

#### Our policy

PILOT Corporation Of Europe, a subsidiary of PILOT Corporation based in Tokyo-Japan, handles the injection, assembly, packaging, marketing and distribution of the brand's writing instruments for the European market. Our European production site located in Allonzier-la-Caille near Annecy (Haute-Savoie department in France), elaborated an Environmental Management System in compliance with ISO 14001 standard requirements and the European Eco-Management and Audit Scheme regulation. For many years, respecting the environment has been an essential focus for PILOT. Our commitments concerning the environment are based on several axis, outlined below, defined as part of our corporate strategy.

We, PILOT Corporation of Europe, have a commitment to:

Offering new and ever more eco-friendly writing solutions P.4-5

Communicate openly to our business stakeholders, the relevant authorities and general public about our:

- Environmental policy,
- Environmental results,
- Sustainable purchasing charter.

to collaborate with partners who share our values and environmental beliefs.

Writing a new plot for the planet p.6-7

Periodically monitor and ensure compliance with all legal requirements and the relevant expectations of our stakeholders.

Tracing the path of steady progress p.8-9

Verify the knowledge, availability and implementation of this policy with all employees through our training and awareness programs,

Drawing an ever-changing world p.10-11

Improve our performance continuously through periodic monitoring and evaluate our Management System efficiency including updating our environmental targets,

Fewer empty promises, more solid proof p.14-15

Carbon footprint and SEA p.16-17

#### Protect and preserve natural resources by:

- Reducing the quantity of plastic material used in our products and working to increase the use of recycled materials in connection with our main impacts as identified in Life Cycle Analysis,

Fewer primal matter, more brain power p.18 -24-25-27

History of past cycles p.20 -21

Less extraction, more reflexion p.22-23

- Developing the sales of refills

Fewer landfills, more refills p.19-26

- Monitoring and reducing electricity, gas and water consumptions through several improvement studies and investments
- Optimizing the use of our production resources,

Less water for our pens, more water for nature p.28-29-30-31

Less energy for production, more energy for innovation p.32-33-34-35

Prevent any industrial risks and all kinds of pollutions linked to our activities, by implementing an actions program and monitoring indicators to better identify impact in line with the evolution of our markets. We are particularly aware of the significant environmental impact linked to waste production, energy consumption and greenhouse gas emissions,

Less waste, more ressources p.36-37-38

Less carbon, more reason

Provide the necessary human and financial resources to reach our environmental targets.

Engraving our approach on the future p.44-47

Applicable legal requirements and environmental verifier's declaration P.48-49







For 100 years,

the Pilot brand's mission has been to create new writing solutions.

#### The site houses multiple operations:

- An injection-moulding facility for manufacturing plastic parts
- An assembly workshop for putting together our cartridges and pens
  A packaging plant for producing blister packs and display cases
- A logistic centre for distributing products throughout Europe
- An office complex housing our administrative, marketing and sales operations

As the main European subsidiary of Pilot Corporation (Based in Tokyo, Japan), Pilot Corporation of Europe is also responsible for supporting the marketing, commercial and logistical activities of the group's 6 other European subsidiaries and branches, as well as its European distributors. Between them, they cover more than 30 countries in Europe.



#### For Pilot, writing is not just anthor activity. Writing reflects social respect and responsability.

As a business with Japanese origins, Pilot Corporation of Europe takes a characteristically long-term view of the future in harmony with the environment in the broadest sense of the term, encompassing society, nature and the global economy. For us, reducing the impact of our activities on nature is just as important as making our products more attractive for consumers.

This desire to ensure that our activities are sustainable is what drives our ceaseless efforts to improve our environmental friendliness by paying particular attention to the conservation of resources and the prevention of pollution.

Environmental commitment is not just about paying lip service to a vision. It is a principle that must be put into everyday practice.

Our two environmental certifications are the official proof of our commitment to work in greater harmony with the planet's ecology and ecosystems. In fact, our entire production system is based on an approach that complies with the guidelines in the rigorous ISO 14001 standard and has done for many years in Japan, and since March 2006 in Europe.

It gets better: since 2011, we have been one of the few companies in Europe that have achieved full EMAS registration - a pledge that our environmental commitment is and will remain both credible and transparent.

Guided by our respect for the planet and its inhabitants, we are driving this process forward by carrying out Life Cycle Assessments (LCAs) for our best-selling products with the aim of making effective improvements across all our operations. For the same reasons, we regularly carry out accounting of our greenhouse gas emissions created by all our activities.

Writing a new Plot for the planet

CARARAR PROPERTY P





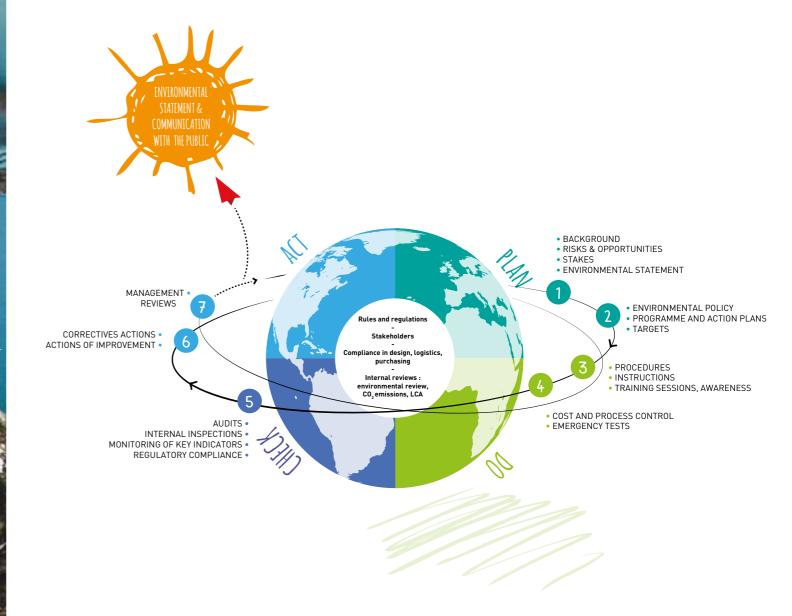
## Tracing the path of steady progress

Our commitment to social responsibility across all our business operations is embodied in a structured, dedicated process of continuous improvement:

