Universal Registration Document, chapter 8, p. 285).

Number of shares purchased in 2020 ^(b)

• Share repurchase program authorized by the Annual Shareholders' Meeting held on May 22, 2019	136,383
• Share repurchase program authorized by the Annual Shareholders' Meeting held on May 20, 2020	-
Average share repurchase price for the purchases during the first half of 2020 (in euros)	53.90

(b) Excluding shares repurchased under the liquidity contract.

During the year 2020, SOCIÉTÉ BIC cancelled 136,383 shares.

To the best of the Company's knowledge, as of December 31, 2020, Shareholders holding 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, 2020	
	% of shares (approx.)	% of voting rights (approx.)
SOCIÉTÉ M.B.D.	28.35%	38.33%
Bich family	17.20%	23.21%

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, 2019	7,738	-	1,174	3	13,668	32,028	54,610
Cash Flows	44,040	-	(33)	2,888	(16,487)	(1,068)	29,341
"Non cash" changes	(69)	-	17	6	15,478	(1,526)	13,905
• Changes in lease liabilities	-	-	-	-	15,551	(1,242)	14,309
• Exchange difference	(69)	-	17	6	(73)	(284)	(404)
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 December 31, 2020	1,011	75,000	1,174	4,710	12,792	23,275	117,961

Bank overdrafts are due within one year.



Bank loans and financial liabilities have the following maturities:

<i>(in thousand euros)</i>	December 31, 2019	December 31, 2020
On demand or within one year	1,157	76,174
In the 2 nd year	-	-
In the 3 rd year	-	-
In the 4 th year	-	4,710
In the 5 th year	2,897	-
After five years	-	-
TOTAL	4,054	80,884

Main bank loans/credit lines and financial liabilities are as follows:

Borrowing country		Euro equivalents	
<i>(in thousand euros)</i>	Currency	December 31, 2019	December 31, 2020
• France	EUR	-	75,000
• Turkey	TRY	-	1,042
• Kenya	KES	2,897	4,710
• South Korea	KRW	1,157	-
• Other		-	132
TOTAL		4,054	80,884

Information on interest rates

As of December 31, 2020, outstanding loans and credit lines were contracted with floating rates ranging between 11.5% and 14%.

The borrowings indicated for France consist exclusively of NeuCP issues, which were issued on average at -0.05%.

Relative exposure, deemed not significant, has not been hedged.

Information on covenants

None of the loans contains any covenant that could trigger early repayment of the debt.

The BIC Group 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.

Expected total lease payments, in million euros:

2021	14.8
2022	11.1
2023	7.6
2024	6.8
2025	5.5
Beyond 2025	21.4

The term used at the transition date is the residual term of the contracts.

Lease payment under IFRS 16 in 2020

Lease payments in 2020 in respect of leases falling within the scope of IFRS 16 for an amount of 17 million euros break down as follows:

- Depreciation: 15.6 million euros;
- Interest: 1.4 million euros.

Cash Flows for future years

The Group is expected to pay 14.8 million euros in 2021.

NOTE 17 PROVISIONS

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 are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

<i>(in thousand euros)</i>	Tax and social risks and litigation	Litigation	Product liability	Other risks and charges	Total
At January 1, 2019	5,907	13,136	1,205	3,329	23,577
Additional provisions	1,942	2,509	(3)	5,289	9,737
Reversals of provisions utilized	(2,267)	(552)	-	(610)	(3,429)
Reversals of provisions not utilized	(234)	(3,152)	(900)	(422)	(4,708)
Exchange differences	(718)	(594)	37	(316)	(1,591)
Reclassification	389	(389)	-	(1,000)	(1,000)
At January 1, 2020	5,019	10,958	339	6,270	22,586
Acquisition of subsidiaries - 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 December 31, 2020	3,845	13,375	311	8,029	25,560

As of December 31, 2020, it was not deemed necessary to book provisions for the risks described in Part 1 - "Group Presentation" of the Universal Registration Document that could affect:

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

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.

Litigation

As of December 31, 2020, the litigation provision mainly represents distributor and commercial agent risks for 1.9 million euros (2.6 million euros as at December 31, 2019).

Other risks and charges

As of December 31, 2020, other provisions for risks and charges are mainly related to the restructuring provisions for an amount of 4.9 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

Beneficiaries hired prior to 2007 accrue retirement benefits under an average reference salary formula that reflects years of service and includes Social Security retirement benefits. 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.

Employees hired after 2006 accrue benefits under a Cash Balance Arrangement. 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 funding requirements under U.S. law.

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 (FAE) will be 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 18% U.S. equity, 4% global low volatility equity, 18% non-U.S. equity, and 60% 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 (45.50 U.S. dollars per month for 2018, 46.25 U.S. dollars per month for 2019 and 47.00 U.S. dollars per month from December 31, 2019 and 47.25 U.S. dollars per month from January 1, 2021).

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 minimum funding requirements under U.S. law.

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 9% U.S. equity, 2% global low volatility equity, 9% non-U.S. equity, and 80% fixed income.

c) Salaried Retiree Medical and Life Insurance Plan

Employees hired prior to 2007 are eligible to receive medical coverage if they are at least age 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, will receive 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. 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 receive 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 12,000 U.S. dollars for employees who retire on or after December 1, 2017, which will increase by 500 U.S. dollars on December 1, 2019.

The Plan does not have any assets.

• In the United Kingdom

There is a closed defined-benefit plan for 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

Retirement indemnities are mandatory in France. The rights granted (expressed in months of salary) are determined by the national collective agreement for companies and on the employee's seniority at retirement date. The benefit payment is subject to the employee working for the Company when he/she retires.

The defined-benefit supplementary pension plan provides a percentage of the final salary for each year of service to senior managers working for BIC's French companies. There is a ceiling applied to the pension benefits. 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 will be sufficient to 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

<i>(in thousand euros)</i>	Pension	Including U.S. Pension	Other employee benefits	Including U.S. other employee benefits	Total employee benefits	Including total U.S. employee benefits
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 AT 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 AT DECEMBER 31, 2019	55,717	6,649	107,871	107,428	163,588	114,077

(in thousand euros)	Pension	Including U.S. Pension	Other employee benefits	Including U.S. other employee benefits	Total employee benefits	Including total U.S. employee benefits
PRESENT VALUE OF OBLIGATION						
At January 1, 2019	469,464	352,015	88,663	87,750	558,127	439,766
Period costs:	15,775	20,241	4,955	5,381	20,730	25,622
• Current service costs	9,540	5,784	1,252	1,574	10,792	7,358
• Past service costs (including curtailment)	(11,443)	13	-	-	(11,443)	13
• Settlement	276	-	(104)	-	172	-
• Interest costs	17,403	14,445	3,807	3,807	21,210	18,251
Benefits paid	(26,313)	(20,173)	(3,091)	(3,021)	(29,404)	(23,194)
Actuarial difference on gross obligation	60,266	44,850	15,659	15,649	75,925	60,499
• Financial assumptions	64,055	49,130	14,805	14,813	78,860	63,943
• Demographic assumptions	(3,789)	(4,280)	854	835	(2,935)	(3,445)
Taxes paid included in DBO	(10)	-	-	-	(10)	-
Contributions paid	7	-	-	-	7	-
Administrative expenses	(4)	-	-	-	(4)	-
Exchange differences	11,139	6,887	1,685	1,669	12,825	8,555
At December 31, 2019	A 530,325	403,821	107,871	107,428	638,196	511,249
FAIR VALUE OF PLAN ASSETS						
At January 1, 2019	397,240	329,084	-	-	397,240	329,084
Total period income:	15,891	13,729	-	-	15,891	13,729
• Interest income	15,891	13,729	-	-	15,891	13,729
• Curtailment and settlement	-	-	-	-	-	-
Benefits paid	(23,729)	(20,173)	(3,021)	(3,021)	(26,749)	(23,194)
Contributions paid by participants	(3)	-	-	-	(3)	-
Contributions paid by employer	8,613	5,850	3,021	3,021	11,634	8,871
Taxes paid from plan assets	(10)	-	-	-	(10)	-
Administrative expenses	(1,007)	(919)	-	-	(1,007)	(919)
Return on assets (excluding interest income)	67,792	63,268	-	-	67,792	63,268
Exchange differences	9,821	6,334	-	-	9,821	6,334
At December 31, 2019	B 474,608	397,172	-	-	474,608	397,172
NET LIABILITY IN THE BALANCE SHEET AS OF AT DECEMBER 31, 2019	C = A-B 55,717	6,649	107,871	107,428	163,588	114,077
NET LIABILITY IN THE BALANCE SHEET AS OF AT DECEMBER 31, 2018	72,224	22,932	88,663	87,750	160,887	110,682



18-3 Funded/unfunded obligations

<i>(in thousand euros)</i>	Notes	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	12.18-7	-	-	555
• Liabilities	18-7	-	-	122,964

<i>(in thousand euros)</i>	Pension	Other employee benefits	Total
At December 31, 2019			
Amount of funded obligations	516,329	39	516,368
Fair value of plan assets	(474,608)	-	(474,608)
Surplus of obligation over assets	41,721	39	41,760
Fair value of unfunded obligations	13,996	107,832	121,828
Net value in the balance sheet	55,718	107,871	163,588
• Assets	-	-	15,471
• Liabilities	-	-	179,059

18-4 Period costs

<i>(in thousand euros)</i>	December 31, 2019	December 31, 2020
Current service costs	10,792	11,972
Past service costs (including plan curtailment)	(11,443)	(42,868)
Settlement	172	470
Net interest costs	5,319	3,598
TOTAL PERIOD COSTS	4,839	(26,828)

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").

In 2019, BIC UK received a judgement in their favour from the Court of Appeal which ruled that certain future benefits will no longer have to be paid (certain components of the pension increases paid and included in the individual contracts not being deemed valid).

The Group considered this event as a modification of the original contract and treated it as a (negative) past service cost.

18-5 Additional information

Nature of plan assets

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%

December 31, 2020 (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	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%

December 31, 2019 (in thousand euros)	Fair value of plan assets		Including fair value of plan assets with a quoted price on an active market	
Equity	190,854	40.2%	190,854	40.2%
Bonds and other fixed income	252,837	53.3%	252,837	53.3%
Cash and cash equivalents	3,639	0.8%	3,639	0.8%
Real Estate	25,820	5.4%	25,820	5.4%
Assets held by insurance companies	1,471	0.3%	1,471	0.3%
Other	-	-	-	-
TOTAL	474,608	100%	474,608	100%

December 31, 2019 (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	177,106	44.6%	177,106	44.6%
Bonds and other fixed income	217,211	54.7%	217,211	54.7%
Cash and cash equivalents	2,855	0.7%	2,855	0.7%
TOTAL	397,172	100%	397,172	100%

18-6 Actuarial assumptions for main countries

Actuarial assumptions used to calculate the benefit obligations vary according to the economic conditions of the country in which the plan is located. 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, 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



At December 31, 2019	United States	United Kingdom	France
Discount rate	3.21%	2.00%	0.75%
Inflation rate	2.50%	3.35%	1.50%
Expected rate of salary increases	3.60%	N/A	1.75%
Average plan duration (years)	13.9	18.0	12.8

The discount rates for our U.S. and UK retirement plans were developed using the Mercer Pension Discount Yield Curve, which is built from the yields of high quality (AA) corporate bonds. For our other international plans, the discount rates were set by benchmarking against corporate bonds 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 1.56% to 2.57%).

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, respectively, -12.56% and +15.37% in the obligations. This change would not, however, fully impact the Group 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.;
- +4.91% and -5.05% 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 9.5 million euros in employer contributions for 2021.

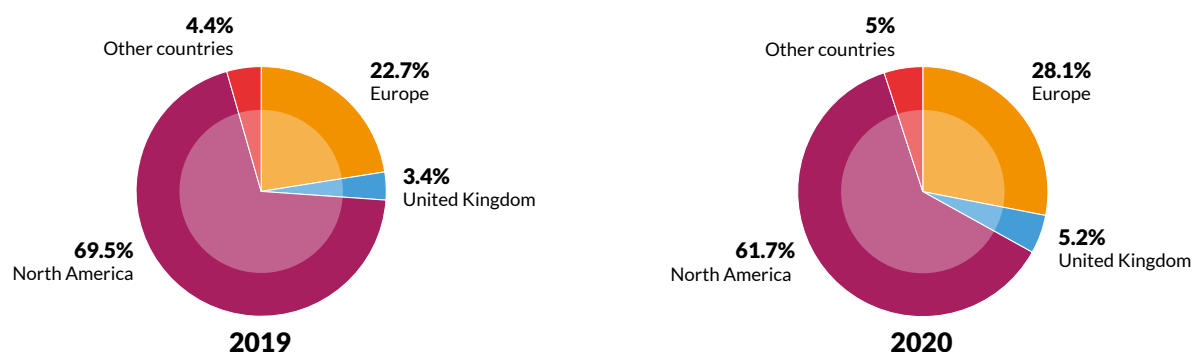
The expected total benefit payments, in million euros, is:

2021	32
2022	38
2023	31
2024	32
2025	32
Beyond 2025	166

18-7 Information by geography

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%

At December 31, 2019 (in thousand euros)	Obligation		Plan assets		Net liability	
Europe	46,732	7.3%	9,528	2.0%	37,204	22.7%
United Kingdom	47,253	7.4%	41,685	8.8%	5,569	3.4%
North America	536,665	84.1%	423,069	89.1%	113,595	69.5%
Other countries	7,546	1.2%	326	0.1%	7,220	4.4%
TOTAL	638,196	100%	474,608	100%	163,588	100%



For plans located in North America and Europe (mainly the United Kingdom), plan assets levels as of December 31, 2020 comply with minimum funding obligations, as legally or contractually defined.

NOTE 19 OTHER CURRENT LIABILITIES

(in thousand euros)

	December 31, 2019	December 31, 2020
Social liabilities	92,758	86,766
Other tax liabilities	12,019	10,132
Accrued Business Development Fund	80,497	75,516
Provision for Restructuring	26,368	17,252
Other current liabilities	54,616	61,512
OTHER CURRENT LIABILITIES	266,259	251,178

NOTE 20 COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT

References from (a) to (l) refer to the Consolidated Cash Flow Statement on page 216.

As of December 31, 2020 cash and cash equivalents amounted to 265.7 million euros and bank overdrafts to 1.0 million euros.

Net cash from operating activities

2020 net cash from operating activities amounted to 357.6 million euros, compared to 317.2 million euros during 2019.

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).

There was no individually significant disposal of fixed assets during 2019 and 2020 ^(c).

The working capital (see Note 14 for the definition) decrease amounted to 129.7 million euros compared to an increase, during 2019, of 21.1 million euros. The 2020 variance is mainly explained by a decrease in trade receivables and inventories ^(d).

The 2019 variance was mainly explained by a decrease in trade payables ^(d).

The payments related to employee benefits were mainly driven by the U.S. ^(e).



Net cash from investing activities

Net cash from investing activities amounted to -149.3 million euros during 2020 compared to -110.8 million euros during 2019.

