

# ESG

## REPORT

2023

# ESG

## **REPORT**

2023

# I N T R O D U C T I O N

## DIAM CONTINUES TO LEAD IN SUSTAINABILITY, WITH NATURE AT THE CORE OF OUR STRATEGY.

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This year, DIAM proudly joins the Act4Nature international initiative in support of biodiversity.

The silent crisis of the sixth mass extinction looms over us. As human activity increasingly harms "mother nature," its ability to mitigate these impacts diminishes, affecting the livelihoods of billions. Every business, regardless of its direct connection to nature, must recognize its dependence and impact on biodiversity, and take decisive action to support it. This parallels the commitment many companies have made to combat climate change through Science-Based Targets, a commitment also embraced by DIAM, since 2019.

With a future alignment with the Science-Based Targets for Nature (SBTN) initiative in mind, our first step was to assess the situation and establish SMART (Specific, Measurable, Achievable, Relevant, Time-bound), recognized targets. Today, we take a decisive leap forward by validating our biodiversity targets through the Act4Nature international network. With a clear action plan in place, we are already implementing concrete measures to make DIAM more nature-centric, resilient, and aligned with the sustainability objectives of our Brand partners, in Beauty and Luxury.

With a sense of humility, deep responsibility, and a glimmer of hope, we encourage our industry peers to take bold steps in support of biodiversity. We did it on some key social and climate stakes, with good results after actions, decreasing our carbon footprint by more than 37% in 2023 (vs 2019); it gives courage to pursue both continuous improvements and new steps.

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# CEO FOREWORDS

## CELEBRATING ROBUSTNESS.

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Françoise RAOUL-DUVAL  
CEO

Our recent 50th birthday celebration (in 2023) was a chance to reflect on our values and culture: putting our clients and people development first, being agile, and striving for meaningful sustainability. At the heart of it all is our commitment to robustness.

Robustness is about recognizing that long term is as important as short term and focusing on what makes DIAM stronger: our team development, our client's satisfaction, our financial and business stability, our actions in favor of our communities and the environment. We are working hard to better control the ESG risks of our supply chain and to have our factories better suited to support one another in case one of them has an issue. We are also investing in new areas like high-end packaging, sustainable materials and innovative practices, all while growing our team and doubling the size of our factories in Portugal, Thailand, and India.

We also continue our efforts on decarbonation and are ahead of our Science-Based Targets in all scopes. Additionally, we are now accelerating our efforts towards biodiversity conservation by joining the Act4Nature coalition. In 2023, over half of the plastics we use are recycled. Despite growing sales, we reduced our energy consumption by 16% compared to 2019, with almost two-thirds of our energy sourced from renewable sources. In the face of a volatile, uncertain, complex, and ambiguous world, DIAM remains committed to reinventing itself, ensuring that we continue to serve our clients effectively and strengthen our resilience. We believe that change without purpose is futile, and our goal is to make our business truly sustainable. Working collaboratively with our entire ecosystem and across the entire value chain, we strive to shape the future of retail by supporting business model transformations and championing a circular economy through our "B2D" initiative.

In doing so, we aim to provide meaningful opportunities for our employees and embrace the diversity that enriches our workforce. We maintain a strong sense of responsibility towards our employees, remaining vigilant that their fundamental rights are respected and striving to go beyond by collaborating with initiatives like the Fair wage Network. This initiative evaluates whether the salaries we offer are not only compliant with regulation, but also aligned with the living costs in the regions of our factories.

As we embark on the next 50 years of DIAM's journey, the Corporate Sustainability Reporting Directive (CSRD) invites all businesses to improve sustainability data and transparency. We are proud to present our second renewed ESG report, with the aim to articulate our vision, targets, actions, and achievements more effectively.

*Let's build a positive retail !*

WHO WE ARE

34 ENTITIES  
ACROSS THE WORLD\*,  
IN 20 COUNTRIES.

DIAM is a global leading partner of brands at the point of sale, providing merchandising, shopfitting, niche packaging, and services solutions... for the Beauty & Luxury sectors. Creating the perfect match between a brand and its consumers in all distribution networks with a worldwide presence, unique in this industry.

3200	27	6	1	7
employees	factories	project management offices	headquarter	business units

NEW YORK	WROCLAW
MIAMI	FRANKFURT
MEXICO	MILAN
CURITIBA	ISTANBUL
LOUGHBOROUGH	DUBAI
PARIS	PUNE / MUMBAI
LES MUREAUX	BANGKOK
GARGENVILLE	SINGAPORE
GRIGNY	SHANGHAI
SAINT OZEN L'AUMÔNE	KUNSHAN
LURCY LEVIS	CHANGXING
YZEURE	HONG KONG
LANNEMEZAN	TOKYO
PORTO	MELBOURNE
SOUSSE	

TAKING ACTION TODAY FOR TOMORROW

DIAM, leading in positive impact thanks to high social and ethical standards, with an unwavering commitment to reduce our carbon footprint and limit climate change.

\*ESG scope at the end of Annual Report 2023.



# 8 SUCCESSFUL BRANDS UNITED BY A COMMON AMBITION

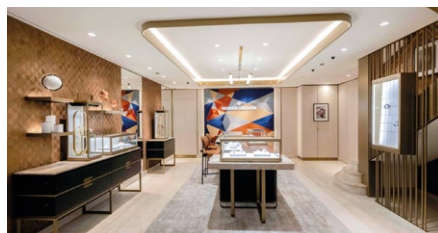
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*Retail Consulting*  
**RETAIL3D**



*Merchandising*  
**DIAM**



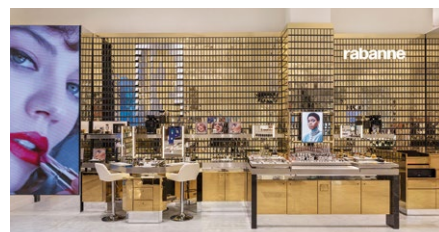
*Shopfitting*  
**PRUGENT**



*Luxury Packaging*  
**FPM**



*Digital Printing*  
**MR**



*Digital Solutions*  
**CONEX**



*In Store Services*  
**FIELDFLEX**



*Circular Economy & Recycling*  
**B2D**

# TO PROVIDE A FULL SERVICE

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## FROM CONSULTING TO RECYCLING...

Supporting our clients with 8 brands bringing complementary expertise for a comprehensive and complete service offering, to support their performance and offer their consumers a unique experience.

## ...AND HELPING OUR CLIENTS ACHIEVING THEIR GOALS

DIAM history started in 1973, 50 years ago. Service, in all its forms was already at the heart of DIAM's culture. Today providing services to our clients is a way to help them achieve their business & sustainability goals. As -to date- the only Point-of-Sale supplier approved by the Science-Based Targets Initiative (SBTi) for our decarbonation pathway, we are fully aligned with the targets of all our clients.

Short term (2030), our ambitious climate and environmental targets push us to provide the brands with the best solutions and innovations, backed-up by science-based business cases and life-cycle analysis. To go beyond 2030, the entire Retail industry will need to change to a cooperative and cooperative approach. At our modest level, we are already initiating or supporting game changes at industry level, like the implementation of sectorial standards, a high value-added circular economy service offer and initiating business model change pilots, step-stones for the next phase of impact change.



# GLOBAL KEY FIGURES

47%  
women

53%  
men

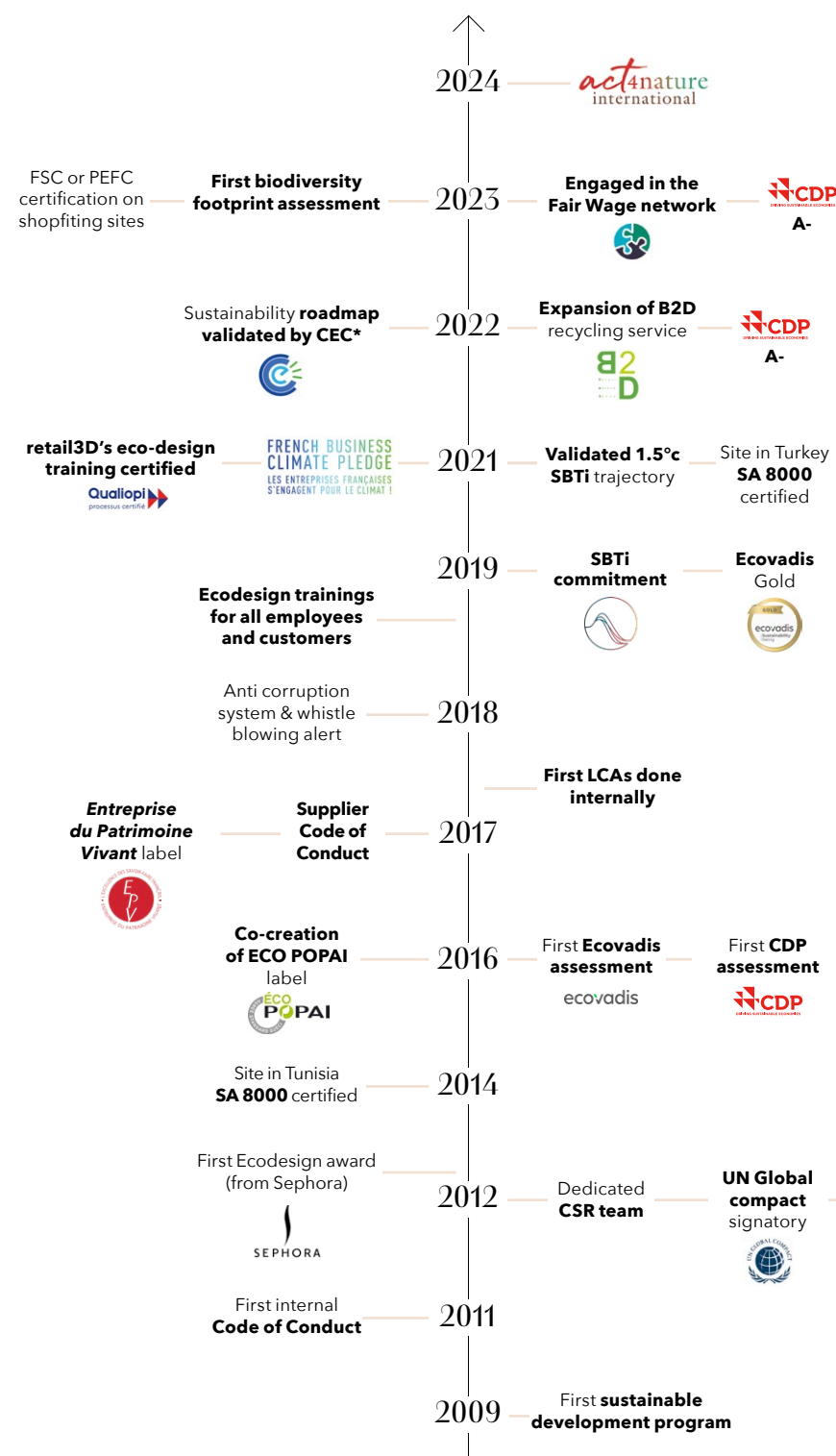
89%  
of DIAM employees  
have received at least  
one training in 2023.

84%  
of DIAM employees  
are covered by formally  
elected employee  
representatives.

287  
People in social  
inclusion working  
at DIAM (Full Time  
Equivalent)



SINCE 2009, SUSTAINABILITY HAS BECOME A CORE PART OF DIAM'S STRATEGY...



...WITH STRONG COMMITMENTS VALIDATED BY INTERNATIONAL BESPOKE STANDARDS



1,5° TRAJECTORY VALIDATED BY SBTi

SBTi is an initiative that supports companies in their commitments to the Paris Agreements for climate change adaptation, mitigation and financing 2015. The main objective is to reduce companies' GHG emissions through a detailed an iterative action plan.

ECOVADIS GOLD SINCE 4 YEARS 76/100 IN 2023 (TOP 2%)

Ecovadis is a platform for evaluating CSR performance and responsible purchasing. The scores obtained are specific to the company's business sector, and the results are shared with business partners, suppliers, customers, etc.



CDP SUPPLY CHAIN (2023) : A- CDP CLIMATE CHANGE (2023) : A- CDP WATER (2021) : B

CDP (ex Carbon Disclosure Project) is an international voluntary reporting framework that companies, cities, states and regions can complete to measure and manage their risks and opportunities on climate change, water security and deforestation. Under an open data base, the results of these disclosures are open to all.

ACT4NATURE INTERNATIONAL AGREEMENT

act4nature international is an initiative that aims to mobilize companies in favor of biodiversity through SMART commitments supported by their CEO. We began our commitment process in 2023, and our objectives have been officially recognized on May 22, 2024, World Biodiversity Day!

