

WE SUPPORT



COMMUNICATION ON PROGRESS

2019

This COP represents the actions and results of the DIAM Group in terms of Sustainability



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Foreword from the CEO

At DIAM, we create, develop, produce and install an extensive range of merchandising and retail elements to enhance the connexion between brands and customers.

Retail is changing fast. Consumers are demanding socially conscious corporate purposes, sustainable products and operations. Rethinking our business is not only a matter of market strategy, it is the right thing to do.



DIAM has started its sustainability journey years ago, and has been a member of United Nations Global Compact since 2012. In view of the challenges, we are now accelerating further, the latest step we took in 2019 being our engagement to align our climate change objectives with the COP21 Paris agreement and the Science Based Targets Initiative.

Just as the scale of COVID-19 reality has outrun early 2020 the boundaries of what was deemed “possible” in 2019, we have to change the scale of transformation. Only concerted industry-wide efforts can accelerate the global-scale transformation needed to address the challenges we face. This is why we are proud to have joined 155 CEOs from companies representing over 5 million employees in the #OurOnlyFuture campaign calling for policy that pairs recovery with ambitious climate action.

In the turmoil of a world epidemic and numerous crises, the DIAM model of small, autonomous, plants and businesses, each of them local experts in their own geography, but linked in a network with every DIAM team and with local client teams, has proven its resilience, and I would like to extend again my warmest gratitude to the DIAM teams and to our clients.

In this 2019 Communication on Progress we share in detail the results of our actions. But what matters is not necessarily reflected by dozens of KPI. What is key is our commitment to do what is right and contribute -at our modest scale- with our prestigious clients and the entire retail and POS eco-system to inventing together the retail of tomorrow. A positive retail.

We have this responsibility. We have this opportunity.

Françoise Raoul-Duval, CEO

A handwritten signature in black ink, appearing to be 'FR' followed by a stylized flourish.

OUR MISSION

At the heart of everything we do since 1973.

DIAM is an international group and **brand partner** all over the world.

We create, develop and install Retail & Merchandising solutions **to enhance the consumer's experience in points of sale.**

-We ensure **local** proximity, teams devoted to customer service, **expertise and global synergies.**

-We provide Merchandising solutions for all types of distribution

-We deploy Brand projects from A to Z, including consulting, design, production, installation, and in-store services.

We are also strongly committed to **quality and environmental responsibility.**

KEY FIGURES

2600 employees, 43% women, 57% men

87% of renewable electricity

72% of DIAM employees have received at least one training in 2019

70% of DIAM employees are covered by formally elected employee representatives

196 Full Time Equivalent jobs were filled by persons in more social inclusion situations

Renewal of the executive committee pledge to the global compact 10 principles

Since 2012, DIAM has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption. By this COP 2019, DIAM renews its commitment to the Global Compact ten principles.

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



David Bagley
CEO Mass Market



Raphaèle Briand
HR Director



Thierry Chetaille
CFO



Louis Dupéré
CEO Americas



Stéphane Michel Grosjean
CEO Asia



Françoise Raoul-Duval
Group CEO



Michel Vaissaire
Group Chairman

1. Governance

Questions related to CSR and climate change are overseen at board level: a CSR steering committee formally meets every 6 months. This steering committee reviews the risks, strategy, progress and action report, and takes decisions on CSR, including climate-related strategic questions for DIAM. Once a year, the CSR steering committee is done with the full executive board of DIAM to review performance of the full year, like for instance carbon intensity or % of waste recycled. And on the other occurrence it is done with the core board members most related to CSR (COO, CFO, HR, CSR sponsor) to review the half-year progress. At board level, the COO and a “CSR sponsor” are especially involved into the CSR and climate-related issues.

The Group COO follows very closely all CSR-related topics and in particular the ones related to carbon-strategy, to circular economy and to compliance.

The CSR Sponsor is a Business Unit CEO with special interest in the global CSR transformation of DIAM. He provides guidance and support to the Group CSR Director on all CSR-related topics.

The Group CSR Director is in charge of proposing and implementing the CSR strategy and actions and of preparing the progress reports, disclosure and communications. He has direct access to the COO and to the “CSR sponsor”, as he reports to the COO with a dotted line to the CSR sponsor. He formally reports to the CSR steering committee every 6 months.

The CSR team at headquarters is formed of the Group CSR Director, a Group CSR project manager, and the Group Safety and Purchasing Director. In addition, they regularly get the help from interns. At BU Level, each BU has one designed CSR correspondent. This part-time role is essential to smoothly relay the information back and forth between central and BUs, and to develop local projects.

2. Labour Practices & Human Rights

DIAM has a formalized policy regarding labour practices and human rights: on Employees health and safety and Working Conditions through DIAM HEALTH and SAFETY POLICY; on Labour Relations, Career Management, Child and Forced Labour, Diversity, Discrimination & Harassment, through the SOCIAL AND ETHICAL GUIDE and on the External stakeholder human rights through the SUPPLIERS CODE OF CONDUCT.

2.1. Employee health and safety

As stated in DIAM's health and safety policy, DIAM's first responsibility, even before serving clients, is to cause no harm to the health and safety of all the people who live nearby, visit, work in our offices and production sites or who work at our client's sites, nor to the customers who use our products and services.

Health and safety risk assessment

Every Monday, occupational accident indicators are consolidated and discussed at the ExCom level. Accidents with work stoppage get communicated to the entire Group in a "flash" communication sent to all business unit directors and QHSE managers, with the intention to pinpoint risky situations, root-cause analysis and give the teams the opportunity to discuss the situation and specific risks in their sites that might be similar to the ones that led to the accident communicated. Accidents statistics show us that the most probable work accidents risks for DIAM are the risk of cut, risks for employees using knives, and the chemical product usage. DIAM pushes all its sites to continuously improve their safety. The Central CSR team constantly helps sites to improve through specific projects and internal audits.

DIAM encourages responsible behaviour and global consideration for the work environment. All plants are requested to organise a Safety Day every year to promote safety awareness, rules and behaviours with all their employees. This initiative has been successfully implemented throughout the entire Group, with every plant focusing on the aspects that they deem most important for their site, like fire training, evacuation drill, use of personal protection equipment, first help training, etc. The various initiatives have been shared throughout the Group in a short video, in order to do cross- fertilization of ideas.

The health and safety management system follow SA 8000 and ISO 45001 best practice and each site is audited internally every 18 months on an audit grid inspired by these standards. Safety Committees and / or fire-response teams have been formed in the largest plants of the Group. These Safety Committees follow the deployment of a PDCA (continuous improvement "plan do check act") action plan nurtured by internal and external audits, and by site-own risk assessments.