During the years 2020 and 2019, there was no disposal of individually significant fixed assets ^(c).

During 2020, the BIC Group disbursed 83.1 million euros on property, plant and equipment and intangible assets (including 12.9 millions euros related to the change in fixed asset supplier accounts) ^(e) compared to 104.9 million euros in 2019 (including -8.7 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 ^(e).

An additional amount of 2.7 million euros related to the acquisition of Haco Industries Kenya has been disbursed in 2020 ^(f).

A net disbursement of 35.3 million euros was done beginning of July for the acquisition of Djeeep, representing the purchase price net of cash and cash equivalents of the entity and related costs.

A net disbursement of 34.5 million euros was done in December for the acquisition of Rocketbook. This amount represents the purchase price net of cash and cash equivalents of the entity and related costs.

“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 -61.1 million euros during 2020 compared to -209.8 million euros in 2019.

The dividends paid represent the dividends paid by SOCIÉTÉ BIC to its Shareholders (see Note 21) ⁽ⁱ⁾.

As of December 31, 2020, new borrowings amounted to 77.2 million euros, compared to 2.9 million euros in 2019 ^(k). They are short-term financing (Negotiable European Commercial Paper for 75 million euros).

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).

In 2019, 478,667 shares were repurchased by SOCIÉTÉ BIC for 39.2 million euros. Under the liquidity agreement, SOCIÉTÉ BIC bought 304,728 shares for 20.5 million euros, and sold 287,373 shares for 19.2 million euros. Moreover, in early 2019, SOCIÉTÉ BIC received 0.5 million euros related to stock options exercised at the end of 2018 ^(l).

NOTE 21 DIVIDENDS

For the 2019 fiscal year, an ordinary dividend of 2.45 euros per share was distributed to Shareholders on June 3, 2020.

For the 2018 fiscal year, an ordinary dividend of 3.45 euros per share was distributed to Shareholders on June 5, 2019.

NOTE 22 EXPOSURE TO MARKET RISKS**22-1 Counterparty 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, 2020 is on investment grade-rated supports. Counterparty risk is estimated not significant as of December 31, 2020.

22-2 Foreign exchange risk

See Note 23-2.

22-3 Interest rate risk

See Note 23-3.

22-4 Liquidity risk

The BIC 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 for capital security 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.

All investments are valued mark-to-market 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, 2020, total investments managed by Group Treasury amounted to 50.77 million euros, divided between three positions. 10 million of this is a term account with monthly renewal and 40.77 million in units of two dollar-denominated money market funds classified as "Cash and Cash Equivalent".

It should be pointed out that in view of the negative interest rates currently being paid on short-term investments in euros, it makes sense to keep cash on hand simply in a bank account. Indeed, thanks to a regular dialogue and a good management of the allocation of its surpluses between its historical banks, to date the company has not been taxed on its excess cash on current accounts.

As previously mentioned in Note 6, BIC Group has also lowered its liquidity risk by setting up a confirmed credit line of 200 million euro for a period of three years, which secures a NeuCP program of 200 million euro, also with an initial issuance in September 2020. The market has been very favorable to the BIC Group's entry into this short-term debt segment.

<i>(in thousand euros)</i>	December 31, 2019	December 31, 2020
Cash equivalents: marketable securities	50,391	118,206
Cash	148,165	147,537
CASH AND CASH EQUIVALENTS, EXCLUDING BANK OVERDRAFTS	198,555	265,744

22-5 Credit risk

<i>(in thousand euros)</i>	Note	December 31, 2019	December 31, 2020
Gross trade receivables			
Not yet due or past due for less than 60 days		460,024	318,508
Past due for 60 to 90 days		11,773	8,131
Past due for 90 to 120 days		9,798	6,690
Past due for more than 120 days		33,753	28,990
Total gross trade receivables		515,348	362,319
Doubtful receivables		12,679	13,711
Total before allowance (A)		528,026	376,030
Allowance on trade receivables not yet due or past due for less than 60 days		(5,215)	(6,171)
Allowance on trade receivables past due for 60 to 90 days		(256)	(127)
Allowance on trade receivables past due for 90 to 120 days		(353)	(340)
Allowance on trade receivables past due for more than 120 days		(22,822)	(24,371)
Total allowance (B)		(28,649)	(31,050)
<i>Allowance on specific trade receivables</i>		(23,840)	(25,142)
<i>Allowance on statistically calculated trade receivables</i>		(4,809)	(5,908)
Other receivables (C)		46,232	64,644
TRADE AND OTHER RECEIVABLES - NET (A)+(B)+(C)	11	545,609	409,625



22-6 Fair value of financial assets and liabilities

Accounting categories and fair value of financial instruments

December 31, 2020

Breakdown by category of instruments

Balance sheet items (in thousand euros)	Note	Balance sheet value		Breakdown by category of instruments				
		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								
• Derivative 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	-

December 31, 2019		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		751,172	751,172	68,234	2,918	680,020	-	-
Non-current								
• Derivatives financial instruments	24	220	220	-	220	-	-	-
• Other investments		33	33	33	-	-	-	-
Current								
• Trade and other receivables	14	545,609	545,609	13,753	-	531,856	-	-
• Derivative financial instruments	24	2,698	2,698	-	2,698	-	-	-
• Other current financial assets		4,058	4,058	4,058	-	-	-	-
• Cash and cash equivalents		198,555	198,555	50,391	-	148,165	-	-
Financial liabilities		231,774	231,774	-	7,514	-	224,261	-
Non-current								
• Borrowings	16	32,331	32,331	-	-	-	32,331	-
• Derivative instruments	24	44	44	-	44	-	-	-
Current								
• Borrowings	16	65,526	65,526	-	-	-	65,526	-
• Derivative instruments	24	7,470	7,470	-	7,470	-	-	-
• Trade and other payables	14	126,403	126,403	-	-	-	126,403	-

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, 2020.
- Derivative financial instruments:
Market values are either those of the financial institutions or have been calculated by an external third-party on the basis of the last known closing prices as of December 31, 2020. 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, 2020.

Category of instruments (in thousand euros)	December 31, 2020			
	Total	Level 1	Level 2	Level 3
At fair value through the income statement – Assets	128,509	128,509	-	-
Derivative hedges – Assets	27,057	-	27,057	-
Derivative hedges – Liabilities	3,347	-	3,347	-



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, 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)	-

At December 31, 2019		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)	937	2,845	-	3,052	(4,960)	-
Revaluation at fair value	-	-	-	-	-	-
Translation	(7,495)	-	-	-	(7,495)	-
Net depreciation	(2,646)	-	-	-	(2,646)	-
TOTAL	(9,204)	2,845	-	3,052	(15,101)	-

NOTE 23 SHARE BASED PAYMENTS

The Group issues shares and stock options to certain employees as compensation 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", line "staff costs" and in the lines of the income statement presented by functions).

23-1 Free share allocations with performance conditions

From 2005, exercising the power placed at its disposal by successive Annual Shareholders' Meetings, the Board of Directors resolved, upon the recommendation of the Compensation and Nomination Committee, to put in place a policy of free share awards subject to three-year performance conditions.

The shares to be delivered by the current plans are existing shares.

For plans n° 1 to 5, shares are granted either by SOCIÉTÉ BIC or BIC CORPORATION. Shares granted by SOCIÉTÉ BIC are delivered to the beneficiaries at the definitive grant date. Beneficiaries must hold the shares during an additional period of three years.

For U.S. tax reasons, the shares granted by BIC CORPORATION will only be delivered at the conclusion of a three-year period following the definitive grant date. As a compensation for dividends not received between the conclusion of the vesting period and the actual date of delivery, additional shares will be delivered at that time.

For plans n° 6 to 12, shares are only granted by SOCIÉTÉ BIC. For French tax resident beneficiaries, shares are delivered at the definitive grant date.

For foreign tax resident beneficiaries, shares are delivered at the conclusion of a three-year period following the definitive grant date. For plans n° 6 and 7, as compensation for dividends not received between the conclusion of the vesting period and the actual date of delivery, additional shares will be delivered at that time. From Plan n° 8, this compensation system by delivery of shares has been terminated and is replaced by a cash compensation system.

From Plan n° 13, shares still granted by SOCIÉTÉ BIC are delivered to the beneficiaries at the definitive grant date. The cash compensation system has been terminated.

	Plan No. 14	Plan No. 15	Plan No. 16
Annual Shareholders' Meeting date	May 16, 2018	May 16, 2018	May 20, 2020
Board of Directors' Meeting date	May 16, 2018	February 12, 2019	February 11, 2020
Grant	M	M	M
Number of beneficiaries	499	497	501
Number of free shares granted	170,720	162,025	234,118
Definitive grant date	May 16, 2021	February 12, 2022	March 31, 2023
Number of share grants definitively acquired at December 31, 2020	-	-	-
Of which number of shares transferred or to be transferred to beneficiaries by:			
• SOCIÉTÉ BIC	-	-	-
• BIC CORPORATION	N/A	N/A	N/A
Delivery date of the shares by:			
• SOCIÉTÉ BIC			
• <i>French beneficiaries</i>	May 16, 2021	February 12, 2022	March 31, 2023
• <i>Foreign beneficiaries</i>	May 16, 2021	February 12, 2022	March 31, 2023
• BIC CORPORATION	N/A	N/A	N/A
Shares delivered by BIC CORPORATION as a compensation for dividends not received	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
Total number of free share grants void as of December 31, 2020 ^(a)	114,518	102,429	26,942
Total number of free share grants vesting as of December 31, 2020	56,202	59,596	207,176

(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

Grant date	Plans' unit fair value (in euros)		Expense/(income) booked in income statement (in thousand euros)	
	Main grant	Secondary grant	December 31, 2019	December 31, 2020
May 18, 2016	110	N/A	(3,104)	-
Feb. 10, 2017	109	N/A	(5,497)	-
May 16, 2018	77	N/A	543	1,088
Feb. 12, 2019	81.14	N/A	2,058	660
Feb. 11, 2020	58.30	N/A	-	3,034
TOTAL			(5,999)	4,782

The fair value of the free shares is the share price at the grant date adjusted for the present value of potential future dividends.

23-2 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.

For plans n° F5 F7, F8 & F9, the shares are delivered by SOCIÉTÉ BIC at the definitive grant date, whether the beneficiaries are French or foreign country tax residents. These plans provide for the allocation of existing shares.

	Plan n° F5	Plan n° F6	Plan n° F7	Plan n° F8	Plan n° F9
Annual Shareholders' Meeting date	May 18, 2016	May 18, 2016	May 16, 2018	May 16, 2018	May 20, 2020
Board of Directors' Meeting date	May 18, 2016	Feb. 10, 2017	May 16, 2018	Feb. 12, 2019	Feb. 11, 2020
Number of beneficiaries	258	271	244	238	242
Number of free shares granted	20,750	17,100	30,500	17,550	30,613
Definitive grant date	May 18, 2020	March 31, 2020	May 16, 2021	March 31, 2022	March 31, 2023
Number of free share grants definitively acquired at December 31, 2020	12,950	11,950	-	-	-
Total number of free share grants void at December 31, 2020 ^(a)	7,800	5,150	10,950	3,100	1,814
Total number of free share grants still vesting at December 31, 2020	-	-	19,550	14,450	28,799

(a) These free share grants were void due to beneficiaries leaving the Company.

Estimated fair value of shares granted and impact on the income statement

GRANT DATE	Plans' unit fair value binomial model (in euros)	Expense/(income) booked in income statement (in thousand euros)	
		December 31, 2019	December 31, 2020
Feb. 10, 2015	111.49	(169)	-
May. 18, 2016	109.85	549	(360)
Feb. 10, 2017	109.05	619	169
May. 16, 2018	76.78	733	125
Feb. 12, 2019	81.14	354	306
Feb. 11, 2020	58.30	-	422
TOTAL		2,086	663

As of December 31, 2020, the total fair value of options and shares granted amounts to 5.4 million euros.

NOTE 24 FINANCIAL INSTRUMENTS

Accounting 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 amortised 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 implementation 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

Interest-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 foreign currency forward contracts and currency options) to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Group designates these 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 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 stops 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 is to hedge 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 the BIC Group, 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, SOCIÉTÉ BIC has 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 SOCIÉTÉ 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.

This 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 US 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 SOCIÉTÉ BIC through foreign liquidity management.

24-3 Interest rate risk

As of December 31, 2020, the only significant debt was represented by the 75 million euros outstanding NeuCP issue. 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, 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 qualification/hedged risk	Net financial Income/(expense) before tax ^(a) - Note 6	Income from operations - Note 4	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/Foreign exchange 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 mark-to-market of hedging instruments in the portfolio at December 31, 2020 restated for the reversal of the mark-to-market of the portfolio of hedging instruments as of December 31, 2019.

(b) Including options not yet exercised held by SOCIÉTÉ BIC representing current assets for 528 thousand euros.

24-5 Impact of interest rate and foreign exchange risk hedging on the consolidated financial statements as of December 31, 2019

The following amounts have been booked as the fair value of derivatives as of December 31, 2019 (in thousand euros):

Derivative instruments and revaluation	Hedge income qualification/hedged risk	Net financial Income/(expense) before tax – Note 6	Income from operations – Note 4	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	-	822	(1,808)	2,560	220	(6,009)	(7)
Dividends	Net investment/Foreign exchange risk	-	-	2,681	-	-	(1,250)	(37)
Subtotal (1)		-	822	872	2,560	220	(7,259)	(44)
Revaluation of cross-currency swaps backed by cash positions in foreign currencies	At fair value through P&L/Foreign exchange risk							
Subtotal (2)		(147)	-	-	138	-	(211)	-
TOTAL (1)+(2)		(147)	822	872	2,698	220	(7,470)	(44)

a) This corresponds to mark-to-market of hedging instruments in the portfolio at December 31, 2019, restated for the reversal of the mark-to-market of the portfolio of hedging instruments as of December 31, 2018.

(b) Including options not yet exercised held by SOCIÉTÉ BIC representing current assets for 926 thousand euros.

24-6 Portfolio of foreign exchange risk hedges as of December 31, 2020

To cover its future cash flows, the BIC Group had the following hedges as of December 31, 2020:

Maturity	Hedge	Forward	Currency	Purchase of options	Sale of options	Currency
2021	USD/EUR	310,083,000	USD	5,000,000	7,500,000	USD
	USD/CAD	18,000,000	USD	8,000,000	8,500,000	USD
	USD/AUD	6,000,000	USD	2,000,000	2,500,000	USD
	GBP/EUR	14,000,000	GBP	8,000,000	9,000,000	GBP
	AUD/EUR	22,000,000	AUD	6,000,000	6,500,000	AUD
	CHF/EUR	2,000,000	CHF	4,000,000	5,000,000	CHF
	EUR/MXN	5,000,000	EUR	-	-	-
	JPY/EUR	900,000,000	JPY	300,000,000	350,000,000	JPY
	CAD/EUR	8,000,000	CAD	7,000,000	10,500,000	CAD
	NZD/EUR	4,000,000	NZD	4,000,000	4,500,000	NZD
	PLN/EUR	4,000,000	PLN	27,000,000	27,000,000	PLN
	RON/EUR	20,000,000	RON	-	-	-
	SEK/EUR	26,500,000	SEK	-	-	-
	USD/NZD	1,000,000	USD	-	-	-
2022	USD/CAD	2,000,000	USD	-	-	-



As of December 31, 2020, regarding the 2021 exposure, the main significant exchange exposure relates to EUR/USD for 315 million U.S. dollars. This exposure is 100% hedged as of December 31, 2020 and related cash flows will occur in 2021.

