

WE SUPPORT



COMMUNICATION ON PROGRESS

2021

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



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Foreword from the CEO

Businesses are only as **good** as what they bring to clients, employees, partners, the industry eco system and their sustainability credentials

At DIAM, we constantly challenge ourselves to create and deliver the best for Retail, with high **compliance, social** and **eco** standards, to create the perfect match between our brand partners & their consumers.

We bring advice, creativity, expertise to create retail & merchandising solutions (incl. shopfitting, niche packaging, digital...) to our beauty & luxury clients from design to engineering to production and services, with excellence, **local** proximity, and **global synergies**.

We build the retail of tomorrow, introducing model changes and creating **circular economy** & as “change” without purpose is vain, we would like our business to be **truly sustainable**. It is our duty to build positive relationship with employees and to act and limit our impact in accordance with planetary limits.

We are not there yet... and we don't know yet how a Retail-branding centered company can become **positive** for the planet whilst remaining an industrial player and a profitable game changer, but we do our best with our clients to achieve together our common sustainability objectives.

In this 2021 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.

Let's build a positive retail!



Françoise Raoul-Duval, CEO

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

OUR MISSION

We build the retail of tomorrow.

We create **retail & merchandising solutions** (POS material, store design, shopfitting, niche packaging and digital solutions...) to our **beauty & luxury clients**, from design to engineering to production and services, with local proximity & global synergies.

We are committed to do better for the future. On all our projects, we make sure to respect a few steps: doing systematic LCA and eco design, looking for recycled and materials alternatives, using optimized light systems, and also introducing model changes and creating circular economy.

KEY FIGURES

| | |
|-------------|--|
| 2397 | employees, 46% women, 54% men |
| 93% | of renewable electricity |
| 74% | of DIAM employees have received at least one training in 2020 |
| 81% | of DIAM employees are covered by formally elected employee representatives |
| 159 | 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 is 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 2021, 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.

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. CSR-related Governance

Questions related to CSR, including climate change, report directly to DIAM's CEO and are overseen at executive committee (Excom), with additional occurrences at the Supervisory board level and the Risk Committee. The regular formal decision-making meeting is the CSR Steering Committee.

The **CSR Steering committee** meets twice a year, including once during an Excom meeting, with the Excom members, to monitor and adjust the CSR policy (defined as part of our global strategy and also adjusted during the annual interviews, for implementation of an annual roadmap), check its implementation (particularly from the angles of safety, audits, social, governance, environment, monitoring of actions and results vs. targets, annual review of the carbon footprint, training, CSR communication, etc.), and propose ways to speed these up and/or corrective actions. It is composed, in a restricted committee, of the CEO, CFO, HR director, Purchasing Coordinator, a BU Director (David Bagley, Sponsor) and the CSR Director.

A CSR update is also once a year on the agenda of the **Risk Committee** for internal CSR audits and CSR macro-risks; it includes a summary of the progress of the audits and their results (the details of audit and safety follow-ups are reviewed by the CSR Committee). The CSR Director presents a progress report once a year to the Board of Directors, to complement introductions of each Board (on CSR matters).

The Group CEO follows very closely all CSR-related topics and in particular the ones related to carbon-strategy, circular economy and 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 oversees proposing and implementing the CSR strategy, commitments, and actions and preparing the progress reports, disclosure and communications. He reports directly to the CEO. He formally reports to the CSR Steering Committee every 6 months.

The CSR team at headquarters is formed of the Group CSR Director and a Group CSR project manager. 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.

Since 2022, applicable to 2021 exercise, an independent third party evaluates and gives an assurance on DIAM's CSR disclosure. Details of assurance and KPIs covered are to be found at the end of the present document.

2. Labour Practices & Human Rights

DIAM has a formalized policy regarding labour practices and human rights that are compiled in two key documents: DIAM SOCIAL POLICY and DIAM SOCIAL AND ETHICAL GUIDE.

The DIAM SOCIAL POLICY refers to Employee's Health and Safety, Working Conditions, Labour Relations, Career Management, Diversity, etc.

The SOCIAL AND ETHICAL GUIDE refers to our obligations as an employer, including on Child and Forced Labour, Discrimination & Harassment (our responsibilities towards external upstream stakeholders are mainly dealt with DIAM SUPPLIERS CODE OF CONDUCT.)

| Indicator | Unit | 2018 | 2019 | 2020 | 2021 | Var 20-21 |
|---|--------|------------------|-----------|-----------|-----------|-----------|
| Total number of hours worked | Number | 6 910 397 | 6 894 384 | 5 662 695 | 5 644 950 | - |
| Number of lost time injury events | Number | 50 | 44 | 37 | 44 | 19% |
| Number of days lost due to injuries | Number | 828 | 832 | 1 029 | 1 201 | 17% |
| Frequency rate ¹ | Number | 7,2 | 6,4 | 6,5 | 7,8 | 19% |
| Severity rate ² | Number | 0,12 | 0,12 | 0,18 | 0,21 | 17% |
| hours of safety training | Number | 16 522 | 15 692 | 9 381 | 17 829 | 90% |
| Average hours of safety training per year per employee | Number | 7,1 | 6,3 | 3,7 | 7,4 | 100% |
| Operational sites for which an employee health & safety risk assessment has been conducted ³ | % | 100% | 100% | 60% | 73% | 22% |
| Workforce across all locations represented in formal joint management-worker health & safety committees | % | 43% | 79% | 72% | 58% | -19% |
| Workforce across all locations who are covered by formal collective agreements concerning working conditions | % | 27% | 59% | 55% | 56% | 1% |
| Workforce across all locations who are covered by formally elected employee representatives | % | 57% | 78% | 53% | 80% | 52% |
| DIAM employees across all locations who received regular performance and career development reviews | % | 36% | 40% | 35% | 34% | -2% |
| DIAM employees (excluding short term contract) across all locations who received regular performance and career development reviews | % | 41% ³ | 54% | 47% | 46% | -1% |
| Employees across all locations who received career- or skills-related training | % | 79% ³ | 31% | 26% | 26% | - |
| Operational sites that have been subject to human rights reviews or human rights impact assessments* | % | 100% | 100% | 60% | 73% | 22% |
| DIAM employed covered by SA8000 certification | % | 9% | 7% | 14% | 13% | -10% |
| % of women in top executive positions (%) | % | 36% | 36% | 36% | 36% | - |

Table 1 : 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)

In 2021, the coverage rate of formally elected employee representatives on DIAM workforce has increased from 53% to 80%, thanks to the integration of such policy in several important DIAM sites in Thailand, France, and Portugal.

2.1. Employee health and safety

As stated in DIAM's HEALTH & 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

The health and safety management system follows SA 8000 and ISO 45001 best practices. Each site is expected to evaluate its safety risks and act on them through a continuous improvement system that puts the emphasis on management responsibility and the emergence of a true safety culture. 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.

We aim to have an audit of each industrial site, either internally or through client / third-party audits every 18 months. During COVID lock-downs months and their aftermath, most audits have been postponed, but they resumed in end of 2021. The internal audit grid is based on inspired by the standard grids for "social" audits and integrates -especially on safety- DIAM Group's specific requirements specific.

Safety Committees and / or fire-response teams have been formed in the largest plants of the Group factories. 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. Day after day, we liaise between the factory management lines and central CSR team to foster a full safety culture in every DIAM factory.

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 a vast number of managers, including all business unit directors, plant directors and QHSE coordinators, 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. Accident's statistics show us that the most probable work accidents risk for DIAM are the risk of cut to the hand, risks for employees using knives, and the chemical product usage.

DIAM encourages responsible behavior and global consideration for the work environment. All plants are requested to organize a Safety Day every year to promote safety awareness, rules and behaviors 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, to do cross- fertilization of ideas.