Our environmental management system (EMS)

Originally based on the ISO 14001 standard (2015 version), our EMS now satisfies all the requirements of the European Community's environmental framework EMAS (2017 version).

Reporting directly to the CEO, the Head of our Quality, Safety & the Environment (QSE) unit and his team are responsible for ensuring that our Environmental Management System operates efficiently. Our EMS complies with the continuous improvement circle forming the core of EMAS registration.



THE EMS PILOT CORPORATION OF EUROPE



#### Drawing an ever changing world

Our environmental management system consists of stages that enable us to ensure it is fully and consistently applied by each member of the group.

Our management reviews (step 7) allow us to ensure that the objectives and programmes defined in our Environmental Policy are applied, monitored, regularly updated and communicated to our entire workforce.

Because it involves all our teams, every single employee is committed to and responsable for our environmental approch

A company's environmental vision only makes sense if it is shared by its entire workforce. When integrating new employees, managers raise awareness of 100% of PCE employees with our environmental approach. Then the QSE Department proposes to further study this approach thanks to training sessions in the months following the integration and during the 3 years cycle. We have also established dedicated, constantly updated information channels for all employees.

# OF OUR EMPLOYEES TO OUR ENVIRONMENTAL

#### A number of other specific actions have been taken, including:

- Creation of an environmental training scheme for new employees.
- Development and monitoring of an annual training schedule covering emergency situations.
- Distribution of a quarterly QSE newsletter.
- Periodic internal audits of our environmental management functions and system.
- Systematic monitoring of corrective actions following accidents/incidents.
- Development of our own actions system including the suggestions of our employees.

#### Our commitments:

Rate of suggestions from employees

Individual environmental target defined by the managers

Bonus linked to the environmental performance







## Fewer empty promises, more solid proof

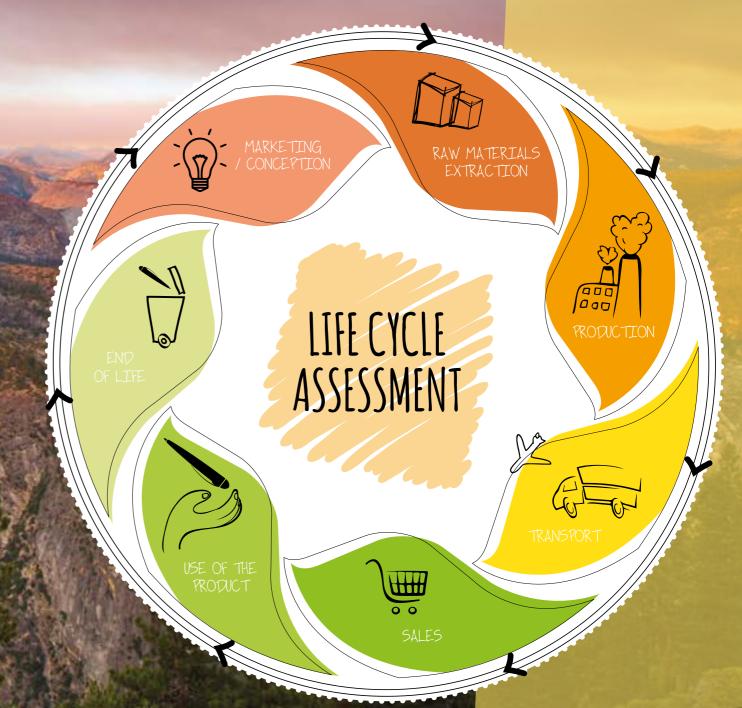
#### LCA = Life Cycle Assessment

Three capital letters that identify areas where we most need to improve, so we can take effective action to reduce our main environmental impacts.

By analysing our products' entire life cycles, from initial conception right through to EOL disposal, we can identify their actual and objective impacts.

In order to better understand the respective impacts of the various environmental aspects we have identified and targetted our actions more effectively and we conducted two types of reviews:

PRODUCT LIFE CYCLE ASSESSMENTS AND GREENHOUSE GAS EMISSIONS



The environmental impact of a product can be objectively assessed by the analysis of its life cycle

#### CARBONE FOOTPRINT

What are the impacts of our activities on the climate change?

This method counts the CO2 emissions engendered by our activities: production, logistics, offices...

We assessed the environmental impact of our products and activities using Lifecycle Analysis and Carbon Footprint methods. These assessments helped us define the best action plans to manage and reduce our significant environmental aspects.

We consider Life cycle analysis as a main tool for conception and development. Furthermore within the frame of the evolution of ISO 14001 and of EMAS, it is essential to take into account the life cycle perspective; that is why we will create training sessions for our staff who develops new products or processes.