2.2. Working conditions

DIAM is committed to the well-being of its employees and to encourage all initiatives to improve the working conditions. Measures such as a shareholding plan is proposed to key managers. Legal and beyond profit-agreements are implemented in some sites to reward our employees for their involvement and the quality of their work. SA 8000 is the international standard used by DIAM for its social policy and work conditions policy. It is also used as a reference, along with the "Living Wage" principle, for the definition of the Group's remuneration policy. The application of this policy is verified through on-site SA8000-based social audits performed by internal and external auditors.

In addition, employee satisfaction is monitored annually by a partner barometer.

2.3. Social dialogue

DIAM implements various initiatives regarding social dialogue. There are Unions and / or **employee representatives in 52% of DIAM locations, globally covering 70% of employees**. In countries or locations where specific representation is not in force, the local CSR coordinators serve as communication relays. Furthermore, several communication tools (intranet, newsletter, notice display, verbal announcements from the plant managers and semester communication of financial performance) are implemented to promote transparency and a good social climate.

Various employee representatives' elections have been held in 2019, either to renew or to install a new representation, boosting the number of elected representatives with regards to 2018.

Indicator	Unit	2015	2016	2017	2018	2019
DIAM employees	FTE	1 626	1 855	2 034	2 321	2484
Employee representatives	Number	2	2	29	49	100
Employee Representation meetings done	Number	<i>Not reported</i>	<i>Not reported</i>	39	147	158
<i>DIAM employees covered by formally- elected employee representatives</i>	%	<i>Not reported</i>	<i>Not reported</i>	49%	57%	70%
<i>DIAM employees covered by represented in formal joint management-worker H&S committees</i>	%	<i>Not reported</i>	<i>Not reported</i>	<i>Not reported</i>	43%	79%
<i>DIAM employees covered by a collective internal agreement on working conditions</i>	%	<i>Not reported</i>	<i>Not reported</i>	<i>Not reported</i>	29%	59%
<i>DIAM employees covered by an industry agreement on working conditions</i>	%	<i>Not reported</i>	<i>Not reported</i>	<i>Not reported</i>	38%	50%

Figure 1: Social dialogue related indicators

2.4. Training and career management

Talent management is crucial for a company that relies on the empowerment of its talents in the fields of engineering and innovation. This is the foundation on which we have built the ambitious training goals which we have implemented at Business Unit and site levels to better respond to the operational needs of people and business.

For a company offering engineering and innovative products like DIAM, employee skills are key to guarantee a high level of performance. A training program is implemented among the different teams depending on their needs (creation methods, sales excellence), with a specific focus on safety and eco-design aspects.

DIAM aims to provide at least one training every year to every employee. We **reached over 80% of DIAM employees who received at least one training in 2019**, and to have a target of 2 days (14 hours) of training per year per person employee. In 2019, we reached about 13 hours per employee, each trained person having received an average of 16 hours of training.

Indicator	Unit	2015	2016	2017	2018	2019-12
DIAM employees	FTE	1 626	1 855	2 034	2 321	2477
Training hours	Hours	8 437	19 115	20 849	30 778	31 729
DIAM employees received at least one training	FTE	Not reported	Not reported	Not reported	1 893	2015
	%	Not reported	Not reported	Not reported	82%	81%
Number of training hours by FTE	h/FTE	5,2	10,3	10,2	12,9	12,8
Number of training hours by trained employee	h/pers	Not reported	Not reported	Not reported	16.3	15.7

Figure 2: Training related indicators

Regular assessment of individual performance

Individual annual reviews have been implemented since 2013. In 2019, such reviews have been conducted for 84% of the target people (i-e employees with the type of work that make it relevant to have a yearly appraisal. Reported to the full number of DIAM employees, the number of appraisals is of 40% of DIAM employees). These reviews go through various criteria including client relationship management, international skills, and management skills.

"People reviews" of high potential employees are organized on an annual basis at Board level by the HR Director. The assessment of the high potentials is based on a profile grid established by the HR department to maximize the homogeneity of the

appreciation methods. It is followed up by individual meetings. Every 18 months, the network of high potentials is fostered by a strategic convention during which they gather and spend two days to increase cooperative work.

Indicator	Unit	2015	2016	2017	2018	2019
Number of career management evaluations performed regarding this year (done year after)	Number	Not reported	36	252	765	1006
% of TARGET employees who had a career evaluation w. ref. prev. year	%	Not Reported	N/R	82%	75%	84%
% of employees who had a career evaluation w. ref. prev. year	%	Not reported	2%	12%	33%	40%

Figure 3: Career management related indicators

Policy to give priority to internal recruitment

A high ratio of employees recruited is for newly opened positions mainly due to the strong growth of the group, but internal mobility is generally favoured and is part of the "International thinking" HR pillar.

Skills development training.

To encourage Business Unit managers to conduct trainings, dedicated budgets are allocated, and training modules are developed centrally and proposed to all BUs.

Indicator	Unit	2015	2016	2017	2018	2019
Training hours on safety	Hours	0	0	737	16 522	15 692
DIAM employees received at least one training on Health and Safety	FTE	Not reported	Not reported	Not reported	1 504	1448
	%	Not reported	Not reported	Not reported	65%	58%
DIAM employees received at least one training on ethics	FTE	0	0	118	841	808
	%	0%	0%	5%	36%	33%
DIAM employees received at least one training on eco-design	FTE	0	0	0	83	39
	%	0%	0%	0%	4%	2%
DIAM employees received at least one training on job position skills	FTE	Not reported	Not reported	Not reported	Not reported	994
	%	Not reported	Not reported	Not reported	Not reported	40%
DIAM employees received at least one training on foreign language	FTE	Not reported	Not reported	Not reported	Not reported	94
	%	Not reported	Not reported	Not reported	Not reported	4%
DIAM employees received at least one training on discrimination and human rights violations	FTE	Not reported	Not reported	Not reported	Not reported	0
	%	Not reported	Not reported	Not reported	Not reported	0%

Figure 4: Training related indicators with focus on type of training

2.5. Child labour, slavery and human trafficking

DIAM prohibits any form of forced or compulsory labour. Our policy is based on the based on SA8000 standard and our adhesion to the United Nations Global Compact. Our commitments on this matter are explicitly stated in DIAM's "Code of Conduct", in particular regarding compliance with international fundamental labour standards and the prohibition of the use of forced labour and child labour in all operations.

DIAM strictly prohibits child labour (No employee below 16 years). Minors can work in certain special cases, particularly work-study apprenticeships and internships, but only in stringent compliance with all the regulatory provisions.