Net income and equity sensitivity to a variance of +/-1% EUR/USD on balance sheet items as of December 31, 2020, as defined in IFRS 7, is not considered to be significant for the Group.

As of December 31, 2019, regarding the 2020 exposure, the main significant exchange exposure related to EUR/USD for 350 million U.S. dollars. This exposure was 100% hedged as of December 31, 2019 and related cash flows took place in 2020.

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, 2020 for the main non-current items:

<i>(in thousand euros)</i>	Total	EUR	Translated from USD	Translated from BRL	Translated from MXN	Translated from INR	Other
Net property, plant and equipment	613,374	372,066	77,584	46,134	45,622	17,544	54,424
Net goodwill	243,829	108,034	88,463	1	-	-	47,331
Cash and cash equivalents (excluding bank overdrafts)	265,744	79,568	76,571	42,643	5,988	4,114	56,860
Employee benefit obligations	(122,964)	(30,943)	(76,261)	-	(3,627)	(1,497)	(10,636)

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, 2020") 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 2020 with members of the Board of Directors and of the Executive Committee are as follows:

<i>(in thousand euros)</i>	Expenses
Short-term employee benefits	6,910
Post-employment benefits	81
Other long-term benefits	142
Termination benefits	-
Share-based payments	4,195
TOTAL TRANSACTIONS	11,328

Directors' remuneration is 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, 2020, 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

None.

26-2 Sureties, deposits and guarantees received

(in thousand euros)	Due			December 31, 2020	December 31, 2019
	< 1 year	1 to 5 years	> 5 years		
Guarantees for credit lines	4,483	7,925	4,907	17,315	10,132
Trade guarantees	-	63	-	63	63
Operating lease guarantees	-	-	320	320	320
Sureties and deposits	346	20,489	112	20,947	633
Other guarantees and commitments	25	7,878	37	7,939	835
TOTAL	4,853	36,354	5,376	46,584	11,982

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.

As of December 31, 2019, the guarantees for credit lines mainly related to the Group's subsidiaries in Turkey, South Korea and India for 9.8 million euros.

26-3 Lease arrangements

(in thousand euros)	December 31, 2019	December 31, 2020
Rentals under operating leases recognized as an expense in the year (do not fall within the scope of IFRS 16)	528	595

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, 2019	December 31, 2020
Within one year	323	1,380
In the second to fifth years inclusive	10	1,106
Beyond five years	-	145
TOTAL	333	2,631

NOTE 27 CONTINGENT LIABILITIES

As of December 31, 2020, neither SOCIÉTÉ BIC nor its subsidiaries was 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, 2020, 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
Mondialoffice Verwaltungs-und Vertriebsgesellschaft mit beschränkter Haftung	Germany	BIC Deutschland GmbH & Co.	100.0%	Holding company
BIC (Austria) Vertriebsgesellschaft mbH	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 SLU	Spain	BIC Graphic Europe SA	100.0%	Distribution of consumer products
BIC Violex SA	Greece	SOCIÉTÉ BIC SA BIC CORPORATION Furtuna Holding Co. Ltd.	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



Name of subsidiary	Place of incorporation (or registration) and operation	Main shareholders	Percentage ownership interest (direct or indirect)	Principal activity
BIC Italia SPA	Italy	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
Norwood Promotional Products Italia SPA (liquidated on December 3rd 2020)	Italy	BIC Graphic Europe SA	100.0%	Distribution of consumer products
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 (Incorporated on October 31, 2019)	Bulgaria	SOCIÉTÉ BIC SA	100.0%	Delivery of services
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. Integrated December 15, 2020	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 Graphic Brasil Ltda. (liquidated on November 30th 2019)	Brazil	BIC Amazonia SA	100.0%	Distribution of consumer products
BIC Amazonia SA	Brazil	SOCIÉTÉ BIC SA BIC Rasoirs SASU	100.0%	Manufacturing and distribution of consumer products
PIMACO Autoadesivos Ltda.	Brazil	BIC Amazonia SA Nelgor SA	100.0%	Manufacturing and distribution of consumer products
BIC Chile SA	Chile	BIC Amazonia SA 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 Colombia SAS (liquidated on December 19 th , 2020)	Colombia	Nelgor SA 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
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
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
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 (Nantong) Plastic Products Co., Ltd.	China	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
BIC Product (Korea) Ltd.	South Korea	SOCIÉTÉ BIC SA	100.0%	Distribution 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 th , 2020)	Malaysia	SOCIÉTÉ BIC SA BIC UK Ltd.	100.0%	Distribution of consumer products
BIC Product (Singapore) Pte. Ltd.	Singapore	SOCIÉTÉ BIC SA BIC UK Ltd.	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 th , 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 Stationery NIG 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



Name of subsidiary	Place of incorporation (or registration) and operation	Main shareholders	Percentage ownership interest (direct or indirect)	Principal activity
BIC Bizerte	Tunisia	SOCIÉTÉ BIC SA BIC Assemblage	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:

<i>(in thousand euros)</i>	Deloitte & Associés				Grant Thornton			
	Amount (excluding VAT)		%		Amount (excluding VAT)		%	
	2019	2020	2019	2020	2019	2020	2019	2020
Audit								
Statutory audit, certification, review of statutory and consolidated financial statements								
• Issuer	337	342	16%	16%	138	140	21%	21%
• Fully consolidated subsidiaries	1,078	1,082	52%	52%	514	541	79%	79%
Other due diligence and services directly linked to the Statutory Auditors' mission								
• Issuer	143	219	7%	10%	-	-	-	-
• Fully consolidated subsidiaries	52	252	3%	12%	-	-	-	-
Subtotal	1,610	1,895	78%	91%	652	681	100%	100%
Other network services for the fully consolidated subsidiaries								
• Legal, tax, labor-related	444	198	22%	9%	-	-	-	-
Subtotal	444	198	22%	9%	-	-	-	-
TOTAL	2,054	2,093	100%	100%	652	681	100%	100%

6.2. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

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 SOCIETE 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, 2020.

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, 2020 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.

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 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, 2020, 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
<p>The assessment of the recoverability of the Cash 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 the year 2020.</p> <p>The Cello goodwill amounting to a 81 million euros gross value as of December 31, 2020 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. In December 2020 and as described in note 10 to the notes of the consolidated financial statements, due to the adverse business environment of Cello both in India and its major export markets, Bic performed an additional impairment test of the Cello CGU, which did not result in any additional impairment needed.</p> <p>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.</p> <p>We have therefore considered the Cello CGU valuation as a key audit matter.</p> <p>The main assumptions used to determine the value in use are presented in Note 10 to the consolidated financial statements.</p>	<p>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:</p> <ul style="list-style-type: none"> 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

As required by law we have also verified in accordance with professional standards applicable in France 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 required by Article L.225-102-1 of the French Commercial Code is included in Group management report, being specified that, in accordance with the provisions of Article L.823-10 of the code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information contained therein and should be reported on by an independent insurance services provider.

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 company 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, 2020, Deloitte & Associés and Grant Thornton were in the 22nd year and 14th 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

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) 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 29, 2021

The Statutory Auditors

French original signed by

Grant Thornton
Vianney MARTIN

Deloitte & Associés
Jean-Pierre AGAZZI



6.3. PARENT COMPANY FINANCIAL STATEMENTS OF SOCIÉTÉ BIC (FRENCH GAAP)

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1. INCOME STATEMENT

<i>(In thousand euros)</i>	Notes	Dec. 31, 2019	Dec. 31, 2020
Net sales	11	675,055	628,033
Reversal of depreciation, amortization and provisions, transfer of charges		20,653	29,457
Other income	12	83,779	70,301
Total operating income		779,487	727,790
Purchases of goods and changes in inventories		(432,669)	(394,742)
Purchases of raw materials, other supplies and changes in inventories		(29,491)	(29,226)
Other external purchases and charges		(213,079)	(218,888)
Taxes, levies and similar payments		(3,096)	(3,000)
Payroll costs	13	(609)	(2,871)
Depreciation, amortization and provisions		(16,838)	(25,822)
Other expenses		(4,828)	(4,845)
Total operating expenses		(700,610)	(679,394)
NET INCOME FROM OPERATIONS		78,877	48,396
NET FINANCIAL INCOME	14	11,640	743
NON-RECURRING INCOME AND EXPENSES	15	(9,196)	(17,719)
Income tax expense	16 to 18	(18,224)	(17,278)
NET INCOME		63,097	14,141



2. BALANCE SHEET

Assets

(in thousand euros)	Notes	Dec. 31, 2019	Dec. 31, 2020		
			Net	Gross	Deprec., amort. and provisions
Research and development expenses		-	1,745	(1,745)	-
Patents and similar rights		46,248	80,124	(47,645)	32,479
Intangible assets	3, 4, 10	46,248	81,870	(49,390)	32,479
Land		1,345	1,345	-	1,345
Buildings		1,454	11,499	(11,213)	286
Industrial fixtures and equipment		1,250	14,312	(13,546)	767
Other property, plant and equipment		3,562	6,928	(3,551)	3,376
Fixed assets under construction		857	1,736	(51)	1,685
Property, plant and equipment	3, 4, 10	8,468	35,820	(28,361)	7,458
Equity Investments	22	1,085,603	1,380,178	(299,984)	1,080,194
Other long-term investments	3	49,902	40,283	-	40,283
Long-term investments		1,135,505	1,420,461	(299,984)	1,120,477
Non-current assets		1,190,221	1,538,151	(377,736)	1,160,415
Raw materials and supplies		1,577	1,428	-	1,428
Work-in-process goods		-	-	-	-
Goods		30,031	31,900	(2,436)	29,463
Inventories		31,609	33,327	(2,436)	30,891
Advances and prepayments		3,150	1,238	-	1,238
Trade receivables and related accounts	5, 6, 10	141,356	137,628	(15,198)	122,430
Other receivables	5, 6, 10	242,035	232,192	(10,962)	221,231
Short-term financial investments	7	3,409	50,758	-	50,758
Cash and cash equivalents		12,958	36,904	-	36,904
Prepaid expenses	5	612	186	-	186
Unrealized losses from foreign exchange	8	837	884	-	884
Current assets		435,968	493,119	(28,596)	464,523
TOTAL ASSETS		1,626,188	2,031,270	(406,332)	1,624,937





FINANCIAL STATEMENTS

Parent company financial statements of SOCIÉTÉ BIC (French GAAP)

Liabilities & Shareholders' equity

<i>(in thousand euros)</i>	Notes	Dec. 31, 2019	Dec. 31, 2020
Share capital		173,933	173,412
Share issue premiums, merger, contributions		144,165	144,165
Legal reserve		22,410	22,410
General reserve		180,561	180,618
Retained earnings		610,902	556,895
Net income for the year		63,097	14,141
Shareholders' equity	9	1,195,068	1,091,642
Provisions for contingencies and losses	10	32,315	28,743
Provisions for contingencies and losses		32,315	28,743
Bank borrowings	5	51,812	885
Other borrowings	5	221,546	356,300
Financial liabilities		273,358	357,185
Trade payables and related accounts	5, 6	112,263	134,693
Tax and employee-related liabilities	5	6,485	6,008
Other liabilities	5	6,479	6,264
Operating liabilities		125,226	146,966
Unrealized gains from foreign exchange		221	402
Liabilities		398,805	504,552
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		1,626,188	1,624,937



3. CASH FLOW STATEMENT

<i>(in thousand euros)</i>	Notes	Dec. 31, 2019	Dec. 31, 2020
Operating activities			
Net income		63,097	14,141
Merger gain		-	-
Dividends received	14	(128,155)	(69,546)
Depreciation, amortization and provisions on non-current assets		102,828	83,214
(Gain)/Loss on the disposal of assets		(3)	121
Gross cash flow from operating activities		37,767	27,931
(Increase)/Decrease in net working capital		48,479	55,965
NET CASH FLOW FROM OPERATING ACTIVITIES		86,246	83,895
Investing activities			
Dividends received from subsidiaries	14	128,155	69,546
Proceeds from disposals of property, plant and equipment and intangible assets		3	919
Acquisition of property, plant and equipment	3	(1,130)	(1,145)
Acquisition of intangible assets	3	(27,220)	(3,112)
(Increase)/Decrease in treasury shares		(39,837)	2,466
(Increase)/Decrease in other investments	3	(34)	(200)
Acquisitions of subsidiaries	22	(23,189)	(55,678)
NET CASH FLOW FROM INVESTING ACTIVITIES		36,748	12,795
Financing activities			
Dividends paid	9-2	(155,228)	(110,214)
Loans/(Repayments)		(3)	75,000
Movement in current accounts		(8,465)	60,746
NET CASH FLOW FROM FINANCING ACTIVITIES		(163,696)	25,532
Net increase/(decrease) in cash and cash equivalents		(40,702)	122,222
Opening cash and cash equivalents		5,258	(35,444)
CLOSING CASH AND CASH EQUIVALENTS		(35,444)	86,778



4. NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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NOTE 1 MAIN EVENTS

In 2020, BIC made the acquisition of two new subsidiaries: Sibjet Technologies SNC et Djeep SAS. Moreover, an impairment on Cello trademark of 14,929 thousand euros has been accounted during the year.

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 500,000 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 at which 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 with reference to Shareholders' equity or to cash flow projections of the relevant investment, adjusted to take into consideration the importance of these companies to the Group and their 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. Impairment 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 from foreign exchange are booked as such, while unrealized losses from foreign exchange are likewise so booked, 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 no. 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 calculated 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

<i>(in thousand euros)</i>	Gross value as of Dec. 31, 2019	Merger	Acquisitions	Disposals	Gross value as of Dec. 31, 2020
Research and development expenses	1,745	-	-	-	1,745
Other intangible assets	77,611	-	3,112	(599)	80,125
TOTAL INTANGIBLE ASSETS	79,356	-	3,112	(599)	81,870
Land	1,345	-	-	-	1,345
Buildings	16,391	-	-	(4,893)	11,498
Industrial fixtures and equipment	14,076	-	244	(8)	14,313
Other property, plant and equipment	6,854	-	74	-	6,928
Property, plant and equipment under construction	909	-	828	-	1,737
TOTAL PROPERTY, PLANT AND EQUIPMENT	39,575	-	1,146	(4,901)	35,820
Equity Investments ^(a)	1,317,390	-	62,787	-	1,380,177
Treasury Shares ^(b)	49,541	-	32,348	(42,167)	39,722
Loans and other long-term investments	362	-	236	(36)	562
TOTAL LONG-TERM INVESTMENTS	1,367,293	-	95,371	(42,202)	1,420,461

(a) Equity Investments are detailed in Note 22.