Within our projects of conception (products and equipment), we integrated an assessment of our environmental impacts to identify or to compare thanks to life cycle perspective, the impacts of each solution we focus on.



- DIRECTS: Connected to our activities, the products and services we provide and on which we have a direct and operationnal control.
- INDIRECTS: Connected to third parties acting on behalf of Pilot.

  The company can influence on these impacts within certain limits.

#### DIRECTS

Impact on the conservation of natural resources Consumption of plastics
Consumption of other raw materials
Gas
Water

Impact or the prevention of pollutions Electricity
Hazardous waste
Non-hazardous waste

#### INDIRECT!

Impact on the prevention of pollutions Use and disposal of our products by consumers

Atmospheric gas emission caused by transportation

Impact o the conservation of natural resource

Consommation Fuel consumption

#### Fewer primal matter, more brain power



of recycled plastic is the minimum content that will earn a product the Begreen label. But 70 is just the minimum the plastic content of Begreen products ranges from 71-75%.

### Begreen, for a greener lifestyle.

Analysis indicates that the use of virgin plastic materials has the greatest impact on the environment (due to fossil depletion).

This is why we prefer to use recycled materials, and why we are promoting our refillable pens - because fewer materials are required to manufacture a refill than to make a pen. This means we can offer consumers a more socially responsible writing solution.

Since 2006, our Begreen label has been the symbol for our two main areas of improvement. The Begreen label indicates that a product is made out of a minimum of 70% recycled plastic sourced from post-consumer waste (like our B2P pens, which are made out of plastic water bottles) or post-industrial waste (in the case of our other products).





	Fisrt cycle 2011-2013 average		Second cycle 2014-2016 average		Third cycle 2017-2019 average		Evolution From First cycle to the Third cycle
Compliance with the regulation	91.89		93.52		93.8		1%
Environmental Management Program achievement	85.97	1 1	93.83	1 1	95.8		11%
Percentage of preventive actions	31.12		41.44		56.4		81%
Plastic consumption in the factory / unit made (g)	1.65		1.27		1.26		-24%
Recycled plastics sold in Europe (T)	168.04		215.31		245.1		46%
Plastic used in blisters (g)	1.63		1.03		1.09		-33%
Electricity consumption / unit made (kWh)	15.58		11.65		10.05		-35%
Gas consumption / m² heated (kWh/m²)	264.55		158.82	1 1	154.7		41%
Water consumption per employee (m³/FTE/year)	4.28		3.61		3.85		-10%
Waste / unit made (g)	1.39		1.20	1 1	1.32		-5%
Greenhouse gas emissions (Teq CO <sub>2</sub> )	12,093		10,938		12,853		+6%



This is proof that our environmental management system is efficient and that all the actions we have been implementing for 10 years, allowed us to decrease our impacts.









### Less extraction, more reflexion

Since 2006, we have been focusing on two main areas of improvement that appear to offer the most promising options for reducing environmental impact: the use of recycled plastics and promotion of refills

We measure annualy our consumptions to estimate our performances.

These consumptions are, for the most part, the result of our production activity, which volume varies every year. Therefore, when it is relevant, we monitor the progression of the ratio of our basic indicators reported to the sum of the items produced each year in our injection-moulding, assembly and packaging workshops.

2014 2015 2016 2017 2018 187,384,563 176,407,858 192,009,451 180,868,983 198,880,482 Itams produced Itams produced Itams produced Itams produced 2014 2015 2016 2017 2018 245.72 T 228.48 T 231.26 T 224,49 T 254.15 T 109.43 T 112.92 T 101.15 T 84.90 T 104.47 T of recycled of recycled of recycled of recycled of recycled plastics plastics plastics plastics plastics 44.54% 45.17% 39.79% 37,15% 50.03%

> Use of plastics - Total quantity per year (Injection-moulding + blister packs)



Our eco-design actions allowed us to reduced our consumption of highquality plastic in our injection-moulding processes ans blisters on the last six years

The other materials used in our processes, such as the ink of our pens, grease, cardboard, paper and wood are not subjected to a graphical analysis since they are not significant compared to the use of plastic



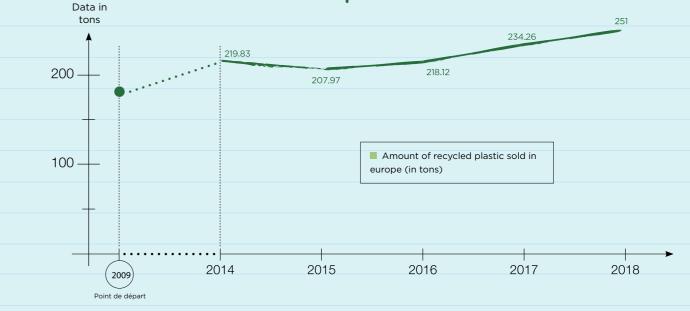
Objective 2019

KEEP OUR PRESENT HIGH-QUALITY PLASTICS AND RECYCLED PLASTICS CONSUMPTIONS - 1,24 GR / UNIT MADE. MONITORING INDICATOR.

Our consumption of high-quality plastics keeps on decreasing while our consumption of recycled plastics is stable.

(24)

#### Amount of recycled plastic sold in europe (in tons)





IN 2020 WE HOPE TO STABILIZE OUR RECYCLED PLASTIC SOLD IN EUROPE AROUND 240T.

Early 2011, we committed to progressively increase the use of plastic recycled material in our manufactured pens and blisters, reducing the volume of virgin material used.