[See our commitments here.](#)



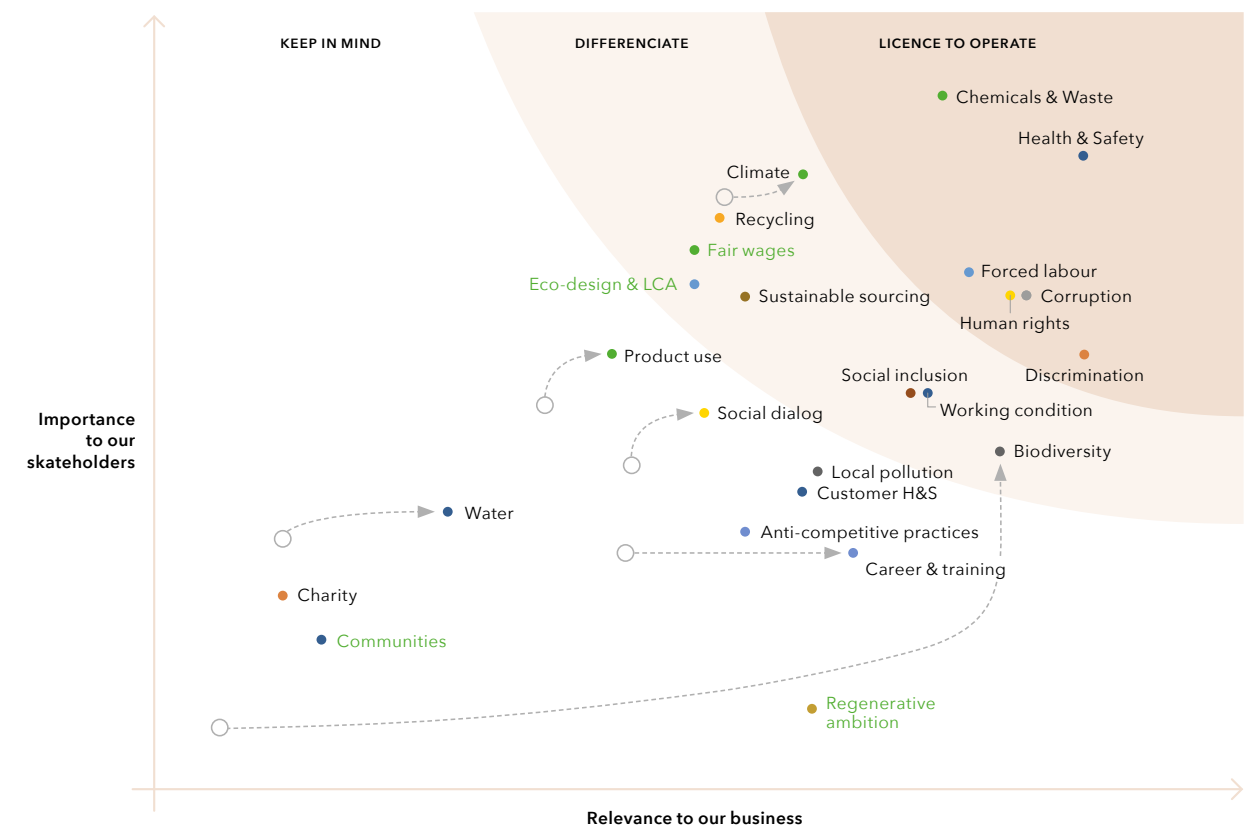
# RISK AND MATERIALITY ANALYSIS

In 2018, we conducted a first materiality diagnosis to ensure that our CSR strategy was relevant to the challenges identified by EcoVadis as applicable to the Point-of-Sale market. The resulting matrix appeared to have three distinct zones of importance: top-right, the elements that are so highly identified by all (suppliers and clients) in the industry that failing on them would destroy a company's ability to do business on this market, like a "license to operate". On the bottom-left "keep-in-mind" part were elements that were not seen as the time as crucial either due to low perceived risk or importance. In between the two extremes was a field with items that were perceived as high importance but that not all players regarded or acted upon as strongly, which resulted in a differentiation area.

In the 2022 ESG report we have revisited this matrix to showcase the importance of elements that are now perceived as much more important than before. This is somewhat a difficult exercise as a natural tendency would be to put every item at the highest importance to all. So, for the sake of clarity, we just moved a few items up, with visible arrows, and added a few more, that had not been identified in 2019 in the Ecovadis referential, but that we believe are important enough to appear here.

## 2025 AND THE IMPLEMENTATION OF THE CSRD REGULATION

In 2023 and 2024, this materiality analysis is still relevant to our ESG approach. The next step is to do the exercise as per the "double materiality" methodology required by the CSRD regulation which will apply to DIAM on the 2025 exercise. We launched this double-materiality exercise in Q2-2024, to be ready to update our CSR reporting referential by the end of 2024. Other CSRD-related requirements, like having a robust CSR reporting tool and close cooperation between finance, CSR, HR and purchasing, are already enforced. More information is available in the governance section.



## ITEMS EVOLUTION

- **Biodiversity** is the biggest change. Back in 2018, it was not identified as material by our industry, due to a perceived low direct interaction between Retail and biodiversity. But it now stands out as a vital element for humanity and the POS industry cannot "forget" to act on it. DIAM has taken strong steps in 2023 by preparing a biodiversity target and action plan based on its biodiversity impact evaluation and applying to the Act4nature coalition to check the science-based nature of its targets.
- **Water:** also a factor for which the degradation of the situation is clearer every day to a growing number of individuals and businesses DIAM uses almost no water for its processes, but still aims to improve a responsible use of this vital resource.
- **Career and training:** increasing importance in post-COVID and generational change "war-for-talent" situation. This is especially true with craftsmanship know-how, which is essential to DIAM's quality services.
- **Climate change:** increasing perceived importance as more people perceive the threat... but not yet reaching the "license to operate" area: virtually all brands in our industry are validated by SBTi but the obligation has not yet been pushed up to the suppliers' level and -unfortunately- DIAM is still to our knowledge the only SBTi validated supplier in the industry.

## NEW ITEMS

- Eco-design and life-cycle analysis (LCA), and fair wages integrate directly the "differentiation" area. **Eco-design & LCA** is not a new item and could be perceived as simply a means to an end (environmental impact improvement), but it has become since 2019 a true differentiation element for DIAM with an advanced internal LCA and eco-design practice that enable us to support our clients in their eco-design projects. We have developed a certified training practice and regularly train the teams of our clients to eco-design. We have led with "Shop!" (ex-POPAL) an industry-effort to have a common LCA methodology and are at the forefront of LCA tools practices.
- **Fair wages** have grown as a major item after the COVID. It is not only about paying the legal minimum salary but ensuring that workers get a decent "fair" salary that enables them to support their livelihood. Various brands have pushed this issue up on the agenda, offering their suppliers the possibility to use a database and technical support to evaluate their own situation.
- **Communities and "regenerative ambition"** integrate the lower part of the matrix. Communities and local footprint / impact is not a new item on CSR-matters, but it seems to have gained traction in the last years. Also, we introduced the "regenerative ambition" to acknowledge that just limiting negative impact is not enough to stabilize and restore planetary boundaries. We must contribute to regeneration. This is a complex and emerging subject on which DIAM has started to work with the 1st edition of the "Convention des Entreprises pour le Climat", and in 2023, 10 key managers of DIAM have attended the AXA CLIMATE "Butterfly" School - dedicated to regenerative economy, with multiple meaningful business cases.

# OUR ROLE IN SUSTAINABLE DEVELOPMENT GOALS



## WHAT WE DO

### SOCIAL



Equal opportunities regardless of gender is a staple of a just world. DIAM Group holds parity in high importance, and we are aiming to be within a healthy 40/60 (or 60/40) gender balance in our staff and management, both in the overall Group and at our management board. Since 2018, DIAM has maintained a ratio of 42% to 47% of women in the company, and women represent a third of our management board, including our CEO. DIAM also makes a step further to include gender neutral people, with the possibility for non-binary people to get registered as such on our social indicators.



DIAM Group wants to contribute to a safe and fair work environment for all through our social management system. We make sure through internal or external audits that our entities comply. A "Safety first" approach has been enforced since 2018, resulting in a drop in accidents frequency and severity. DIAM accidents frequency rate has been below 5 since 2022. Here are some further examples: we organize a Safety Day each year, raising awareness on safety risks and culture in all entities. Various DIAM entities are "Entreprise du Patrimoine vivant" certified, recognizing their unique craftsmanship know-how. Prugent school, teaching cabinet-making and woodworking, helps preserve a valuable know-how. DIAM's effort to implement fair wages by working with the Fair Wage Network speaks about our commitment to decent work in all geographies.



Solidarity and social inclusion through work are in practice at DIAM. We are committed to promoting diversity and supporting people who have higher difficulties integrating a "normal" work than others due to various life situations. Given the type of work available at DIAM, and our inclination towards inclusion, we strive to do an extra-effort to integrate and support people in these situations. The recent clarification of our social inclusion guidelines and the integration of new categories such as "caregivers" allowed for a better inclusiveness. The number of employees in inclusion kept growing in 2023 now representing over 9% of DIAM workforce.

### ENVIRONMENT



The global energy system is at the heart of climate change issues and also relevant to numerous people for whom energy may be too costly or unavailable. The rapid structural drop in electricity generation costs that comes with the switch towards ever-cheaper renewables goes a long way towards this goal. At our company level, with validated Science-Based Targets since early 2021, DIAM has the goal to improve our energy efficiency and use decarbonized energy, with a -46% CO2 direct emissions reduction goal by 2030 vs 2019. Reducing energy consumption also comes from the efficiency we can put in our products lighting solutions. With 94% renewable electricity usage in our sites, we are well on track on our 95% by 2030 renewable electricity consumption goal. A growing number of our sites auto-produce part of their electricity need, and actions to improve energy efficiency are in place at all sites and products.



Responsible consumption and production is critical to achieving our environmental targets. To base our efforts on science, we have started our journey by measuring the full life-cycle impact of our company and our products with an advanced life-cycle analysis internal expertise. As consumers of wood for our shop-fitting subsidiaries, we aim to source 100% certified wood (FSC® or PEFC) by 2025, to ensure our purchases do not contribute to deforestation. We encourage circular economy, with our "B2D" service which gives brands a sustainable solution to reuse or recycle their displays when they are no longer needed in a store. We also aim to use 80% of recycled plastics by 2030 and are well on track in 2023 as we used over 50% of R-plastic, part of it in direct closed loop from our B2D recycling service.



To reach the 1,5°C Paris Agreement target and limit the most drastic elements of climate change is a clear commitment from DIAM. We have been among the 1st 400 companies worldwide to get approved by SBTi on a 1.5°C trajectory. This pushes us every day to analyze and improve our carbon footprint and offer new solutions to our clients to help them achieve their SBT goals. To advocate for governmental policies aligned with a 1.5° world, we have also joined the "Business Ambition for 1,5°C" climate pledge from CDP and SBTi.

# OUR SUSTAINABLE ROADMAP

For years, DIAM has been aware that the companies that will succeed in the long run are the ones that will have been at the forefront of climate and social action. DIAM’s environmental and social performance is an integral part of our business strategy and performance metrics. Surrounded by inspiring customers, partners and employees, we believe in contributing to the transformation towards a positive Luxury and Retail Industry.

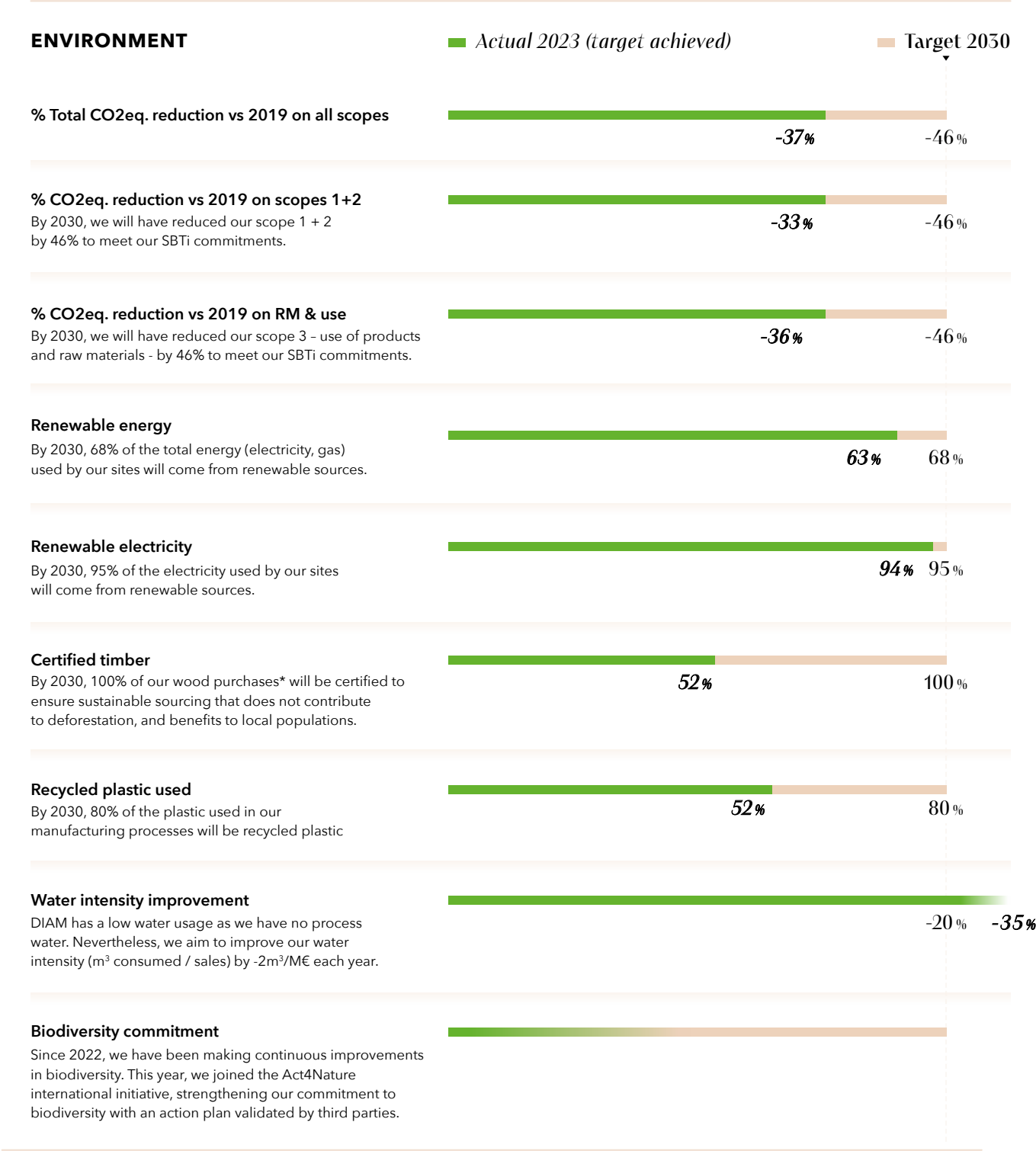
Our sustainability roadmap gives us a clear direction for the decade, and beyond. We list below a few of the most prominent indicators and our progress as of 2023.