Some countries have been identified as more at risk on these issues. In such countries, DIAM has taken specific commitments and actions. In China, DIAM explicitly forbids personnel to pay 'deposits' to the company upon commencing employment, or to withhold any part of any personnel's salary, benefits, property or documents in order to force such personnel to continue working for the company and, of course, we are not engaged in or support human trafficking. Additionally, DIAM ensures that no employment fees or costs are borne in whole or in part by workers. Personnel clearly have the right to leave the workplace premises after completing the standard workday and are free to terminate their employment provided they give reasonable notice to the company.

Specifically, about child labour prohibition, DIAM China inspects and cross-references to verify the validity of at least two types of official ID. There is a reliable ID verification system to control the workers' access into the facility, such as finger printing or ID card with owner's photograph to prevent under-age workers entering the facility by using another person's ID. Finally, training materials/records on the policy for workers are in place in the site.

2.6. Discrimination and harassment

Diversity is a matter of performance, credibility and equity for the Group. To encourage diversity, DIAM implemented a policy several years ago that was founded on the belief that all employees should share the values of respect and solidarity.

In overall staff, the proportion of female employees among the Group is close to the proportion of male employees. The reporting on Human Resources is harmonized across the Group since 2012. These results are presented every year at Executive Committee level. DIAM has a formal approach on diversity issues within the "Solidarity" pillar of Sustainable by DIAM policy. The Group promotes initiatives aimed at developing equal opportunities for various life situations:

- Long-term unemployment hires
- People with disabilities
- Employees suffering from occupational disease
- Refugees
- Age diversity – employees over 50 years-old

- Rehabilitation to the work world
- Reinsertion – previously imprisoned employees for instance
- Disadvantaged areas (favelas, deprived neighborhood, disadvantaged province)
- Ethnic minorities
- Rehabilitated former addicts
- Sheltered workplace – work done with companies employing disabled or disadvantaged people

At DIAM, we support local initiatives which bring life to our vision of social inclusiveness and showcase our willingness to give back to society in many forms (charity and social inclusion). Those are some examples of actions taken.

- In DIAM “D3” USA, supporting men’s and women’s health issues has become part of the D3’s annual calendar. Employees and temporary agency workers alike participate every year in October’s Wear Pink Day to raise awareness and funding on breast cancer, and “Movember”, which raises funds and awareness every November on prostate cancer. D3 also supports local universities and food pantries.

- DIAM Brazil is well involved with its local communities in the neighborhood. It organizes BBQ parties with families and kids and tends to propose “reuse” solutions for some of the furniture it collects back from stores, once they are anonymized and ready for a second life. Other initiatives include favoring hiring from low-income areas.

- DIAM Yzeure has a longstanding partnership with a social inclusion workshop for both production and postconsumer dismantling.

- DIAM Australia is now employing two people from White Lion, a national non-profit organisation which supports youngsters breaking their cycle of disadvantage.

- In 2019, DIAM Poland has further developed its agreement with a local prison to ‘resocialise ‘offenders through work. The employees also raised money for a polish NGO which helps children with special needs.

- In the UK, DIAM very actively partners with RNIB and Remploy, two NGOs to recruit disabled employees or help the work and social inclusion of people with difficulties.

- DIAM Display China sponsors young girls from Chinese minorities with the NGO “Couleurs de Chine” to provide them access to school.

To fight against discrimination and harassment issues, DIAM implemented a Whistle-blower procedure in 2018.

Indicator	Unit	2015	2016	2017	2018	2019
Long-term unemployment hires	FTE	33	56	25	15	9
People with disabilities	FTE	24	39	45	42	42
Occupational disease employees	FTE	18	16	18	6	3
Refugees hires	FTE	0	0	2	0	0
Senior hires	FTE	18	20	22	16	19
Army veteran hires	FTE	0	0	0	11	8
Other vulnerable people	FTE	26	2	17	4	1
Underprivileged area employees	FTE	13	15	26	25	33
Subcontracted and Agency Social inclusion jobs	FTE	20	19	48	Not reported	Not reported
Agency Social inclusion jobs	FTE	Not reported	Not reported	Not reported	47	44
Subcontracted Social inclusion jobs	FTE	Not reported	Not reported	Not reported	45	37
TOTAL	FTE	152	167	203	212	196
Percentage on Workforce	%	9,6	9,0	7,3	6,8	6,1
Percentage on in top executive positions excluding boards of directors (estimated)	%	Not reported	Not reported	Not reported	Not reported	0

Figure 5: Diversity related indicators

Indicator	Unit	2015	2016	2017	2018	2019
Total number of hours worked	Number	3 252 604	3 921 385	5 751 856	6 910 397	6 894 384
Number of lost time injury events	Number	39	42	63	50	44
Number of days lost due to injuries	Number	661	665	1 353	828	832
Frequency rate ¹	Number	12,0	10,7	11,0	7,2	6,4
Severity rate ²	Number	0,20	0,17	0,24	0,12	0,12
hours of safety training	Number	0	0	737	16 522	15 692
Average hours of safety training per year per employee	Number	Not reported	Not reported	Not reported	7,1	6,3
Operational sites for which an employee health & safety risk assessment has been conducted ¹	%	100%	100%	100%	100%	100%
Workforce across all locations represented in formal joint management-worker health & safety committees	%	Not reported	Not reported	Not reported	43%	79%
Workforce across all locations who are covered by formal collective agreements concerning working conditions	%	Not reported	Not reported	Not reported	27%	59%
Workforce across all locations who are covered by formally elected employee representatives	%	Not reported	Not reported	46%	57%	70%
DIAM employees across all locations who received regular performance and career development reviews	%	Not reported	Not reported	Not reported	36%	40%
DIAM employees (excluding short term contract) across all locations who received regular performance and career development reviews	%	Not reported	Not reported	Not reported	41% ³	54%
Employees across all locations who received career- or skills-related training	%	Not reported	Not reported	Not reported	79% ³	31%
Operational sites that have been subject to human rights reviews or human rights impact assessments*	%	Not reported	Not reported	100%	100%	100%
DIAM employed covered by SA8000 certification	%	Not reported	Not reported	8%	9%	7%
% of women in top executive positions (%)	%	29%	29%	29%	36%	36%

Figure 6: Human resources related indicators

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1: (total number of lost time injury events) x 1,000,000 / total hours worked

2: (number of days lost due to injuries) x 1,000 / total hours worked

3: data reported over 18 months (June 2017 - December 2018)

3. Environment and Customer safety

DIAM has a formalized environmental policy on Energy consumption, GHG emission, Materials, Chemicals and Waste, environmental impacts from use of products and Products End-of-Life and Sustainable consumption through the DIAM CSR POLICY; on water consumption through the DIAM WATER POLICY and on the customer health and safety through the DIAM HEALTH and SAFETY POLICY.