The Health & Safety Policy has been implemented for years and resumes thanks to its H&S responsibility charter the 10 must have to ensure a safe and healthy working environment. In order that every person working for DIAM, or visiting a DIAM site, must commit to comply with the Group and site-specific rules, 98% of the languages spoken at DIAM are covered by the H&S Policy. It allows to ensure that the “safety first” is applied to all, anytime and anywhere.

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. In 2021, about 138 employees were involved in the shareholder policy. 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. The application of this policy is verified through on-site SA8000-based social audits performed by internal and external auditors.

SA 8000 and social audit standards are used as a reference, along with the “Living Wage” principle, for the definition of the Group’s remuneration policy. Projects to verify adequation between local living wages requirements and DIAM practices are being enforced in various DIAM locations in 2021-2022.

In addition, employee satisfaction is monitored annually by a partner barometer and since 2020 we increase the use of general employee satisfaction polls in various Business Units.

2.3. Social dialogue

DIAM implements various initiatives regarding social dialogue. Over 80% of DIAM employees are represented by formally elected employee representatives. In locations where formal 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.

In 2020, several employees’ representatives’ elections have been held in spite of the pandemic, either to renew or to install a new representation, slightly increasing the number of elected representatives with regards to 2019. In 2021, a natural attrition in the number of formally elected employee representatives starts to show.

| Indicator | Unit | 2018 | 2019 | 2020 | 2021 | Var 20-21 |
|---|--------|-------|------|------|-------|-----------|
| DIAM employees | FTE | 2 321 | 2484 | 2517 | 2 397 | -5% |
| Employee representatives | Number | 49 | 100 | 103 | 100 | -3% |
| Employee Representation meetings done | Number | 147 | 158 | 124 | 119 | -4% |
| DIAM employees covered by formally- elected employee representatives | % | 57% | 78% | 83% | 81% | -2% |
| DIAM employees represented in formal joint management-worker H&S committees | % | 43% | 79% | 72% | 60% | -17% |
| DIAM employees covered by a collective internal agreement on working conditions | % | 29% | 59% | 55% | 59% | 8% |
| DIAM employees covered by an industry agreement on working conditions | % | 38% | 50% | 44% | 54% | 23% |

Table 2 : 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. 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 and an average of 2 days (14 hours) of training per employee per year in average. **The pandemic caused a drop in number of employee trainings in 2020, as with the pandemic very few trainings could be held. In 2021 we managed to reach again 74% of DIAM employees who received at least one training, and an average of 11,9 hours of training per full-time equivalent.**

| Indicator | Unit | 2018 | 2019 | 2020 | 2021 | Var 20-21 |
|---|--------|--------|--------|--------|--------|-----------|
| DIAM employees | FTE | 2 321 | 2 477 | 2 517 | 2 397 | -5% |
| Training hours | Hours | 30 778 | 31 729 | 22 471 | 28 440 | 27% |
| DIAM employees who received at least one training | FTE | 1 893 | 2 015 | 1 339 | 1 776 | 33% |
| | % | 82% | 81% | 53% | 74% | 39% |
| Number of training hours by FTE | h/FTE | 12,9 | 12,8 | 8,9 | 11,9 | 33% |
| Number of training hours by trained employee | h/pers | 16,3 | 15,7 | 16,8 | 16,0 | -5% |

Table 3 : Training related indicators

Regular assessment of individual performance

Individual annual reviews have been implemented since 2013. In 2021, such reviews have been conducted for 73% 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 35% 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 | 2018 | 2019 | 2020 | 2021 | Var 20-21 |
|--|---------------|-------------|-------------|-------------|-------------|------------------|
| Number of employees who had a career evaluation regarding this year (done year after) | <i>Number</i> | 765 | 1 006 | 819 | 820 | - |
| Number of TARGET employees who should have a career management evaluation regarding this year (done year after) | <i>Number</i> | 1 020 | 1 198 | 1 011 | 1 123 | 11% |
| % of TARGET employees who had a career evaluation regarding this year (done year after) | <i>%</i> | 75% | 84% | 81% | 73% | -10% |
| DIAM employees | <i>Number</i> | 2321 | 2484 | 2517 | 2397 | -5% |
| % of DIAM employees who had a career evaluation regarding this year (done year after) | <i>%</i> | 33% | 40% | 35% | 34% | -2% |
| TARGET employees / DIAM employees | <i>%</i> | 44% | 48% | 40% | 47% | 17% |

Table 4 : 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 favored 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. In 2021, 56% more DIAM employees received at least one training on ethics compared to 2020, thanks to the increase in the sites of Tunisia, UK and US.

| Indicator | Unit | 2018 | 2019 | 2020 | 2021 | Var 20-21 |
|--|--------------|--------------|--------|-------|--------------|-----------|
| Training hours on safety | <i>Hours</i> | 16 522 | 15 692 | 9 381 | 17 829 | 90% |
| DIAM employees received at least one training on Health and Safety | <i>FTE</i> | 1 504 | 1448 | 935 | 1 261 | 35% |
| | % | 65% | 58% | 37% | 53% | 42% |
| DIAM employees received at least one training on ethics | <i>FTE</i> | 841 | 808 | 745 | 1 163 | 56% |
| | % | 36% | 33% | 30% | 49% | 64% |
| DIAM employees received at least one training on eco-design | <i>FTE</i> | 83 | 39 | 208 | 181 | -13% |
| | % | 4% | 2% | 8% | 8% | -9% |
| DIAM employees received at least one training on job position skills | <i>FTE</i> | Not reported | 994 | 656 | 614 | -6% |
| | % | Not reported | 40% | 26% | 26% | -2% |
| DIAM employees received at least one training on foreign language | <i>FTE</i> | Not reported | 94 | 86 | Not reported | - |
| | % | Not reported | 4% | 3% | Not reported | - |
| DIAM employees received at least one training on discrimination and human rights violations | <i>FTE</i> | Not reported | 0 | 340 | 341 | - |
| | % | Not reported | 0% | 14% | 14% | 2% |

Table 5 : 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 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" signed by every employee, 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 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, regarding 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 its social policy several years ago, founded on the belief that all employees should share the values of respect and solidarity and keeps updating it regularly.

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 "inclusion" pillar of DIAM's social 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 hired over 50 years-old
- Rehabilitation to the work world
- Reinsertion – ex-offenders finishing their time and previously imprisoned persons 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.
- In 2019, DIAM Poland has further developed its agreement with a local prison to reserialize offenders through work. The employees also raised money for a polish NGO which helps children with special needs. Since the beginning of the Ukraine war early 2022, DIAM Poland makes its best to incorporate refugees in its teams.
- 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 and has several people suffering from a physical disadvantage working on its production lines.