(b) These refer to 381,818 treasury shares for the free share plans and 37,706 shares related to the liquidity contract.

NOTE 4 DEPRECIATION AND AMORTIZATION

<i>(in thousand euros)</i>	Deprec. and amort. as of Dec. 31, 2019	Increase in the period	Reduction in the period	Deprec. and amort. as of Dec. 31, 2020
Research and development expenses	1,745	-	-	1,745
Other intangible assets	27,642	1,830	(477)	28,995
TOTAL INTANGIBLE ASSETS	29,387	1,830	(477)	30,740
Buildings	14,936	250	(3,974)	11,212
Industrial fixtures and equipment	12,826	727	(8)	13,546
Other property, plant and equipment	3,293	259	-	3,552
TOTAL PROPERTY, PLANT AND EQUIPMENT	31,055	1,237	(3,982)	28,310

NOTE 5 MATURITY OF RECEIVABLES AND PAYABLES

Receivables <i>(in thousand euros)</i>	Gross	Within one year	More than one year	o/w notes receivables	o/w related parties
Other long-term investments	40,283	40,283	-	-	-
Trade receivables and related accounts	137,628	137,628	-	1,448	86,949
Other receivables	232,192	232,192	-	-	203,021
Prepayments	186	186	-	-	-
TOTAL	410,290	410,290	-	1,448	289,970

Payables <i>(in thousand euros)</i>	Gross	Within one year	More than one year	o/w notes payables	o/w related parties
Bank borrowings	885	885	-	-	-
Other borrowings	356,300	356,300	-	-	271,300
Trade payables and related accounts	134,693	134,693	-	-	81,109
Tax and employee-related liabilities	6,008	6,008	-	-	-
Other liabilities	6,264	6,264	-	-	1,708
TOTAL	504,151	504,151	-	-	354,116



NOTE 6 INFORMATION ON RELATED PARTIES

Gross Value (in thousand euros)	Dec. 31, 2020
Assets	
Equity investments	1,380,178
Trade receivables and related accounts	86,949
Other receivables	203,021
Liabilities	
Other long-term loans and investments	271,300
Trade payables and related accounts	81,109
Other debts	1,708
Deferred income	-

NOTE 7 SHORT-TERM FINANCIAL INVESTMENTS

Gross value (in thousand euros)	Dec. 31, 2020
Marketable securities ^(a)	50,758
TOTAL	50,758

(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 losses from exchange foreign in the amount of 884 thousand euros.

NOTE 9 SHAREHOLDERS' EQUITY**9-1 Share capital**

As of December 31, 2020, the share capital of SOCIÉTÉ BIC amounted to 173,412,173.74 euros divided into 45,395,857 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, 2020, 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.	28,35%	38,33%
Bich family	17,20%	23,21%

As of December 31, 2020, SOCIÉTÉ BIC held 419,524 BIC shares classified as long-term investments (381,818 shares for the free share plans and 37,706 shares in relation to the liquidity contract).

9-2 Changes in Shareholders' equity

(in thousand euros)

Shareholders' equity as of December 31, 2019 (before distribution)	1,195,068
Dividend distribution with respect to fiscal year 2019	110,214
Shareholders' equity as of December 31, 2019 (after distribution)	1,084,854
Increase in share capital	-
Decrease in share capital ^(a)	(521)
Share issue premium	-
Retained earnings ^(a)	(6,832)
Net income for the year	14,141
Shareholders' equity as of December 31, 2020 (before distribution)	1,091,642

(a) During fiscal year 2020, SOCIÉTÉ BIC cancelled 136,383 shares.

NOTE 10 PROVISIONS

(in thousand euros)	Dec. 31, 2019	Merger	Allocations during the year	Reversals during the year (used)	Reversals during the year (unused)	Dec. 31, 2020
Risk – Subsidiaries	1,864	-	594	-	-	2,458
Risk – Tax audit	559	-	2,266	-	-	2,825
Foreign exchange losses	311	-	654	-	-	965
Free share grant plans	27,903	-	-	(6,510)	-	21,393
Other provisions for contingencies	1,678	-	-	(575)	-	1,103
PROVISIONS FOR CONTINGENCIES AND LOSSES	32,315	-	3,513	(7,085)	-	28,743

(in thousand euros)	Dec. 31, 2019	Merger	Allocations during the year	Reversals during the year	Dec. 31, 2020
Intangible assets and Property, plant and equipment	3,772	-	14,929	-	18,702
Investments	231,788	-	69,127	(931)	299,985
Work-in-process goods	168	-	-	(169)	(1)
Goods	1,881	-	558	-	2,439
Trade receivables	16,370	-	549	(1,722)	15,197
Provisions for other receivables	10,367	-	594	-	10,961
PROVISIONS FOR IMPAIRMENT	264,346	-	85,757	(2,822)	347,282



NOTES TO THE INCOME STATEMENT

NOTE 11 NET SALES BREAKDOWN

The net sales of SOCIÉTÉ BIC break down as follows:

<i>(in thousand euros)</i>	Dec. 31, 2019			Dec. 31, 2020		
	France	Export	Total	France	Export	Total
Stationery	123,406	235,723	359,129	127,233	214,704	341,937
Lighters	20,914	193,683	214,597	19,224	182,759	201,984
Shavers	19,782	63,233	83,015	17,045	55,111	72,156
Other	3,866	14,448	18,314	4,418	7,538	11,956
TOTAL	167,968	507,087	675,055	167,920	460,113	628,033

NOTE 12 OTHER INCOME

Other income mainly comprises royalties (48,832 thousand euros) and management fees (22,248 thousand euros) invoiced to affiliates, as well as the foreign exchange gain on receivables and payables (11,739 thousand euros).

NOTE 13 MANAGEMENT COMPENSATION

<i>(in thousand euros)</i>	Dec. 31, 2019	Dec. 31, 2020
Administrative bodies	461	419
Management bodies	627	300

SOCIÉTÉ BIC has no salaried employees as of December 31, 2020.

NOTE 14 FINANCIAL INCOME

Financial income amounts to 743 thousand euros and is detailed as follows:

<i>(in thousand euros)</i>	Dec. 31, 2019	Dec. 31, 2020
Dividends received	128,155	69,546
Reversals/(provisions)	(106,473)	(68,560)
Foreign exchange gains and losses	(8,896)	(740)
Other	(1,146)	496
FINANCIAL INCOME	11,640	743

A provision for impairment of equity investments in Cello (62,413 thousand euros) was booked in 2020 in light of the adverse business environment of Cello both in India and its major export markets.

NOTE 15 NON-RECURRING INCOME AND EXPENSES

The non-recurring income and expenses break down mainly as follows:

<i>(in thousand euros)</i>	Dec. 31, 2019	Dec. 31, 2020
Capital gains/(losses) on asset disposals	(96)	(121)
Provision for contingencies (net of reversal)	(1,225)	(16,430)
Tax adjustments	(929)	(468)
Debt waivers for subsidiaries	(2,000)	-
Other	(4,946)	(699)
NON-RECURRING INCOME AND EXPENSES	(9,196)	(17,719)

NOTE 16 INCOME TAX BREAKDOWN

<i>(in thousand euros)</i>	Net income before tax	Income Tax expense	Net income after tax
Recurring net income	49,139	18,830	30,309
Non-recurring income and expenses	(17,719)	(1,551)	(16,168)
TOTAL	31,420	17,278	14,141

NOTE 17 TAX GROUPING

SOCIÉTÉ BIC is the parent company of the tax Group comprising the following companies as of December 31, 2020: Bima 83, BIC Écriture 2000, BIC Services, BIC Conté, Société Immobilière BIC Clichy, Société Immobilière Valiton Gesnouin, BIC Rasoirs, Société du Briquet Jetable 75, BIC Graphic France, BIC Assemblage, BIC Technologies, BIC International Development formerly Compagnie

de Moulages, DAPE 74 Distribution Électro-Centre and BIC Education.

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 gain recorded by SOCIÉTÉ BIC in 2020 amounts to 316,041 euros.

NOTE 18 MAIN INCREASES/DECREASES IN THE DEFERRED TAX BASIS

<i>(in thousand euros)</i>	Déc. 31, 2020
C3S	907
Provision for contingencies	4,470
Provision on trade receivables	7,842
Foreign exchange losses	279
Provision on free shares	19,409
Other	51
TOTAL	32,957
DECREASE IN DEFERRED TAX LIABILITIES	(9,363)



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, 2020 closing rates.

The valuation of the hedges is calculated in accordance with market practices in terms of inputs (spot, yield curves, volatility curves) and calculation models.

Forward portfolio detail

Hedging support	Nominal (in euros)	Market value (in euros)	Instrument
Commercial Flows 2021	331,546,806	21,752,246	Forward
Commercial Flows 2022	1,629,859	(8,015)	Forward
Intra-Group Dividends	8,149,295	664,298	Forward
Loans/Borrowings	51,027,941	92,853	Currency Swap
TOTAL	392,353,902	22,501,381	

Options portfolio detail

Hedging support	Options purchased Nominal (in euros)	Options sold Nominal (in euros)	Market value (in euros)	Instrument
Commercial Flows 2021	43,726,308	51,859,744	579,445	Option
TOTAL	43,726,308	51,859,744	579,445	

As of December 31, 2020, SOCIÉTÉ BIC had contracted:

- derivatives contracts (foreign currency forwards and options) maturing in 2021 and 2022 for an equivalent of 428.8 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 positive for 22.3 million euros;
- derivatives contracts (foreign currency forwards) maturing in 2021 for an equivalent of 8.1 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 positive for 0.7 million euros;

- foreign currency swaps for an equivalent of 51 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 92,853 euros.

In 2021, more than 90% of the Group's foreign currency transaction exposure is hedged.

19-2 Interest rate derivatives

As of December 31, 2020, 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, 2020 closing rates.

Derivatives portfolio detail

Hedging support	Nominal (in euros)	Market value (in euros)	Instrument
2021 Raw Material purchases	6,912,698	621,099	Swap
TOTAL	6,912,698	621,099	

As of December 31, 2020, SOCIÉTÉ BIC had contracted:

- derivative contracts (swaps), maturing in fiscal year 2021, to hedge changes in the price of plastic raw materials used in the Group's production activity. These contracts represent a

hedged underlying of 8,600 metric tons of raw materials with a nominal value of 6.9 million euros. The market value of these transactions is positive by 0.6 million 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

<i>(in thousand euros)</i>		Maturity			
	Dec. 31, 2019	< 1 year	1 to 5 years	> 5 years	Dec. 31, 2020
Other guarantees and commitments	9,282	-	-	10,245	10,245
TOTAL	9,282	-	-	10,245	10,245

Sureties, deposits and guarantees received

<i>(in thousand euros)</i>		Maturity			
	Dec. 31, 2019	< 1 year	1 to 5 years	> 5 years	Dec. 31, 2020
Guarantees for credit lines	4,363	2,728	7,626	-	10,353
Sureties and deposits	1,260	397	16,465	63	16,926
TOTAL	5,623	3,125	24,091	63	27,279

20-2 Pension obligations

<i>(in thousand euros)</i>		Dec. 31, 2020
Present value of pension obligation		632
NET PENSION LIABILITY		632

OTHER INFORMATION

NOTE 21 STOCK MARKET PRICE

<i>(in euros)</i>	Dec. 31, 2019	Dec. 31, 2020
BIC shares	62.00	46.26



NOTE 22 EQUITY INVESTMENTS

22-1 Subsidiaries and equity interests

	Number of shares	S: Shares P: Parts	% of interest	Net book value	Share capital	Currency
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%	2,237,475	7,440,988	EUR
BIC Services SASU	69,625	S	100%	1,042,612	1,061,085	EUR
BIC Conté SASU	5,465,181		100%	34,270,085	27,325,905	EUR
Electro-Centre SASU	4,000	S	100%	136,799	60,960	EUR
BIC Écriture 2000 SASU	3,202,500	S	100%	51,302,021	39,198,600	EUR
Société Immobilière Valiton Gesnoux 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%	797,934	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
Subtotal I				215,439,720		
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 - Netherlands	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 mbh - Austria	1	P	100%	381,123	109,009	EUR
SOCIÉTÉ BIC (Switzerland) 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 - Italy	5,000,000	S	100%	24,580,000	5,150,000	EUR
BIC Violex SA - Greece	13,895,505	S	51%	13,692,742	43,175,000	EUR
BIC Polska SP ZOO - Poland	485,430	P	100%	7,193,699	24,271,500	PLN
BIC (Romania) Marketing & Distribution SRL - Romania	641,818	S	100%	773,314	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
BIC Pazarlama Ltd. Sti. - Turkey	224,260	S	99%	9,430,809	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

	Number of shares	S: Shares P: Parts	% of interest	Net book value	Share capital	Currency
BIC Australia Pty. Ltd. – Australia	700,000	S	100%	11,927,000	700,000	AUD
BIC (NZ) Ltd. – New Zealand	332,500	S	100%	2,966,000	665,000	NZD
BIC Amazonia SA – Brazil	274,485,734	S	99.99%	18,565,900	762,521,369	BRL
BIC Argentina SA – Argentina	295,135,938	S	95%	5,965,829	295,135,938	ARS
BIC Colombia SAS – Colombia (liquidated in December 2020)	637,483	S	71%	-	9,000,000	COP
BIC Technologies Asia Ltd. – Hong Kong	7,800,000	P	100%	-	7,800,000	HKD
BIC Stationery (Shanghai) Co. Ltd. – China	-	-	100%	845,226	18,408,000	USD
BIC Product (Singapore) Pte. Ltd. – Singapore	297,000	S	99%	-	300,000	SGD
BIC Product (Asia) Pte. Ltd. – Singapore	5,627,602	S	100%	-	5,627,602	SGD
BIC Product (Korea) Ltd. – South Korea	345,320	S	100%	-	1,726,600,000	KRW
BIC Product (Thailand) Ltd. – Thailand	1,713,993	S	100%	102,820	171,400,000	THB
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%	10,572,882	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 – EAU	20,300	P	100%	-	7,105,000	USD
BIC Middle East Trading FZE – EAU	430	S	100%	104,429	430,000	AED
BIC Maroc SARL – Morocco	791,000	P	100%	7,312,376	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 Stationary NIG Ltd. – Nigeria	2,130,925,000	S	100%	14,831,393	2,130,925,000	NGN
Subtotal II				863,230,413		
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
Subtotal III				1,523,180		
TOTAL				1,080,193,313		

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 branches.