3.1. Energy Consumption and Greenhouse gases

DIAM is committed to play its part in addressing the environmental crisis. Through the analysis of the life-cycle environmental impact of representative categories of displays, we have identified the predominant ecological aspects for each categories of displays. Considering this, priorities are eco-design and circular economy.

Reduction of energy consumption through employee's awareness

Training and informing employees about environmental issues is an integral part of the measures put in place by the Group in each of the countries where it operates.

All DIAM employees have signed the DIAM Code of conduct where they commit to limiting their environmental impact in their line of work (including reduction of energy consumption).

In 2018, DIAM organized a Group-wide "Recycling day" event. That day, all DIAM employees have been invited to learn about climate change and the environment, to share ideas on circular economy, and to act to reduce our environmental impact (materials, waste, water, energy, products...). In 2019, the effort continued differently, through the development of a Point-of-Sale-specific life-cycle Analysis (LCA) tool. This tool has been finalized in 2019 and we started to train the teams to its use and carried-out training on eco-design.

Purchasing of renewable energy through the electrical grid

In 2016, taking effect on 1/1/2017, DIAM started to switch to renewable electricity by switching 100% of its electricity consumption in France to renewable. In 2018, DIAM reinforced this action by switching most of sites around the world to renewable electricity. This action has been enhanced again in 2019, with now 20 GWh of renewable electricity consumed (87% of total consumption) and more than 5 000 tons of CO_{2eq}. emissions avoided.

Indicator	Unit	2015	2016	2017	2018	2019	2019PF
Electricity consumed	MWh	18 987	18 758	22 568	23 070	22 724	22 667
Renewable Electricity consumed	MWh	0	0	9 143	18 988	19 880	19 824
Share of renewable electricity	%	0	0	40%	82%	87%	87%
Avoided emissions due to renewable electricity	tCO _{2eq}	0	0	669	6 600	5 138*	6 108

Figure 7: Electricity related indicators

*To be noticed: despite the improvement in terms of renewable electricity consumed in MWh (especially in Europe), the avoided emissions associated are decreasing for 2 reasons:

- the slight reduction of renewable electricity purchased in countries where emission factors are higher (USA, China, Tunisia, Turkey);
- the update of electricity emission factors.

DIAM plans to reach 90% of renewable electricity consumption in 2020.

Production of renewable energy

In the beginning 2018, 180kWp of ground panels and then 50kWp additional panels on the roof have been installed on DIAM Brazil sites (see photo below). The powerplant produced 280 MWh of renewable energy in 2019 for the energy network and for the site's activities. At the ending 2019, 31% of the DIAM Brazil electricity consumption come from this powerplant and saved 28 tons of CO₂eq.



Table 1: Power plant at DIAM BRAZIL

Reduction energy consumption through efficient devices

On plastic injection sites, we have invested to convert part of the production machines from hydraulic presses to electric presses that consume less energy and that automatically switch to standby mode. 123 tons of CO₂eq. and 2 000 MWh will be saved by this action during the life span of this project. It is our intention to continue the efforts to convert to more energy-efficient machines.

Furthermore, several DIAM sites (France, China, USA...) installed low consumption lights (LED) in the production areas with significant decreases in electricity consumption whilst maintaining or improving the workshop lighting environment for workers. By this action,

we will reduce our consumption by 77MWh and we will avoid about 50 tons of CO₂eq. by the end of this project.

Process optimization to reduce emissions of GHGs

On a day-to-day basis, process optimization and industrial housekeeping also contributes to energy saving, for instance with machines shutdown tests and warnings, with the installation of programming devices for heaters, etc.

Monitoring of direct or indirect GHG emissions

In 2017, DIAM implemented a monthly reporting on all types of energy consumption to monitor its direct and indirect GHG emissions and to identify the entities under operational control with high potential of energy savings.

DIAM has targeted a Group-level yearly decrease of 5% in CO₂eq. intensity (CO₂eq. emissions scope 1+2 by euro of sales). In 2019 this objective has not been reached due to methodology change and to different geographic distribution in renewable electricity purchase, but the overall trend since 2017 is positive with more than -50% drop in intensity between 2017 and 2019.

To go much further in our sustainability approach, DIAM has committed to the Science Based Targets Initiative at the end of 2019. We are now in the process of trajectory elaboration and intend to get our trajectory approved by the end of 2020. This initiative will be the most significant contribution to the Sustainable Development Goals (SDGs) number 13: Take urgent action to combat climate change and its impacts.

In 2019, DIAM's Scope 1 is slightly decreasing mainly due to adjustment of emission factors (and despite improvement in reporting and addition of direct fugitive emissions). When analyzing the Pro Forma version ("PF"), which enables like-for-like comparison with 2018 (same calculation method and reporting perimeter), we can note an important decrease in terms of car fleet consumption.

Electricity consumed in the Group is slightly lower in 2019 vs. 2018 but final emissions for location-based are down due to updated emission factors. Scope 2 market based is higher than in 2018 due to a switch of renewable electricity purchased from countries with high emission factors (like China, USA, Turkey) to countries with lower factors (like Italy, Brazil, France).

Indicator	Unit	2016	2017	2018	2019	2019 PF
Gas consumed	MWh	6 683	7 531	8 729	9 117	9 117
Car fleet consumed	MWh	1 928	3 546	4 121	6 152	3 783
Other energy consumed	MWh	0	99	594	645	645
SCOPE 1	tCO ₂ eq	2 232	2 981	3 616	3 431	3 621
- Gas consumed	tCO ₂ eq	1 631	1 838	2 130	1 705	2 224
- Car fleet consumed	tCO ₂ eq	601	1 106	1 286	923	1 181
- Other energy consumed	tCO ₂ eq	0	37	200	191	216
- Direct fugitive emissions	tCO ₂ eq	Not reported	Not reported	Not reported	612	-
Electricity consumed	MWh	18 758	22 568	23 070	22 724	22 667
Of which renewable Electricity consumed	MWh	0	9 143	18 988	19 880	19 824
SCOPE 2 - Location based	tCO ₂ eq	5 781	6 743	7 681	6 654	7 799
SCOPE 2 - Market based	tCO ₂ eq	5 781	6 074	1 081	1 516	1 691
Total energy consumed	MWh	27 368	33 744	36 514	38 638	36 212
SCOPE 1 + 2 - Location based	tCO ₂ eq	8 012	9 725	11 297	10 085	11 420
SCOPE 1 + 2 - Market based	tCO ₂ eq	8 012	9 055	4 697	4 947	5 312
Intensity SCOPE 1 + 2	gCO ₂ eq /€	38	27	14,5	14,6	15,8
Intensity SCOPE 1 + 2 variation	%	-10	-29	-46	+1	+9

Figure 8: Energy and GHG direct emissions related indicators

Measures for Green IT

To reduce the end-of-life impact of hardware, the IT department strives to repair, reuse and to make the computer equipment last as long as possible. When computer equipment finally become a waste, it is sent to DEEE recycling.