To fight against discrimination and harassment issues, DIAM implemented a Whistle-blower procedure in 2018. This whistleblowing procedure and address is to be showcased in every DIAM site and is also available on DIAM website. DIAM Internal audits make sure it is the case.

| Indicator | Unit | 2018 | 2019 | 2020 | 2021 | Var 20-21 |
|--|------|--------------|--------------|--------------|------|-----------|
| Long-term unemployment hires | FTE | 15 | 9 | 8 | 5 | -30% |
| People with disabilities | FTE | 42 | 42 | 43 | 42 | 0% |
| Occupational disease employees | FTE | 6 | 3 | 3 | 4 | 37% |
| Refugee hires | FTE | 0 | 0 | 1 | 0 | -100% |
| Senior hires | FTE | 16 | 19 | 21 | 28 | 36% |
| Army veteran hires | FTE | 11 | 8 | 5 | 1 | -81% |
| Other vulnerable people | FTE | 4 | 1 | 0 | 1 | - |
| Underprivileged area employees | FTE | 25 | 33 | 16 | 30 | 84% |
| Subcontracted and Agency Social inclusion jobs | FTE | Not reported | Not reported | 0 | 0 | 0% |
| Agency Social inclusion jobs | FTE | 47 | 44 | 42 | 24 | -42% |
| Subcontracted Social inclusion jobs | FTE | 45 | 37 | 27 | 23 | -13% |
| TOTAL | FTE | 212 | 196 | 166 | 159 | -4% |
| Percentage on DIAM employees | % | 9,1 | 7,9 | 6,6 | 6,7 | 1% |
| Percentage of women on top executive positions excluding boards of directors (estimated) | % | Not reported | Not reported | Not reported | 37% | - |

Table 6 : Diversity related indicators

DIAM safety results in 2021 show an increase in number of loss-time accidents and loss-time frequency rate. Number of accidents with time lost goes back to pre-COVID levels, but with lower number of hours worked, resulting in a higher frequency rate than in 2018-2019. COVID and post-COVID circumstances, with higher flexibility, possible disorientation and mind being elsewhere may be able to explain most of the uptake in accidents numbers, but the hard truth is that DIAM will have to focus once-more on safety and do its best to bring the frequency rate to our objective of reaching below 5 levels.

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.

A full evaluation of DIAM's BIODIVERSITY impact is being performed in 2021-2022 and will lead to establishing a DIAM BIODIVERSITY POLICY in 2022.

3.1 Carbon Footprint Overview

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 category. Considering this, priorities are eco-design and circular economy.

DIAM carbon footprint evolves as follows from 2018 to 2021:

| Indicator | Unit | 2018 | 2019 | 2020 | 2021 |
|---|---------------------|---------|---------|---------|---------|
| SCOPE 1 + 2 + 3 - Location based | <i>t CO2eq</i> | 169 561 | 206 507 | 131 164 | 145 883 |
| SCOPE 1 + 2 + 3 - Market based | <i>t CO2eq</i> | 162 961 | 201 369 | 125 808 | 139 833 |
| Scope 1+2+3 Location based yoy change | % | N.A. | 22% | -36% | 11% |
| Scope 1+2+3 Market based yoy change | % | N.A. | 24% | -38% | 11% |
| Variation Market – Location based | <i>t CO2eq</i> | -6600 | -5138 | -5356 | -6050 |
| Variation Market – Location based (% CF) | % | 4,1% | 2,6% | 4,3% | 4,3% |
| Carbon intensity | <i>T CO2eq / M€</i> | 501 | 584 | 499 | 499 |

Table 7: Scope 1+2+3 emissions related indicators

Overall, we have a +11% increase on our total carbon footprint in 2021 vs 2020. This increase is mainly due to volume increase and lock-down reversals in a context of post-COVID economic recovery. Our carbon intensity remains stable compared to 2020 thanks to DIAM actions on diverse topics: increasing energy efficiency of our sites, increasing use of recycled plastic, limiting air freight, eco-designing of our products.

3.2. Energy Consumption and Greenhouse gases

| Indicator | Unit | 2018 | 2019 | 2020 | 2021 | Var 20-21 |
|---|------------------------|--------------|--------|--------|--------|--------------|
| Gas consumed | MWh | 8 729 | 9 117 | 8 203 | 8 429 | 3% |
| Car fleet consumed | MWh | 4 121 | 6 152 | 4 558 | 5 997 | 32% |
| Other energy consumed | MWh | 594 | 645 | 288 | 100 | -65% |
| Electricity consumed | MWh | 23 070 | 22 724 | 19 137 | 20 840 | 9% |
| Of which renewable Electricity consumed | MWh | 18 988 | 19 880 | 17 958 | 19 442 | 8% |
| Total energy consumed | MWh | 36 514 | 38 638 | 32 187 | 35 365 | 10% |
| SCOPE 1 | tCO ₂ eq | 3 616 | 3 431 | 2 918 | 2 983 | 2% |
| - Gas consumed | tCO ₂ eq | 2 130 | 1 705 | 1 534 | 1 576 | 3% |
| - Car fleet consumed | tCO ₂ eq | 1 286 | 923 | 684 | 900 | 32% |
| - Other energy consumed | tCO ₂ eq | 200 | 191 | 88 | 35 | -60% |
| - Direct fugitive emissions | tCO ₂ eq | Not reported | 612 | 612* | 472 | -23% |
| SCOPE 2 - Location based | tCO ₂ eq | 7 681 | 6 654 | 5 953 | 6 694 | 12% |
| SCOPE 2 - Market based | tCO ₂ eq | 1 081 | 1 516 | 597 | 644 | 8% |
| SCOPE 1 + 2 - Location based | tCO ₂ eq | 11 297 | 10 085 | 8 872 | 9 677 | 9% |
| SCOPE 1 + 2 - Market based | tCO ₂ eq | 4 697 | 4 947 | 3 515 | 3 627 | 3% |
| Intensity SCOPE 1 + 2 | gCO ₂ eq /€ | 14,5 | 14,6 | 13,9 | 13,0 | -6% |
| Intensity SCOPE 1 + 2 variation | % | -46 | +1 | -12 | -7 | -42% |

Table 8: Energy and GHG direct emissions related indicators

*Due to lack of data for the "direct fugitive emissions (refrigerant liquids) for 2020, DIAM considered that the CO₂ emissions in 2020 were the same as 2019.

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 committed to the Science Based Targets Initiative at the end of 2019 and got our 1.5°C target validated in January 2021. 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 2021, DIAM's Scope 1 increased by 2% mainly due to the increase of Gas and car fleet consumption, with the end of the lockdown period in most of our sites compared to 2020.

Electricity consumed in the Group increased by 9% compared to 2020, mainly due to the economic recovery in the post-Covid period. Therefore, our scope 2 carbon footprint (market-based) increased slightly compared to 2020. Our renewable electricity share did however remain stable.

Reduction of energy consumption through employee's awareness

Training and informing employees about environmental issues is essential in the strategy put in place by the Group.

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) and to work towards eco-design in every project they are in a decision-making position on this matter.

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. In 2020, we accelerated this training by launching a full e-learning training on environment and eco-design. In 2021, we held various webinars, internally and for clients, on climate situation and the application of eco-design to the retail and point-of-sale display sector.

Purchasing of renewable energy through the electric grid

| Indicator | Unit | 2018 | 2019 | 2020 | 2021 | Var |
|---|--------------------------|-------------|-------------|-------------|-------------|------------|
| Electricity consumed | <i>MWh</i> | 23 070 | 22 724 | 19 137 | 20 840 | 9% |
| Renewable Electricity consumed | <i>MWh</i> | 18 988 | 19 880 | 17 958 | 19 442 | 8% |
| Share of renewable electricity | % | 82% | 87% | 94% | 93% | - |
| Avoided emissions due to renewable electricity | <i>tCO₂eq</i> | 6 600 | 5 138* | 5 357 | 6 050 | 13% |

Table 9: Electricity related indicators

In 2016, taking effect on 1/1/2017, DIAM started to shift 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. In 2020 we achieved 94% renewable electricity usage and almost 5 400 tons of CO₂eq. emissions avoided. In 2021 we covered 93% of electricity usage with renewable electricity corresponding to 6 050 tons of CO₂eq. emissions avoided.

DIAM targeted to reach 90% of renewable electricity consumption in 2020. This target was achieved, and we now target to be and remain at or over 95% until the end of the decade.