FINANCIAL STATEMENTS

Parent company financial statements of SOCIÉTÉ BIC (French GAAP)

22-2 Analysis of movements in equity investments

(in thousand euros)

Equity investments (net) as of December 31, 2019	1,085,603
Acquisitions, capital increases, creations and disposals in 2020	
Djeep SAS	45,810
Sibjet Technologies SNC	3,600
BIC Bizerte - Tunisia	7,000
BIC Maroc SARL - Morocco	6,377
(Allocations to)/Reversals of provisions in 2019	
BIC Technologies SA	(1,976)
BIC Éducation SASU	(21)
BIC Polska SP ZOO - Poland	250
BIC (Romania) Marketing & Distribution SRL - Romania	(36)
BIC Pazarlama Ltd. Sti. - Turkey	681
BIC Argentina SA - Argentina	(1,893)
BIC Stationery (Shanghai) Co. Ltd. - China	(743)
BIC (Nantong) Plastic Products Co. Ltd. - China	(2,046)
BIC Cello (India) Pvt Ltd. - India	(62,414)
EQUITY INVESTMENTS (NET) AS OF DECEMBER 31, 2020	1,080,194



5. ADDITIONAL INFORMATION ON THE PARENT COMPANY FINANCIAL STATEMENTS

SOCIÉTÉ BIC five-year financial summary

(in euros)	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020
1 – Shareholders' equity at year-end					
Share capital	181,649,411	178,126,244	175,761,665	173,933,156	173,412,174
Number of shares outstanding	47,552,202	46,629,907	46,010,907	45,532,240	45,395,857
Number of bonds convertible into shares	-	-	-	-	-
2 – Net results					
Net sales excl. tax	675,728,517	715,515,323	691,135,323	675,054,718	628,032,828
Net profit before tax, deprec., amort. and provisions	154,721,960	782,139,238	276,813,012	186,250,089	112,775,077
Income tax	49,849,725	55,051,438	30,347,029	18,223,589	17,278,487
Net profit after tax, deprec., amort. and provisions	118,634,879	748,125,345	149,839,552	63,096,883	14,141,172
Dividend distribution ^(a)	161,060,428	158,177,021	156,486,804	155,221,268	110,213,889
3 – Income from operations, per share data					
Net profit after tax, but before deprec., amort. and provisions	2.21	15.59	5.36	3.69	2.72
Net profit after tax, deprec., amort. and provisions	2.49	16.04	3.26	1.39	0.51
Dividend per share	3.45	3.45	3.45	3.45	2.45
4 – Payroll					
Non-salaried staff	2	2	1	1	1
Total payroll	811,476	636,303	398,151	608,907	300,000
Social welfare benefits (social security, social contributions)	3,628,184	2,229,864	1,711,665	72,927	2,571,477

(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
Dec. 31, 2020	134,722	99,218	3,241	(367)	32,630
Dec. 31, 2019	151,111	108,953	3,388	2,130	36,640

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
Dec. 31, 2020	60,251	54,195	2,809	1,160	2,087
Dec. 31, 2019	63,022	56,303	2,654	786	3,279





6.4. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

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, 2020.

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 2020 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 2020 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
<p>As at 31 December 2020, investments are recorded in the balance sheet at a net carrying amount of €1,080 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.</p> <p>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.</p> <p>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.</p>	<p>We tested the operation of Group controls covering the process for determining the value in use of investments.</p> <p>Our procedures notably consisted in:</p> <ul style="list-style-type: none"> • For the valuation based on the shareholders' equity: <ul style="list-style-type: none"> • Controlling the shareholders' equity of the relevant investment with the financial statements of the different entities, • For the valuation based on the forecast assumptions: <ul style="list-style-type: none"> • 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 strategic 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, 2020, Deloitte & Associés and Grant Thornton were in the 22st year and 14th 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 29, 2021

The Statutory Auditors

French original signed by

Grant Thornton

French Member of Grant Thornton International

Vianney MARTIN

Deloitte & Associés

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, 2020

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 29, 2021

The Statutory Auditors

French original signed by

Grant Thornton

French Member of Grant Thornton International

Vianney MARTIN

Deloitte & Associés

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

LEI: 969500UR00DF63IOVH67

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

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.bicworld.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, 2020, the outstanding capital of SOCIÉTÉ BIC amounts to 173,412,173.74 euros divided into 45,395,857 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
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
2018 (Dec. 5 BM)	Cancellation of treasury shares as authorized by AGM of May 16, 2018	(2,625,852.72)	(51,399,039.23)	175,675,638.34	45,988,387
2018 (Dec. 5 BM)	Issue of shares following exercise of share subscription options, in accordance with stock option plans	228,898.22	3,378,885.27	178,143,576.08	46,675,783
2017 (Dec. 13 BM)	Cancellation of treasury shares as authorized by AGM of May 10, 2017	(3,804,162.28)	(93,333,700.56)	177,914,677.86	46,615,862
2017 (Dec. 13 BM)	Issue of shares following exercise of share subscription options, in accordance with stock option plans	334,570.88	4,095,176.58	181,718,840.14	47,611,716

BM: Board Meeting.

AGM: Annual General Meeting.

AUTHORIZATIONS TO INCREASE THE CAPITAL AT THE CLOSING OF THE 2020 FISCAL YEAR

SOCIÉTÉ BIC has, as at December 31, 2020, 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, 2023
Use in 2020	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, 2023
Use in 2020	No

(b) Article L. 225-129 of the French Commercial Code.

III. Authorizations to increase the capital in favor of employees and corporate officers

	Issue of shares reserved for members of an employee savings plan ^(c)	Grantings of free shares to be issued ^(d)	Share options ^(e)
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) and 6% of the share capital (taking into account the stock options)	2% of the share capital over 38 months (with a maximum of 0.8% for the Corporate Officers) and 6% of the share capital (taking into account the free grant of shares)
Date	May 20, 2020 (resolution 21)	May 16, 2018 (resolution 22)	May 16, 2018 (resolution 23)
Term	26 months	38 months	38 months
Expiration date	July 19, 2023	July 15, 2021	July 15, 2021
Use in 2020	No	No	No
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 share price on the Paris Stock Exchange, on the market with monthly payment, during the twenty sessions of the Paris Stock Exchange before the day the options are granted

(c) 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.

(d) Articles L. 225-197-1 et seq. of the French Commercial Code.

(e) Articles L. 225-177 et seq. of the French Commercial Code.

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.

Name	Dec. 31, 2020					
	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
Other Shareholders	24,299,347	53.53	25,277,210	37.83	25,277,210	38.07
Treasury shares ^(b)	419,524	0.92	419,524	0.63	-	-
TOTAL	45,395,857	100	66,809,211	100	66,389,687	100

Name	Dec. 31, 2019					
	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

Name	Dec. 31, 2018					
	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) :	20,599,491	44.77	41,035,351	60.93	41,035,351	61.52
• SOCIÉTÉ M.B.D.	12,735,000	27.68	25,424,506	37.75	25,424,506	38.12
• Bich family (excluding M.B.D.)	7,864,491	17.09	15,610,845	23.18	15,610,845	23.40
Other Shareholders	24,759,003	53.81	25,664,296	38.10	25,664,296	38.48
Treasury shares ^(b)	652,413	1.42	652,413	0.97	-	-
TOTAL	46,010,907	100	67,352,060	100	66,699,647	100

Name	Dec. 31, 2017					
	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) :	20,566,738	44.11	40,946,702	60.14	40,946,702	60.84
• SOCIÉTÉ M.B.D.	12,705,000	27.25	25,347,000	37.23	25,347,000	37.66
• Bich family (excluding M.B.D.)	7,861,738	16.86	15,599,702	22.91	15,599,702	23.18
Other Shareholders	25,281,674	54.22	26,352,963	38.71	26,352,963	39.16
Treasury shares ^(b)	781,495	1.68	781,495	1.15	-	-
TOTAL	46,629,907	100	68,081,160	100	67,299,665	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.



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. As of December 31, 2020, there is no employees' shareholding (as defined in Article L. 225-102 of French Commercial Code).

CROSSING OF LEGAL THRESHOLDS

On June 16, 2020, Silchester International Investors LLP declared that it had crossed in the upward direction, on June 15, 2020, acting on behalf of clients and funds that it manages, the threshold of 5% voting rights of SOCIÉTÉ BIC and that it held, as of that date, 3,666,830 SOCIÉTÉ BIC shares representing 8.05% of the capital.

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 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 31ST, 2020

Purpose ^(a)	Number of shares	% capital	Nominal value (in euros)
Liquidity agreement	37,706	0.08	144,036.92
Free share grants	381,818	0.84	1,458,544.76
Cancellation	-	-	-
External growth operations	-	-	-
TOTAL^(b)	419,524	0.92	1,602,581.68

(a) Article L. 225-209 of the French Commercial Code.

(b) As of December 31, 2020, 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 49,505,639.88 euros. As of the same date, the market value of these shares is 19,407,180.24 euros (on the basis of the closing price at this date, i.e. 46.26 euros).

SHARE BUYBACK PROGRAM – OPERATIONS CARRIED OUT IN 2020

Operation	Number of shares	% capital	Nominal value (in euros)	Average sale/purchase price (in euros)
Share buyback (excl. liquidity agreement) ^(a)	136,383	0.30	520,983.06	53.90
Liquidity agreement ^(a) :				
• Share buyback	426,844	0.94	1,630,544.08	49.57
• Sale of shares	421,226	0.93	1,609,083.32	49.80
Shares transferred under free share plans	126,662	0.28	483,848.84	96.12
Cancelled shares	136,383	0.30	520,983.06	53.90
Shares used for external growth operations	-	-	-	-

(a) Brokerage fees related to sale and buy-back transactions disclosed above amounted to 57,039.32 euros.

During the last 24 months, the Board of Directors cancelled 615,050 shares, representing 1.35% of the share capital as of December 31, 2020.

DESCRIPTION OF THE SHARE BUYBACK PROGRAM SUBMITTED TO THE SHAREHOLDERS' MEETING OF MAY 19, 2021

The Board of Directors will submit to the Shareholders' Meeting of May 19, 2021, 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 19, 2021 – 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, 2021

Purpose	Number of shares
Liquidity agreement	31,820
Free share grants	381,968
Cancellation	-
External growth operations	-
TOTAL	413,788

If the Shareholders' Meeting of May 19, 2021 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 (as of March 1, 2021 and for information purposes: 4,539,585 shares), for a maximum amount of 1.36 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 (as of March 1, 2021 and for information purposes: 2,269,792 shares) and to a maximum amount of 681 million euros. 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 19, 2021.

It could be used during public offers on the Company's shares in accordance with the legislation in force.

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

The Investor Relations 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.bicworld.com/> or by addressing an email to investors.info@bicworld.com (or by sending a written letter to BIC Group - Investor Relations Department, 14 rue Jeanne d'Asnières, 92611 Clichy Cedex, France).

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 2020, roadshows, as well as conferences, were held virtually, given the restrictions around the Covid-19 outbreak.

In this context, a special effort was made by BIC's Investor Relations on its financial communication to investors, in order to adapt as quickly as possible to the new constraints of the pandemic.

BIC continued to participate in conferences virtually and replaced one-to-one or physical group meetings with virtual meetings.

BIC carried out several roadshows on a virtual basis throughout the year and made sure to keep the market informed on the evolution of

the pandemic's impact on the Group's business through specific press releases:

- March 20: BIC issued a press release announcing the implementation of five actions to improve its short-term resilience in the context of the Covid-19 crisis and to strengthen its transformation plan "BIC 2022 - Invent the Future" to accelerate long-term growth.
- March 23: BIC issued a press release on the update of Covid-19 impacts on its activities;
- March 27: BIC issued a press release on the evolution of the Group's capital allocation in 2020;

On May 20, 2020, BIC held its Annual Shareholders' Meeting behind closed doors. Press releases specific to the event were published prior to the meeting. The Shareholders' Meeting was held virtually and broadcasted live via webcast on BIC's website. All documents and the transcript of the event were posted on the Group's website within 24 hours of the event.

BIC also continued its proactive communication policy with individual shareholders, issuing its Shareholders' newsletters four times a year. 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 Climat 2020: Leadership Level A- and CDP Supplier Engagement Rating 2020: Level B

In 2020, based on data published in 2019, the rating agency Gaia assigned BIC an ESG rating of 82 (+7 vs 2019).

Its ISIN code is FR0000120966.

BIC SHARE PRICE IN 2020

	Closing price	Average price (closing)	Highest traded	Lowest traded	Number of shares traded	Trading amounts (in thousand euros)
December 2019	62.00	61.63	63.10	59.80	2,847,077	175,322
January 2020	60.95	60.86	62.90	59.05	2,022,318	123,146
February 2020	54.75	60.40	65.05	53.75	2,787,881	167,434
March 2020	50.85	49.93	56.40	49.93	3,994,831	196,042
April 2020	45.68	48.73	51.45	45.68	1,430,132	694,213
May 2020	47.88	45.18	48.90	42.50	1,835,446	83,100
June 2020	45.20	45.56	49.10	42.78	2,935,057	133,940
July 2020	50.15	47.27	52.90	43.66	1,774,741	84,658
August 2020	48.32	49.70	52.20	48.24	962,653	47,926
September 2020	44.76	46.57	48.68	43.28	1,218,379	56,668
October 2020	41.10	42.15	44.90	38.50	1,347,456	56,290
November 2020	49.76	47.86	51.55	40.68	1,770,042	83,129
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	46.50	47.11	48.62	44.00	1,374,363	64,164

SHARE CUSTODIAL SERVICE

SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES

Département des Titres

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BOARD OF DIRECTORS' REPORT AND DRAFT RESOLUTIONS OF THE SHAREHOLDERS' MEETING OF MAY 19, 2021

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8.1. ORDINARY SHAREHOLDERS' MEETING

RESOLUTIONS SUBJECT TO THE AUTHORITY OF THE ORDINARY GENERAL MEETING

RESOLUTIONS 1 AND 2

Approval of the financial statements for the fiscal year ended December 31, 2020

Purpose

The first two resolutions relate to the approval of the parent company and consolidated financial statements for the fiscal year ended December 31, 2020.

First resolution

Approval of the parent company financial statements for the fiscal year ended December 31, 2020

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, 2020, which include the balance sheet, the income statement and the notes, as presented, and which show earnings amounting to 14,141,171.62 euros, as well as the transactions reflected therein and summarized in these reports.

Second resolution

Approval of the consolidated financial statements for the fiscal year ended December 31, 2020

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 of the Company for the fiscal year ended December 31, 2020, which include the balance sheet, the income statement and the notes, as presented, as well as the transactions reflected therein and summarized in these reports and showing a consolidated net profit attributable to Group Shareholders of 93,727,597 euros.

RESOLUTION 3

Appropriation of earnings and setting of dividend

Purpose

Regarding the profit for the 2020 fiscal year in the amount of 14,141,171.62 euros and retained earnings in the amount of 556,895,040.26 euros, together constituting the distributable earnings, you are hereby asked to:

- set a dividend of 1.80 euros per share for the fiscal year ended December 31, 2020, and therefore distribute to the Shareholders a dividend of a total amount of 80,957,399.40 euros (subject to the treasury shares); and
- carry forward the balance of 490,030,462.06 euros to retained earnings; and
- allocate 48,350.42 euros to the special "works of art" reserve.

The payment date for the dividend for fiscal year 2020 is June 2, 2021.