## SOCIAL

<div>3,8</div> <div>Frequency rate</div> <div>DIAM's time loss frequency rate is to be below the target of 5 (vs 4,5 in 2022).</div>	<div>13,4h</div> <div>Training hours per employee</div> <div>Each employee received 13,4 hours of training in 2023 (vs 16,3 h in 2022).</div>	<div>89%</div> <div>Unique people trained</div> <div>89% of DIAM employees have received at least one training in 2023 (vs 65% in 2022).</div>	<div>9,4%</div> <div>Social inclusion</div> <div>We are beyond the target of 8% FTE within our social inclusion program (vs 8,1% in 2022).</div>
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## SUSTAINABLE SOURCING

<div>80%</div> <div>% Total turnover from suppliers who signed the code of conduct.</div>	<div>2111</div> <div>Suppliers which have gone through a CSR risk analysis.</div>	<div>81%</div> <div>Targeted suppliers with contracts that include clauses on environmental, labor, and human rights requirements.</div>
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PART 1

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# OUR GOVERNANCE

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# 1.1. COMMITMENTS

The “Donut Economy” concept introduced by Kate Raworth is a great compass to support the definition of company targets by introducing what a “safe and secure space for humanity” would be. Today's social, societal, and environmental challenges are linked to planetary boundaries and social floor being overshot.

Six of the nine major processes of the Earth system have already exceeded their limits for a healthy functioning of ecosystems and to sustain human livelihood. To slow down, limit or even restore/regenerate these planetary boundaries, we all need to “do our part”. This is the context in which DIAM has committed to social and environmental targets. These commitments and targets are detailed in a roadmap that helps us keep track of our progress. They will continue to evolve with time, to adapt to new realities and the feedback of our actions.

On the social side, DIAM adheres since 2012 to the United Nations Global compact and to its 10 principles. We renew our commitment every year since 2012 through our Communication On Progress (COP). In line with these principles, DIAM pays special attention to health and safety, and the social welfare of our employees, as reflected in our dedicated safety and social policy, well including all key topics of safety at work, inclusion, and diversity, as well as training, team development and knowhow transfer. Our Turkish factorie is SA 8000 social certified, and we have carried out in 2023 the evaluation of living-wage salaries throughout the Group. An internal control system is in place with regular internal and external “social” audits of our factories. More details in the social and governance sections.

On the environmental side, as for climate change, we are among the first 400 companies worldwide to have been validated on a 1.5° trajectory by the Science-Based Targets initiative in January 2021. We are still to our knowledge, the only point-of-sale displays supplier validated on such an ambitious – yet necessary- trajectory. To date, our commitments are towards 2030, which is now short-term. As of 2023, we are very much on track with our targets to decrease our footprint, with a real mobilization of our Management and Teams. To go further and explore what a “positive” retail could mean, we have further trained key managers and worked on business model changes such as circular economy and the functional economy. Regarding biodiversity, we are proud to communicate on May 22, 2024, World Biodiversity Day, the validation of our commitments for biodiversity by “Act4nature International”.

We began our research on the European taxonomy, which aims to classify economic activities for sustainable investment. An external service provider is helping us with this work, but we don't yet have any results.

# 1.2. GROUP GOVERNANCE

We could not do our part, as explained in part 1.1 without having, also, a clear governance, to support transparency, sincerity, exchanges, rigor and good decision making. DIAM Group is an intermediate size company (3200 employees and 403M€ sales in 2023), now needing a very rigorous governance, while keeping a very decentralized culture and way of deciding, to both allow flexibility and rapid decision making (for efficiency and proximity to clients) and strong Group processes when it comes to CSR and risk management. About 140 DIAM manager-shareholders have the majority of the voting rights, all represented by the key owners and managers, defining and leading an ambitious development strategy, to serve our clients, both on regions - portfolio - services development and on CSR leadership and changing our models. DIAM main governing committees are the supervisory board, approving the overall strategy and business plans and major acquisitions or financial moves, with the participation of different minority shareholders; the Executive Committee (Excom), chaired by DIAM CEO and including 12 people (business unit heads, HR and Finance). The Excom is the Group management committee, defining and leading ambitions and strategies for the different Business Units, as well as for CSR, HR and Business Performance.

All regions also have regional management committees. The CSR Director regularly reports to the supervisory board and the Excom. HR and CSR policies are strongly supported by the Excom and driven locally, in particular to ensure that all the Group's entities move forward at the desired pace on these matters. In addition, specific committees complete DIAM’s governance.

The supervisory board has 11 members including 1 independent member and 3 executive members. The Excom has 13 members including 31% of women.

## CSR COMMITTEE

This committee meets twice a year, including once during an Excom meeting, with all Excom members, to monitor and discuss and adjust the CSR policy (short and long-term targets as well as operational means, etc), check its implementation (particularly from the angles of safety, audits, social, governance, environment & climate change, 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 (Sponsor) and the CSR Director. The CEO and CSR director build the agenda together in a flexible way to make sure that key topics are addressed, including clients and suppliers elements, regulation, impacts, risks and opportunities (IROs) linked to the environment, which may include climate change, biodiversity, water and novel entities; the social aspects which may include safety and employee representation, and the supply chain aspects, including the supplier's risk assessment and mitigation actions.

A CSR update is also on the agenda of the Risk Committee, once a year, 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, while the CEO also starts all quarterly Board presentations with an update on Safety, CSR and HR, before reviewing all the financials.

At least once a year, each of these governing bodies get an update on the climate change metrics for DIAM.

## COMPENSATION COMMITTEE

This committee meets once a year to address all topics linked to the Top20 managers compensation and- benefits, as well as to possible decisions linked to salaries in general. The permanent participants are the CEO, the HR Director and a Shareholder Representative.

Thanks to that committee and DIAM Excom, the HR director always makes sure, through annual appraisal systems, that all management objectives (and related bonuses) include key objectives related to Human Resources (team development) and CSR (SBT targets as an example), with a midterm view, and not only short-term financial objectives.

## RISK COMMITTEE

The permanent participants are the CFO, the Chairman of the supervisory board and a shareholder representative. It meets 3 times a year. The risk analyzed are as follow:

- Accounting, tax risks, and internal controls, with an intervention by the statutory auditor on the results of the annual audit
- Anti-corruption risks and compliance actions
- IT risks, analysis of IT and cyber risks.
- CSR risk including environment-related and social-related risks;

The Risk Committee reports to the supervisory board on these four kind of risks.

## ETHICS COMMITTEE

DIAM's Ethics Committee is a body composed of the HR Director and the CFO, linked to the Risk Committee, reporting to the Board. Its scope is the following:

- Development and update of the Code of Ethics which aims to provide a framework to all employees concerning the conduct of business (in an ethical and responsible manner), in compliance with regulations and the Global Compact to which DIAM has adhered since 2012.
- Ensure the proper functioning of the whistleblowing system which enable alerts on any situation that does not comply with the code of ethics and its principles, and support analysis and draw lessons and actions from it, after exchanging on the situation and the related risks, with the relevant follow up.

The Ethics Committee meets regularly when alerts and formally once a year to prepare a summary for the Risk Committee and the Supervisory Board. It follows up on the training activities carried out in the area of ethics over the year in order to reinforce them if necessary and reviews the Code of Ethics when needed adjustments.

## 1.3. CSR-RELATED GOVERNANCE

DIAM has made the choice to implement its CSR-related governance into ambitions and guidelines common to all Group entities. Each Business Unit has its own roadmap and supports the Group's ambitions in line with sustainable development objectives and SBTi commitments, to ensure compliance with the Paris agreements on climate change, biodiversity commitments, and any other commitments.

The CEO and CSR and HR departments closely monitor the social and environmental progress of each entity with the help of the finance team and a strong ESG reporting system:

- The extra-financial reporting is done on a monthly and yearly basis by all DIAM entities through a dedicated online platform. They are controlled by a dedicated extra-financial data controller reporting to the CFO, with a dotted line to the CSR Director.
- The KPIs followed and disclosed in this report have been developed by the CSR team in close link with the related Business Units, HR, purchasing, and finance teams. They may continue to evolve in the future, for instance with the compliance to the CSRD. A correspondence table with the Global Reporting Initiative (GRI) is available in this report.

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.

CSR-related elements include all ESG-related topics: Environmental aspects include climate change, biodiversity, water, pollution, business model changes, etc; social-related aspects include employee health and safety, representation, fair-wages, non-discrimination, training, ethics, etc; governance-related topics include compliance with regulation in all CSR topics, sustainable sourcing, whistleblowing procedures, etc. CSR-related topics report directly to DIAM CEO through the CSR Director and the CSR Committee and are also overseen at executive committee (Excom), with additional reviews at the supervisory board and risk committee. The regular formal decision-making meeting is the CSR Steering Committee, which meets twice a year, including once with all the Excom. The Group CEO and the business units CEOs follow closely all CSR-related topics and in particular the ones related to carbon-strategy, circular economy, models changes and compliance.

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. The CSR team is formed of the Group CSR Director, two life-cycle assessment experts, and 2 CSR project managers dedicated to extra-financial reporting and piloting, and to policy & projects implementation. This team is largely supported by significant indirect teams, centrally and at BU Level, working at operational CSR progress, through LCA and eco design and lighting expertise, as well as on circular economy and sustainable sourcing.

There is a good balance between global expertise on very specific matters and local expertise on operational actions.

In total, there are centrally 4 people fully dedicated to CSR and 3 other people with part-time responsibilities on CSR topics. In addition, each DIAM Business Units have people working either full-time or part-time on CSR matters. There are at least 8 people dedicated full-time to CSR.

In terms of financial incentives towards CSR targets (including climate change), at least one CSR target is requested to be in every manager yearly targets setting and appraisal discussion. This CSR target has an impact on variable bonuses of approximately 20% of the bonus. These CSR-related bonus kpis may be qualitative or quantitative depending on the job, most are related to global objectives taken by DIAM on CSR.

## 1.4. SUSTAINABLE PURCHASING

### SUSTAINABLE PURCHASING GOVERNANCE

To steer and enforce its Sustainable Purchasing Policy, DIAM has a Sustainable Purchasing Committee. The Sustainable Purchasing Committee is formed of Business Unit Purchasing Managers and meets at least every 6 months. It has the responsibility to define the Sustainable Purchasing Policy, in agreement with all Regions and Business Units, assess the various initiative, monitor its deployment and its effectiveness through relevant KPI.

This Committee reports once a year to the CSR Steering Committee which validates the Policy, its consistency with the Group's CSR objectives and its effectiveness. The Sustainable Purchasing coordinator is also the Purchasing Director of two Business Units, and regularly reports to the Excom about the progress of the purchasing practice, including in its sustainable purchasing and risks management aspects.

Over the years, DIAM has enforced a comprehensive sustainable sourcing and supplier risk management system which includes a supplier risk assessment that enables DIAM to monitor the assessed risk level of the supplier's portfolio. This risk assessment and the actions taken to mitigate it are regularly communicated to DIAM CEO and formally discussed with Excom at least once a year.

## 1.5. ETHICS

### POLICY & ACTION PLAN

#### 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 of:

- 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 is and will be conducted every 3 years.
- A specific action plan on training for employees identified as high risk of corruption
- Since 2019, a Group-wide ethics training program has been rolled out via an online platform for all entities. By the end of 2023, 1 989 employees had received formal ethics training.
- An awareness training performed to prevent corruption and bribery based on the e-learning Global Compact (The Fight against Corruption) deployed for 100% of our functions at risk with a focus on certain professions related to Finance, IT, Sales, Human Resources, Purchasing, Logistics and all members of the governance bodies.
- A code of conduct established and 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. In addition, in 2023, an E-learning dedicated to the code of Ethics has been deployed on all sites, and 90% of our employees with a computer did it. Face-to-face sessions have also been held on our sites for employees who do not have a computer.
- An ethics alert procedure (**Whistleblowing**) that respects the protection of whistleblowers against retaliation (according to the EU directive 2019/1937) is implemented and available to all employees, visitors, and external stakeholders to report any issue regarding corruption and bribery. (with an direct link available on our website)

Our external financial auditors perform specific dedicated audit, tests and controls regarding corruption and bribery. All these elements are monitored by the financial and human resources departments.

SENSITIVE TRANSACTIONS AND CHARITY-RELATED ACTIONS

DIAM implemented a charity and donations policy in 2018 to establish clear rules for these activities. Like all investments and actions using DIAM 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 is why DIAM defined validation rules regarding purposes and spend level in terms of charity actions in the name of DIAM. Those objectives and spending levels are validated by a control procedure including Group Financial Director, Human Resources Director, and CSR Director.

INFORMATION SECURITY

In addition to the anti-corruption system, the Finance and IT department has set up a Group IT Charter and a Group General Information Security Policy (GISP). It describes DIAM security objectives and commitments for information security policy and it specifies DIAM compliance goals and covers all DIAM entities, business units and subsidiaries.

We do not detail those numerous initiatives in this document, even if all very key and progressing, but they can be available if any question of one of our key partners, or if needed for any general assessment.

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 does not wish to communicate more on those IT risks and management, to also remain modest and discrete – for obvious vigilance reasons.

KPIs

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. In addition to the open whistle-blowing system, employees usually have access to confidential complaints and suggestions boxes in the DIAM sites.

TABLE 1 : ETHICS RELATED INDICATORS.

Indicator	Unit	2022	2023	Var° 23-22
Number of confirmed information security incidents	Number	0	0	-
Number of confirmed incidents of corruption	Number	NA	0	-
% of the total workforce trained on specific ethical issues	%	NA	65 %	-
% of all operational sites for which an internal audit / ethics risk assessment has been validated and is still applicable*	%	77 %	85 %	-
Complaints incurred during the year regarding harassment	Number	1	0	- 1
Whistleblowing alerts received during the year	Number	2	4	+ 2

\*We consider an audit validated and applicable if it has a score of over 50/100 and is less than three years old.

1.6. CONTINUOUS IMPROVEMENT ON OUR STANDARDS

To make sure that our strategy and policies are well deployed and implemented, we invest a lot in training and internal communication. We take a lot of care in answering the various questionnaires and evaluations we receive from our clients and financial partners.

Certifications can be a great way to progress and ensure a given level of practice on given topics; they are also great at giving an easy-to-read assurance to stakeholders. Nevertheless, in a spirit of decentrali- zation and empowerment, DIAM has decided not to request its sites to get specific certifications: the site managers are free to evaluate the costs and benefits of certifications and to choose the ones, if any, that they want to get for their sites. To balance that freedom, sites are regularly audited on a comprehensive Group audit grid, with a special focus on continuous improvement management system and on health and safety.