Most of DIAM servers are hosted on a sustainable datacenter (<https://www.shd-cloud.com/>).

Furthermore, DIAM promotes video conferencing to limit travel impact. We have installed video conferencing equipment in most of Group's sites, and on all the employees' computers.

Energy audit

Thanks to the monthly monitoring of energy consumption, DIAM identified two sites with high potential of energy savings. In 2019, these two sites represented about 20% of the total energy consumption of the Group. DIAM launched two energy audits on these two sites with the help of an external expert in industrial energy efficiency. The goal was to identify actions to reduce energy consumption and to be able to duplicate these actions on other sites in following years.

In 2019 the work done on these 2 sites is continuing.

3.2. Water

DIAM is committed to water resources protection. Our ambition is to decrease our water intensity (water consumption by euro of sales) by 5% every year. In 2019 water intensity has been reduced by 9% vs 2018.

In addition, we have in mind the varying impact of hydric stress depending on water basins, and thus adapt our approach to stress levels.

DIAM is triggering improvement projects through a specific monitoring of the sites situated in high water-stress areas and of the sites with a significant consumption. In 2019, DIAM had one site located in a high hydric stress area: Sousse in Tunisia. This site is acting strongly on water intake with education of the employees and close-circuit use of process water, thus generating a very limited net water intake on the environment.

Reduction of water consumption through monitoring and employee information

DIAM Group conducts a monitoring of water consumption through the monthly reporting to identify deviations that could pinpoint to potential leaks.

DIAM in the USA has reduced its office water consumption through close monitoring and education of employees. We also do employee awareness communication on your high hydric stress site in Tunisia.

All DIAM employees have signed the DIAM Code of conduct where they commit to limiting their environmental impact (including reduction of water consumption).

Reduction of water consumption through innovative equipment

To save water resources, DIAM implements different solutions of water reuse. For example, at Yzeure plant, the water circuit of hydraulic presses now turns in close circuit to increase water reuse, reduce net water intake from the grid and wastewater rejects to the grid. It is our intention to continue the efforts to convert to more water- efficient machines.

Measures implemented to reduce pollutants rejected into water

To reduce pollutants rejected into water, DIAM seeks technical solutions to develop the use of alternative technologies such as water-based solvents. For instance, Prugent DIAM China has managed to replace all solvent-based paints by water- based paints.

Steps to detect and eliminate any groundwater contamination

When relevant in sites using chemicals, DIAM may request independent third-party analyses to detect potential soil or groundwater contamination.

Indicator	Unit	2016	2017	2018	2019	2019 PF
Water consumed	Cubic meter	45 771	49 000	72 199	72 627	72 306
Wastewater produced	Cubic meter	45 771	49 000	72 199	72 627	72 306
Water intensity	liter/kEuro	218	157	235	214	215
Water intensity variation	%		-28	+50	-9	-9

Figure 9: Water related indicators

2019 PF = 2018 reporting perimeter

3.3. Materials, Chemicals and Waste

DIAM's material impact primarily come from plastics (for 63% in 2019), but also metals, wood-related materials, electronics and chemicals. In 2019, DIAM generated 4 237 tons of waste from production, of which 57% are sent to recycling overall. We estimate materials purchased and waste generated to represent respectively 31% and 1% of the scope 3 indirect emissions of greenhouse gases.

If we look at the "Pro Forma" figures (i-e like-for-like vs 2018), 2019 emissions linked to purchased goods are very close to 2018 (+1.4% with the same financial method). Nevertheless, in 2019 we have improved our calculation methodology for this indicator, thanks to a detailed reporting of main materials purchased by Diam sites. We thus observe lower emissions than those estimated in 2018.

Beyond climate change, the use of chemicals could have an impact on the health of employees. To protect climate and our employees, DIAM implements actions to reduce our activity impacts.

Labelling, storing, handling and transporting hazardous goods

DIAM sites are requested to regularly train their teams on the proper handling and storing of chemical and hazardous substances. A key aspect of reducing the related risks lays in the decrease of their usage through eco-design and process improvements by which we gradually get rid of gluing and switch to less impactful techniques like, for instance, sonic welding and digital printing.

Proper labelling, storing, handling and transporting of chemicals and potentially hazardous goods are to be organized at site level and are regularly audited by Group internal audits. Internal audits check the various impacts of these risks: human health and safety, risks for the environment, and risks of fire and explosion. It also checks the actual training of employees and their proper information on the levels of risks and necessary handling measures.

Formal timeline defined to reduce consumption of hazardous substances

The furniture manufacturers are subject to REACH¹ requirements in Europe and DIAM continuously works to improve its REACH reporting capability.

To go further, and in direct link with the precautionary principle, DIAM has the goal to avoid potentially harmful chemicals, and has made important efforts to ban the use of CMR 1A (proven risk) and CMR 1B (alleged risk) and to limit and replace whenever possible the use of CMR 2 (potential risk). To achieve this objective, DIAM developed in 2017 an internal tool to ease the identification, elimination and replacement of CMR products.

Work process or innovative technologies implemented to reduce, recycle or reuse waste

Eco-design plays a major role in this effort too: glue-free products for instance are a constant aim for DIAM as they enable good recycling rates, be it at production stage (quality or process rejects) and after store life. Intense work is being done at DIAM to limit waste generation during process through technological improvements, for instance at CNC and laser cutting.

All waste are sorted and taken care of by specialized companies.

Work process or innovative technologies implemented to treat waste or facilitate clean disposal

Most DIAM industrial sites have plastic grinders enabling to reduce the size of the waste and -when possible and provided it does not have detrimental impacts to the quality of the products - to reuse the material directly into production.

Chemical wastes are handled through specific streams for safe recycling.

¹ Registration, Evaluation, Authorization and Restriction of Chemicals

3.4. Environmental impacts from use of products

The major and probably only environmental impact from the use of products comes from the in-store electric consumptions of POS displays. We estimate this impact to represent 37% of DIAM's total carbon footprint in 2019. This proportion has increased compared to 2018 (it was 20%): emissions go from 32 809 tons CO₂eq in 2018 to 73 755 in 2019 because of a significant improvement in the reporting of watts installed by DIAM sites. The like-for-like evolution (2018 vs 2019 PF) shows a stable volume. We believe that our new method is more accurate than the one used until 2018.