The dividend is defined before any tax and/or social security levy which may apply depending on the shareholder's own situation. Shareholders are invited to contact 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:

- acknowledges that the earnings for fiscal year 2020 amount to 14,141,171.62 euros;
- acknowledges that retained earnings amount to 556,895,040.26 euros;
- totaling earnings available for allocation of profits of 571,036,211.88 euros;
- decides to allocate the total earnings as follows:

Dividend	80,957,399.40 euros
Retained earnings from previous year	490,030,462.06 euros
Works of art special reserve	48,350.42 euros

On that basis, the General Meeting decides to distribute a dividend of 1.80 per share, whereby it is specified that in the event of a change in the number of shares conferring dividend rights in relation to the number of 44,976,333 shares comprising the share capital at December 31, 2020, the total amount of dividends will be adjusted in consequence and the amount allocated to "Retained earnings" will be determined on the basis of dividends actually paid.

The dividend payment date will be June 2, 2021.

The aforementioned dividend is defined before any tax and/or social security levy which may apply depending on the shareholder's own situation. When paid to individuals who are tax residents of France, the gross dividend is subject to a flat rate withholding tax

(*prélèvement forfaitaire non libératoire* or PFNL) representing a tax payment advance assessed on income payable on the following year of 12.8% plus social charges of 17.2%.

Shareholders are invited to contact their usual tax adviser.

In accordance with the provisions of Article L.225-210 of the French Commercial Code, the amount of the dividend corresponding to the shares held by the Company on the payment date will be allocated to the "retained earnings" account.

As a reminder, pursuant to Article 243 *bis* of the French Tax Code, the dividends distributed for the three previous fiscal years were as follows:

Fiscal year	Number of shares	Dividend distributed per share ^(a) (in euros)
2017	45,728,162	3,45
2018	45,358,494	3,45
2019	44,985,261	2,45

(a) If the progressive scale on income tax is chosen, dividend eligible in totality to the 40% deduction provided for in Article 158-3.2° of the French Tax Code, applicable under certain conditions.

RESOLUTION 4

Share buyback

Purpose

You are asked to renew the authorization granted to the Board of Directors for an 18-month period to purchase, hold or transfer the Company's shares.

The main characteristics of this new resolution are as follows:

- these share buybacks may not be carried out during periods of public tender offers on the Company's shares;
- the maximum number of shares that may be purchased would represent 10% of the share capital;
- the maximum purchase price would be maintained at 300 euros per share, resulting in a maximum theoretical total purchase amount around 1,361,875,710 euros (net of acquisition costs); and
- the buyback by BIC of its own shares may be carried out for different purposes, including the implementation of employee stock ownership plans and the allocation of shares in the context of external growth transactions.

The objectives and the description of the authorization are detailed in the resolution below and in chapter 7.4 of the 2020 universal registration document

Fourth resolution

Authorization to be granted to the Board of Directors to trade in the Company's shares

The General Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, after considering the Board of Directors' Report, authorizes the Board of Directors to purchase or arrange for the purchase of Company shares, in accordance with notably articles L. 22-10-62 and 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:

- the allotment of shares following the exercise of stock purchase options by employees and/or executive officers of the Company and of companies or economic interest groups related to it pursuant to applicable legal and regulatory provisions;
- the implementation of any plan for the allocation of shares subject to performance conditions, or without performance conditions in the context of a global employee share program, to employees and/or corporate officers of the Company and of companies or economic interest groups related to it pursuant to applicable legal and regulatory provisions, either directly or via entities acting on their behalf;
- the sale of shares to employees (either directly or through employee savings mutual funds) within the context of employee shareholding plans or company savings plans;
- the delivery of shares upon the exercise of rights attached to securities giving access to the Company's share capital;
- the later delivery of shares as payment or for exchange in the context of external growth transactions;
- the cancellation of shares within the maximum legal limit;
- ensuring the liquidity of the market of the Company's share by an investment services provider acting in complete independence 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*);
- the implementation of any market practice accepted or that may be accepted by the French financial market regulator, the AMF and, more generally, carrying out of any other transaction complying 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 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 acquisition cost) 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 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 number of shares composing the share capital (*i.e.*, on an indicative basis, 4,539,585 shares as of December 31, 2020, representing a maximum theoretical purchase price (excluding acquisition costs) of 1,361,875,710 euros). Purchases of own shares by the Company may not under any circumstances result in the Company holding more than 10% of its share capital, either directly or indirectly through subsidiaries. Furthermore, the number of shares acquired by the Company to be retained and later delivered for payment or exchange in the context of external growth transactions may not exceed 5% of its share capital.

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 legal and regulatory conditions;
- prepare all documents, file all declarations, issue all statements and carry out all formalities with the French Financial Markets Authority or any other authority regarding the transactions carried out pursuant to 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 by the fifth resolution of the Combined Shareholders Meeting of May 20, 2020.

RESOLUTIONS 5 TO 7

Renewal of the terms and appointment of Directors

Purpose

The terms of office of Mrs. Marie-Aimée Bich, Mr John Glen and the company M.B.D. expire at the end of this General Meeting. The Board of Directors proposes to renew Marie-Aimée Bich and the company M.B.D. terms of office for another three years and Mr John Glen term of office for one year.

Renewal of the appointment of Mrs. Marie-Aimée Bich as Director

You are asked to approve the renewal of Mrs. Marie-Aimée Bich's term as Director for three years.

A Director of the Company since 2019, Mrs. Marie-Aimée Bich has been a member of the nomination, governance and CSR Committee since this date.

Mrs. Marie-Aimée is the General Affairs Delegate and President of the BIC Corporate Foundation for Education.

For the record, her rate of attendance at Board meetings and its committee meetings since first appointed in 2019 is 100% (and 100% in 2020).

Renewal of the appointment of the company M.B.D. as Director

You are asked to approve the renewal of the company M.B.D.'s term as Director for three years.

M.B.D. is a French corporate partnership limited by shares (société en commandite par actions) with share capital of 114,398,120 euros, having its registered office at 1, place Paul Verlaine, 92100 Boulogne-Billancourt, France and registered in Nanterre (PCS No. 389 818 832) represented by Mr. Edouard Bich.

Édouard Bich spent eight years in the Finance Department of Procter & Gamble and has an MBA from MBA Wharton University (United States), specialized in Finance.

For the record, his rate of attendance at Board meetings and its committee meetings since first appointed in 2006 is 100% (100% in 2020)

Renewal of the appointment of Mr John Glen

You are asked to approve the renewal of Mr John Glen's term as Director for one year.

Mr John Glen is a Director of the Company since 2008.

For the record, his rate of attendance at Board meetings and its committee meetings since first appointed in 2008 is 100% (100% in 2020)

Fifth resolution

Renewal of the appointment of Mrs. Marie-Aimée Bich as Director

The General Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, having considered the Board of Directors' Report, decide to reappoint Mrs. Marie-Aimée Bich as Director for a new term of three years.

Mrs. Marie-Aimée 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, 2023.

Sixth resolution

Renewal of the appointment of the company M.B.D. as Director

The General Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, having considered the Board of Directors' Report, decides to reappoint the company M.B.D. as Director for a new term of three years.

M.B.D. s term of office will expire at the end of the Ordinary General Meeting convened to approve the financial statements for the fiscal year ended December 31, 2023.

Seventh resolution

Renewal of the Appointment of Mr. John Glen as Director

The General Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, having considered the Board of Directors' Report, decides to reappoint Mr John Glen as Director for a new term of one year.

Mr John Glen's term of office will expire at the end of the Ordinary General Meeting convened to approve the financial statements for the fiscal year ended December 31, 2021.

RESOLUTIONS 8 TO 15

Corporate officers and directors' compensation

Purpose

Eight resolutions are submitted to approval by the Shareholders:

- a first resolution regarding the compensation of corporate officers referred to in paragraph I of Article L. 22-10-9 of the French Commercial Code for the 2020 fiscal year (8th resolution);
- a second resolution regarding compensation paid in fiscal year 2020 or granted in this period to the Chair of the Board of Directors (9th resolution);
- a third resolution regarding compensation paid in fiscal year 2020 or granted in this period to the Chief Executive Officer (10th resolution);
- a fourth resolution regarding compensation paid or granted up to June 30, 2020 for the period ended December 31, 2020 to the Executive Vice President (11th resolution);
- a fifth resolution regarding the compensation policy for the Chair of the Board of Directors for 2021 (12th resolution);
- a sixth resolution regarding the compensation policy for the Executive Corporate Officers for 2021 (13th resolution);
- a seventh resolution regarding the compensation policy for Directors (14th resolution).
- an eighth resolution regarding the compensation to be allocated among members of the Board of Directors (15th résolution)

RESOLUTION 8

Approval of the information regarding the compensation of corporate officers for 2020

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 relating to the compensation of corporate officers for 2020. These components are described in chapter 4.2 of the 2020 universal registration document .

Eighth resolution

Approval of the information regarding the compensation of the Directors and corporate officers referred to in paragraph I of Article L. 22-10-9 of the French Commercial Code for the 2020 fiscal year

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 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 9

Approval of the compensation of the Chair of the Board of Directors for 2020

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 of all kinds paid in or awarded for 2020 to Mr. Pierre Vareille, Chair of the Board of Directors.

These components are described in chapter 4.2 of the 2020 universal registration document (page 183).

Ninth resolution

Approval of the fixed, variable or exceptional components of total compensation and benefits of all kinds paid or granted for the period ended December 31, 2020 to Mr. 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 in the period ended December 31, 2020 or granted in the same period to Mr. Pierre Vareille, Chair of the Board of Directors, which are presented in this report.

RESOLUTION 10

Approval of the compensation of the Chief Executive Officer for 2020

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 of all kinds paid in or awarded for 2020 to Mr. Gonzalve Bich, Chief Executive Officer.

These components are described in chapter 4.2 of the 2020 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 2020 universal registration document (page 183) of the 2020 universal registration document.

Tenth resolution

Approval of the fixed, variable or exceptional components of total compensation and benefits of all kinds paid or granted for the period ended December 31, 2020 to Mr. 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, 2020 or granted in the same period to Mr. Gonzalve Bich, Chief Executive Officer, which are presented in this report.

RESOLUTION 11

Approval of the compensation of the Executive Vice-President up to June 30, 2020

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 of all kinds paid in or awarded up to June 30, 2020 for the period ended December 31, 2020 to Mr. James DiPietro, Executive Vice President.

These components are described in chapter 4.2 of the 2020 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 2020 universal registration document (page 183) of the 2020 universal registration document.

Eleventh resolution

Approval of the fixed, variable or exceptional components of total compensation and benefits of all kinds paid or granted up to June 30, 2020 to Mr. James DiPietro, Executive Vice President

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 or granted up to June 30, 2020 for the period ended December 31, 2020 to Mr. James DiPietro, Executive Vice President, which are presented in this report.

RESOLUTION 12

Approval of the compensation policy for the Chair of the Board of Directors for fiscal year 2021

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 of the Company for 2021, set by the Board of Directors, on the Remuneration Committee's recommendation.

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 2020 universal registration document (page 175).

Twelfth resolution

Approval of the compensation policy for the Chair of the Board of Directors for fiscal year 2021

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 2021 as described in this report.

RESOLUTION 13

Approval of the compensation policy for the executive corporate officers for the fiscal year 2021

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 2021, set by the Board of Directors, on the Remuneration Committee's recommendation.

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 2020 universal registration document (page 176).

Thirteenth resolution

Approval of the compensation policy for the executive corporate officers for the fiscal year 2021

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 2021 as described in this report.

RESOLUTION 14

Compensation policy for Directors

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, set by the Board of Directors, on the Remuneration Committee's recommendation.

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 2020 universal registration document (page 175).

Fourteenth resolution

Approval of the compensation policy for Directors

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 2021 as described in this report.

RESOLUTION 15

Compensation granted to members of the Board of Directors

Purpose

You are asked to set a maximum total annual amount of compensation to be allocated among members of the Board of Directors of 600,000 euros.

Fifteenth 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 as from fiscal year 2021 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 600,000 euros per year.

8.2. EXTRAORDINARY SHAREHOLDERS' MEETING

RESOLUTION 16

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 within the limit of 10% of the amount of the share capital per 24-month period.

This delegation of authority would be given for a period of 18 months and would cancel the prior authorization granted to the Board of Directors by the 16th resolution of the General Meeting of May 20, 2020.

Sixteenth 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 Ordinary General Meetings, after considering the Board of Directors' Report and the Auditors' Special Report, 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, all or some 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, within the limit of 10% of the capital per twenty-four month periods.

All powers are granted to the Board of Directors, with the power of sub-delegation, to:

- reduce the share capital by canceling shares;
- approve the definitive amount of the share capital reduction;
- set the terms and conditions and certify the completion thereof;
- allocate the difference between the carrying value of the shares cancelled and their par value to available reserves or additional paid-in capital;
- amend the articles of incorporation (*statuts*) in consequence;
- and more generally, fulfill all formalities and requirements for implementation of this resolution.

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 by the sixteenth resolution of the Combined Shareholders Meeting of May 20, 2020.

RESOLUTION 17

Restricted stock unit awards

Purpose

You are asked to renew the authorization granted to the Board of Directors to award restricted stock units or RSUs (*attribution d'actions gratuites*) to Group employees and executive officers expiring in July 2021.

Within the framework of this authorization, the number of shares that may be awarded may not represent more than 4% of the share capital on the Board of Directors' grant decision date. The number of RSUs that may be awarded pursuant to this authorization shall be applied against the overall limit provided for in the 19th resolution;

The total number of RSUs that may be awarded to executive officers during a financial year may not represent more than 0.4% of the share capital on the Board of Directors' grant decision date.

Pursuant to Article L. 225-197-1 of the French Commercial Code, shares thus granted will become fully vested by their beneficiaries subject to fulfillment of other conditions set when granted, and notably the condition of presence or conditions of performance, for all or part of shares granted:

- for restricted stock units not subject to conditions of performance:
 - either upon expiration of a vesting period (*période d'acquisition*) that may not be shorter than the period required by the legal provisions applicable on the grant decision date (at present one year) it being understood that the vested shares will be subject, at the end of the aforementioned vesting period, to a holding period (*période de conservation*) that may not be shorter than the period required by the legal provisions applicable on the grant decision date (at present one year),
 - or upon expiration of a minimum vesting period of at least two years and, in this case, without being subject to a minimum holding period,

it being understood that the Board of Directors will have the option of choosing one of these two options and to alternate them or use them concurrently with one another, and have the ability, in one or the other case, to extend the vesting period as well as, in the first case, extend the holding period and, in the second case, to set a minimum holding period;

- for all grants to executive officers and members of the Executive Committee of the Company subject to performance conditions, upon expiration of a minimum three-year vesting period.

If the General Meeting approves this resolution, grants of restricted stock units that may be made will be decided by the Board of Directors on the basis of proposals by Executive Management. Grants that may be made to corporate officers will be decided by the Board of Directors on the basis of proposals by the Remuneration Committee after an evaluation of their performance.

The Board of Directors will determine the identity of the beneficiaries of grants, the number of shares granted to each and the conditions of performance to fulfill, as applicable, in order for all or part of the shares granted to become fully vested.

