

# MODERN SLAVERY STATEMENT

The present statement sets out BIC UK's actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains.

The BIC Group, and more specifically BIC UK recognises that it has a responsibility to take a robust approach to slavery and human trafficking.

BIC UK is absolutely committed to prevent slavery and human trafficking in its corporate activities, and to ensure that its supply chains are free from slavery and human trafficking.

This statement relates to actions and activities during the financial year 2018.

## **1. Structure and supply chains**

This statement covers the activities of BIC UK:

- BIC UK's business purpose is the distribution of consumer products.

### 1.1 Countries of operation and supply

The organisation currently operates in the following countries:

BIC's 27 plants are organised by consumer business category, using the same state-of-the-art tools, machines and processes worldwide-largely developed internally-each category cluster guarantees its products' universal quality.

## **COUNTRIES OF OPERATION**

### **EUROPE**

- France, Boulogne sur mer (Stationery)
- France, Cernay (Stationery)
- France, Montévrain (Stationery)
- France, Samer (Stationery)
- France, Vannes (Stationery)
- France, Redon (Lighters)
- Spain, Tarragona (Lighters & Promotional)
- France, Longueil-Sainte-Marie (Shavers)
- Greece, Anixi (Shavers)

### **NORTH AMERICA**

- SC, Gaffney (Stationery)
- CT, Milford (Lighters)

## **DEVELOPING MARKETS**

### **MEXICO**

- Cuautitlan Izcalli (Stationery)
- Saltillo (Shavers)

### **CHINA**

- Nantong (Lighters)

### **TUNISIA**

- Bizerte (Stationery)

### **BRAZIL**

- Rio de Janeiro (Stationery)
- Manaus (Stationery, Lighters, Shavers)

### **INDIA**

- Daman (Stationery)
- Haridwar (Stationery)

### **SOUTH AFRICA**

- Johannesburg (Stationery)

### **ECUADOR**

- Guayaquil (Stationery)

The following Vigilance Plan contains due diligence measures sufficient to identify risks and to help prevent infringements and damage to Human Rights

The following is the process by which the company assesses whether or not particular activities or countries are high risk in relation to slavery or human trafficking:

- In accordance with French Law no. 2017-399 of March 27, 2017 concerning the duty of care for parent companies, BIC developed a Vigilance Plan and started its implementation. This Plan contains due diligence measures sufficient to identify risks and to help prevent infringements and damage to:
  - Human Rights and fundamental freedoms (including slavery or human trafficking);
  - Health and safety; and
  - Environment.

It targets the major risks arising from Société BIC's activities and from the entities which it controls (including BIC UK), and from the activities of its subsidiaries, subcontractors and suppliers with whom is maintained an established business relationship, when these activities are connected to this relation.

See the Vigilance Plan which is part of the 2018 Registration Document of BIC.

### 1.2 High-risk activities

The following activities are considered to be at high risk of slavery or human trafficking:

- None.

## **2. Policies on modern slavery**

The BIC Group implemented a body of documents, notably to ensure that there is no slavery or human trafficking in its own business and its supply chains:

- The BIC Group Code of Conduct;
- The BIC Group Code of Ethics;
- The BIC Group Responsible Purchasing Charter.

### **2.1 The BIC Group Code of Conduct**

Among this body of documents, one has been implemented especially to ensure the respect for Human Rights at work: the Code of Conduct, mandatory for all BIC entities such as BIC UK, and for all BIC product contract manufacturers and business partners. The BIC Group reserves the right to immediately terminate its business relationship and cancel all orders with any contract manufacturer or supply chain partner who does not comply with this Code of Conduct.

The Code of Conduct is based on the following 10 principles:

- A safe and healthy work environment;
- Fair wages and reasonable working hours;
- No child labor;
- No forced labor;
- No discrimination;
- Freedom of association;
- Legal compliance;
- No animal testing;
- Environmental responsibility;
- Publication of the Code.