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 227 MWh of renewable energy in 2020 for the energy network and for the site's activities. At the ending 2020, 59% of the DIAM Brazil electricity consumption come from this powerplant and saved 31 tons of CO₂eq. In 2021 the powerplant produced 60 MWh auto-consumed by the site activities, corresponding to 21% of the site electricity consumption and 9 tons of CO₂eq. saved.



Figure 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, Brazil, UK...) 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. For instance, in 2021 thanks to the projects implemented DIAM was able to avoid 54 tons CO₂eq.

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.

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 electronic finally become a waste, it is sent to specific electronic recycling (WEEE).

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

Furthermore, DIAM promotes video conferencing to limit travel impact. IT was obviously especially true in 2020 with the pandemic and the travel ban that was enforced. 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 2020 part of the efficiency work on these 2 sites has been delayed due to the pandemic. In 2021, these sites have enforced important changes that will result in a lower energy consumption: DIAM Les Mureaux has decreased the space it uses, resulting in less heating needs. Prugent Lannemezan has implemented most of the recommendations of the energy audit, with a potential to decrease its CO2 emissions by about 20% on its scopes 1&2. Work continues in 2021 with more sites being audited and implementing energy conservation measures.

3.3. Greenhouse Gas Emissions – Scope 3:

This section details DIAM’s scope 3 Greenhouse Gases emissions for 2021. We collect primary scope 3 data from internal stakeholders and use industry-average-data to estimate our scope 3 emissions.

| Indicator | Unit | 2018 | 2019 | 2020 | 2021 | % CF2021 ¹ | Var |
|--|----------------------|---------|---------|---------|---------|--------------------------|------|
| SCOPE 3 UPSTREAM | | | | | | | |
| - Purchased goods and services | t CO ₂ eq | 84 648 | 61 945 | 42 716 | 41 656 | 30% | -2% |
| - Capital goods | t CO ₂ eq | 5 664 | 4 987 | 2 169 | 2 708 | 2% | 25% |
| - Fuel- and energy-related activities | t CO ₂ eq | 1 120 | 2 275 | 1 987 | 2 782 | 2% | 40% |
| - Upstream transportation and distribution | t CO ₂ eq | 1 529 | 2 522 | 1 786 | 2 117 | 2% | 19% |
| - Waste generated in operations | t CO ₂ eq | 1 239 | 1 361 | 895 | 879 | 1% | -2% |
| - Business travel | t CO ₂ eq | 687 | 2 587 | 258 | 2 578 | 2% | 899% |
| - Employee commuting | t CO ₂ eq | 3 935 | 3 899 | 1 634 | 3 441 | 2% | 111% |
| - Upstream leased assets | t CO ₂ eq | 0 | 0 | 0 | 0 | 0% | - |
| TOTAL SCOPE 3 UPSTREAM | t CO ₂ eq | 98 822 | 79 576 | 51 445 | 56 161 | 40% | 9% |
| SCOPE 3 DOWNSTREAM | | | | | | | |
| - Downstream transportation and distribution | t CO ₂ eq | 1 678 | 29 272 | 12 679 | 13 280 | 9% | 5% |
| - Processing of sold products | t CO ₂ eq | 0 | 0 | 0 | 0 | 0% | - |
| - Use of sold products | t CO ₂ eq | 32 809 | 73 755 | 48 769 | 58 505 | 42% | 20% |
| - End-of-life treatment of sold products | t CO ₂ eq | 24 954 | 13 819 | 9 401 | 8 260 | 6% | -12% |
| - Downstream leased assets | t CO ₂ eq | 0 | 0 | 0 | 0 | 0% | - |
| - Franchises | t CO ₂ eq | 0 | 0 | 0 | 0 | 0% | - |
| TOTAL SCOPE 3 DOWNSTREAM | t CO ₂ eq | 59 441 | 116 846 | 70 849 | 80 045 | 57% | 13% |
| TOTAL SCOPE 3 | t CO ₂ eq | 158 263 | 196 422 | 122 293 | 136 206 | 97% | 11% |
| SCOPE 1 + 2 + 3 - Location based | t CO ₂ eq | 169 561 | 206 507 | 131 164 | 145 883 | - | 11% |
| SCOPE 1 + 2 + 3 - Market based | t CO ₂ eq | 162 961 | 201 369 | 125 808 | 139 833 | 100% | 11% |

Table 10 : Scope 3 emissions related indicators

3.3.1. Reduction targets of our emissions of GHGs

DIAM has committed to SBT in 2019 and obtained the formal validation of its 1.5 trajectory in January 2021. To reach this objective DIAM has defined a reduction target of its carbon footprint in absolute value of -46% in 2030 compared to 2019, calculated on the following scope:

- 100% of Scope 1
- 100% of Scope 2
- 69% of Scope 3 (including Purchase of Goods and Services and Use of products sold)

To be in line with SBT targets DIAM needs to reduce by 5,4% per year its GHG emissions on this perimeter.

| Indicateur | Unit | 2019 (SBT Baseline) | 2021(Actual) | 2021 (SBT Target) | % Var 2021 vs Target |
|------------------------|---------------|---------------------|--------------|-------------------|----------------------|
| Scope 1 | Tons of CO2eq | 3 431 | 2 983 | 3 067 | -3% |
| Scope 2 | Tons of CO2eq | 1 516 | 644 | 1 355 | -52% |
| Scope 3 SBT | Tons of CO2eq | 135 700 | 100 161 | 121 318 | -17% |
| Total Scope SBT | Tons of CO2eq | 140 647 | 103 788 | 125 741 | -17% |

Table 11 : Reduction targets of our GHGs emissions related indicators

DIAM reduction of GHG emissions in scope for period 2019-2021 are beyond SBT reduction target by 17%, mainly due to:

- Volume effect on the Scope 3, with a decrease of Group turnover by 19% between 2019 and 2021
- Increase of the share of renewable electricity (from 87% in 2019 to 93% in 2021)

Thanks to DIAM efforts towards Science Based Targets carbon reduction, we can see a 3,2 kt CO2 eq. improvement due to raw materials improvement and recycled plastic usage, and a 1,5 kt improvement due to preference given to sustainable wood supply in 2021 compared to 2019. If we compare to 2019, most of the drop in climate change impact come from a volume effect of 19% related to Covid crisis. This means that in the coming years, some of this volume and CO2 impact is likely to come back. DIAM will continue its efforts to decrease its carbon footprint in line with its Science Based Targets engagements. Other actions are being done and will further give benefits in the upcoming years.

3.3.2. Materials, Chemicals and Waste

We estimate materials purchased and waste generated to represent 30% of DIAM total greenhouse gases emissions.

DIAM's material impact primarily come from plastics (decreasing at 46% of the raw material carbon impact in 2021 vs 56% in 2020 and 63% in 2019), but also metals, wood-related materials, electronics, and chemicals. This drop is explained by efforts to switch away from virgin plastics. In 2021, DIAM used 38% recycled plastics vs 12% in 2020 (and 6% in 2019), saving 2654 tons of CO2 equivalent in the process compared to 2020.

Climate change impact of raw materials, waste and end-of-life has slightly decreased compared to 2020 (-2,2 Tons of CO2eq) mostly thanks to DIAM efforts to reduce use of virgin plastic.

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. In 2021, DIAM generated 2 576 tons of waste from production. The volume of waste is flat compared to 2020 (2 557 tons) and drops by 39% compared to 2019.

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 REACh¹² requirements in Europe and DIAM works to continuously 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. This tool is still working in 2021.

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 is sorted and taken care of by specialized companies or directly treated internally whenever possible in a direct factory close-loop recycling or post-consumer recycling (often in close-loop too). In 2021, DIAM generated 14 647 tons of products that would be turned into waste after store life. Thanks to the launch of the “B2D” service in 2021, DIAM collected, directly from customers point of sales, and re-used 320 tons of materials (mostly plastic) corresponding to 8% of the volume of plastic purchased.