Continuous improvement is also well supported by the follow up of KPIs; we believe that progress comes with measurement (as well as transparency on those measures, traceability of all data), and have always defined ambition, targets and KPI to follow our progress on all our key Social, Environment and Governance topics, as reflected in all the coming parts and the multiple data published in this document.



PART 2

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# OUR SOCIAL RESPONSIBILITY

2.1 WORKFORCE  
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2.4 CONSUMERS AND END-USERS  
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At DIAM, our social policy stands on 5 pillars:

## PROTECT · LISTEN · INCLUDE DEVELOP · CONNECT

These terms encapsulate the efforts invested to create a safe, welcoming, and healthy environment with opportunities for all DIAM employees. We lead multiples initiatives to encourage safety measures and progress, social dialogue, gender equality, diversity and fight against discrimination, and social inclusion. DIAM employees and teams are DIAM first asset to correctly serve our clients, create value and meet our goals. We want to make a positive contribution to the working lives of our employees so that they feel recognized for their work, valued as individuals and committed to working with us as a team.

### 2.1. WORKFORCE

#### POLICY

DIAM is committed to developing a safe and healthy working environment by paying attention to employees' working conditions. To achieve this, the group has a formalized policy regarding labour practices and human rights aligned with the Universal Declaration of Human Rights, the International Labour Organization, and the United Nations Convention against Corruption.

Through our policies, we ensure that we respect human rights, promote decent work and fight corruption by strengthening through our commitments the fight against:

- child labor
- forced labor
- discrimination

We are as well committed to:

- protecting health and safety at work,
- permitting freedom of association and the right to collective negotiations,
- Favorizing fair wages,
- complaining with international regulations on working time.

We have set up an alert system available to anyone if they witness non-compliance with our commitments.

All these commitments are compiled in key documents: DIAM SOCIAL GUIDE (2021), DIAM SOCIAL POLICY (2022) and DIAM CODE OF ETHIC (updated in 2023) who refers to our obligations as an employer, including on Child and Forced Labour, Discrimination & Harassment and the DIAM GROUP SOCIAL INCLUSION GUIDE. Lately, the DIAM Group Diversity charter (2023) has been incorporated into the Group's social policies. The safety policy is also very key to support safety and wellbeing at work.

DIAM Code of Ethics is available on:

[https://www.diaminter.com/wp-content/uploads/2022/06/03\\_Code-ethique\\_DIAM\\_ENG\\_032021.pdf](https://www.diaminter.com/wp-content/uploads/2022/06/03_Code-ethique_DIAM_ENG_032021.pdf)

And DIAM Social Policy can be accessed at:

<https://www.diaminter.com/our-responsibilities/progressing-for-the-good-of-our-employees-and-suppliers/>

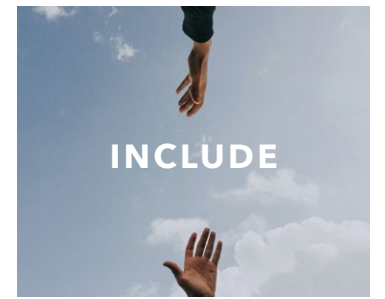
DIAM's social policy focuses on **5 key themes** for the Group:



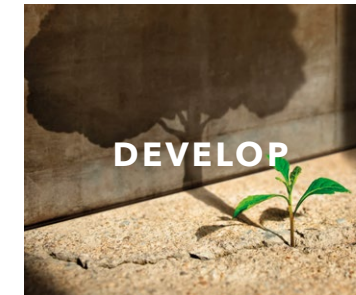
*For health and a safe healthy working environment*



*To meet the expectations and aspirations of our employees.*



*To help our communities locally and support diversity.*



*Always in motion, to learn and adapt.*



*Because together, we are stronger.*

To “**protect**”, we closely monitor the various risk events at each site and carry out regular internal safety audits for each risk site to ensure that the premises comply with the defined standards. All sites are asked to make every effort aim for zero accidents with time loss. Pragmatically, we gave ourselves a loss-time accidents frequency rate (FR1) target below 5, which is the value below which a work environment is relatively mature on H&S. A Health & Safety Policy clarifying the roles and responsibilities of each actor has been formalized and updated regularly for years and translated and showcased in each DIAM site. Its proper implementation is being checked through regular internal audits. As the health of our employees is a major issue, our contribution sometimes goes beyond local government protective measures. Over the years we have developed different forms of action to protect the health of our employees (prevention, taking in charge consultations on our sites,...).

Client audits are also key to us, to reinforce the relevant messages and feedback, always helping to progress on all sites, on safety, social and environment matters, as they are of course very well followed, since DIAM culture is very focused on clients.

To “**listen**”, we recommend that every significant site has a staff representative body with regular meetings to discuss employee-related issues like health, safety, well-being, and work-life balance. Our ambition is for all sites with more than 30 employees to have a staff representative. In 2023, 84% of DIAM employees were formally represented by freely elected employee representatives. Listening involves openness and monitoring tools to identify team needs. Every year we conduct surveys among our employees so that they can freely express their feelings and expectations. The result is an action plan and a collective restitution. All our employees have the opportunity to preserve the integrity of ethical business conduct through the provision of a whistleblowing system. Finally, we ensure the identification of harassment referents on all our sites with a Social and Economic Committee (SEC).

To “**include**”, the spirit of teamwork and mutual aid that prevails internally is fueled by our differences. Since 2009, we have been pursuing a policy of social inclusion to help disadvantaged groups (disabled, long-term unemployed chronically ill, senior citizens, veterans, single parents, etc.) through employment. This program not only helps disadvantaged people, but is also a great source of learning, pride and openness for all our employees. Many types of disadvantages are considered, and we always strive to keep a pragmatic approach to it. Pragmatism also means working with local issues which may be different for each of our factories instead of trying to force a global “one type of beneficiaries” approach. We encourage each factory to evaluate the local social need and work on it. In Brazil and India efforts are done towards employing women on the shop floor for instance, in the UK, the USA, and China a special effort is done for people with disabilities. Our goal is to maintain (and benefit from) a share of disadvantaged people over 8% of DIAM employees. Inclusion also means paying attention to diversity and the fight against all forms of discrimination. As far as gender is concerned, we aim for a healthy 40/60 (or 60/40) parity in our workforce and management teams.

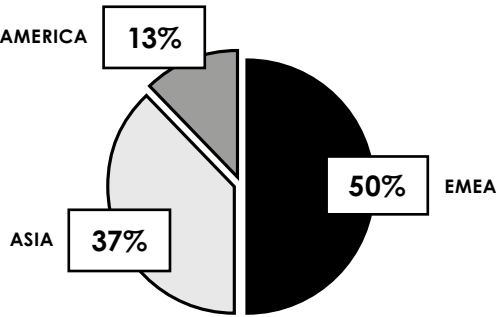
To “**develop**”, we have in mind the professional and personal development of DIAM teams. It is a win-win situation: we invest in training to deploy and transmit our expertise, but also to maintain the employability of our employees. Each site has various goals regarding career development, including a volume of 14 hours of training per employee per year, the aim for every employee is to receive at least one training each year, and talent and personal career reviews.

To “**connect**”, DIAM has a hands-on culture made of direct interactions among managers, but in a decentralized organization it is important to pay specific attention to connecting individuals and teams and use the best potential of the Group’s best practices. DIAM has set a fluid internal communication (chat and sharing).

KPIS

WORLDWIDE DISTRIBUTION  
OF DIAM EMPLOYEES IN 2023\*

\*DIAM employees average on 2023  
from CSR platform based on 3 045 employees



2.1.1. EMPLOYEES

TABLE 1 : WORKFORCE TRENDS AT DIAM OVER THE LAST THREE YEARS

Indicator	Unit	2021	2022	2023	Var° 23-22
Total DIAM employees	FTE	2 397	2 616	3 045	+ 16 %
DIAM employees women	%	46 %	46 %	47 %	+ 1 pt
Total agency workers	FTE	440	650	733	+ 13 %
AGENCY employees women	%	42 %	37 %	42 %	+ 5 pt
Total workforce	FTE	2 836	3 266	3 778	+ 16 %
Total employees women	%	46 %	44 %	46 %	+ 2 pt

DIAM employed workforce has increased by 16% in 2023 vs 2022. This growth is in line with the Group's sales growth. To better manage its business, part of DIAM's workforce is composed of interim workers. In 2023, 19% of the workforce was interim workers (vs. 20% in 2022).

2.1.2. TRAINING

Training and career development are part of the “Develop” pillar of DIAM’s social policy. There is a specific focus on safety, Ethics & Compliance and eco-design aspects.

TOTAL TRAINING HOURS

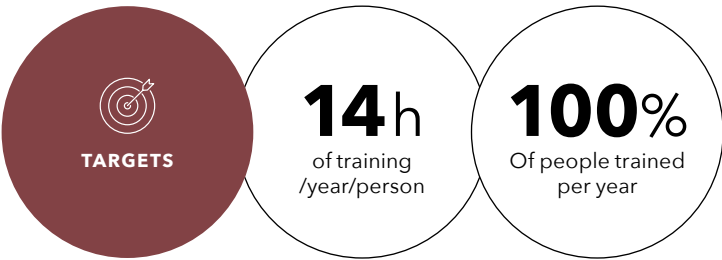


TABLE 2 : MEETING TRAINING OBJECTIVES OVER THE PAST THREE YEARS

Indicator	Definition	Unit	2021	2022	2023	Var° 23-22
Training hours per employee	Average hours of training done by DIAM employees	Number	11,9	16,4	13,4	- 3 h
Unique people trained	Share of employees who received at least one training	%	74 %	65 %	89 %	+ 24 pts

The number of trained employees has significantly increased since 2023, bringing us closer to our ideal goal that 100% of our staff would receive at least one training per year. This increase is a great news as it means that training is virtually available to everyone at DIAM. While the theoretical ideal target of 100% is important to keep, reaching almost 90% is a great achievement. While the distribution of training opportunities has improved, the average number of training hours per employee has slightly decreased, nearing the target of 14 hours per person.

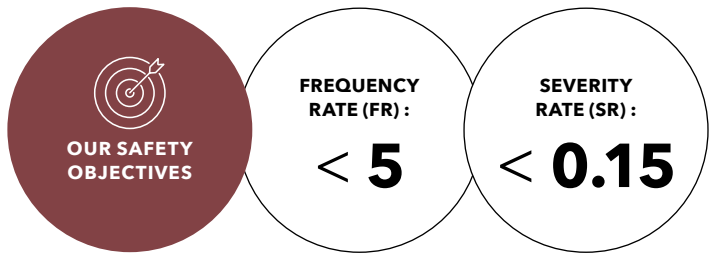
We remain committed to continuing our efforts to achieve the target of two training days per year per employee.

CAREER MANAGEMENT

The well-being of our employees and their professional development are paramount to us. We recognize that fostering a supportive work environment and facilitating career growth require open and regular communication between managers and employees. Building upon this understanding, we transitioned from conducting annual appraisals reserved for a targeted population to a campaign open to 100% of our teams. This shift in approach enabled 70% of our employees in 2023 to benefit from a formalized discussion with their manager and demonstrates our commitment to fostering open communication where every employee's voice is valued and heard.

In addition, DIAM career management and talent development is conducted through yearly "people reviews" carried out at site levels to discuss the alignment of the workforce talent with the entity's mid-term strategy, the general organization of teams and the action plans.

2.1.3. HEALTH & SAFETY AT WORK



The overall safety culture has continued to Improve at DIAM, reaching the target of a lost-time accidents frequency rate below 5 again in 2023, like in 2022. Safety culture and results are a combination of efforts by management and employees, safety “routines” and continuous progress, multiple repetition and audits and communication around safety. As an example of communication and training regarding safety, DIAM organizes “safety days” every year, during which each factory and office workforce get a safety tuition & awareness program adapted to the situation of the site. We remain attentive to safety day in day out. Safety is a continuous fight; efforts can never be lifted.

TABLE 3 : HEALTH & SAFETY RELATED INDICATORS

Indicator	Unit	2021	2022	2023	Target
Frequency rate (1)	Index	7,8	4,5	3,8	≤ 5
Severity rate (2)	Index	0,21	0,11	0,06	≤ 0,15

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

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 sites internal risk assessments.

We strive to have a continuous link between factory management lines and their staff, and with BU / central management and other factories and the CSR team, to foster a mature safety culture in every DIAM factory and sharing on risks and best practices.

TABLE 4 : HEALTH & SAFETY SITE AUDIT

Indicator	Unit	2021	2022	2022	Var° 23-22
Operational sites for which an employee health & safety risk assessment has been conducted in the last 2 years	%	73 %	83 %	75 %	- 8 pts

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.

Health and safety formal risk assessments may be done upon request from clients, other third parties or internally: sites that are not expected to have client audits are usually added to the internal audit planning, nevertheless it may happen that changes in planning from clients or internal constraints prevent an audit to happen just in time. In this case the site is prioritized in the following audit planning.

DIAM develops feedback on well-being at work through employee surveys. This helps to improve the living environment of employees, through actions targeted at their needs. In 2023, 11 sites carried out employee satisfaction survey, 6 of them via a recognized external body: Great Place to Work.

TRAINING HOURS ON SAFETY

Because the safety topic is so important, we specifically follow the number of training hours done on safety. The increase in safety training hours is one of the elements that contributed to the improvement in DIAM safety results.

TABLE 5 : TRACKING OF SAFETY TRAINING HOURS

Indicator	Unit	2021	2022	2023	Var° 23-22
Average hours of safety training per year per employee	Number	7,4	8,7	7,3	- 1,4 pts

2.1.4. SOCIAL DIALOGUE

DIAM is a decentralized global group which leaves a lot of freedom and responsibility at local level. A healthy social dialogue with freely elected employee representatives is one lever contributing to our social practices being in line with our requirements. We aim for sites with more than 30 employees to have freely elected staff representatives.