A technical change in our blister activity, the launch of a new pen made solely of recycled plastic plus the integration of post-industrial recycled materials, helped us reduce the use of virgin plastic and finally reach a rate of 41% of recycled materials used in our European production.

We work to reduce plastic our packaging.



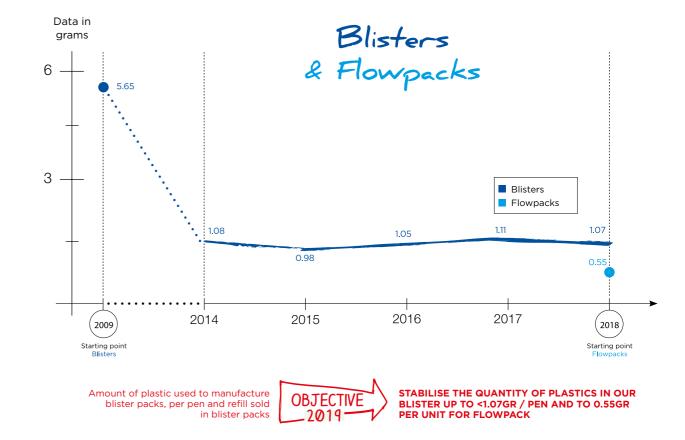


#### Refills 2017 2016 2018 Erasable ink 72,256,731 80,543,775 72,811,959 79,000,000 (in pcs) Liquid ink marker 4,264,486 5,120,941 5,031,963 5,400,000 (in pcs)

To follow the efficiency of our actions of communication on refills, we decided to set up specific sales indicators on the

different ranges of products. The sales of refills with clear communication plans, keep on growing and we think that we

can still increase our sales.



In 2011, we set the goal of 30% less (compared to the use of plastic in 2010) use of plastic in our blisters by the end of the year 2013, which means 3.32 gr.

Thanks to an adjustment in our blister manufacturing process, we have succeeded in reducing the volumes of plastic by 81.06% in 2018.

Since 2012, our results are stable, under 2 gr per unit sold. The difference from one year to another one depends on the production mix, more precisely due to the number of single-pen blister packs. Indeed, according to the markets and their maturity, the quantity of pens per blister pack can vary clearly.

(27)

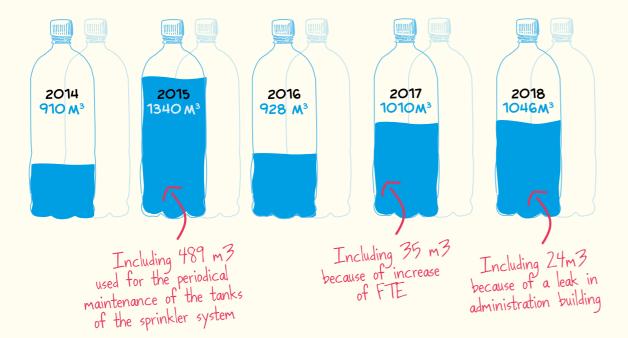
During these last years, we have considerably optimised our blister packaging process in our current production. We are committed to maintain our current level and to monitor this indicator.



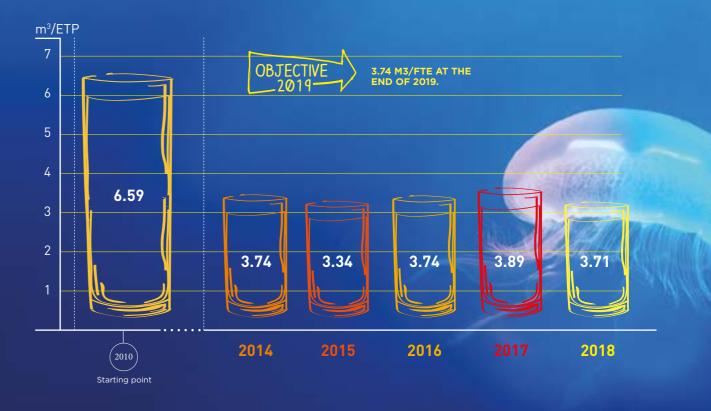
#### Less water for our pens, more water for nature

Water is life. Which is why it is so important to explain that water does not play a major role in our production process

Most of our water consumption is due to our sanitary facilities and to our sprinkler system. This is why we express our water consumption in terms of FTE (full-time employees or equivalent)..



#### Volume of water consumed (MB) per full-time employee (FTE)



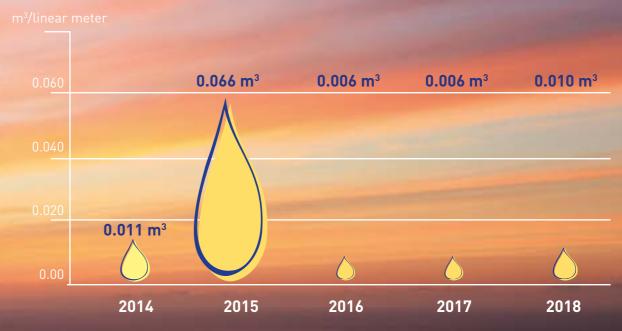
At the beginning of 2011, we committed to reducing our water consumption. Installing water-efficient devices and automatic faucets, increasing the staff's awareness regarding environmentally-friendly practices, as well as investing in a rainwater storage tank were some of the actions taken which helped us lower our water consumption by 40.9% per FTE by the end of 2017 in relation of 2010. Our regular follow-up allows us an optimization of our consumption.

Given the most of the investments have been already made, we expect a small decrease of our water consumption by the end of 2019.