Restricted stock units (*attributions gratuites d'actions*) may be granted without conditions of performance in the case of grants for the benefit of Group employees or certain categories thereof and/or within the framework of employee stock ownership programs (except those for the benefit of officers of the Company).

The Board of Directors will propose that this authorization, which will cancel and replace the authorization granted by the 22nd resolution of the General Meeting of May 16, 2018, be granted for a period of thirty-eight (38) months from the date of this General Meeting.

Seventeenth resolution

Authorization to be given to the Board of Directors to proceed with restricted stock awards to employees and corporate officers by granting existing shares and/or shares to be issued, entailing the waiver by Shareholders of their preferential subscription right

The General Meeting, voting in accordance with quorum and majority rules for Extraordinary General Meetings, after having considered the Board of Directors' Report and the Auditors' Special Report in accordance with articles L. 225-197-1 et seq., L. 22-10-59 and L. 22-10-60 of the French Commercial Code:

1. authorizes the Board of Directors, with the right to sub-delegate its authority to the extent permitted by law, to grant restricted stock units (*attributions gratuites d'actions*), on one or more occasions, of existing shares or shares to be issued of the Company ("**Restricted Stock Units**" or RSUs);
2. resolves that the existing shares or shares to be issued pursuant to this authorization may not represent more than 4% of the share capital on the Board of Directors' grant decision date, it being specified that shares granted to executive officers of the Company pursuant to this authorization may not represent more than 0.4% of the share capital on the Board of Directors' grant decision date; this maximum number of shares to be issued or existing does not take into account the additional number of shares which may be granted resulting from an adjustment to the number of shares initially awarded pursuant to a corporate action of the Company;
3. resolves that the number of RSUs that may be allotted pursuant to this authorization shall be applied against the overall limit provided for in the 19th resolution;
4. resolves that the beneficiaries of the awards may be employees of the Company or certain categories thereof and/or entities directly or indirectly affiliated with it within the meaning of Article L.225-197-2 of the French Commercial Code, as well as corporate officers of the aforementioned companies or entities, as determined by the Board of Directors in accordance with the provisions of



Article L. 225-197-1 *et seq.* of the French Commercial Code, or some of them, and who, in addition, meet the conditions and, if applicable, the allotment criteria that will have been set by the Board of Directors;

5. resolves that, if the grants are made to the corporate officers referred to in Article L. 225-197-1 II, paragraphs 1 and 2 of the French Commercial Code, they may only be made under the conditions of Article L. 225-197-6 of the French Commercial Code, and subject to the achievement of certain performance criteria to be set by the Board of Directors;
6. resolves that any grant shall be subject to achievement and fulfillment of one or more conditions of performance set by the Board of Directors, notably grants for the benefit of corporate officers of the Company. By way of exception, the Board of Directors may grant restricted stock units (*attributions gratuites d'actions*) without conditions of performance in the case of grants for the benefit of Group employees or certain categories thereof and/or within the framework of employee stock ownership programs (except those for the benefit of officers of the Company);
7. resolves that said shares will become fully vested by their beneficiaries subject to fulfillment of other conditions set when granted, for all or part of shares granted:
 - for restricted stock units not subject to conditions of performance:
 - either upon expiration of a vesting period (*période d'acquisition*) that may not be shorter than the period required by the legal provisions applicable on the grant decision date (at present one year) it being understood that the vested shares will be subject, at the end of the aforementioned vesting period, to a holding period (*période de conservation*) that may not be shorter than the period required by the legal provisions applicable on the grant decision date (at present one year),
 - or upon expiration of a minimum vesting period of at least two years and, in this case, without being subject to a minimum holding period,
 - it being understood that the Board of Directors will have the option of choosing one of these two options and to alternate them or use them concurrently with one another, and have the ability, in one or the other case, to extend the vesting period as well as, in the first case, extend the holding period and, in the second case, to set a minimum holding period,
 - for all grants to corporate officers of the Company subject to performance conditions, upon expiration of a minimum three-year vesting period;
8. resolves, notwithstanding the foregoing, that the shares may be definitively granted before the end of the vesting period in the event of the beneficiary's disability within the second or third category set out in Article L. 341-4 of the French Social Security Code (*code de la sécurité sociale*), as of the date such disability is certified, and that the shares may be freely transferable by the above beneficiary independently of the aforementioned holding period;
9. acknowledges that in the event of an award of restricted stock units from new shares, this decision will entail, as said shares are fully vested, a capital increase by capitalizing reserves, profits or issue premiums for the benefit of the beneficiaries of said shares and a corresponding waiver by Shareholders in favor of the beneficiaries of said shares of their preferential subscription rights to said shares and for the portion of reserves, earnings and additional paid-in capital having been capitalized;
10. grants full powers to the Board of Directors to implement this resolution, with the right to sub-delegate its authority within the limits and subject to the conditions specified above and, in particular, to:
 - determine whether the shares granted are shares to be issued and/or existing shares, and to change its choice before the final award,
 - determine the categories of beneficiaries of the grant(s),
 - freely determine the identities of the beneficiaries, the number of shares granted to each of them, set the conditions, and any criteria for granting the shares and any performance criteria,
 - set the conditions for grants (notably of presence and, as applicable performance), decide the amount of the grant(s), the dates and terms and conditions of each of them, and the date, which may be retroactive, as of which the securities issued will carry dividend rights,
 - determine the definitive durations of the vesting period (*période d'acquisition*) and the holding period (*période de conservation*) for the shares, within the limits set by the law and above by the General Meeting,
 - enter the shares thus granted in a registered account in the names of their holders, stating that they are unavailable and the duration of such unavailability,
 - fund a restricted reserve, set aside to cover the beneficiaries' rights, with a sum equal to the total amount of the par value of the shares that may be issued pursuant to a capital increase, by withdrawing the necessary sums from any reserves to which the Company has unrestricted access,
 - make the necessary withdrawals from this restricted reserve in order to pay the par value of the shares to be issued in favor of the beneficiaries thereof and accordingly increase the share capital by the par value of the shares granted,
 - in the event of a capital increase, amend the articles of incorporation accordingly and carry out the formalities in consequence thereof, and
 - in the event that any of the financial transactions referred to in Article L. 228-99, paragraph 1, of the French Commercial Code are carried out during the vesting period, take, if it deems appropriate, all measures to protect and adjust the rights of the grantees of shares in accordance with the terms and conditions prescribed by said article;
11. resolves that this authorization is granted for thirty-eight months from the date of this General Meeting and cancels and supersedes for the unused portion and unexpired period the prior authorization granted by the twenty-second resolution of the Combined Shareholders Meeting of May 16, 2018.



RESOLUTION 18

Stock options and/or stock purchase options

Purpose

You are asked to renew your authorization to grant, on one or more occasions, stock options or stock purchase options of the Company to employees (or some of them), as well as eligible corporate officers (or some of them) of the Company and economic interest groups or companies affiliated therewith, it being specified that the options granted under this authorization may not confer a right to subscribe for or purchase a total number of shares exceeding 4% of the Company's share capital on the Board of Directors' grant decision date. The total number of shares that may be allotted, subscribed or purchased in respect of the options issued pursuant to this authorization will be applied against the overall limit provided for in the 19th resolution.

The number of Options granted to executive officers of the Company under this authorization may not confer a right to a total number of shares exceeding 1% of the Company's share capital on the Board of Directors' grant decision date.

The subscription option price to be paid when the stock options or stock purchase options are exercised will be set by the Board under the conditions provided for by law, but excluding any discount, on the date the options shall be granted.

The Board of Directors will propose that this authorization, which will cancel and replace the authorization granted by the 23rd resolution of the General Meeting of May 16, 2018, be granted for a period of thirty-eight (38) months from the date of this General Meeting.

Eighteenth resolution

Authorization to be given to the Board of Directors to grant stock options and/or stock purchase options entailing the waiver by Shareholders of their preferential subscription rights

The General Meeting, voting in accordance with quorum and majority rules for Extraordinary General Meetings, after having considered the Board of Directors' Report and the Auditors' Special Report in accordance with articles L. 225-177 *et seq.*, L. 22-10-56 to L. 22-10-58 and L. 225-129 *et seq.* of the French Commercial Code,

1. authorizes the Board of Directors to grant, on one or more occasions, during the periods authorized by law, to employees and/or corporate officers (or some of them) of the Company or of companies or groups affiliated with it in accordance with the conditions set out in Article L. 225-180, paragraph I of the French Commercial Code (the "**Beneficiaries**"), options conferring the right to subscribe for new shares to be issued by the Company pursuant to a capital increase or to purchase existing shares of the Company resulting from share buybacks in accordance with the legal requirements (the "**Options**"), under the following conditions:
 - the total number of Options thus granted may not confer rights when exercised, under the conditions and subject to fulfillment of the performance conditions set by the Board of Directors as determined for a minimum period of three years, to more than 4% of the share capital on the Board of Directors' grant decision date, it being specified that Options granted to executive officers of the Company under this authorization may not represent more than 1% of the share capital on the Board of Directors' grant decision date; this maximum number of shares to be issued or existing does not take into account the additional number of shares which may be granted resulting from an adjustment to the number of shares initially awarded pursuant to a corporate action of the Company;
 - the total number of shares that may be allotted, subscribed or purchased in respect of the Options issued pursuant to this authorization will be applied against the overall limit provided for in the 19th resolution;

- the subscription or purchase price of the shares issued from the Options will be determined by the Board of Directors on the day the options are granted as follows:
 - for options to subscribe for new shares, the purchase price may not be less the average opening price for the twenty trading sessions preceding the Option grant date,
 - for options to acquire existing shares, the purchase price may not be less the average opening price for the twenty trading sessions preceding the Option grant date nor the average purchase price of shares held by the Company in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code.

Over the duration of the Options granted, their price may not be modified unless the Company carries out financial or securities transactions imposed on the Company by law to protect the interests the Options' beneficiaries; In such case, the Board of Directors will take, in compliance with applicable regulations, the measures required to take into account the impact of the transactions and may decide to temporarily suspend, as applicable, the right to exercise the Options in the case of a financial transaction resulting in an adjustment in accordance with the provisions of Article L. 225-181 paragraph 2 of the French Commercial Code or in the event of any other financial transaction in the context of which it considers it appropriate to suspend this right,

- the period during which the Options may be exercised shall be 10 years from the date they are granted by the Board of Directors,
- in accordance with the law, no Options may be granted to employees or executive officers who, on the date of the Board of Directors' decision, hold more than 10% of the share capital;

2. resolves that the Board of Directors shall have full powers to implement this authorization, with the right to sub-delegate its authority and, in particular, to:
 - determine the nature of Options to be granted (stock options or stock purchase options),
 - set the price and the terms and conditions applying to the exercise of options by their beneficiaries (notably the conditions of presence and performance),
 - draw up the list of Beneficiaries and the number of Options to be granted to each,
 - set (a) the length of validity of the options, (b) the opening date(s) of the Options and (c) the dates of record for the new shares resulting from the exercise of stock options from which they shall be entitled to dividends, including retroactively, as well as any other procedures for exercising the Option,
 - decide on the terms and conditions according to which the price and the number of shares to be subscribed or purchased will be adjusted, in compliance with regulation, according to financial transactions, as applicable, involving the Company's share capital,
 - deduct the costs of the capital increases from the amount of the premiums relating to these increases and, if it deems appropriate, deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new capital after each increase, and
 - define the periods suspending the right to exercise the Options in the case of financial transactions involving the Company's share capital,
 - and more generally, fulfill or have fulfilled all measures and formalities to record completion of the capital increase(s) to be undertaken under this resolution, amend the articles of incorporation in consequence, and, generally, to do all that is necessary;
3. acknowledges that this authorization automatically entails an express waiver by the Shareholders in favor of the Beneficiaries of the Options, of their preferential subscription right for the shares that will be issued as said Options are exercised;
4. acknowledges that the capital increase as a result of the Options exercised shall be definitively completed merely by the declaration that the Option is being exercised, accompanied by the subscription form and the payments for the shares, which may be made in cash or by a setoff against receivables held against the Company;
5. resolves that this authorization is granted for thirty-eight months from the date of this General Meeting and cancels and supersedes for the unused portion and unexpired period the prior authorization granted by the twenty-third resolution of the Combined Shareholders Meeting of May 16, 2018.

RESOLUTION 19

Overall limits on the amount of the issues carried out pursuant to the authorizations to grant options and restricted stock units

Purpose

In light of the delegations of authority and authorizations presented above, you are asked to decide that the total amount:

(i) of shares that may be issued in virtue of the restricted stock units freely awarded pursuant to the 17th resolution above, and
 (ii) of the shares that may be issued or allotted upon exercise of the Options that may be granted pursuant to the 18th resolution above,
 may not exceed 7% of the share capital on a fully diluted basis recorded on the grant decision date, whereby to this maximum amount will be added, as applicable, the additional amount of shares to be issued to protect, in accordance with the legal provisions and, where appropriate, the applicable contractual provisions, the rights of holders of securities or other rights conferring access to shares.

Nineteenth resolution

Setting overall limits on the amount of the issues carried out pursuant to the authorizations to grant Options and Restricted Stock Units

The General Meeting, voting in accordance with quorum and majority rules for Extraordinary General Meetings, after considering the Board of Directors' Report:

Resolves that the sum (i) of the shares that may be issued or allotted upon exercise of the Options that may be granted pursuant to the 18th resolution above, and (ii) the shares that may be issued in virtue of the shares freely awarded pursuant to the 17th resolution above,

may not exceed 7% of the share capital on a fully diluted basis recorded on the grant decision date, whereby to this maximum amount will be added, as applicable, the additional amount of shares to be issued to protect, in accordance with the legal provisions and, where appropriate, the applicable contractual provisions, the rights of holders of securities or other rights conferring access to shares.



RESOLUTION 20

Capital increase reserved for employees

Purpose

The purpose of this resolution, which is part of the policy to promote employee stock ownership that has been pursued by your Company for a number of years, is to delegate your authority to the Board of Directors to carry out capital increases reserved for employees participating in its company savings plan. Under the terms of the 20th resolution, the total nominal amount of issues of shares and/or other securities giving access to the capital under the delegation of authority which would be granted to the Board of Directors, with the power of sub-delegation, for a period of 26 months, may not exceed 3% of the Company's share capital on the date it is exercised.