² *Registration, Evaluation, Authorization and Restriction of Chemical*
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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. In 2021 DIAM invested 49 K€ to buy grinders for two of its French sites (Les Mureaux and Yzeure). 51% of overall production waste, representing 1 633 tons, have been sent to recycling in 2021.

Chemical wastes are handled through specific streams for safe recycling.

3.3.3. Environmental impacts from use of products

The environmental impact from the use of products comes from in-store electric consumption of POS displays. We estimate this impact to represent 42% of DIAM's total carbon footprint in 2020 (vs. 39% in 2020). This increase is mostly explained by a volume effect linked to post-COVID sales recovery, with higher growth in carbon-intensive market areas like Asia, central Europe and the USA.

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

3.3.4. Environmental impacts from Products End-of-Life

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 lead the POS ecosystem towards improving the actual recycling of POS displays, by offering recycling solutions to our customers and 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. Dismantling plays an essential role to facilitate sorting, reusing or recycling of 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.

In 2021, 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 are 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.

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

Ease of dismantling is a needed first step, but progress need to be made to avoid throwing products to general refuse or sending them to landfill or incinerators.

To try to be the change we want to see, DIAM launched “B2D” in 2021, a new service that offers brands to implement close-loop circular recycling for their displays in store: at the end of the store life, the displays are collected by B2D, massified, dismantled and recycled -often in close loop recycling, or reused when applicable.

DIAM has a long-standing experience on recycling as our UK -and French to a lesser extent- factories have been doing that for years, but B2D takes it to a new level as we do not only target the “big” furniture (taking them back when we come to install the new one), but also:

- all the small multi-material shelf glorifiers
- and more importantly the plastic modules that brands tend to change various times a year. Those modules did not have a satisfying end-of-life to date so far, due to their low value (both environmentally and financially), and to high collection and recycling cost.

We are still in the process of ramping-up, adjusting our business model to a variety of situations and trying to optimize logistics and costs to break-even. DIAM has B2D services up and running in the USA, France and the UK and is ready to provide this service in every country in which we have industrial operations.

3.3.5. Environmental impacts from Downstream transportation and distribution

This category of emissions accounted for 15% of our 2019 carbon footprint. The Downstream transport emissions linked to the transport of our finished products to stores is largely driven by the use of air freight for client deliveries. Thanks to our efforts to raise awareness to air freight emissions, this category represents 9% in our 2021 carbon footprint. Even if only 7% of finished products are distributed by air, the impact in terms of emissions accounts for 48% of the Downstream transport.

DIAM is deploying actions across all businesses to limit air freight as much as possible.

3.4. Biodiversity

A paramount project:

DIAM is aware of the very high stakes linked with the 6th mass extinction of species and the associated loss of natural capital. As stated in our CSR policy, we are committed to work towards practices and business models that favor a rich biodiversity. Biodiversity is vital to sustain human life on earth, and is important for DIAM’s business continuity and sustainability, as DIAM relies on a number of ecosystem services (e.g., provision of raw materials and regulating services of water and air) which are threatened by several biodiversity-related pressures such as climate change, pollution, land use change and water availability loss.

In 2018, our first materiality matrix had identified biodiversity as being a lower priority subject vs other issues like climate change or some social issues since we have little direct interactions with biodiversity, and we were at the beginning of our climate-change journey. In 2021, having made good progress on the highest-ranking topics on our materiality matrix, and in view of the growing visibility of the matter and the emergence of methodologies that now enable us to do an efficient estimate of our impact on biodiversity, we decided to dedicate resources to do DIAM’s first biodiversity impact assessment and establish DIAM’s

policy on biodiversity including KPIs and targets.

This first biodiversity impact assessment has been conducted by DIAM over 2021 and 2022. Its methodology has been reviewed and validated by independent third parties specialized on biodiversity impact assessment. This assessment gives us a good first picture of the impact DIAM business generates on biodiversity and will enable us to establish a DIAM biodiversity policy including the assessment, targets, and the related KPIs and results.

DIAM's biodiversity footprint assessment aims to have a first view on DIAM's global biodiversity footprint, to evaluate the relative importance of DIAM's biodiversity footprint versus other industrial players, and to evaluate the targets needed for DIAM to commit to in order to comply with its goal to limit its impact according to science's requirement and -if possible- enhance biodiversity through our actions.

In terms of targets and commitments we include for instance the 1992 UN Convention on Biological Diversity and the emerging targets like the Science-Based targets for Nature.

Biodiversity impact assessment methodology and KPIs:

Biodiversity impact assessment is a complex and relatively new undertaking with several possible methodologies and approaches. For this first step, to be both scientifically accurate and efficient in the efforts needed to reach the assessment, DIAM has been one of the early adopters of using a global quantitative analysis.

The scope of the analysis is DIAM's entire value chain (including the upstream activities, direct operations, and downstream activities). The evaluation follows an LCA-based methodology, with the main indicator being PDF.m2.yr, which is a footprint indicator integrating three factors: potentially disappeared fraction of species or PDF (ranging from 0 to 1, with 0 for an intact ecosystem and 1 for an area with total biodiversity loss), the concerned surface area in m², and the concerned time span in years. The evaluation uses biodiversity factors from the "Impact World +" database, and third-party experts on biodiversity has validated the factors. The biodiversity footprint evaluation model is aligned with the carbon footprint model in terms of input and impact categories, except for: (1) a new impact category of land use not covered in carbon footprint evaluations and calculated separately using biodiversity factors for land occupation; (2) the fact that we report the "location-based" scope 2 impact on biodiversity instead of "market-based", which is the preferred method in current biodiversity footprint evaluations as biodiversity is a highly location-specific and regionalized issue.

The preliminary findings of the biodiversity footprint evaluation show that raw materials purchases and the use of products in the stores as being the main two contributors, accounting for almost 80% of the total biodiversity impact. These results are very similar to the orders of magnitude to what we have on the carbon footprint and as discussed through peer-discussions. In contrast, land use makes up only a negligible part of the total biodiversity impact.

Similar to a typical DIAM carbon footprint assessment, direct impacts are relatively small vs. indirect impacts, which is counter-intuitive to most people. But just like for carbon, direct impacts are to be looked and acted very closely upon, and we intend to do so. According to our counsels, it is best practice to reporting biodiversity impact in "location based" (i-e not considering renewable electricity purchases) rather than "market-based". The difference between the two methods is 3 million PDF.m2. yr (i-e market based scopes 1&2 would represent 3% of total footprint vs 8% reported below in location based).