We invite our clients, brands and retailers to act with us to reduce this impact by adjusting their light levels requirements, the efficiency of the lighting, and by switching their stores to renewable energy consumption and by switching off the POS displays when not in use. DIAM offers specific solutions to decrease the consumption of POS displays, through optimization of the electric consumption and light diffusion and the use of activity sensors and switches and the implementation of innovative techniques to generate the same amount of light with less energy consumption.

3.5. Environmental impacts from Products End-of-Life

Scope 3 indirect emissions of greenhouse gases is by far the main contributor to DIAM's climate change footprint with an estimation of 98% of the total (direct and indirect: scopes 1,2 and 3). We estimate 37% came from the use of sold products (mainly arising from the electric consumption of POS display, with an important improvement in terms of reporting this year), 31% came from the purchased goods and services (mainly arising from the plastic purchases), 15% from downstream transportation and distribution (mainly due to occasional air freight to quickly deliver finished products to the clients when shortened delivery times are expected) and 7% from the end-of-life treatment of sold products (the emissions generated by the products after they are disposed of).

The calculation of our DIAM carbon footprint overall has been significantly refined this year thanks to better reporting of different indicators (especially on watts installed, but also on raw materials, car fleet, business travel...), but also thanks to methodology improvement (with less financial ratio used and more calculations based on operational data). These changes also explain the increase in terms of total emissions reported for this year: from 162 961 tons CO₂eq in 2018 to 201 369 in 2019 (+24%).

Taken in like-for-like (2019 Pro Forma vs 2018), the comparable evolution is slightly lower (+3,7%) than the evolution of turnover (+4%)

We estimate that the 2019 figure better reflects the actual DIAM emissions and we will use 2019 as baseline for our commitment to the science-based targets initiative and for the implementation of our new action plan of GHG reduction.

Indicator	Unit	2016	2017	2018	2019	2019 PF
SCOPE 1 + 2 + 3 - Location based	t CO2eq	9 726	168 897	169 561	206 507	175 104
SCOPE 1 + 2 + 3 - Market based	t CO2eq	9 726	168 228	162 961	201 369	168 996
Scope 1+2+3 Market based yoy change				-3%	24%	3.7%
Sales yoy change			28.6%	1.9%	4.2%	4.2%

Figure 10: Scope 1+2+3 emissions related indicators

As scope 3 (indirect emissions from the full life-cycle of the products) is the most important factor, the Group is concentrating its efforts on eco-design of POS displays, with a specific effort on power consumption and on circular economy (use of recycled materials, recyclability of displays, and effective recycling by partnering with our clients). We contribute to push the POS ecosystem towards the actual recycling of POS displays by offering recycling solutions to our customers and by promoting circular economy in various instances with our customers.

Products and packaging designed for easy dismantling and recyclability

Easy, manual dismantling is a constant goal for DIAM as it is a key aspect of how we can improve the impact of POS displays through actual dismantling, sorting and reuse or recycling of the materials.

To achieve this objective, we train our teams and share the best practices among the Group to avoid the use of glues and minimize the number of materials used in one display. We also develop dismantling instructions to enable proper dismantling.

Company specific take back programs, and/or facilities for collection of equipment

Already, most of DIAM displays can easily be dismantled. This enables the recovery and re-use of valuable materials which may be regenerated and re-used into the production of new products.

But actual claim back and effective dismantling and recycling is not necessarily applied and in its vast majority, the POS market is still very linear to date. Circular economy models must be found and DIAM is firmly committed to participating to such efforts. Ease of dismantling is a needed first step but is useless if the products are thrown to general refuse and sent to landfill or incinerators. Things must change.

For a prestige brand, DIAM created a 100% dissociable POS display and has organized the actual recycling of the previous version with a social economy partner. Thanks to the specific capabilities of the social partner, the dismantling is of very high quality and the recovery and segregation of components are maximized.

3.6. Environmental impacts from Downstream transportation and distribution

Thanks to the improvement of our calculations this year, we have been able to identify a new relevant source of emissions linked to the transport of our finished products to stores. This category of emissions now accounts for 15% of our 2019 carbon footprint (vs 1% in 2018) and is mainly due to the use of air freight for some client deliveries. Even if only 15% of finished products are distributed by air, the impact in terms of emissions accounts for 94% of the Downstream transport.

DIAM will thus deploy a new action plan to limit air freight as much as possible in the coming years.

Indicator	Unit	2016	2017	2018	2019	2019 PF
SCOPE 3						
- Purchased goods and services	t CO2eq	Not reported	88 117	84 648	61 945	85 860
- Capital goods	t CO2eq	Not reported	4 440	5 664	4 987	4 855
- Fuel- and energy-related activities	t CO2eq	1 714	1 960	1 120	2 275	1 329
- Upstream transportation and distribution	t CO2eq	Not reported	2 532	1 529	2 522	1 280
- Waste generated in operations	t CO2eq	266	1 051	1 239	1 361	1 381
- Business travel	t CO2eq	Not reported	Not reported	687	2 587	666
- Employee commuting	t CO2eq	Not reported	Not reported	3 935	3 899	3 966
- Upstream leased assets	t CO2eq			0	0	0
- Downstream transportation and distribution	t CO2eq	Not reported	1 405	1 678	29 272	1 893
- Processing of sold products	t CO2eq	Not reported	0	0	0	0
- Use of sold products	t CO2eq	Not reported	33 324	32 809	73 755	36 960
- End-of-life treatment of sold products	t CO2eq	Not reported	26 344	24 954	13 819	25 495
- Downstream leased assets	t CO2eq	Not reported	0	0	0	0
- Franchises	t CO2eq	Not reported	Not reported	0	0	0
TOTAL SCOPE 3	t CO2eq	Not reported	159 173	158 263	196 422	163 685
SCOPE 1 + 2 + 3 - Location based	t CO2eq	9 726	168 897	169 561	206 507	175 104
SCOPE 1 + 2 + 3 - Market based	t CO2eq	9 726	168 228	162 961	201 369	168 996

Figure 11: Scope 3 emissions related indicators

2019PF*= 2018 reporting perimeter and 2018 method

3.7. Customer Health and Safety

Since 2015, DIAM have claimed only one incident on end- customer's health and safety. For Shop fitting activities, DIAM pay special attention to the structural resistance of our products and to their proper installation when we install them, to avoid any risk of tilting or fall that might result in customer injury. For POS activities, DIAM focus on electrical safety and quality control. In this way, Diam invested for a laboratory to test shock resistance, the ageing of components or assemblies, and several other equipment to verify that a product or material is in conformity with customer and internal safety specifications.

Furthermore, we estimate that most volatile components coming from process and production are dissipated well before the display arrives in the stores.