TABLE 6 : SOCIAL DIALOGUE-RELATED INDICATORS

Indicator	Unit	2021	2022	2023	Var° 23-22
Sites with employee representatives	%	77 %	77 %	78 %	+ 1 pt
DIAM employees covered by formally elected employee representatives	%	85 %	78 %	84 %	+ 6 pts
DIAM employees covered by a collective internal agreement on working conditions	%	59 %	54 %	64 %	+ 10 pts
DIAM employees covered by an industry agreement on working conditions	%	54 %	47 %	48 %	+ 1 pt
Operational sites that have been subject to human rights reviews or human rights impact assessments	%	73 %	56 %	73 %	+ 17 pts
Certified sites linked to social & safety purpose (ISO 45001, SA 8000)	Number	NA	NA	5	-
	%	NA	NA	15 %	-
SA8000 certified sites	Number	2	2	1	- 1 pt

As of 2023, one DIAM site is in the process of renewing its SA 8000 certification. In addition to establishing employee representatives, we encourage our teams to participate in satisfaction surveys to assess the social climate, identify sources of satisfaction and dissatisfaction, and address them appropriately.

COMPENSATION

FAIR WAGE

We recognize that taking care of our employees goes beyond providing just a job; it involves ensuring that they are compensated fairly and equitably. We are prepared to go above and beyond the legal minimum when it comes to compensation when the minimum wage requirements are not in line with what is considered to be a fair and decent wage.

Since 2022, we've undertaken every year an in-depth living wage study to assess the pay practices in 100% of our sites. This study reflects our commitment to ensuring that our employees receive fair and equitable compensation that enables them to meet their basic needs and live with dignity.

To date, three of our sites have obtained certification issued by a third party.

- Living Wage Foundation for DIAM UK
- Fair Wage for DIAM INDIA
- SA 8000 for DIAM TURKEY



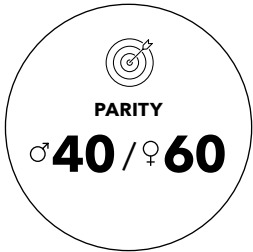
2.1.5. DIVERSITY AND EQUAL CHANCES

DIAM fully embraces the importance and benefits for having diverse points of views and cultures for a thriving culture and recognizes its responsibility in promoting equal and fair chances and opportunities for all.

In this perspective, we have implemented a diversity charter that underscores four key points:

- 1. Promoting the inclusion and integration of people with disabilities.
- 2. Advancing gender equality in the workplace.
- 3. Fight against all forms of discrimination.
- 4. Facilitating the integration of individuals who have experienced accidents or are living in unique circumstances.

DIAM workforce is globally in a healthy 40/60-60/40 ratio between women and men. Since 2017, we have also introduced the possibility for employees to declare themselves as gender neutral / non-binary.



WOMEN AT MANAGEMENT BOARD

TABLE 7 : WOMEN AT MANAGEMENT BOARD-RELATED INDICATORS

Indicator	Unit	2021	2022	2023	Var° 23-22
% women at DIAM (DIAM employed)	%	46 %	46 %	47 %	+ 1 pt
% of women at management position by entities	%	36 %	33 %	39 %	+ 6 pts
% of women at executive committee	%	30 %	27 %	31 %	+ 4 pts

Since 2020, the percentage of women in management positions by entity is stable at a level of around one person in three is a woman. At Group Executive Committee level, 4 members are women, including DIAM CEO.

SOCIAL INCLUSION

DIAM has a long-standing tradition of doing a little more to promote social inclusion of people that have various sorts of disadvantages. We aim to have the equivalent of 8% of DIAM workforce from a social inclusion background. In 2023 we have done even more, reaching 9% of the workforce. We are keeping the 8% target as it remains a meaningful goal for DIAM in 2024 and 2025.



TABLE 8 : SOCIAL INCLUSION-RELATED INDICATORS

Indicator	Definition	Unit	2021	2022	2023	Var° 23-22
Total of disadvantaged people	All people considered as social inclusion who are far from employment	%	7 %	8 %	9 %	+ 1 pt
Of which disabled persons	DIAM employees with disabilities	%	2 %	2 %	2 %	=

2.2 SUSTAINABLE PURCHASING

POLICY

At DIAM, sustainable purchasing means purchasing the right products, to the right suppliers. Given the complexity of today supply chains, the need for transparency and risk assessment & mitigation are key aspects of sustainable purchasing.

As proven by environmental impact analyses a major part of DIAM's (and any company) footprint, positive and negative, lays in our supply chain. Traceability, transparency on environmental impacts of our products throughout the supply chain and the ethical and socially compliant practices of our suppliers are a clear priority axis of our Sustainable Policy. Our Sustainable Purchasing Policy is making sure that these specifications are respected by our suppliers to reduce the environment and health impact of purchased material & resources.

Going further, DIAM wishes to use its influence and purchasing power for good and mobilizes its supply chain and expects of its suppliers and subcontractors to share our values and principles, to put them in practice and help us to find and enforce solutions for a better world.

We do also go further by encouraging co-development with partners who share our values and beliefs. We strongly believe on this approach to innovate and then meet our evolving sustainability challenges. Framework agreement have been signed on key sustainable factors that allow DIAM to constantly offer new solutions to its clients.

SUPPLIER QUALIFICATION AND MANAGEMENT

DIAM qualifies its suppliers according to objective criteria such as the supplier's ability to deliver products in quality and on time, its efficiency, its financial situation, its ability to innovate... but not only.

Through its Purchasing Policy, DIAM intends to make its supply-chain more sustainable by expecting its partners and suppliers to aspire to the same standards (Ethics, Social, Safety & Environmental) in their business operation and identifying and moderating risks associated. We wish to support our suppliers in their path to sustainability and co-create positive impact together.

DIAM has implemented tools to hedge social and environmental supplier risk around the Supplier Risk Matrix, pillar of our strategy to assess the risk of an individual supplier, as well as the whole portfolio. Once a theoretical risk score has been assigned to suppliers, a prioritization is done depending on risk levels and actions are taken to decrease this estimated risk level.

To asset the theoretical risk, we consider their turnover, their position on the market (e.g. strongly dominant market position), country where they operate (by using the public data from the BSCI country risk listing) and the risk inherent to their activity sector. Once this is done, the supplier will come out as "High Risk", "Medium Risk" or "Low Risk".

Then, DIAM deploys tools to monitor this risk and work hand-in-hand with suppliers to end up with a lower final risk assessment.

DIAM sustainable purchasing actions are coordinated with all BU purchasing Directors and DIAM sustainable purchasing coordinator. A yearly review of sustainable purchasing is done with the Excom.

ACTION PLAN

At DIAM, to ensure sustainability in the entire supply chain, we request our suppliers to match strict criteria. These criteria range over all "social" topics: ethics, safety, social, and environment. All suppliers above 5 K€ (targeted supplier) are required to sign and comply with DIAM Supplier's Code of Conduct to do business with DIAM and are evaluated through a comprehensive "social" risk assessment process which includes social, ethical, environmental and governance aspects. Suppliers with a certain level of turnover made with DIAM (above 100K€) and in the Top 10 of each plant are required to answer a questionnaire to further gather information about their Corporate Social Responsibility governance, improve our desk evaluation and identify areas of improvement with them. In case the evaluated risk remains high, on-site audits of the supplier factories may be triggered.

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, on-site visits, or audits, etc.).

2.2.1. SUPPLIER 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 applicable social and environmental standards.
- 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 may 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.

Dozens of suppliers around the world signed the DIAM code of conduct and undertook to comply with all the rules set out in the group's sustainable purchasing.

As of 2023, suppliers who have signed the code of conduct accounted for 81% of the purchasing turnover coming from targeted suppliers (all supplier with a turnover over 5 K€) and 80% of the DIAM Group's total purchasing turnover, a +12 percentage points increase vs 2022. DIAM aims to have 100% of its targeted suppliers to have signed the Suppliers code of conduct by 2025.

TABLE 9 : SUPPLIER CODE OF CONDUCT COVERAGE

Indicator	Unit	2021	2022	2023	Var° 23-22
% Total turnover from supplier who signed the code of conduct	%	51%	68%	80%	+ 12 pts
% Total turnover from targeted supplier who signed the code of conduct	%	NA	NA	81%	NA

2.2.2. CSR SUPPLIER ASSESSMENT

The CSR Supplier assessment is a simple but well crafted questionnaire developed by DIAM purchasing and CSR teams aimed at better evaluating the actions and results of suppliers / potential suppliers regarding sustainability. It has been kept as simple and short as possible to keep it actionable and favor its wide use. The questionnaire is managed through an online platform dedicated to CSR questionnaires and reporting. All suppliers with a turnover above 100 K€ and within the Top 10 of each plant are scoped.

In 2023, 43% of targeted suppliers have gone through a CSR assessment.

Every two years, this CSR questionnaire is renewed for production suppliers. DIAM's intention is to keep increasing the number and quality of evaluations in the coming years.

2.2.3. SUPPLIER WORKING CONDITIONS

DIAM is committed to the well-being of its employees and to encourage all initiatives to improve the working conditions within its supply chain. The application of its social & work condition policy is verified through on-site audits based on an audit grid inspired by the International standard SA8000 norm. Audits, carried out by certified internal or independent third-party auditors, cover social, ethics and non-discrimination, local and international work regulations, governance, health and safety, and environmental aspects. DIAM may launch a social on-site audit when the supplier still presents a given level of risk after the two previous steps, turnover is over 100K€ and operating in a risky country.

To avoid unnecessary on-site audits, DIAM accepts social audits from recognized third-party auditors under specific conditions.

2.2.4. WARNING MECHANISM

A warning mechanism regarding ethical, social, or environmental issues has been implemented by DIAM. The aim of this mechanism is to allow third parties to denounce ethical, Human Rights or environmental violations. Witnesses can directly report via the following link: <https://report.whistleb.com/fr/diam>.

2.2.5. TRAINING OF PURCHASING TEAM

DIAM sustainable purchasing coordinator, with the support of BU purchasing Directors, organizes regular (quarterly) steering committees with local buyers, including training, review of objectives and support for Purchasing Policy implementation. As a result, 70% of our buyers are trained in responsible purchasing practices.

To reinforce this training and reach 100% of purchasing team, and in particular new employees, we are working on a training tool which will be deployed in the second quarter of 2024.

KPIS

2.2.6. ENVIRONMENTAL & SOCIAL RISK EVALUATION OF OUR SUPPLIERS

TABLE 11 : SUPPLIERS RELATED INDICATORS

Indicator	Unit	2021	2022	2023	Var° 23-22
Buyers across all locations who received training on sustainable procurement over the past two years	%	38 %	Not available*	70 %	-
Suppliers which have gone through a CSR risk analysis	Number	830	927	2 111	+ 128 %
Targeted suppliers with contracts that include clauses on environmental, labor, and human rights requirements*	%	52 %	64 %	81 %	+ 17 pts
Targeted suppliers that have gone through a CSR assessment (e.g. questionnaire)*	%	57 %	60 %	43 %	- 17 pts
Targeted suppliers which have gone through a CSR on-site audit (in turnover)*	%	N/A	N/A	46 %	N/A
Audited/assessed suppliers engaged in corrective actions	Number	0	0	43	

\* In 2023, the scope has been broadened, resulting in an increase in coverage and significant differences from previous years.

Year after year, DIAM purchasing teams around the world become increasingly able to screen suppliers, assess their ESG risk level and support them to improve it. The central purchasing department and CSR team are supporting all DIAM purchasing teams in this process. We expect tier-1 suppliers to conduct a similar sustainability policy to ours. This is part of DIAM's drive to improve its CSR commitment throughout its value chain.

## 2.3. AFFECTED COMMUNITIES

### ACTIONS WITH LOCAL COMMUNITIES

DIAM recognizes the importance of inclusion and cooperation within our local communities, around each of our factories and offices. Numerous actions are lead in our different sites. As an example, in the DIAM Brazil unit, located near lower income communities, we try to work as much as possible with the local families with a large share of jobs (35% of operators) coming from these communities, and regularly organize activities to share quality time with them. Similar actions are conducted in many sites, like in DIAM Mexico, and in DIAM Les Mureaux, a French city that has an unemployment rate that is more than double the French average.

To develop an example among many others, since the beginning of the Ukraine war early 2022, DIAM Poland makes its best to incorporate refugees in its teams. We currently have about 30 people coming from Ukraine and who cannot go back there, 9 of them have official refugee status.

Every year, numerous social initiatives emerge from our sites with the intention of positively impacting their environment, whether it be social or environmental. From initiatives related to cancer awareness campaigns like "Pink October" and "Movember", to raising awareness about Legionnaires' disease and changing the way we look at handicap.

Beyond raising awareness among our teams, numerous acts of solidarity towards those in need were developed in 2023:

- Our employees in the United States, France, and Poland rolled up their sleeves to spark the Christmas spirit for the less fortunate by collecting or making Christmas gifts to offer.
- Clothing drives for those in need have been organized in Portugal, the United States, and France.
- Numerous financial donations and fundraisings

Sharing is a strong value within DIAM, whether it is by providing comfort and supplies or by creating valuable moments. Beyond the boundaries of our activities, our teams flourish when creating connections with people and spending time to causes that matter. In 2023, on average, each of our sites devoted 16 hours to causes dear to them:

- In Germany, we actively participated in the construction of a schoolyard.
- In China, we reached out to impoverished families to provide support.
- In Japan, we shared moments of exchange with special needs children.
- In Mexico, we planted local vegetation with air-purifying properties.
- In France, time was set aside to allow willing employees to donate blood.
- Many DIAM sites regularly do neighborhood cleanups around their site (Singapore, Japan, Germany, India, etc)

We are grateful for the commitment of our teams around the world to help and care for others, as well as their willingness to leave a positive impact.

In total, 82% our site contributed to a social action in 2023 by raising awareness and by giving and support others.



AMONG OTHER ENTITIES, D3 LLC IN THE UNITED STATES PROVIDED FOR THOSE IN NEEDS



DIAM GERMANY HELPED TO BUILD A PLAYGROUND IN FRANKFURT

### 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.

As per OIT regulation DIAM strictly prohibits child labour (No employee below 16 years). In light of the audits conducted within the entities of the DIAM group, no occurrence of child labor has ever been observed. Of course, we acknowledge minors above 16 years of age can work in certain special cases, particularly work-study apprenticeships, and internships, but only in stringent compliance with all the regulatory provisions.