## What is a sprinkler?

A sprinkler, more accurately described as a fire sprinkler system, is an active fire protection system that senses the excessive heat produced by a fire and automatically responds by spraying water during a fire, in order to protect the installations and the close environment.

#### Sprinkler water consumption (m3 per linear meter)



Connecting our new sprinkler system to the original water supply network has allowed us to optimise the consumption related to the regulatory tests performed in our water system in 2013.

Our water consumption of the sprinkler system is stable : the variations are directly connected to the interventions of maintenance.

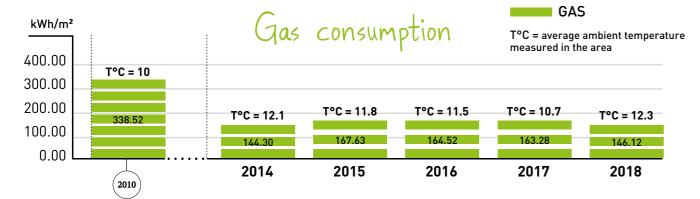
Every 6 years, the periodical maintenance of our water tanks of the sprinkler system leads to an increase of our water consumption; this explains the situation of the year 2015. It is true that we need to empty the whole system to make the regulatory maintenance.

In 2018, we did modification on our storage, that why we have a most important consumption on our sprinkler system.

### Less energy for production, more energy for innovation

Energy efficiency is amongst our main priorities. The only energy we use without carefully accounting for it is the energy we use to think up innovative ideas for reducing our environmental impact, ideas sush as recycling and refills.

Gas being used exclusively for heating, we have decided to measure that consumption in terms of square metre heated. Consequently, we follow two separate graphs (gas and electricity).





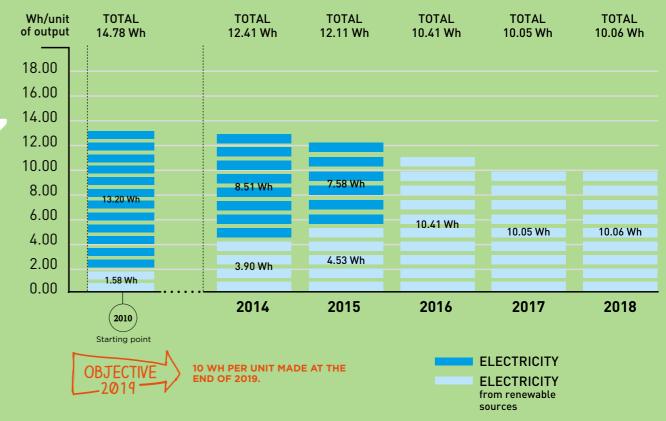
Starting point

Insulating certain parts of our workshops, promoting awareness and training the employees to follow the best practices for energy conservation and investing in a high-efficiency air to air heating system for our brand new distribution centre helped us achieve our objective of reducing our gas consumption. The year 2018 is the 2nd most favourable year in terms of gas consumption.

We intend to keep improving our buildings' energy efficiency in the coming years by carrying on with our insulation work and by studying the possibility of upgrading our heating system. The various investments realized during the last years allowed us to decrease our consumption of gas per square meter heated.

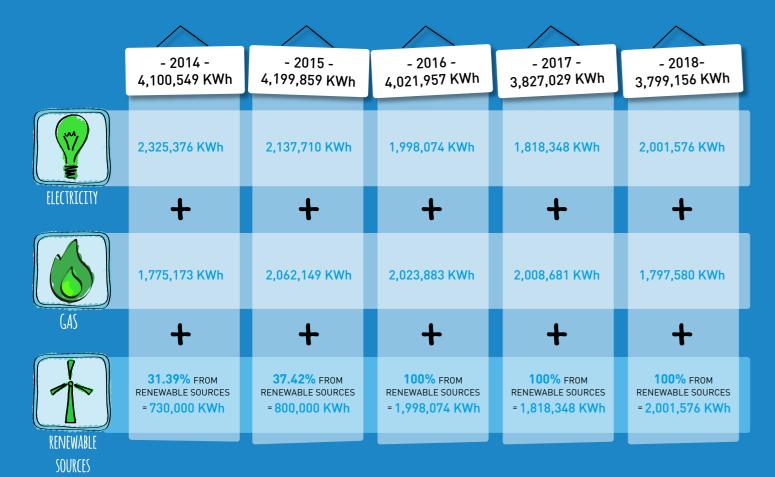






Since 2010, we have been taking the commitment to decrease our electricity consumption. After 2 consecutive years of increase (2012 & 2013) as we added new premises, we notice a decrease of our consumption thanks to the removal of some equipment. We replaced them by machines with better energy-efficiency equipment.

Further to the energy audit made in 2015, we plan actions so that we should keep on decreasing our electricity consumption in the future. To promote renewable energy we have established a contract with our supplier in order to steadily raise the green electricity.



GAS BEING USED EXCLUSIVELY FOR HEATING OF BUILDINGS, CONSUMPTION FLUCTUATES FROM ONE YEAR TO THE NEXT, AS A DIRECT RESULT OF PREVAILING WEATHER CONDITIONS.

THE ELECTRICITY CONSUMPTION INCREASED IN 2013. THIS WAS MAINLY DUE TO THE NEW WAREHOUSE OF 5 000 M<sup>2</sup> WHICH WAS IN FUNCTION AND HEATED. SINCE 2014, THE ELECTRICITY CONSUMPTION HAS BEEN DECREASING THANKS TO THE REPLACEMENT OF SOME EQUIPMENT.