Indicator	unit	2015	2016	2017	2018	2019
Numbers of customer health and safety incidents	Number	0	0	1	0	0

Figure 12: Customer health and safety incidents related indicators

3.8. Promotion of Sustainable Consumption

DIAM offers its expertise to its clients to reduce their carbon footprint: we are able to calculate the carbon footprint of products for most important offers. An internal tool developed in partnership with a well-known life cycle analysis consulting firm is available for that purpose. Further explanation and co-construction work need to be done with clients to better integrate environmental requirements into their design requirements.

37% of DIAM's climate change impact comes from the electrical consumption used by products in the stores. DIAM has developed advanced know-how on eco- design, especially on illumination optimization to reduce this impact.

Indicator	Unit	2015	2016	2017	2018	2019
DIAM employees across all locations who received training on environmental issues	%	Not reported	Not reported	Not reported	4%	2%
Sites for which an environmental risk assessment has been conducted	%	Not reported	Not reported	100%	100%	100%
Operational sites for which a formal environmental management system (EMS) has been implemented	%	Not reported	Not reported	0%	100%	100%
Percentage of VOC-free glues and varnishes used	%	Not reported	Not reported	Above 50%	Above 50%	Above 50%
Percentage of items with an indoor air quality label	%	Not reported	Not reported	0%	0%	0%
Percentage of recycled wood fibre used in production	%	Not reported	Not reported	Not reported	Not reported	Not reported
DIAM employees covered by certified ISO14001, EMAS or against other environmental management standard	%	0%	0%	0%	17%	23%

Figure 13: Environmental related indicators

* Percentage of aqueous based varnishes used: not applicable

4. Sustainable Procurement

Full compliance with internationally proclaimed human rights has become a license-to-operate in the purchaser/supplier relationship. We welcome this positive trend. We fully adhere to the UN Global Compact 10 principles. We implement policies, tools and responsible practices to prevent any risk of abuse.

Likewise, compliance with environment regulation and an active environmental impact-reduction policy are now clear requests from all stakeholders, including DIAM. This includes for instance carbon footprint reduction along the entire value-chain, use of certified wood-based products from sustainable sources to avoid harmful deforestation, actions on the bio-diversity preservation, etc.

To push our suppliers in that direction, we ask them to sign and commit to a supplier code of conduct to be referenced with DIAM. We also request them to submit to auto-diagnostic evaluations and often to on-site audits to evaluate their compliance with DIAM's commitments and with regulation.

Indicators	Unit	2015	2016	2017	2018	2019
Strategic Suppliers which have gone through a CSR risk analysis	Number	Not reported	Not reported	Not reported	80	80
TOP 10 site suppliers which have gone through a CSR assessment	Number	Not reported	Not reported	Not reported	30	24
	%	Not reported	Not reported	Not reported	5%	8%
TOP 10 site suppliers which have gone through an CSR on-site audit	Number	Not reported	Not reported	Not reported	30	22
	%	Not reported	Not reported	Not reported	5%	7%
TOP 10 site suppliers which have signed the supplier code of conduct	Number	Not reported	Not reported	Not reported	Not reported	77
	%	Not reported	Not reported	Not reported	Not reported	24%

Figure 14: Suppliers related indicators

4.1. Social and environmental factors within procurement

Social and environmental factors within procurement are addressed through a responsible purchasing policy based both on the quality of products and services as well as on the social and environmental values of DIAM Group.

DIAM Supplier CSR code of conduct

We share growing expectations with our suppliers. We expect them to adhere to and comply with our suppliers' code of conduct, which is inspired by the UN Global Compact 10 Principles. This suppliers' code of conduct includes:

- Complying with the social and environmental standards in force.
- Adopting an approach based on ethics and transparency.

- Prohibiting forced labour and child labour.
- Providing employees with a safe and fair work environment.
- Applying safety and risk-prevention rules.
- Respecting the environment and being in line with an eco-design approach.

Beyond the compliance with the principles we thrive to encourage our suppliers to become partners in the promotion of eco-design and to find innovative solutions to limit the environmental impact of their business (for example by using recycled materials or by changing to new printing systems). Our intention is to increase the implementation of this policy over the coming years

Indicator	unit	2015	2016	2017	2018	2019
Sites with over 50% of their suppliers who signed the code of conduct	%	Not reported	Not reported	Not reported	49%	19%
Sites with over 50% of their TOP 10 suppliers who signed the code of conduct	%	Not reported	Not reported	Not reported	Not reported	28%
% total turnover from suppliers who signed the code of conduct	%	Not reported	Not reported	Not reported	Not reported	18%

Figure 15: Supplier's code of conduct related indicators

CSR risk analysis

In the referencing of production suppliers, supplier risks are identified using a risk mapping by purchase types integrating the following criteria: expense amount, business strategy, as well as country risk (ethics criteria) and activity risk (CSR criteria) consistent with the EcoVadis's risk scoring.

This mapping allows buyers to identify, analyse and rank strategic suppliers and/or suppliers in the most exposed categories. Consequently, buyers can launch the required risk management actions (supplier assessment, supplier monitoring, site visits, etc.).

Every two years, this CSR risk analysis is renewed for production suppliers.

Supplier assessment on environmental and social practices

In 2019, DIAM used EcoVadis assessment system to measure the CSR performance of its strategic suppliers in Europe. This involves a remote documents-based audit of the supplier covering several criteria across environmental, social (human rights), ethical (corruption) and supplier relation issues, based on international CSR standards and with expert review and feedback.

Using a collaborative solution allows suppliers to minimize the workload linked to CSR reporting, by sharing their results with multiple customers.

In 2020, DIAM is adapting its methodology in order to make it easier to work with suppliers as the EcoVadis methodology proved too cumbersome for small suppliers.

DIAM's intention is to keep increasing the number and quality of evaluations in the coming years.

Training of buyers on social and environmental issues within the supply chain

In 2017, a number of DIAM purchasing teams have been trained to suppliers' audits, environmental and ethical questions. Further efforts have been performed in 2019 with the revision of the CSR risk analysis and a more efficient approach to screening and auditing suppliers.

- Over the past two years, 16 buyers received at least one training on sustainable procurement.
- Over the past two years, 29% of buyers received at least one training on sustainable procurement.

On-site audits of suppliers on environmental or social issues

On-site audits of suppliers (either directly done by DIAM or subcontracted to audit specialists) are an effective way to obtain and validate evidence of compliance.

- Over the last years, on-site audits of suppliers have covered about 30 of the Group's strategic suppliers.
- Over the last year, on-site audits of suppliers have covered about 10% of the Group's strategic supplier's procurement spend.
- Over the last year, on-site audits of suppliers have covered about 5% of the Group's strategic suppliers.