Specifically, regarding to child labour prohibition, DIAM China, and other DIAM entities also located in countries prone to child labor, 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 available to all workers.

Some countries have been identified by experts as more at risk on ethical issues. In such countries, DIAM has taken specific commitments and actions.

For example, 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. In all DIAM sites, 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.

## 2.4. CONSUMERS AND END-USERS

DIAM is a “business to business” (B2B) company. The interactions we have with our clients are through business meetings. Regular “business reviews” are conducted with all our clients to provide and get feedback on our respective business practices and performance. The data protection questions are also valid in B2B reality (protecting designs, ideas, goods that belong to client brands & stores), not about personal data from end-customers. Our Conex Digital Solutions business unit develops display elements that may be enhanced by artificial intelligence and could adapt to the behavior of shoppers, as well as collect and provide non-identified information about shoppers like gender, and age but never with any specific data on the name of the shopper or anything near this. We understand that this is a sensitive development in shopping and monitor the legal and ethical implications closely.

Whilst DIAM is a B2B player, the products we design, manufacture, and install for our client brands are in contact with the general public in stores every day. Their safety is hence of the outmost importance. In general practices our engineers, and project managers have extensive knowledge about the technical requirements and regulations applicable to the products, in each market where they are installed. We have the ability to auto-certify the electric elements to satisfy the European and USA UL certification requirements.

To go further, we have implemented specific tilting and robustness tests in applicable factories to make sure the furniture might not cause risks to shoppers. We are also responding more and more to maximum organic compound release (COV) expectations from the stores and brands. Whilst most of the chemicals used in production are released into the air during the production process, well before reaching the stores, and whilst perfume and cosmetics stores are often filled with chemicals from the perfumes and cosmetics products themselves, stores and brands tend to have increased expectations on the furniture air emissions. Some of the chemicals are requested by brands and stores as they are linked with regulations on fire safety: fire retardants are often required by clients in our furniture, and we have developed advanced knowledge on fire safety in stores. DIAM will continue to increase its understanding and practice on chemical release matters.

DIAM is also involved in providing solutions to stores and brands regarding changing consumers habits and circular economy. We have developed a circular economy service for brands and stores that we call “B2D”. We are also developing extensive knowledge and offers in the “refill” offers that are being developed rapidly by brands and stores. In 2023, DIAM Group have succeed to collect the equivalent of 15% of the products put on the market, based on the raw materials consumption of 2023.



PART 3

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# OUR ENVIRONMENTAL RESPONSIBILITY

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As expressed in the introduction of this report, DIAM Group is aware of the numerous social and environment challenges that humanity is facing, and wants to act responsibly to contribute to mitigating, and if possible, improving and the situation through our business and actions. Given the industry in which we evolve, we have estimated that regarding the environment, climate change and biodiversity are the most prominent challenges we must address and commit to. Regarding other planetary boundaries, we are pragmatically working on “Novel Entities” through our eco-design and our circular economy offering, with an objective to use 80% of recycled plastics by 2030 and to develop a circular economy service in every country where we have industrial operations.. We also work on water, through consumption decrease, and water recycling, notably in areas where water is a scarce resource.

## 3.1. CLIMATE CHANGE

### POLICY

DIAM intends to play its full part as an economic actor in the fight against climate change. The Climate change policy and actions of DIAM are mostly centered around mitigation: DIAM being among the first 400 companies worldwide to have been validated on a 1.5° strategy speaks clearly about our early adoption of objectives based on science and the 2015 Cop 21 Paris agreement on climate change. The attainment of our SBT objectives is the clear #1 environmental target for DIAM. The whole company is aligned on this objective, with a very detailed roadmap established in 2020, and both our operational targets and actions levers are clear.

As climate change is now becoming more and more visible in everyday life, DIAM also increasingly integrates the related risks and **adaptation** requirements. DIAM has identified physical risks on its facilities and operations (acute and chronic) which represent a potential material threat to the Group. We have also identified market risks and opportunities linked to climate change. The risks mainly revolve around production assets for raw materials that might see their demand switch and the opportunities are similarly linked to market switches that we believe DIAM is especially well positioned to capture. On operations we have both a climate change mitigation and adaptation strategy.

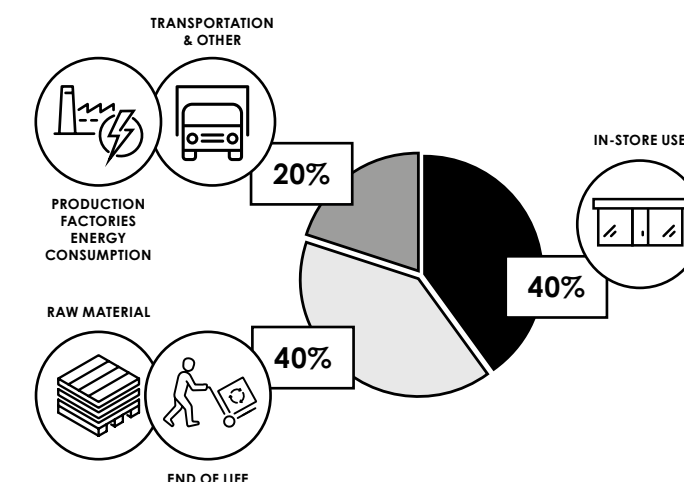
### MITIGATION

DIAM Climate change mitigation strategy and actions are centered on our most strategic decision related to climate change: our Science-Based Target engagement. DIAM has committed to SBT in 2019 and obtained the formal validation of its 1.5° trajectory in January 2021, among the first 400 companies in the world.

DIAM has committed to reducing absolute scope 1 and 2 GHG emissions by 46% by 2030 from a 2019 base year. DIAM has committed to reducing absolute scope 3 GHG emissions from purchased goods and services and use of sold products by 46% within the same timeframe.

As clearly visible from the simplified carbon footprint representation below, raw materials (purchased goods and services) and use of sold products represent a major part of DIAM’s baseline footprint, well over 2/3<sup>rd</sup> of the scope 3 emissions.

FIGURE 1 : TYPICAL DISTRIBUTION OF IMPACT ON CARBON FOOTPRINT (POSM AND SHOP-FITTING)



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

DIAM validated its carbon footprint methodology in 2020 with external experts to establish its 2019 carbon footprint, used for its Science Based Target baseline. The carbon footprint methodology has been stable since 2019. We have updated the emissions factors in 2023 and made minor adjustments to the methodology to fully align accounting for recycled plastics usage and post-store recycling with the GHG Protocol requirements.

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

**DIAM SBT targets linear decrease slope means a 5,4% per year absolute decrease in the GHG emissions on the committed perimeter.**

### ADAPTATION

Even in the event humanity would manage to limit the most dramatic consequences of climate change, more dramatic and frequent catastrophic climatic events would continue to intensify. DIAM has performed a reasonable initial due diligence on the physical risks it bears -and may bear in the future- due to climate change. The science literature -starting with IPCC releases-, discussions with experts, some use of climate scenario modelization with the help of external insights, the use of available free databases for physical impact of climate change like WRI Aqueduct for water stress, and an internal questionnaire filled by DIAM factories have shown us that not only should we expect tougher climate conditions (more heat waves, more floodings, more water scarcity), but these events have already materialized in a number of our sites.

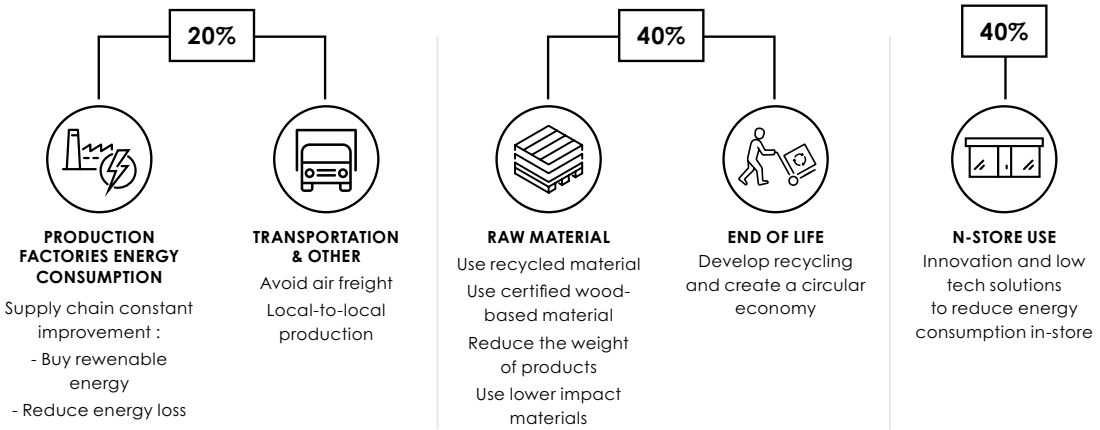
DIAM factories usually have a limited size of about 100 people max, are scattered and often able to support one another in the event of a failure of one of them. We have contingency plans for many of them, according to which backup contingency plans are pre-established to enable a better, faster response to the event of a dramatic event of any type: it is relatively easy to transfer the production from one to another in case an acute physical damage related to climate change would happen to a factory.

As an example, we already achieved this replication system between our UK and Poland factories which would allow us to carry on with the production with a reduced impact in case of heavy flooding of DIAM UK. Having said that, we are conscious that reality often crashes down many battle plans, and the most important capacity to have, is the one to adapt and have the tools and teams that will make the best of the situation.

ACTION PLAN

DIAM has developed an advanced action plan to achieve its Science-Based Targets, with clear operational actions, either internal or to be done in conjunction with our prestigious clients, who almost all are committed to SBTs like we are.

FIGURE 2 : CARBON FOOTPRINT ROADMAP



Each DIAM Business Unit has a clear view of its specific carbon footprint and of the levers it must act upon to decrease their emissions in line with their target. As explained in the governance section, BU CEOs are incentivized on SBT targets, and the targets are declined in operational objectives meaningful at operations level for every manager. A formal review of emissions and actions plans is done at least once a year with each of the Business Units, and at central level. More informal reviews are done at a quarterly frequency. More information on targets and KPIs is available in the other sections of this report.

ON-SITE ACTIONS - SCOPES 1 & 2

Direct emissions are the ones an organization can (and must) tackle by itself, as it is the sole responsible for them. DIAM has a clear view on where they come from and is working to decrease them in line with our commitments to the Paris Agreement on Climate Change. The strategy is well known by professionals: decrease the amount of energy consumed and choose the least carbonated energy possible whilst keeping in mind the robustness of the setup in the event of possible disruptions.

DIAM has engaged in **energy efficiency** efforts over the last years, often with the help of third-party energy audits that helped us have a very clear view of where our energy consumption (and waste!) was coming from and how we could address it. Some of our managers have been trained in energy efficiency management, and we are gradually unrolling actions in our sites. Actions may span from replacing an old inefficient machine or lighting system by a much more efficient one, improving insulation of our buildings and processes to conserve energy, linking energy intense processes like compressed air and air extraction to the actual usage of primary processes (like a cutting tool for instance) for which they are often secondary processes just used to support the primary process (by removing wood dust for instance). Behavioral change and basic building energy management (programmed, centralized intelligent thermostats, and... shutting down the lights when not used!).

We also aim to switch away from fossil fuels, i-e to electrify (and use decarbonated electricity... see below paragraph). For instance, some of our sites use natural gas, especially for heating purposes (building heating in winter and paint booths heating). Going like-for-like (or “therm for therm”) from gas to electricity may prove inefficient and costly. The engineering and purchasing aspects must be considered with a systemic approach to hope to bring benefits apart from CO2. As an example, DIAM Poland recently managed to switch away from coal heating. It was not easy as coal is the predominant energy for heating in Poland, but we pushed and managed to strike a deal with our landlord to switch to wood-pellets heating instead of coal. In 2023 and to be continued in 2024, DIAM Les Mureaux is drastically reducing its gas consumption with the ongoing factory move they are doing, going into a better insulated building and are considering switching to electric heat-pumps their remaining heat need.

All these actions take time, money, effort, and knowledge to be performed. DIAM is developing know-how in this field.

DIAM scope 1&2 account for 2,6% of carbon footprint in “Market based” analysis. It is 7,6% in “Location based”. “Location based” considers the average electricity (CO2) emissions factors of the countries in which our factories are installed. “Market based” considers a lower electricity emissions factor by taking into account the purchase and consumption of renewable electricity instead of the average electricity from the country grid. DIAM has been using renewable electricity since 2018, rapidly surpassing 90% of renewable electricity consumed. Most of this renewable electricity is purchased in the form of Renewable Electricity Certificates (RECs) that are carefully purchased to be as close as possible as the consumption place and with direct grid connection. Conscious of the added benefits of direct auto-production of renewable electricity, which directly adds new capacity to the grid, DIAM is gradually expanding its auto-production capacity. In 2023 Prugent China and DIAM UK got equipped with solar panels.

**Our goal in Scopes 1&2 is to decrease by at least 46% our CO2eq emissions between 2019 and 2030.**

**Operational targets to achieve that target include reaching at least 95% of renewable electricity usage by 2030 and to improve energy efficiency.**

MONITORING OF DIRECT OR INDIRECT GHG EMISSIONS

Since 2017, DIAM has implemented a monthly and yearly reporting on all types of energy consumption to establish a yearly carbon footprint and monitor its energy usage, direct emissions, and indirect emissions. In addition to the reporting method, we have enforced an advanced practice of life-cycle analysis to evaluate the impact of the products we produce for our clients and to steer them towards eco-design and lower GHG emissions.

Our Science Based Targets Initiative commitment will be the most significative contribution to the Sustainable Development Goals (SDGs) number 13 : Take urgent action to combat climate change and its impacts.

To get our baseline emissions and trajectory validated by the SBTi, we have improved our GHG reporting and accounting capabilities and gotten our carbon footprint and trajectory reviewed by a renowned consultancy. Our methodology is aligned with the GHG protocol and a table at the end of the present report shows the correspondence between our internal KPIs and the Global Reporting Initiative (GRI) recommended KPIs.