IN 2018 WE SEE A SLIGHT INCREASE DUE TO THE INTEGRATION OF A NEW PACKAGING MACHINE AND ROBOTS.







#### Less waste, more resources

Increasing the proportion of waste recovered from our production process while reducing the amount of waste generated per unit of output, without ever losing sight of the importance of enjoyable, comfortable writing with a high-quality pen.

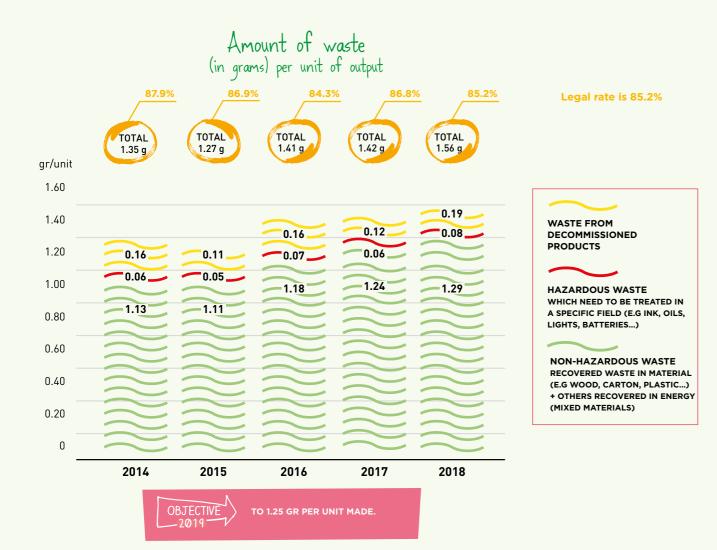


#### Waste - Total quantity per year



\* recovered in material and in energy





It is worth noting that the work accomplished internally within PCE, and with our service providers in 2012 has been of great benefit for us. We have improved our waste sorting as well as upgraded our recovery rate, reaching 86.8 % by the end of 2017. 2015 has been the best year ever since we measure our quantity of waste per unit made.

In 2016 and 2017, further to changes in our delivery process, we increased our waste of wood. We took this decision to optimize the pallets throughput and to suggest to our customers and distributors a system of re-usable pallets. Furthermore as the markets are continuously moving, we propose more and more marketing tools to our customers. This leads to an increase of our waste of cardboard and non-hazardous waste. This issue is identified as a surveillance point for the future.

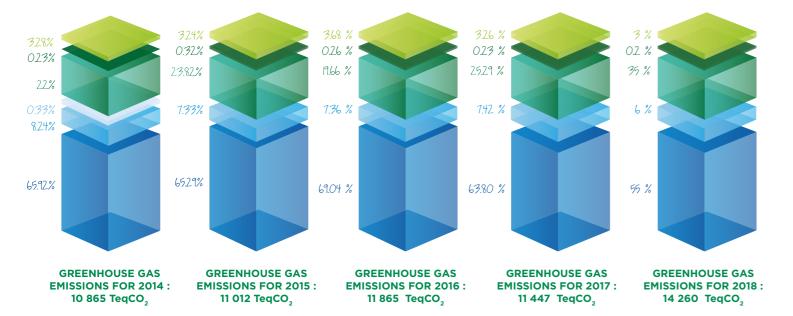
In 2018, we increased our production of waste because of the achievement of a new range of pen in limited collection (more packaging, more reject from the machine adjustment,...) We realize a sorting campaign to optimize our stocks, which explains an increase of our waste from decommissioned products.



#### Less carbon: More reason

Tons equivalent CO2 divided by the total of items sold







(40)

Monitoring of the greenhouse gas emissions: **2014 :** 10 865 Teq CO<sub>2</sub> in total, being 79.08 gr.eq.CO<sub>2</sub> per item sold Measures internally performed - ADEMEI method.

**2015 :** 11 012 Teq CO<sub>2</sub> in total, being 81.12 gr.eq.CO<sub>2</sub> per item sold Measures internally performed - ADEME1 method.

**2016**: 11 865 Teq CO<sub>2</sub> in total, being 78.45 gr.eq.CO<sub>2</sub> per item sold Measures internally performed - ADEME1 method.

**2017 :** 11 447 Teq CO<sub>2</sub> in total, being 70.31 gr.eq.CO<sub>2</sub> per item sold Measures internally performed - ADEME1 method.

**2018 :** 14 260 Teq  $CO_2$  in total, being 87.89 gr.eq. $CO_2$  per item sold

Measures internally performed - ADEME1 method.

In 2014, our action plan to optimize our transport succeeded : we effectively decreased our greenhouse gas emissions due to the upstream transport of 5,848 Tons eq.CO<sub>2</sub>.

In 2015, our greenhouse gas emissions slightly increased (+1.35%): the main causes of this general increase are our marketing developments and the upstream transport. The air freight still has an important impact; we keep on working to improve our supplies and to better manage the impact of our transports.

In 2017, the impact of our production and assembly decreased. However, the impact of our transport operations increased.

Taking into account our impact per item sold, we find that it decreased 13.3% compared with 2015.