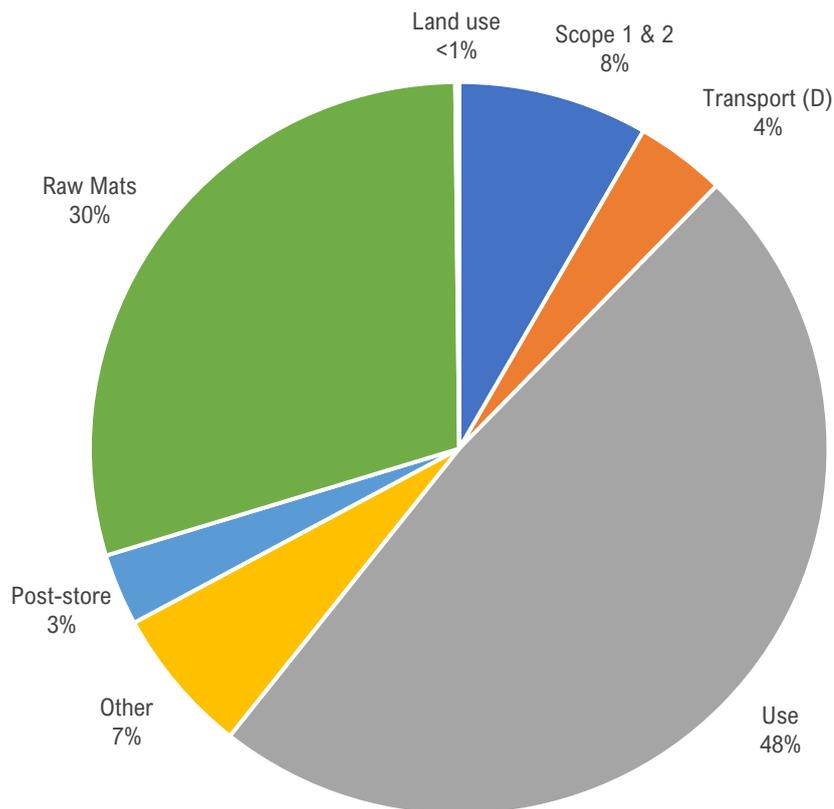


Figure 2 : DIAM Group 2021 Biodiversity Footprint: 49,2 million PDF.m2.yr

DIAM will further investigate and decide on actions, assessment, targets and KPIs regarding biodiversity and detail them in a separate and more detailed policy on biodiversity. We are aware that our first biodiversity assessment is subject to methodological improvement. For instance, we used a unique score aggregating the various types of biodiversity impacts. In the future, we may improve by looking separately at each biodiversity impact factor and to further align with the emerging biodiversity assessment methodology.

DIAM biodiversity policy will also align with DIAM's established commitments towards climate change and water use, as well as other international standards and public policy initiatives in this regard. This action is important as purification of water and climate change adaptation are two of the most essential ecosystem services provided by biodiversity; conversely, climate change and water availability are two of the major biodiversity pressures. By aligning biodiversity conservation with climate change mitigation and water preservation, DIAM will be able to respond to the environmental crisis in a more scientific and comprehensive manner.

3.5. Water

DIAM is committed to protect water resources. Our ambition is to decrease our water intensity (water consumption by euro of sales) by 5% every year. We achieved a decrease by 11% of water intensity in 2021 compared to 2019, which is in line with our ambition.

| Indicator | Unit | 2018 | 2019 | 2020 | 2021 | Var |
|---------------------------|-------------|--------|--------|--------|--------|-----|
| Water consumed | Cubic meter | 72 199 | 72 627 | 56 491 | 66 584 | 18% |
| Wastewater produced | Cubic meter | 72 199 | 72 627 | 56 491 | 66 584 | 18% |
| Water intensity | Liter/Euro | 235 | 214 | 180 | 190 | 6% |
| Water intensity variation | % | +50 | -9 | -16 | +6 | |

Table 12 : Water related indicators

We have in mind the varying impact of hydric stress depending on water basins, and thus adapt our approach to local stress levels. We have been able to forecast the water stress levels for each of our site up to year 2040, in a high climate-change (RCP 8.5) scenario. This enabled us to better realize that despite being a very low water consumption company (our water consumption is equivalent to the yearly intake of a 1300 inhabitants' village), our water supply could become at risk and to consider additional water-saving actions to mitigate that risk.

DIAM is triggering improvement projects through a specific monitoring of the sites situated in current and future high water-stress areas and of the sites with a significant consumption. In 2020 our D3 site located in Long Island, New York, realized it had a high-water intake volume and that water stress in the area was expected to rise in the coming 20 years. They identified the 1st use of this water (gardening) and decided to cut down on it.

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 did water awareness sessions with employees in Tunisia and India, two high water stress areas.

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

DIAM uses little to no process water. We have answered to CDP "Water" questionnaire in 2021 for the 2020 exercise and obtained the grade "B" which is a great pride, but which showed us also how little use of water we do vs water-intense industries. To do our part and work on our objectives to reduce water usage to save water resources, DIAM implements different solutions of water reuse. For example, at Yzeure plant, the water circuit of hydraulic presses turns in close circuit since 2019 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

DIAM requires each of its industrial sites to comply with regulations regarding groundwater contamination. Our sites are regularly audited by clients and third parties. In addition, DIAM has implemented an internal audit system which includes the waste-water compliance items, like for instance the presence of adequate retention systems for all liquid potential pollutants and the presence and capability to use chemical spillage kits.

To reduce pollutants rejected into water, DIAM seeks technical and operational solutions to develop the use of alternative practices such as water-based solvents. For instance, Prugent DIAM Europe has developed know-how to replace various solvent-based paints by water-based paints. In 2021 DIAM India installed a wastewater treatment plant in its new factory, allowing to treat over 3700 cubic meter per year of sanitary wastewater.

Steps to detect and eliminate any groundwater contamination

DIAM requires each of its industrial sites to comply with regulations regarding groundwater contamination. Our sites are regularly audited by clients and third parties. In addition, DIAM has implemented an internal audit system which includes the waste-water compliance items, like for instance the presence of adequate retention systems for all liquid potential pollutants and the presence and capability to use chemical spillage kits. Each industrial site must be audited at least every two years, be it by third-parties or internal audit. Internal mini audits are regularly organized to check the potential risks for safety and the environment and could detect spillages and act on them rapidly.

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

In 2021, Prugent DIAM Portugal made analyses of its wastewater cistern to check its contaminations level and to check for potential leaks by installing a metering system enabling a better monitoring of water and wastewater management on site, and by changing the wastewater management contract to a company that gives us better visibility on the amount of wastewater generated and treated.

3.6. Customer Health and Safety

Since 2015, DIAM had 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 focuses on electrical safety and quality control. In this way, DIAM invested in 2019 in 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 | 2018 | 2019 | 2020 | 2021 |
|--|--------|------|------|------|------|
| Numbers of customer health and safety incidents | Number | 0 | 0 | 0 | 0 |

Table 13 : Customer health and safety incidents related indicators

3.7. Promotion of Sustainable Consumption

DIAM offers its expertise to brands and distributors to reduce their carbon footprint: we can calculate the carbon footprint of their products for them. A DIAM-owned LCA tool developed in partnership with a well-known life cycle analysis consulting firm is used for that purpose. In 2021, DIAM was instrumental in the launch of an industry-wide effort to establish a common LCA methodology for the entire POS display industry. This effort was also an opportunity to share our insights on displays' environmental impact with brands and retailers. We have trained the teams of various of our customers to eco-design and the impact assessment methodologies.

In 2021, 42% of DIAM's climate change impact came 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 | 2018 | 2019 | 2020 | 2021 |
|--|------|--------------|-----------|-----------|-----------|
| DIAM employees across all locations who received training on environmental issues | % | 4% | 2% | 8% | 8% |
| Sites for which an environmental risk assessment has been conducted | % | 100% | 100% | 62% | 50% |
| Operational sites for which a formal environmental management system (EMS) has been implemented | % | 100% | 100% | 100% | 100% |
| Percentage of VOC-free glues and varnishes used | % | Above 50% | Above 50% | Above 50% | Above 50% |
| Percentage of items with an indoor air quality label | % | 0% | 0% | 0% | 0% |
| Percentage of recycled wood fibre used in production | % | Not reported | 0% | 0% | 0% |
| DIAM employees covered by certified ISO14001, EMAS or against other environmental management standard | % | 17% | 23% | 19% | 19% |
| Diam employees covered by certified safety management standard ISO 45001 | % | 0 | 0 | 0 | 19% |

Table 14: 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 embrace the UN Global Compact 10 principles. We implement policies, tools and responsible practices to enforce reasonable diligence on all these risks.