This Code of Conduct applies to BIC factories, which are mainly located in South Africa, Brazil, Spain, the U.S., France, Greece and Mexico. It also applies to contract manufacturers, which are primarily located in China, Brazil, Vietnam.

### **Work environment**

The BIC Group is committed to treating all its employees with dignity and respect and providing its employees with a safe, healthy, clean and well-lit work environment including appropriate and adequate facilities and protection from hazardous materials or conditions. BIC expects its contract manufacturers and business partners to maintain the same standards in their factories and operations. All BIC entities, contract manufacturers and business partners must comply with all applicable local laws and regulations governing working conditions. If housing is provided for employees, all housing

must be maintained in a clean, safe fashion. BIC strictly forbids the use of cruel and unusual disciplinary practices in the workplace.

### **Fair wages and reasonable working hours**

BIC, its Contract manufacturers and Business Partners must fairly compensate their employees by providing wages and benefits and reasonable work hours in compliance with local standards and applicable laws of the countries in which BIC, its Contract manufacturers and Business Partners are doing business. BIC, its Contract manufacturers and Business Partners must compensate their employees at a rate equal to, or greater than, the prevailing local minimum wage, including piece rate workers. No employees shall be required to work more hours than the limits on regular and overtime hours prescribed by applicable law. All overtime work shall be voluntary. No employee shall be made to work overtime under the threat of penalty, dismissal or denunciation to authorities or as a disciplinary measure or for failure to meet production quotas. Except in extraordinary business circumstances, employees must not be required to work more than 60 hours per week, inclusive of overtime. If applicable law does not provide for overtime pay, employees will be compensated for overtime at a rate equal to or greater than the prevailing local minimum wage. In addition, except in extraordinary business circumstances, employees will be entitled to at least one rest day off in every seven-day period.

### **Child Labor**

BIC will not accept the use of child labor in its operations under any circumstances and will not purchase product(s) from any Contract manufacturer or Business Partners that use child labor. In determining whether a laborer is a "child," BIC will refer to the local legal minimum age for employment or the age for completing compulsory education in the country of manufacture. However, the minimum age shall never be younger than 14 years of age. Although BIC strictly prohibits the use of child labor, BIC supports the development of legitimate workplace apprenticeship programs for the educational benefit of younger people.

### **Forced or compulsory labor**

BIC will not support trafficking in human beings or accept the use of forced, compulsory, bonded, indentured or prison labor in its operations under any circumstances and will not purchase product(s) from any Contract manufacturer or utilize any supply chain partner that supports trafficking in human beings or utilizes forced, compulsory, bonded, indentured or prison labor. Every employee must be a voluntary worker with the freedom to leave the workplace outside of work hours and terminate employment at any time without penalty after notice of reasonable length. Forced prison labor, or work against the will of an employee, including work required as a means of political coercion or punishment for expression of political views is strictly forbidden. No employee shall be subject to any form of harsh or inhumane treatment, corporal punishment, threats of physical or sexual violence, or other forms of psychological or physical harassment, intimidation, abuse, coercion or sanctions that result in wage deductions, reductions in benefits or compulsory labor. No part of an employee's salary, benefits, property, or documents shall be withheld in order to force such personnel to continue working.

## **Discrimination**

BIC employs workers based on ability to perform a job task, not on the basis of personal characteristics, beliefs or any form of discrimination and expects its Contract manufacturers and Business Partners to employ workers on the same basis. BIC, its Contract manufacturers and Business Partners shall comply with all local anti-discrimination laws and regulations.

## **Freedom of Association**

BIC respects the rights of employees to associate, organize and bargain collectively in a lawful and peaceful manner, without penalty or interference, and expects its Contract manufacturers and Business Partners to respect the same rights.