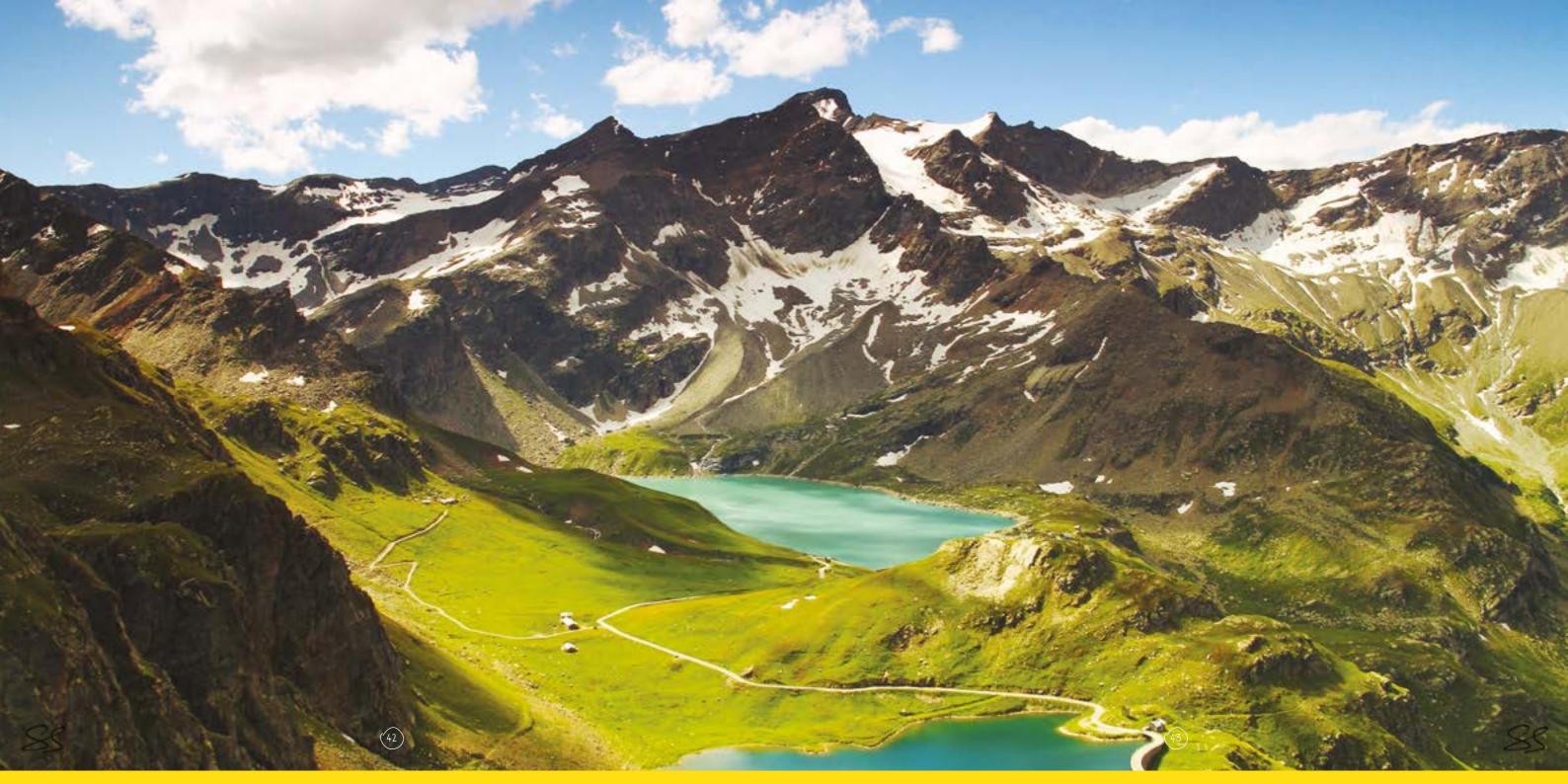
Emissions of nitrogen oxides derive mainly from heating the premises.

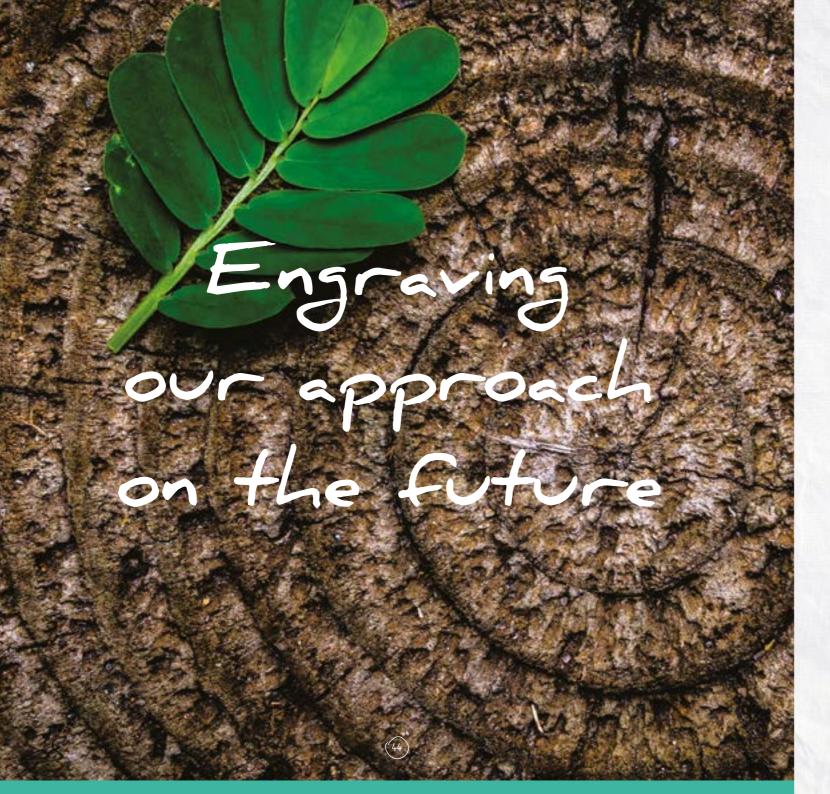
Volatile organic compounds are caused by our marking process. These emissions were taken into consideration in our account of the greenhouse gas emissions.