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, DIAM established a full supplier risk assessment methodology and tracks suppliers progress on CSR-related elements through this risk assessment. The first step is to sign and commit to DIAM's supplier code of conduct to do business with DIAM. Further, we evaluate their risk through several steps including their strategic situation with us, the type of production they do for us, their country of production, and we use a specific, short, CSR questionnaire that enables us to have clear insight on their CSR practice / maturity. In 2021, 87 out of 157 suppliers have been screened through this risk assessment. Suppliers that show a higher risk regarding CSR, social and environmental aspects may then be submitted to on-site audits to evaluate their compliance with DIAM's commitments and with regulation. If the result is not good enough, DIAM may decide to either help the supplier to raise to compliance or stopping doing business with them if the situation calls for it.

| Indicators | Unit | 2018 | 2019 | 2020 | 2021 | Var 20-21 |
|--|---------------|--------------|------|------|------|-----------|
| Suppliers which have gone through a CSR risk analysis | <i>Number</i> | 80 | 80 | 324 | 830 | 156% |
| TOP 10 site suppliers which have gone through a CSR assessment | <i>Number</i> | 30 | 24 | 27 | 58 | 115% |
| | % | 5% | 8% | 9% | 19% | 108% |
| TOP 10 site suppliers which have gone through a CSR on-site audit | <i>Number</i> | 30 | 22 | 13 | 7 | -46% |
| | % | 5% | 7% | 4% | 2% | -44% |
| TOP 10 site suppliers which have signed the supplier code of conduct | <i>Number</i> | Not reported | 77 | 89 | 160 | 80% |
| | % | Not reported | 24% | 29% | 52% | 78% |
| Targeted suppliers with contracts that include clauses on environmental, labor, and human rights requirements | <i>Number</i> | Not reported | 77 | 89 | 160 | 80% |
| | % | Not reported | 24% | 29% | 52% | 78% |
| Percentage of targeted suppliers that have gone through a CSR assessment (e.g. questionnaire) | <i>Number</i> | | | 324 | | |
| | % | | | 31% | | |

Table 15: 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 labor and child labor.
- 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.

The contractual clause induced by the approval of the code of conduct mentions that any violation of the code will result in an immediate termination of the contract.

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 | 2018 | 2019 | 2020 | 2021 | Var 20-21 |
|--|------|--------------|------|------|------|-----------|
| Sites with over 50% of their suppliers who signed the code of conduct | % | 49% | 19% | 26% | 39% | 50% |
| Sites with over 50% of their TOP 10 suppliers who signed the code of conduct | % | Not reported | 28% | 32% | 58% | 81% |
| % total turnover from suppliers who signed the code of conduct | % | Not reported | 18% | 26% | 51% | 95% |

Table 16: Supplier's code of conduct related indicators

Supplier 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, analyze and rank strategic suppliers and/or suppliers in the most exposed categories. Consequently, buyers can launch the required risk mitigation 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. Ecovadis is 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 was supposed to minimize the workload linked to CSR reporting for our suppliers, by sharing their results with multiple customers. But for most of them DIAM was the only company requesting them to use Ecovadis, and their size made answering the questionnaire a real challenge, so we opted out in 2020 and decided to go to a customized risk mapping and evaluation. This new approach is being enforced in 2021, as the 2020 COVID pandemic, did not allow us to work on this with suppliers in 2020.

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 2020 and 2021 with the revision of the CSR risk analysis and a more efficient approach to screening and auditing suppliers.

- Over 2020-2021 (last 2 years), 28 buyers received at least one training on sustainable procurement.
- Over 2020-2021 (last 2 years), 38% 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 year, on-site audits of suppliers have covered about 13% of the Group's strategic suppliers.
- Over the last year, on-site audits of suppliers have covered about 6% of the Group's strategic supplier's procurement spend.
- Over the last year, on-site audits of suppliers have covered about 3% 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 | 2018 | 2019 | 2020 | 2021 | Var 20-21 |
|--|---------------|-------------|-------------|-------------|-------------|------------------|
| Suppliers which have gone through a CSR risk analysis | <i>Number</i> | 80 | 80 | 324 | 830 | 156% |
| TOP 10 site suppliers which have gone through a CSR assessment | <i>Number</i> | 30 | 24 | 27 | 58 | 115% |
| % of total procurement spend which has gone through a CSR assessment or audit | % | 10% | 13% | 13% | 36% | 179% |
| % of all suppliers which have gone through a CSR assessment | % | 5% | 3% | 31% | 57% | 85% |
| Buyers at DIAM | <i>Number</i> | 54 | 74 | 80 | 74 | -7% |
| Buyers across all locations who received at least one training on sustainable procurement over the past two years | <i>Number</i> | 16 | 22 | 23 | 28 | 22% |
| Buyers across all locations who received training on sustainable procurement over the past two years | % | 29% | 29% | 29% | 38% | 30% |
| Suppliers which have gone through an CSR on-site audit | <i>Number</i> | 30 | 22 | 13 | 11 | -15% |
| % of total procurement spend which has gone through a CSR on-site audit | % | 10% | 10% | 6% | 5% | -13% |
| % of all suppliers which have gone through a CSR on-site audit | % | 5% | 7% | 3% | 1% | -75% |

Table 17: Sustainable procurement related indicators

Please note that indicators that have been reported for less than three years have more 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 focuses on purchasing of paper and cardboard on deforestation-free certified products (FSC label or other when FSC is not available).

DIAM integrates an environmental aspect in the choice of the products we purchase. For instance, DIAM has a clear goal to zero-deforestation in its purchasing policy, with the ambition to have all its relevant wood-related purchased certified by 2025. (FSC label or other when FSC is not available).

Nevertheless, we closely monitor this target with our local purchasing teams as we have found occurrences in France in which certified wood meant stopping local supply which was previously considered “safe” and going to overseas supply of less controlled origin except for their certification. Based on this analysis, DIAM has decided to certify on PEFC its wood-intensive sites in France. We are well aware that PEFC is less highly considered than FSC, but the particularity of the French market, which is a low-risk market given the demanding local regulation and has almost no FSC-certified forest but almost 50% of PEFC-certified forest, clearly calls for such a pragmatic, local-driven decision.

| Indicator | Unit | 2018 | 2019 | 2020 | 2021 | Var 20-21 |
|--|------|--------------|--------------|--------------|--------------|-----------|
| Wood purchased from FSC certified suppliers | % | 67% | 33% | 35% | 27% | -23% |
| Paper and cardboard purchased from FSC certified suppliers | % | 24% | 74% | 74% | 79% | +6% |
| Total raw materials purchased from FSC certified suppliers | % | 43% | 58% | 57% | 59% | +4% |
| Recycled wood or wood-based products/materials (estimated) | % | Not reported | Not reported | Not reported | Not reported | - |

Table 18: FSC certified related indicators

Please note that indicators that have been reported for less than three years have more uncertainty.

In 2021, we have a decrease of the certified wood purchased mainly due to a business mix effect linked to eco-design: we have decreased the use of MDF panel on the UK production (replaced by cardboard panels, which are lighter and lower-impact). In the same time, we have an increase of certified paper and cardboard purchased on the packaging activities thanks to new productions. Globally, we observe an 4% increase thanks to the new productions on the packaging activities and a general increase of the paper and cardboard productions compare to 2020.