ENERGY: PRODUCTION AND CONSUMPTION REDUCTION THROUGH EFFICIENT DEVICES

DIAM CSR Steering Committee has decided to hire external help to evaluate the energy efficiency gains that could be done in key high-emissions factories like DIAM UK, Prugent Europe and DIAM Lurcy. Some of the analyses have already been done and the related improvement investments done. In 2022, DIAM UK invested to put solar panels on its roof, and at the same time refitted its roof, opening natural light windows and refitting the lighting with high efficiency LEDs and sensors to dim/shut down the light when natural light is sufficient. We decreased our lighting consumption by 50% and reached 40% of electricity auto-production in that site. On plastic injection sites, we gradually convert the injection presses from hydraulic to electric presses that consume much less energy and that automatically switch to standby mode. The presses already changed enable savings of over 120 tons of CO2eq. and 2 000 MWh during the life span of this project.

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.

An example of a recent project:

→ Prugent DIAM Europe

13 solar trackers have been installed in March 2023. They enable Prugent Lannemezan to be at 40% renewable electricity auto-production. 100% of the remaining purchased electricity is renewable also. This production capability is coupled with numerous actions to improve the factory’s energy efficiency reaching about 20% energy saving. For instance, we have greatly reduced air-extraction needs by linking it to individual machines operations: the air extraction is automatically shut down for machines that are stopped.

ACTION ON OUR PRODUCTS - SCOPE 3

ECO-DESIGN

Eco design and partnerships with clients and suppliers are key to decrease SCOPE 3 impact. The key is to know where the impact is generated and to engage teams, clients and suppliers to reduce it.

80% of impact is determined at the CONCEPT & DESIGN stage.  
20% can still be adjusted after that in SOURCING, PRODUCTION and INSTALLATION.

THE MEASUREMENT TOOL: LIFE CYCLE ANALYSIS (LCA)

Guessing on environmental impact often leads to working on wrong priorities and may even result in a global increase in impact due to impact transfers. Life-Cycle Analysis (LCA) enables to scientifically evaluate environmental impact. DIAM has developed a strong internal capability on LCA. DIAM LCA methodology has been evaluated and validated by a renown LCA consultancy and in 2022 we have initiated and strongly contributed to an effort coordinated by Shop! the Point-of-Sale association, to align LCA methodologies among the entire profession, so that all players would use the same methodology. We managed to specify a methodology that is now considered the normal calculation method for Point-of-Sales displays.

In 2023, DIAM has updated its LCA tool to update its user experience, database and methodology.

DIAM LCAs consider the full product life cycle and all types of environmental impact.



Given the difficulty inherent to interpreting 16 environmental impact indicators at once, we decided back in 2019, to use a “single impact score” that aggregates all 16 indicators of the PEF method. Indeed, it is possible to obtain one single score to facilitate the decision-making process by normalizing and weighing the various impacts. ,This is in line with the market practice using panel-based PEF method that we have helped to emerge through client interactions and industry-wide work with “Shop!” association. This means that results are normalized in relation to an average impact of a person in the world over one year, and indicators are weighted depending on expert-identified issues, all while considering the robustness of said indicators.



DIAM’s calculation methodology is following the EU’s Product Environmental Footprint (PEF) method, the leading LCA methodology.

DIAM uses the EF 3.0 impact assessment method and Ecoinvent 3.8 with the PEF circular footprint formulae.

PRODUCT USE

The environmental impact from the use of products comes from in-store electric consumption of POS displays. It is the biggest climate change emissions source for DIAM along with the purchase of raw materials, and part of our Science-Based targets.

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 many solutions to decrease the electric 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.

Savings in energy consumption of lighting can be up to 50 to 60% versus “usual” solutions used in POS displays.

TRANSPORTATION - SCOPE 3

Downstream transportation represented about 14% of DIAM carbon footprint 2019 baseline. Over 95% of this CO2 impact is directly linked to the few air-shipments of finished goods that are done. Since 2019 we aim to limit airfreight as much as possible. Air-shipping often depends on the timing of the projects and on the project management and decision-making of our clients. Part of our capability to decrease air-freight lays in showing our clients how much air-freight impacts. Discussions on carbon footprint or life-cycle analysis of their projects are of great help in that regard. Without airfreight, the CO2 impact of downstream transportation in POS displays would be relatively limited, often to less than 5% of the total impact of the furniture, as shown again and again by our life-cycle analyses. Various brands are already enforcing strict “no airfreight” rules for their POS displays. A welcome move. This has various consequences on the lead-time of projects, which need to be more organized in time.

Additional ideas to limit the impact of downstream transportation include:

- Optimizing transportation overall (number of trucks, etc), using return logistics, etc.
- Using locally sourced raw materials when transport has an important impact,
- Promoting flat transport,
- Using best available types of fleets (EURO 5&6) and ideally environmentally friendly electric-powered transport,

We aim to cut-down air freight by at least 30% between 2019 and 2030.  
As of 2023 this reduction has already been achieved as we went from 14% of tons.km done in airfreight in 2019 to 9% in 2023. But we remain focused to further decrease.

STAKEHOLDER AWARENESS: THE KEY TO EFFECTIVE CHANGES ON IMPACTS

As we are aiming to drastically decrease the impact of our products, employee’s awareness and capacity to act in their daily jobs about environmental issues is essential to reach our ambitious targets. The same is true with our clients.

Internally, 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.

Regular communications by DIAM CEO, CSR Director and using internal and external social media are done to inform and train employees regarding the environment and DIAM commitments, actions, and results.

Different events are organized, depending on what we want to put forward a given year. 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 quickly adopted by teams to evaluate their 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.

In 2022, we have increased the number of people trained on our LCA tool and prepared a new improved and updated version. In 2023, we have published our second volume on eco-design in the Retail industry, “Less-is-More2” and released our new LCA tool. In addition, employees may benefit from the eco-design trainings we propose to our clients through our Retail3D agency. Retail3D is a certified training entity.

Externally, with our clients, awareness and training are also essential to fully align efforts towards eco-design: as we often say, 80% of the impact is locked as soon as the design and concept stages that usually happen within the client Brand teams.

DIAM teams constantly engage in constructive dialogue with our Brand partners to share on environmental impact and eco-design practices. retail3D, DIAM’s Retail design agency is a certified Qualiopi® training entity that proposes advanced eco-design trainings to the architecture, Retail and Promo teams of our clients.

KPIs

OUR OVERALL CARBON FOOTPRINT

As of 2023, DIAM GHG emissions were down -37% vs our 2019 baseline and -36% on the scopes that we committed to SBTi. This is an annual compound decrease of -10,8%, about the double than the pace required by our 1.5° commitments. This is of course great news and the consequences of great efforts being made throughout the company. But we remain very cautious, as we expect further growth in the future and the further decorrelation between growing sales and an absolute decrease in carbon footprint is a difficult task to accomplish.

Comparing year on year, we have an absolute -7% decrease on our total carbon footprint in 2023 vs 2022. As DIAM sales grew by 19% over the year, this means an intensity improvement of emissions of over 22%. Scopes 1&2 remain stable in spite of ongoing efforts to decrease energy consumption and switch to less carbonated energies, due to a technical reason the update of the emissions factors, with increases on fuel and gas emissions per kWh. On scope 3, we stayed over 50% of recycled plastics used (52%) , a very similar figure vs 2022: the mix of projects changed, which has an impact on our capacity to use recycled plastics. We continued to make great improvements on the “products use” phase, offering better lighting system to clients that have a growing consciousness of the detrimental impact of lighting in stores.

TABLE 12 : REDUCTION TARGETS OF OUR GHGS EMISSIONS RELATED INDICATORS (MARKET-BASED)

Indicator	Unit	2019 (SBT Baseline)	2022	2023	% Var 2019 - 2023	% Var 2022 - 2023
Scope 1	Tons of CO2eq	3 431	2 581	2 739	- 20%	+ 6%
Scope 2	Tons of CO2eq	1 516	727	563	- 63%	- 23%
Scope 3	Tons of CO2eq	196 422	133 502	123 888	- 37%	- 7%
Total carbon footprint	Tons of CO2eq	201 369	136 810	127 189	- 37%	- 7%

**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.**

One of the key areas of focus over the next few years is the electrification of our work processes. As we are continuing our efforts to use exclusively renewable (or self-generated) energy and electricity, we hope to reduce our gas consumption by gradually electrifying the production processes. Energy consumption is decreasing due to those efforts, as well as the gas consumption.

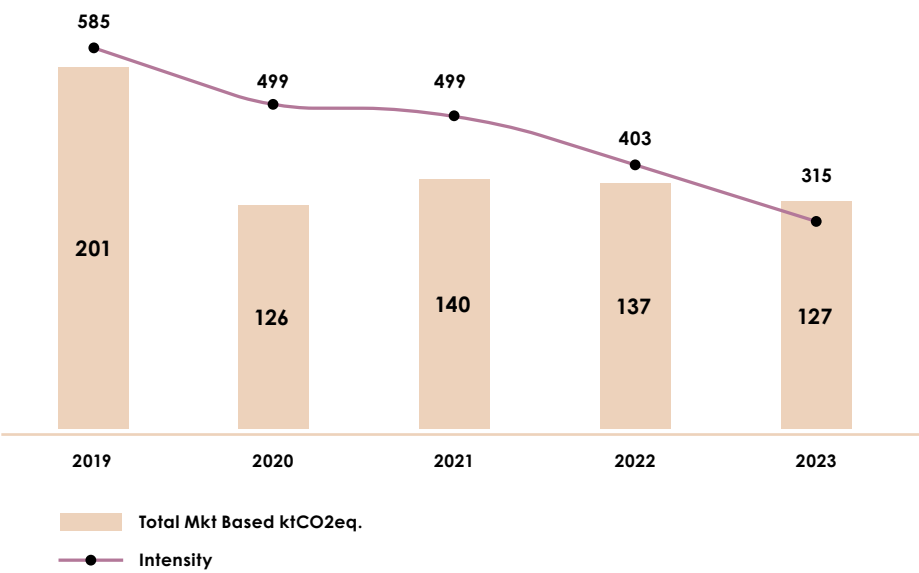
TABLE 13 : ENERGY RELATED INDICATORS

Indicator	Unit	2019 (SBT Baseline)	2022	2023	% Var 2019 - 2023	% Var 2021 - 2022
Total energy consumption	MWh	38 638	32 484	32 496	- 16%	0%
Of which total renewable energy consumed	%	51%	58%	63%	+ 12 pts	+ 5 pts
Total gas consumption	MWh	9 117	8 276	7 082	- 22%	- 14%
Total electricity consumption	MWh	22 724	20 302	21 936	- 3%	8%
Of which total renewable electricity consumed	%	87%	93%	94%	+ 7 pts	+ 1 pt
Of which renewable electricity produced	MWh	280	155	770	+ 175%	397%
Of which auto-consumed	MWh	0%	NA	535	-	-
	%	0%	NA	2,4%	-	-

TABLE 14 : CARBON INTENSITY

Indicator	Unit	2019	2022	2023
Scope 1+2 mkt based	t CO2 eq.	4 978	3 307	3 301
Scope 1+2 Intensity	gr CO2eq / EUR	14,4	9,7	8,2
	Delta vs 2019		- 32%	- 43%
Total Mkt Based	ktCO2eq.	201	137	127
Intensity	gr CO2eq / EUR	585	403	315
	Delta vs 2019		- 31%	- 46%

DIAM TOTAL GHG EMISSIONS, IN MARKET BASE, ABSOLUTE AND INTENSITY





3.2. BIODIVERSITY & ECOSYSTEMS

POLICY

DIAM understands that human livelihood depends on biodiversity. As humans currently live during and contribute to the human caused, faster than ever, 6th massive extinction, DIAM group is taking its initial steps towards identifying ways to preserve biodiversity and ensuring its capacity to thrive. In 2022, DIAM conducted its first evaluation of its biodiversity footprint. Far from perfect, this work was nevertheless enlightening.

Our Biodiversity Policy is bound to evolve with time, given our recent and constant learning on the subject. We surround ourselves with specialized structures to support us and target specific subjects that are material to our business. We want to develop our policy in favor of land-use changes and of impact on areas of high ecological interest near our operational sites, which are the two main risks identified to date. With regard to the forest and our wood supplies, we are working to ensure the resilience of forest ecosystems in France, close to our source of supply. We have also introduced the notion of biodiversity offset into our action plan for this very specific French forestry project.

In 2023, DIAM applied to the Act4nature international label, our commitments have been validated by act4nature early 2024 and officially communicated in May 2024. DIAM is very proud to join a recognized framework of companies committed to real improvements on their biodiversity impacts. Joining this network will give DIAM access to advanced expertise and support to achieve its biodiversity goals. .

ACTION PLAN



DIAM has established a comprehensive action plan regarding biodiversity, validated by the act4nature committee. Our commitments support our biodiversity ambitions, which we have defined into four main axes.

- **To measure, evaluate, improve:** as biodiversity impact evaluations methodologies continue to get more mature, we aim to review our biodiversity footprint by 2027 with a methodology up to date with the latest standards there will be then.
- **To eco design our products:** based on scientific facts (LCAs), we are working to use less and less material, less impacting materials, and enabling a circular economy.
- **To develop employee knowledge on biodiversity:** because people are more likely to act in favor of something they know, we decided developing biodiversity awareness inside the Group, to foster grassroots actions and initiatives.
- **To contribute to the regeneration of nature:** our broad idea is to contribute to nature’s regeneration through our business, and especially through our wood panel purchases. These actions can encompass many realities, that will be nature-based solutions with a scientific approach, as much embedded into our business as possible.



PLANTING HEDGES ON OUR SITE (MARCH 2024, PRUGENT EUROPE, FRANCE)

This project was carried out in conjunction with the local Maison de la Nature and local secondary school students. Nearly 500 linear meters of hedge were planted in one morning, and the land was left unmowed from winter until the end of May to preserve the habitat for biodiversity.

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.