In 2018, we increase our CO2 impact because of our aviation supply necessary for the new products and the limited collection. The NOx emissions are essentially link to the office's heating and the COV emissions are link to our marking process.



<100 GR CO2 PER ITEM SOLD





## A refillable white board marker!



### Symbolising our entire environmental approach.

In 2008, Pilot has launched a first on the market: a refillable white board marker. Not only can you replace its felt tip or its cartridge when empty, the V-Board Master is made out of 91% recycled material (excl. replaceable parts).

These new white board markers are the outcome of our focus on two main areas of continuous improvement: waste recovery and the reduction of our environmental impact through the use of refills and cartridges. This is how the lifespan of the V-Board Master can be considerably extended by replacing the consumables and wearable parts, all the while keeping the smooth writing experience exclusive to Pilot products.











#### **V** BOARD MASTER

REFILLABLE WHITE BOARD MARKER





#### But also ...

- 1 type of cartridge for both tips.
- 5 extra bright colours
- 2 writing styles: bullet tip and chisel tip

#### Applicable legal requirements

Our legal and regulatory compliance is supervised by an external legal service. Since June 2011, this monitoring service has been accompanied by an online regulatory intelligence system. The external service submits a quarterly report detailing the main compliance requirements affecting the activities of Pilot Corporation of Europe. With respect to the environmental regulations applying to the buildings and activities housed at the head office of PILOT Corporation of Europe, our main references cover the following areas:

#### AIR

Art.R543 of the Environmental Code: refrigerants.

#### **WASTE**

- Statutory Order of December 30, 2002: waste classification.
- Government Decree 2005-635 of May 30, 2005: waste treatment cycle.

#### WATER

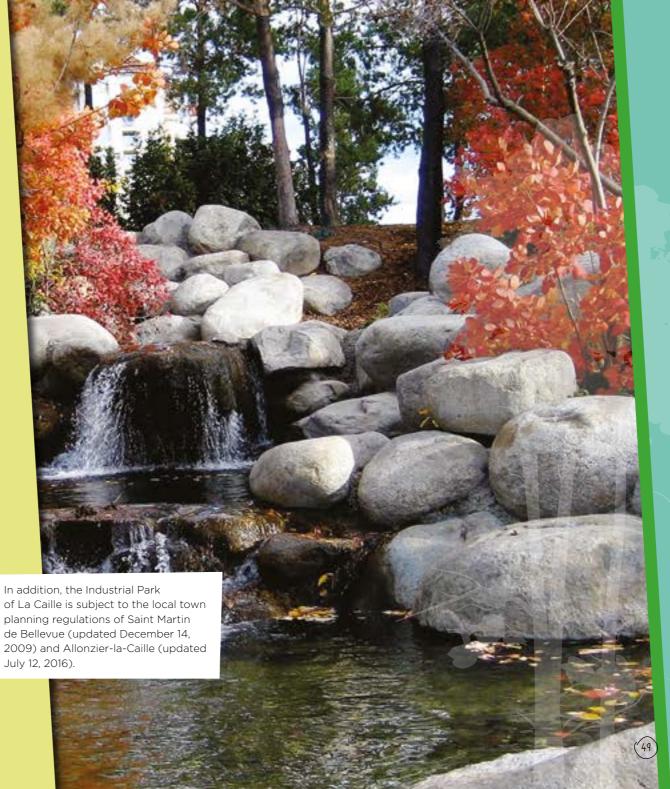
Convention on releases.

#### ICPE - THE SITE IS SUBJECT TO REPORTING REQUIREMENTS UNDER THE FOLLOWING HEADINGS

- Section 1530: storage of paper and cardboard or similar combustible materials
- Section 2661: processing of polymers.
- Section 2662: storage of polymers.
- Section 2663: storage of tyres and products at least 50% of the total mass of which is composed of polymers.
- Article L512-11 of the Environmental Code: noise level measurements.
- Statutory Order of July 7, 2009, Article 1: air analysis and VOC measurements.
- Statutory Order of July 7, 2009, Article 1: water analysis.
- Article R224 of the Environmental Code: operation of boilers.

#### **CHEMICAL PRODUCTS**

Regulation EC1907/2006: REACH.



#### Environmental statement validated by Bureau Veritas Certification France

In accordance with the European regulation **CE EN 1221/2009** modified by the regulation **(EU) 2017/1505** concerning the voluntary participation of organizations in a Community Eco-Management and Audit Scheme (EMAS)

Vérificateur : Séverine SUDAN

**Date:** 16/10/2019

**Signature :** 16/10/2019

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N° accreditation of Bureau Veritas Certification France : 4-0002 / Certification of management system

Certificate is effective, list of sites on www.cofrac.fr



#### Pilot Corporation of Europe

PAE de la Caille - Saint-Martin Bellevue 74350 Allonzier-la-Caille

Public limited company with a share capital of EUR 7.216.936€ 399 424 753 RCS Annecy

Contact : QSE Unit E-mail : qse@piloteurope.com Tel : +33 (0)4 50 08 30 00 Fax : +33 (0)4 50 46 41 46

www.pilotpen.ev