5. Fair Business Practices

5.1. Anti-corruption and bribery

Prevention of corruption and bribery

Over the last decade, 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 2021 by an independent third party over the entire DIAM business scope for the years 2019 to 2021. 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 three 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. For instance, here are some specific topics covered by this audit:

- Obtain an understanding of the company, its activities, its environment and its internal control system.
- Conduct interviews with key employees of the company and perform targeted testing on accounts and balances identified as high risk.
- Perform testing procedures to identify internal control weaknesses in transactions with identified high-risk third parties.
- Perform testing procedures to identify internal control weaknesses in sales to direct and end customers.
- Perform testing procedures on the system of internal control over delegation travel.
- Perform testing procedures on the system of internal control over expense reimbursement for employees identified as high risk.
- Track the regulation of fines and penalties to ensure that they are properly applied. We have analyzed regulatory fines and penalties.
- Review the Group's training programs for employees on anti-bribery procedures.

Sensitive transactions and charity-related actions

DIAM has implemented a charity and donations policy in 2018 in order to establish clear rules for these activities. 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 Goup Financial irector, Group Human Resources Director and Group CSR Director.

| Indicator | Unit | 2018 | 2019-12 | 2020 | 2021 | Var 20-21 |
|---|------|-------|---------|------|------|-----------|
| DIAM employees | FTE | 2 321 | 2 477 | 2517 | 2397 | -5% |
| DIAM employees who received training on business ethics issues | FTE | 881 | 802 | 745 | 1163 | 56% |
| % of Diam employees who received training on business ethics issues | % | 36% | 33% | 30% | 49% | 64% |

Table 19: 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. Since June 2021, all users 'employees are trained to Cyber Risk and Phishing by following an online training with "avantdecliquer.com".
- 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.
- At IT level, 2 dedicated WhatsApp groups were created to be able to give an alert even if an attack has broken all our communication channel.
- A Cyber-threat plan has been implemented in 2021 to limit the cyber-attack threat (occurrence risk and potential consequences). One of the main aspects is the user training, which was done throughout the year with "train-as-you-click" training.

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. Since May 2021, all IT partners must sign an NDA with special chapters about Cyber risk and confidentiality.

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.

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 matter.

| Indicator | Unit | 2018 | 2019 | 2020 | 2021 |
|--|-------------|--------------|-------------|-------------|-------------|
| Operational sites for which an internal audit/risk assessment concerning business ethics issues has been conducted* | % | 100% | 100% | 60% | 73% |
| Cases of business ethics related violations reported | Number | Not reported | 0 | 0 | 0 |
| Confirmed incidents or legal actions related violations reported | Number | Not reported | 0 | 0 | 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% |

Table 20: Fair business practices related indicators

* No internal audits done in 2020 due to the COVID pandemic and travel bans.

6. Methodology

Information in this document has been taken from the online reporting database that DIAM has developed for its social and environmental reporting, from other Group reporting sources (Finance, 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 10 employees. Acquisitions of entities made during a calendar year (N) are integrated in the following calendar year reporting (N+1) and their (N+1) performances are disclosed during year N+2. There was no acquisition in 2020.

Guidelines

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

Third party verification

DIAM validated its carbon footprint methodology with external experts to establish its 2019 carbon footprint, used for its Science Based Target baseline. The carbon footprint methodology has not changed from 2020. .

DIAM is regularly audited and evaluated by third parties regarding its ESG / CSR / Extra-financial performance, at site and Group level.

The following KPIs have been audited and validated with a moderate assurance by a third-party (assurance proof by Grant Thornton shown in following pages):

- *Percentage of recycled plastic used in production*
- *Total Scope 1 GHG emissions in metric tons CO2e*
- *Total Scope 2 GHG emissions in metric tons CO2e (Market Based)*
- *Total Scope 2 GHG emissions in metric tons CO2e (Location Based)*
- *Total Scope 3 GHG emissions in metric tons of CO2e*
- *Lost time injury (LTI) frequency rate for total workforce (per million hours worked)*
- *Average hours of training provided per employee*
- *Percentage of workers from minority groups and/or vulnerable workers employed in relation to the whole organization*
- *Percentage of targeted suppliers that have signed the sustainable procurement charter/supplier code of conduct*
- *Percentage of targeted suppliers that have gone through a CSR assessment*

Statement of verification of non-financial performance information

For the year ended 31st December 2021

This is a free translation into English of the statement on the consolidated non-financial information issued in French by the independent third-party body and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the stakeholders,

In our capacity as an independent third party of DIAM Group and accredited by COFRAC (under number n° 3-1080, whose scope is available at www.cofrac.fr), we present our report on the consolidated non-financial information for the year ended 31 December 2021.

Independence and quality control

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

Responsibility of the independent third-party body

Our responsibility is to express a reasoned opinion with limited assurance on the fairness of the information provided by the Company based on our work.

However, it is not our responsibility to express an opinion on the Company's compliance with applicable laws and regulations, in particular those relating to due diligence, anti-corruption and taxation, nor on the compliance of products and services with applicable regulations.

Nature and scope of our work

Our work described below was carried out in accordance with the provisions of Articles A. 225 1 et seq. of the French Commercial Code, which sets out the terms and conditions under which the independent third-party body conducts its mission, and in accordance with the international standard ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

Our procedures enabled us to assess the compliance of the information and the accuracy of the information:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated,
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate,
- we referred to documentary sources and conducted interviews to assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented.
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information,
- for the key performance indicators and other quantitative outcomes¹ that we considered to be the most important, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities² and covers between 22% and 55% of the consolidated data relating to the key performance indicators and outcomes selected for these tests.

| Indicators | coverage rate |
|---|---------------|
| Percentage of recycled plastics used in production | 45% |
| Total Scope 1 GHG emissions in metric tons CO ₂ e | 22% |
| Total Scope 2 GHG emissions in metric tons CO ₂ e (Market Based) | 55% |
| Total Scope 2 GHG emissions in metric tons CO ₂ e (location Based) | 24% |
| Total Scope 3 GHG emissions in metric tons of CO ₂ e | 25% |
| Lost time injury (LTI) frequency rate for total workforce (per million hours worked) | 22% |
| Average hours of training provided per employee | 43% |
| Percentage of the total workforce across all locations who are covered by formally elected employee representatives | 23% |
| Percentage of workers from minority groups and/or vulnerable workers employed in relation to the whole organization | 22% |
| Percentage of targeted suppliers that have signed the sustainable procurement charter/supplier code of conduct | 24% |
| Percentage of targeted suppliers that have gone through a CSR assessment | 43% |

¹ Environmental data: Percentage of recycled plastics used in production, Total Scope 1 GHG emissions in metric tons CO₂e, Total Scope 2 GHG emissions in metric tons CO₂e (Market Based), Total Scope 2 GHG emissions in metric tons CO₂e (location Based) ; Total Scope 3 GHG emissions in metric tons of CO₂e

Social data: Lost time injury (LTI) frequency rate for total workforce (per million hours worked); Average hours of training provided per employee; Percentage of the total workforce across all locations who are covered by formally elected employee representatives; Percentage of workers from minority groups and/or vulnerable workers employed in relation to the whole organization.

Societal data: Percentage of targeted suppliers that have signed the sustainable procurement charter/supplier code of conduct; Percentage of targeted suppliers that have gone through a CSR assessment.

²DIAM France (les Mureaux) ; DIAM Yamou ; DIAM Lurey ; DIAM UK ; DIAM Tunisia ; D3 LLC ; DIAM Display China.

We believe that the work performed, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work involved the skills of 2 people and took place between June and July 2022, for a total duration of approximately 3 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted interviews with people responsible for preparing the Information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Information, taken as a whole, is not presented fairly in accordance with the Standards.

Neuilly-sur-Seine, 7th July 2022

Original French report signed by:

Independent third-party body

Grant Thornton
French member of Grant Thornton International



Vincent Frambourt
Partner

Bertille Crichton
Partner



| | |
|---|---|
|  <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> |
|---|---|