Twentieth resolution

Delegation of authority to the Board of Directors to carry out a capital increase by issuing shares or securities giving access to the capital, reserved for participants in a company stock ownership plan, with cancellation of preferential subscription rights in favor of the latter

The General Meeting, voting in accordance with quorum and majority rules for Extraordinary General Meetings, after having considered the Board of Directors' Report and the Auditors' Special Report, duly noting the provisions of articles L. 3332-1 to L. 3332-24 of the French Labor Code, and in accordance with the provisions of articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code;

1. delegates to the Board of Directors its authority, with the right to sub-delegate its authority, to decide to increase the share capital, on one or more occasions, and at times and according to procedures it shall determine, by issuing ordinary shares or financial securities conferring access to the Company's capital restricted to members of a company savings plan (or any other plan for whose members Article L. 3332-1 *et seq.* of the French Labor Code, or any similar law or regulation, permits restricting a capital increase under equivalent conditions) established or to be established within the Company;
2. resolves that the total nominal amount of capital increases that may be carried out, immediately and/or in the future under this delegation of authority may not exceed 3% of the Company's share capital on the date it is exercised, it being specified that the above maximum nominal amount will be increased by securities to be issued to preserve the rights of the holders of securities giving future access to the share capital, in accordance with the provisions of the French Commercial Code;
3. resolves that the subscription price of the shares shall be set in accordance with the provisions of Article L. 3332-19 of the French Labor Code;
4. resolves that this delegation of authority entails cancellation of Shareholders' preferential subscription rights to the new shares or securities to be issued in favor of the aforementioned beneficiaries, in the event the capital increase provided for in the foregoing paragraph is carried out;
5. resolves that the Board of Directors may grant free shares or financial securities conferring access to the Company's capital, in accordance with the terms prescribed by Article L. 3332-21 of the French Labor Code;
6. resolves that each capital increase shall be carried out only up to the amount of the ordinary shares actually subscribed by the above beneficiaries;
7. resolves that the features of the issues of financial securities conferring access to the Company's capital shall be decided by the Board of Directors in accordance with requirements prescribed by law;
8. grants all powers to the Board of Directors, with the power of sub-delegation, to implement the provisions of this authorization and notably to:
 - decide and set the procedures for issuing and granting shares or financial securities conferring access to the capital under this delegation of authority and in particular to set the subscription price in compliance with the rules stipulated above, the opening and closing dates for subscriptions, the dates of record (which may be retroactive), the time periods for paying up the shares and, if applicable, the financial securities conferring access to capital, all in accordance with the limits prescribed by law,
 - certify the completion of the capital increase(s) for the amount of the shares or securities actually subscribed and make the corresponding amendments to the articles of incorporation,
 - carry out all operations and formalities, directly or through an authorized agent,
 - and in general, to take all actions that may be useful or necessary to definitively complete the successive capital increase(s);
9. resolves that this authorization is granted for twenty-six (26) months from the date of this General Meeting and cancels and supersedes for the unused portion and unexpired period the prior authorization granted by the twentieth resolution of the Combined Shareholders Meeting of May 20, 2020.

RESOLUTION 21

Capital increase to pay for contributions in kind, without preferential subscription rights

Purpose

You are asked to delegate to the Board of Directors, with the power of sub-delegation, your authority to issue shares and/or other securities giving access to the Company's capital for the purpose of public exchange offers.

You will be asked to expressly waive your preferential subscription rights to shares and/or securities that may be issued on the basis of this delegation of authority.

- Maximum nominal amount of capital increases: 10% of the Company's capital.
- Period of validity: 26 months.

This delegation of authority may not be used without your formal authorization during a public tender or exchange offers for the Company's shares.

Twenty-first resolution

Authority to be given to the Board of Directors to decide on the issuance of ordinary shares and/or securities giving present or future access to ordinary shares to be issued intended as consideration for shares tendered to the Company in connection with contributions in kind limited to 10% of its share capital without preferential subscription rights

The General Meeting, voting in accordance with quorum and majority rules for Extraordinary General Meetings, after having considered the Board of Directors' Report and the Auditors' Special Report in accordance with articles L. 225-129 *et seq.*, L. 22-10-53 and L. 228-91 *et seq.* of the French Commercial Code,

1. delegates to the Board of Directors, when the provisions of Article L. 22-10-54 of the French Commercial Code are not applicable, with the power of sub-delegation to any person in accordance with applicable legal and regulatory provisions, the powers necessary to rule on the report of the equity auditor(s) mentioned in Article L. 22-10-53 of the French Commercial Code, the issue of ordinary shares of the Company or securities giving present or future access to equity securities of the Company intended as consideration for contributions in kind granted to the Company and consisting of equity securities or other securities giving access to the capital;
2. acknowledges that, in accordance with the law, Shareholders will not have preferential subscription rights for the shares or securities issued pursuant to this delegation of authority;
3. acknowledges that this delegation of authority automatically entails waiver by the Shareholders of their preferential subscription right to the shares to which the securities that would be issued on the basis of this delegation of authority would entitle them;
4. resolves that the maximum nominal amount of capital increases carried out pursuant to this delegation of authority shall not exceed 10% of the Company's capital (as existing on the date of the transaction). If applicable, this amount shall be increased by the number of additional shares to be issued to protect, in accordance with the legal or regulatory or contractual provisions, the rights of holders of securities and other rights conferring access to capital;
5. resolves that the nominal amount of capital increases decided by this resolution shall be applied against the overall limit provided for in the 22nd resolution;
6. decides that the Board of Directors may implement this delegation at any time. By way of exception, the Board of Directors may not, except subject to prior authorization of the General Meeting, make use of this delegation of authority, during periods of public tender offers initiated by a third-party for shares of the Company and, up until the end of these periods;
7. resolves that the Board of Directors shall have full powers to implement this delegation of authority, with the power of sub-delegation, within the limits and subject to the conditions specified above and, in particular, to:
 - decide the capital increase(s) to be carried out as consideration of the contributions and determine the shares and/or securities to be issued,
 - draw up the list of securities to be tendered and rule on the valuation of the contributions,
 - set the conditions of the issue of shares and/or securities in consideration of the contributions and, if applicable the amount of any cash balance to be paid, approve the granting of special benefits, and reduce, if the contributors agree, the value of the contributions or the consideration for the special benefits,
 - determine the characteristics of the shares and/or securities serving as consideration for the contributions,
 - determine and make all adjustments in order to take into account the impact of corporate actions affecting the Company's capital or equity and set all other procedures to ensure and set the procedures according to which, as applicable, the rights of holders of securities giving access to the capital or beneficiaries of subscription or purchase options or restricted stock units (*attribution gratuite d'actions*) will be preserved,
 - at its sole initiative, charge all costs incurred in connection with the capital increase to the corresponding share premium and appropriate therefrom the amounts necessary to fund the legal reserve,
 - set the issue terms and conditions, certify the completion of the capital increases, make the corresponding amendment to the articles of incorporation, carry out the required formalities and, in general, take all necessary actions;
8. resolves that this delegation of authority shall be valid for a period of twenty-six (26) months from the date of this General Meeting.



RESOLUTION 22

Overall limits on the amount of the issues carried out pursuant to the delegations of authority granted

Purpose

In light of the delegations of authority presented above, it is proposed that you decide that the maximum nominal amount of capital increases that may be carried out under the delegations of authority granted under the 21st resolution of this General Meeting and the 17th and 18th resolutions of the General Meeting of May 20, 2020 shall be set at 10% of the Company's share capital on the date the Board of Directors decides on the issue, whereby to this maximum amount will be added, as applicable, the additional amount of shares to be issued in order to preserve, in compliance with the law and, where appropriate, applicable contractual provisions, the rights of holders of securities and other rights giving access to the capital.

You are reminded that, in accordance with Article R. 225-116 of the French Commercial Code, the Board of Directors shall, at the time it will make use of the delegations of authority is described above, establish a supplementary report describing the definitive terms of the transaction as well as the impact on the situation of holders of equity securities and other securities giving access to the capital, in particular with respect to their percentage of their holdings in the capital. This report as well as the Statutory Auditors' Supplementary Report will be made available to you under the conditions provided for by applicable law and regulations.

Twenty-second resolution

Setting of the overall limits on the amount of the issues carried out pursuant to the delegations of authority granted

The General Meeting, voting in accordance with quorum and majority rules for Extraordinary General Meetings, after considering the Board of Directors' Report, resolves that the maximum nominal amount of capital increases that may be carried out, immediately and/or in the future under the delegations of authority granted under the 21st resolution of this General Meeting and the 17th and 18th resolutions of the General Meeting of May 20, 2020 is set at 10% of the Company's share capital on the date the Board of Directors decides on the issue, whereby to this maximum amount will be added, as applicable, the additional amount of shares to be issued in order to preserve, in compliance with the law and, where appropriate, applicable contractual provisions, the rights of holders of securities and other rights giving access to the capital.

RESOLUTIONS 23 TO 24

Modifications of articles of incorporation (*statuts*)

Purpose

Under the terms of the 23rd resolution, you are asked to modify Article 16 *bis* of the Company's articles of incorporation (Identification of Shareholders) in order to take into account the changes to Article L. 228-2 of the French Commercial Code pursuant to Business Growth and Transformation Action Plan of Act No. 2019-486 of May 22, 2019 (*plan d'action pour la croissance et la transformation des entreprises* or "PACTE").

Under the terms of the 24th resolution, you are asked to modify Article 10 of the Company's articles of incorporation (Board of Directors) by eliminating the obligations thereunder required for each Director to hold at least one (1) share of the Company, whereby it is specified that the Board of Directors' internal rules and procedures set the minimum number of shares that each Director must hold during his or her term of office.

Twenty-third resolution

Modification of Article 16bis of the articles of incorporation (identification of Shareholders)

The General Meeting, voting in accordance with quorum and majority rules for Extraordinary General Meetings, after having considered the Board of Directors' Report, decide to modify the provisions of Article 16bis (identification of Shareholders) of the Company's articles of incorporation (*statuts*) to reflect changes made to Article L. 228-2 of the French Commercial Code.

ARTICLE 16BIS – IDENTIFICATION OF SHAREHOLDERS**Current wording**

The Company is entitled, under the legal and regulatory conditions in force, to request, against remuneration to be paid by it, of the organization responsible for clearing the shares, the name or, in the case of a legal entity, the Company name, nationality, year of birth or, in the event of a legal entity, the year of creation, and the address of the owners of the shares conferring immediately or in the future the voting right in its own Shareholders' Meetings, as well as the number of shares owned by each of them and, as the case may be, the restrictions which may encumber these shares.

Proposed new wording

The Company may at any time, in accordance with applicable laws and regulations, implement the procedure for identifying Shareholders and the holders of bearer shares conferring present or future rights to vote in its Shareholders Meetings. Failure to provide this information or providing incomplete or false information, is subject to penalties provided for by law.

Twenty-fourth resolution**Modification of Article 10 of the articles of incorporation (Board of Directors)**

The General Meeting, voting in accordance with quorum and majority rules for Extraordinary General Meetings, after having reviewed the Board of Directors' Report, decide to amend the provisions of Article 10 (Board of Directors) of the Company's articles of incorporation to eliminate the obligation thereunder for each Director to own at least one (1) share of the Company it being specified that the internal rules and procedures of the Board of Directors sets the minimum number of shares that each Director may hold during the term of his or her office.

ARTICLE 10 - BOARD OF DIRECTORS**Current wording**

The Company is managed by a Board of Directors composed of at least three and no more than twelve members.

During their term of office, each Director must own at least one share.

If, on the date of his or her appointment, a Director does not own the required number of shares or if, during his or her term, he or she ceases to own this number, said Director is automatically considered as resigning if he or she has not rectified this situation within three months.

Directors are appointed for a term of three years, and can be reelected subject to the application of the provisions governing the age limits.

As an exception to the three year term provided for in the preceding paragraph, the General Meeting may set the Directors' term for a period of one or two years in order to enable a staggered renewal of the Directors' terms.

Proposed new wording

The Company is managed by a Board of Directors composed of at least three and no more than twelve members.

Directors are appointed for a term of three years, and can be reelected subject to the application of the provisions governing the age limits.

As an exception to the three year term provided for in the preceding paragraph, the General Meeting may set the Directors' term for a period of one or two years in order to enable a staggered renewal of the Directors' terms.



8.3. ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

DRAFT RESOLUTION 25

Authorization to perform formalities

Board of Directors' Report:

This resolution allows the performance of the legal formalities following this meeting.

Draft resolution 25

Authorization to perform formalities

The Shareholders' Meeting grants full powers to the bearer of a copy or excerpt of this document to carry out all required legal formalities.





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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.bicworld.com).

9.2. MAIN PRESS RELEASES

List of the main press releases published in 2020:

Press releases available on www.info-financiere.fr and on the Company's website: www.bicworld.com

Date	Title
January 16, 2020	BIC strengthens its Executive Committee to Accelerate Transformation
February 12, 2020	Fourth quarter and full year 2019 results
March 23, 2020	BIC - Update on Covid-19 Impacts
March 27, 2020	2020 Capital Allocation revised in the context of the Covid-19 Outbreak
March 31, 2020	Release and Availability of the 2019 Universal Registration Document
April 7, 2020	BIC - New Reporting Structure
April 15, 2020	SOCIÉTÉ BIC will hold its Annual Shareholders' Meeting on Wednesday May 20, 2020, behind closed doors
April 23, 2020	First quarter 2020 results
May 20, 2020	BIC is Transforming for growth
June 16, 2020	BIC to enhance its leadership in the Global Picket lighters market
July 01, 2020	Djeep's acquisition completed
July 06, 2020	BIC announced Chief Financial Officer succession
July 24, 2020	Infringement Procedures against the Netherlands, France and Germany reach final closure
July 29, 2020	H1 2020 Financial Results
October 28, 2020	Third Quarter and Nine Months 2020 Results
November 02, 2020	BIC joins Plug and Play Network to accelerated sustainable innovation
December 15, 2020	BIC Sells PIMACO, Its Brazilian Adhesive Label Business, to Grupo CCRR
December 15, 2020	Closing of the Rocketbook Acquisition
December 17, 2020	BIC and Exane BNP Paribas Pioneer the first Europe Environmental Social and Governance (ESG) Impact Share Buyback Program
December 21, 2020	Nomination of Second Director representing the Employees



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 31, 2021
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 2018 and 2019, 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. 19-0174 and no. D. 20-0225) and are available on the website of the Group. In accordance with Article 19 of European regulation EU No. 2017/1129 of 14 June 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

At constant currencies:

Constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates.

BIC Code of Ethics:

Set of norms and principles governing the way of driving a company. Since 2007, the BIC Code of Ethics has defined the fundamental ethical principles that the Group asks all employees to follow under all circumstances and everywhere in the world.

BIC Code of Conduct:

The BIC Code of Conduct comprises a set of professional and social principles derived from the standards of the International Labor Organization (ILO).

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 2 large sets. For countries outside the OECD, we consider this to be the population with daily expenses that are less than USD 2.97. 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:

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.

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.

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 Group 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.

Income from operations:

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.

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 products:

A product is considered as a new one in the year of its launch and the three following years

Normalized IFO:

Normalized means excluding non-recurring items as detailed page 198.

Normalized IFO margin:

Normalized IFO as percentage of net sales.

Normalized income from operations excluding the impact of the special employee bonus:

Special employee bonus means bonus that has been awarded to employees who have not been granted shares under our performance share plan and after approval of the exceptional dividend.

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 10 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.





ADDITIONAL INFORMATION



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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CROSS REFERENCE TABLE WITH THE ANNUAL FINANCIAL REPORT

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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.

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CROSS REFERENCE TABLE FOR ENVIRONMENTAL AND SOCIAL INDICATORS

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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 the 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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