## **Legal Compliance**

BIC, its Contract manufacturers and Business Partners shall comply with the legal requirements and standards of their industry and the laws of the countries in which BIC and/or its Contract manufacturers are doing business. BIC, its Contract manufacturers and Business Partners shall comply with all applicable export and import requirements. Necessary invoices and required documentation must be provided in compliance with applicable law. All merchandise shall be accurately and clearly marked with its country of origin in compliance with applicable law.

### **2.2 The BIC Group Code of Ethics**

This Code has defined the fundamental ethical principles that the Group asks all employees 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. The Code of Ethics comprises:

- 14 standards covering the following aspects: respect for fundamental Human Rights, respect for the environment, compliance with the law, listening and communicating, and the prevention of any form of active or passive corruption;
- 13 principles governing the behavior of BIC employees to control risks arising from conflicts of interest, the protection of the Group's assets, professional commitments, and relationships with its stakeholders;
- a Guide listing the questions that all BIC employees must ask themselves to assess their level of compliance with the Code of Ethics and facilitate its understanding and implementation.

The Code of Ethics, as approved by the Board of Directors and the CEO, and its guide are available in 15 languages. The text of the Code is available to all employees on the Group Intranet.

Since 2016, the BIC Group Anti-Corruption Policy has defined the appropriate conduct mandatory for all BIC personnel, including employees, Directors and administrators, and for all parties acting on the Group's behalf: subsidiaries, affiliate companies, partners under contract, wholesalers, 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.

### **2.3 The BIC Group Responsible Purchasing Charter**

BIC establish mutually beneficial relationships with suppliers who share our commitments to pursue sustainable, simple and inventive solutions that help us conduct business in a socially, environmentally and ethically responsible manner.

### **2.4 Other policies**

Besides, BIC UK operates the following policies to prevent slavery and human trafficking in its operations:

- **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.
- **"BIC Speak Up"** the Group's anonymous and confidential reporting system, is accessible by telephone and Internet to all current and former BIC employees 24 hours a day and is available in more than 200 languages. BIC is committing to ensure the confidentiality of the information gathered as well as to ensure that no sanction is taken against an employee who reported in good faith a breach of the BIC Group Anti-Corruption Policy or to the Group Code of Ethics. The alert hotline will be accessible to third parties from 2019. This alert mechanism aims to prevent the actions or conducts that would be contrary to integrity, honesty or equity.
- **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. More specifically, BIC has adopted seven commitments to ensure the quality and safety of its lighters.
- **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.
- **The BIC Charter of Diversity**, which was signed by the CEO and the Group's Human Resources Director in 2011, demonstrates BIC's desire to actively promote diversity.
- **The Responsible Communication Charter**, defined in 2013, formalizes BIC Group's integration of the Value of Responsibility in its communication. This charter applies to all communication undertaken by the Group around the world.

### **3. Due diligence processes**

Compliance with the Code of Conduct 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 worldwide 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.

Audit are carried out by third-party Auditors.

### **4. Risk assessments**

As stated in article 1 here above, BIC developed a Vigilance Plan. In this framework, a risk mapping was carried out.

### **5. Performance indicators**

Performance indicators on Social Responsibility are presented in the BIC Registration Document, (2018 Registration Document, see pages 67 and 68).

### **6. Training**

It is provided within BIC Group Code of Conduct that contract manufacturers will take appropriate steps to ensure that the provisions of the Code of Conduct are communicated to their employees, including the prominent posting of a copy of this Code of Conduct, in the local language and in a place readily accessible to their employees, at all times.

Besides, BIC University's online portal, BICUonline, contains a catalog of curated resources available to 5,300 team members worldwide. The BIC U Curriculum and the BICUonline portal were refreshed in 2018 for simpler navigation and access to learning opportunities. All resources are mapped by Core Competencies and main topic areas, making it easy to identify the right training opportunity to meet each team member's developmental needs. This portal also hosts all of the Group's compliance training (BIC Group Code of Ethics and Anti-Corruption Policy).

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

This statement was approved by the Board of Directors of BIC UK who reviews and updates it annually.