On-site audits of suppliers are followed upon by our purchasing teams through corrective actions plan and reviews. The audits, action plans and reviews cover the business performance of suppliers, operational service level, and ethics and compliance. The aim is to enhance the capacity building of suppliers on environmental or social issues with a continuous improvement plan.

Indicators	Unit	2015	2016	2017	2018	2019
Strategic Suppliers which have gone through a CSR risk analysis	Number	Not reported	Not reported	Not reported	80	80
TOP 10 site suppliers which have gone through a CSR assessment	Number	Not reported	Not reported	Not reported	30	24
% of total procurement spend which has gone through a CSR assessment or audit	%	Not reported	Not reported	0%	10%	13%
% of all suppliers which have gone through a CSR assessment	%	Not reported	Not reported	0%	5%	3%
Buyers at DIAM	Number	Not reported	Not reported	47	54	74
Buyers across all locations who received at least one training on sustainable procurement over the past two years	Number	Not reported	Not reported	Not reported	16	22
Buyers across all locations who received training on sustainable procurement over the past two years	%	Not reported	Not reported	Not reported	29%	29%
Suppliers which have gone through an CSR on-site audit	Number	Not reported	Not reported	Not reported	30	22
% of total procurement spend which has gone through a CSR on-site audit	%	Not reported	Not reported	Not reported	10%	10%
% of all suppliers which have gone through a CSR on-site audit	%	Not reported	Not reported	Not reported	5%	7%

Figure 16: Sustainable procurement related indicators

Please note that indicator that have been reported for less than three years have a larger degree of uncertainty

4.2. Wood and/or wood-based products from sustainable sources

DIAM integrates an environmental aspect in the choice of the products we purchase. For instance, DIAM's intention is to concentrate its purchasing of paper and cardboard on deforestation-free certified products (FSC label or other when FSC is not available).

Indicator	Unit	2015	2016	2017	2018	2019
Wood purchased from FSC certified suppliers	%	Not reported	Not reported	Not reported	67%	55%
Paper and cardboard purchased from FSC certified suppliers	%	Not reported	Not reported	Not reported	24%	74%
Total raw materials purchased from FSC certified suppliers	%	Not reported	Not reported	Not reported	43%	68%
Recycled wood or wood-based products/materials (estimated)	%	Not reported	Not reported	Not reported	Not reported	0%

Figure 17: FSC certified related indicators

Please note that indicator that have been reported for less than three years have a larger degree of uncertainty.

5. Fair Business Practices

5.1. Anti-corruption and bribery

Prevention of corruption and bribery

Over the last few years, DIAM had an important growth with a strong international development. To integrate the corruption risk, and in link with the French Sapin II law, DIAM has started to enforce in 2016 an anti-corruption policy and a surveillance system. This monitoring system consists in:

A corruption and bribery risk assessment conducted in 2017 by an independent third party over the entire DIAM business scope. This corruption risk assessment will be conducted every 3 years.

A specific action plan on areas identified as high risk of corruption has been carried out (for example: supplier audits).

An awareness training performed to prevent corruption and bribery based on the e-learning tool of Global Compact (The Fight against Corruption) has been deployed on 20% of employees over the past two years (500 employees), focused on critical positions like purchasing, sales and management. The total training time on anti-corruption reach 750 hours.

A code of conduct was established and is signed by all managers and employees. The code of conduct is integrated into the contractual relation between DIAM and its employees and disciplinary sanctions may apply for non-compliance.

An ethics alert procedure (Whistleblowing mechanism) is available to all employees and visitors to report any issue regarding corruption and bribery.

Our external financial auditors perform tests and controls regarding corruption and bribery. All these elements are monitored by the financial department, human resources department and CSR department.

Sensitive transactions and charity-related actions

Like all investments and actions using DIAM's brand name, it is important to have clear rules and controls for sensitive transactions approval, whilst preserving the decentralized creativity and freedom of the DIAM Group. That's why DIAM defined validation rules regarding purposes and spend level in term of charity actions in the name of DIAM. Those objectives and spend levels are validated by a control procedure including Group Financial Director, Group Human Resources Director and Group CSR Director.

Indicator	Unit	2015	2016	2017	2018	2019-12
DIAM employees	FTE	1 626	1 855	2 034	2 321	2 477
DIAM employees who received training on business ethics issues	FTE	Not reported	Not reported	181	881	802
% of Diam employees who received training on business ethics issues	%	Not reported	Not reported	9%	36%	33%

Figure 18: Business ethics issues related indicators

5.2. Information security

In addition to the anti-corruption system, the IT department has set up a Group IT Charter and several initiatives for information security. These initiatives are:

- A dashboard to follow information security risk assessments performed.
- An awareness communication to prevent information security breaches (Think before you click).
- An automatic backup of the information (email and attachment) in a protected server.
- An alert procedure (Whistleblowing) for all employees to report information security concerns and a response procedure to manage breaches of confidential information.

Furthermore, the Group IT department and those procedures are certified by quality standard (ISO 9001) which guarantees the respect of the property and the protection of the customer information.

Concerning the information security of end-of-life products, we are committed to anonymize the client's waste managed by DIAM and to provide a certificate of destruction (for data or material waste) issued by the partner in charge of the destruction or recycling for all relevant waste.

Indicator	Unit	2016	2017	2018	2019
Operational sites for which an internal audit/risk assessment concerning business ethics issues has been conducted	%	0%	100%	100%	100%
Cases of business ethics related violations reported	Number	Not reported	Not reported	Not reported	0
Confirmed incidents or legal actions related violations reported	Number	Not reported	Not reported	Not reported	0
Operational sites with an information security management system (ISMS) certified to ISO 27000	%	0%	0%	0%	0%
Operational sites with certified anti-corruption management system	%	0%	0%	0%	0%

Figure 19: Fair business practices related indicators

Please note that DIAM has chosen not to request its sites to certify their IT management systems. It nevertheless operates under the best available practice on IT-related matters

6. Methodology

Information in this document has been taken from the database that DIAM has developed for its social and environmental reporting and other Group reporting (Finance and Responsible Purchasing) or obtained from limited geographical or business areas or from departments centralized at Group level.

Scope

Reporting covers all operations sites and commercial offices with more than 5 employees. Acquisitions of entities made during year 2019, are not taken into account in the 2019 reporting scope. Norline and Diam Asia Thailand have been acquired after January 1st 2019 and hence not reported in 2019.

Guidelines

Indicators are aligned with Guidelines the Global Report Initiative (GRI). The carbon footprint assessment respect the guidelines of the GHG Protocol.



 <p>UN GLOBAL COMPACT</p> <p>COMMUNICATION ON PROGRESS</p>	<p>This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.</p> <p>We welcome feedback on its contents.</p>
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