2021 DIAM group biodiversity footprint



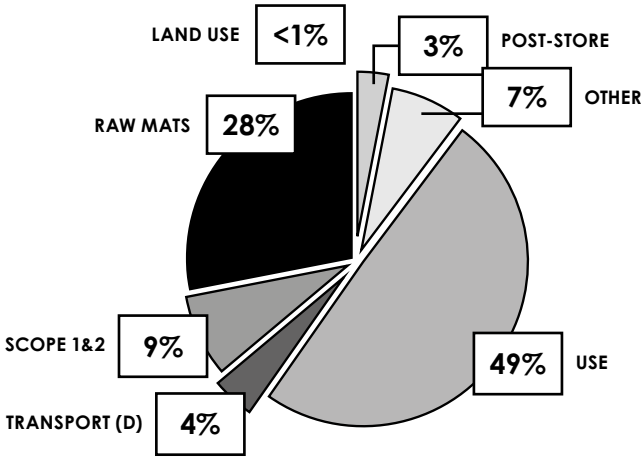
(PDF.km².yr = Potentially disappeared Fraction of species over x km² for 1 year  
= surface of a luxuriant forest transformed into a parking lot (0 biodiversity) in 1 year)

The preliminary findings of the biodiversity footprint evaluation shows 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 3 : DIAM GROUP 2021 BIODIVERSITY FOOTPRINT: 48,4 MILLION PDF.M².YR

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.



# 3.3. POLLUTION

## POLICY

The management of soil and water pollution is specific to each DIAM site, under the common umbrella of DIAM Group responsible policy. Our sites do not have the same activities, and therefore do not have the same potential impacts, risks and opportunities (IROs). However, we are striving to develop policies consistent with the European Union's "zero pollution action plan" for 2050.

- Different DIAM sites have different use of chemicals and pragmatically adapt their policy to their usages and risks, in accordance with local and Group regulations. In line with the biodiversity policy, sites identified as potentially at risk will be specifically studied in the coming years. In the next few years, we can also imagine supporting scientific objectives such as SBTn to bring us into line.
- We take action to be fully compliant with regulatory and our client’ requests.
- We strive to limit the use of hazardous substances and find alternatives that are less harmful to health and the environment, thanks to our in-house buyers who are vigilant about these issues.
- We monitor incoming substances to our sites through a chemical acceptance procedure. Through this procedure, purchasing checks that chemicals identified as banned are not entering our plants' manufacturing processes, and we do not use controversial substances such as CMRs or SVHCs.
- Each of our sites is requested to have a procedure for managing incidents and emergency situations (such as spills into the natural environment or fires), and regularly organizes emergency drills. We centrally monitor the regularity of these exercises.

### DIAM has the goal to avoid using 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).

## ACTION PLAN

### PROTECT

Although our sites emit limited amount of particulate matter into the air or the natural environment, indoor air quality remains a major concern for the working conditions of our employees. Our woodworking sites and locksmith's workshops are equipped with dust extractors. They are either evacuated by specialized external companies, or reused, as is the case at one of our sites in Portugal, which uses vacuumed sawdust to heat its workshops. Poster campaigns and safety briefings are regularly carried out to raise awareness and warn users of the risks involved in breathing in dust.

### AVOID

DIAM sites are requested to comply with local and Group regulations and to have a proficient level of chemicals management, be it in chemicals handling or chemicals storage. 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.

DIAM sites regularly train their teams on the proper handling and storing of chemical and hazardous substances. Proper labelling, storing, handling, transporting and disposal 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. They also check the actual training of employees and their proper information on the levels of risks and necessary handling measures. Sites are also requested to have an adapted level of readiness regarding potential spills, with appropriate spills containment tools and training.

### REDUCE

The furniture manufacturers are subject to REACh\* requirements in Europe and DIAM works to continuously improve its REACh reporting ability.

To achieve the objective to avoid potentially harmful chemicals, DIAM developed in 2017 an internal tool to ease the identification, elimination, and replacement of CMR products. This tool is still working in 2023.

# 3.4. WATER

## POLICY

Various DIAM sites are located in areas predicted to become more and more subject to water stress, DIAM Group is progressively taking engagements towards a better water management and water-stress resilience, both in mitigating water use and adapting to new constraints. Luckily, our water footprint mostly comes our offices for sanitary use, as our industrial processes have low/no water intake. DIAM group has therefore a relatively mild water footprint compared to other industrial groups. But this does not exempt the Group from trying its best to mitigate water intake, especially on sites located in high stress areas. From now most of our work has been recognizing the threat, setting up indicators and monitoring water intake in our different sites to better prepare an action plan.

**Our ambition is to decrease our water intensity following  
-2 m3 / M€ every year until 2030.**

## ACTION PLAN

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 relatively low water consumption company (our water consumption is equivalent to the average yearly intake of a 1300 inhabitants’ village in France), our water supply could become at risk and to consider additional water-saving actions to mitigate that risk.

### Reduction of water consumption through monitoring and employee information

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 as gardening and decided to cut down on it.

We conduct a monitoring of water consumption through the monthly and yearly reporting to identify deviations that could pinpoint to potential leaks. Water awareness sessions with employees have been 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.

KPIs

We achieved an improvement of -19% in water intensity in 2023 compared to 2022, which is broadly in line with our ambition to reduce water intensity by -2 m3/M€. Further work will have to be done on water to better understand the causes of use and the levers we can implement to improve our water usage.

TABLE 14 : WATER RELATED KPIS

Indicator	Unit	2019	2022	2023	% Var 2019 - 2023	% Var 2022-2023
Water consumed	Cubic meter	72 627	68 632	55 179	- 24 %	- 19 %
Water intensity	m3/M€ Sales	211	202	137	- 35 %	- 32 %
	m3/FTE	22	21	15	- 32 %	- 29 %

3.5. RESOURCES AND CIRCULAR ECONOMY

POLICY

“At DIAM, we put “sustainability” at the heart of our business: in our products and services. And we do so with a scientific mind to focus on the important items. Key factors in our industry are raw materials, the electric usage of our products in store and production processes. Our Sustainable Purchasing Policy is making sure that these specifications are respected by our suppliers to reduce the environment and health impact of purchased material & resources.”

DIAM Sustainable Purchasing Policy, 2021

To tackle its emissions, DIAM Group has put an emphasis on identifying the major sources of emissions to focus on. The raw materials purchase accounts for around a third of our emissions, and are part, with the usage of our products, of our scope 3 SBTs. The key to reduction is to use less and better raw materials, so that the conjunction of material impact per kilo multiplied by weight, is optimized, whilst still serving the purpose (material resistance, appeal...) that the furniture is aimed for. Using recycled raw materials enables to drastically decrease the impact per kilo for a given material.

PLASTICS PURCHASING

Plastics account for about 50% of DIAM raw materials carbon footprint, it used to be 2/3<sup>rd</sup> before we used recycled (R-)plastics. Using R-plastic decreases a given plastic impact by roughly 50%. DIAM aims to use 80% recycled plastics in its production by 2030. Sourcing recycled plastics is difficult, and one way to improve it is to organize ourselves and with the entire industry, a recycling stream for our goods. We call this initiative “B2D” and want it so much to happen that we created a business unit on recycling. We believe that even if the brands are legally responsible for the end of life of the furniture we produce on their account, we have a role to play to help them make it a reality in the best way possible.

WOOD-BASED PURCHASING

Wood-based materials are the most direct link DIAM has with the living sphere. We use it mostly in the form of wood panels in our shop-fitting creations. We also use paper / white cardboard in our packaging line of business. Ensuring our purchases do not contribute to harmful deforestation is a must in this realm, in line with the European Union Deforestation Regulation (EUDR). We manage it by getting to know where our wood-based products come from, working up the supply chain. Certification of the chain of custody is obviously a great tool to support that control. We aim to use 100% certified-sourced wood-based products in our production raw materials by 2025. In a few occurrences where our sourcing is done locally in countries in which good forestry management is the norm (Western Europe for instance), we could consider alternative ways to ensure our goal, but certification remains a very accepted tool and we decided to use it. In some instances, the distributors we work with are not certified, whilst the initial first transformers are. This breaks the chain of custody. At our very modest level we work with our distributors to improve certification coverage.

Going further, we aim to better understand and favor the link between our wood-based sourcing and a thriving forest and biodiversity. That work has started in 2022 and will carry on for some time.

CREATING A CIRCULAR ECONOMY

To source recycled raw materials, especially plastics, is not an easy task. And in the other side of the chain, our brand partners are in a difficult situation with their displays end-of-life treatment. This industry is still globally linear, and this must change for good. At DIAM, we decided to develop a circular economy offering for our clients, enabling them to dispose of and reuse or recycle their displays in the best way possible. Circular economy is not an easy undertaking: had it been simple and cost-effective, it would already be the norm. Enforcing it requires to change roles and habits at every step of the chain. We are committed to contribute to make it happen with our partners.



- By 2025, DIAM will be using 100% certified wood-based products in production and have certified its relevant sites for chain of custody.
- By 2030, DIAM will be using 80% of recycled plastic in production.
- As soon as possible, we aim to propose a circular economy service to our clients in every country where we have industrial operations and contribute to creating industry-wide recycling streams.

ACTION PLAN

RESOURCE USE

Raw materials represent a third of our carbon footprint, 40% when end-of-life impact is added. To improve this impact, we are currently increasing the use of recycled plastic, certified wood and reducing the weight of our products. We use the carbon footprint and life-cycle analysis to measure the impact of our products through the proportion of each material. These measurements enable us to target the relevant improvements to be made on our products with a scientific value.

FIGURE 4 : GLOBAL ALTERNATIVE SOLUTIONS FOR RAW MATERIALS



WORK PROCESS OR INNOVATIVE TECHNOLOGIES IMPLEMENTED TO REDUCE, RECYCLE, OR REUSE WASTE

The first circular economy steps happen... at the eco-design stage! Designing and producing units that will be easily dismantled when discarded is the basis of the chain.

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).

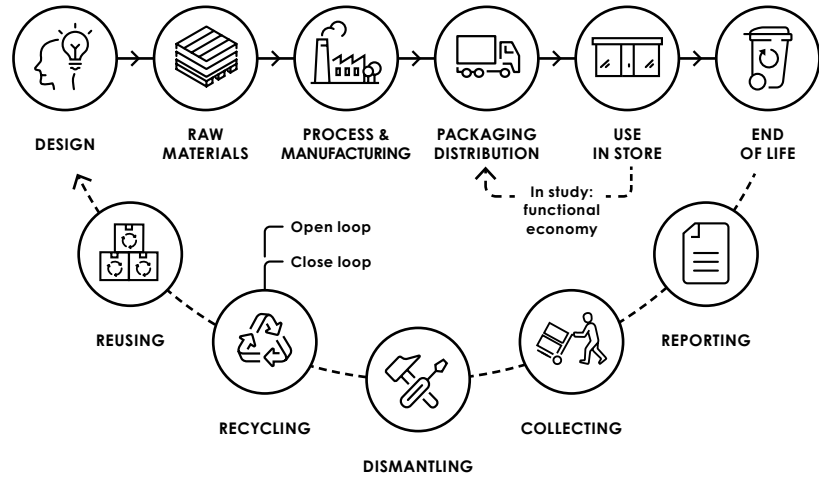
BACK2DIAM

In 2021, we expanded our recycling services and launched a specific business unit dedicated to circular economy services thanks to an annual Kickstarter organized internally: B2D.

B2D proposes circular economy solutions to brands and distributors in the Beauty and Luxury Retail sector. Our aim is to maximize the environmental return on end-of-life furniture with high value-added services including manual dismantling, which is a prerequisite to "real" recycling.



FIGURE 5 : B2D PROCESS BY DIAM



END-OF-LIFE OF OUR PRODUCTS

End-of-life CO2 emissions represent around 7% of the total GHG emissions of DIAM. But we all know that this is just a partial view: first, there is much more to environmental impact than just CO2eq. Second, the emissions at end of life are not really a good point of view to focus upon: landfilling metal or plastic will emit zero GHG, whereas burning plastic will emit CO2 but can also provide a lot of heat and be converted to electricity or other useful things, and higher up in the waste pyramid, recycling will emit some GHGs (typically through additional transportation and energy used for grinding or fracking). More importantly, correct reuse or recycling at end of life will emit some CO2 (very little in the reuse case, much more in a chemical recycling case), but will avoid emitting GHGs up the chain for virgin materials production. DIAM's aim here is clear: work on the full loop of the circular economy, at production and at end-of-life.

PRODUCTS AND PACKAGING DESIGNED FOR EASY DISMANTLING AND RECYCLABILITY

There can be no value-added recycling without easy dismantling and separation of recycled materials into homogeneous batches that are compatible to re-produce from together. To make things trickier, nothing resembles more black plastic than another black plastic. (To be more advanced, it can be challenging to differentiate a "cast" acrylic (PMMA) from an extruded acrylic (PMMA), and they don't reconcile well if used together in re-production.

To achieve this objective, we constantly challenge ourselves to improve eco-design and the dismount-ability of our units. Eco-design training, internal and to our clients, and years of practice and know-how go a long way enabling us to propose units that can be fully dismantled and so "fully" (often above 95%) recycled.

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.

To support circular economy, we develop the usage of dismantling instructions that will favor good post-store practices. And of course we develop B2D, our circular economy service.

COMPANY SPECIFIC TAKE-BACK PROGRAMS, AND/OR FACILITIES FOR COLLECTION OF EQUIPMENT

DIAM has long-standing experience of recycling, with over 15 years of experience in take-back programs in our DIAM United Kingdom factory. To go further and faster, DIAM launched "B2D" in 2021. At the end of the store life, the displays are collected by B2D or a partner, massified, reused when possible, dismantled, recycled -often in close loop recycling.

B2D takes circular economy in POS displays to a new level as it helps to solve the issue of small "modules", that are used to adapt the gondolas and displays to new planograms and shapes of brand products. These modules are scattered around stores and the massification and recycling case is difficult as their value is limited and the cost to massify is high. 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, the UK, Italy, Poland, India... and is aiming to provide this service in every country in which we have industrial operations.



KPIs

DIAM’s material impact primarily come from plastics, and also from metals, timber-based materials, electronics, and chemicals.

WOOD

We are maintaining our efforts to move closer to reach our target and use 100% certified timber into our production. In 2023, 68% of our factories using a large volume of wood (over 100 tons) are FSC® and/or PEFC certified. Our sustainable purchasing policy is constantly being strengthened. To date, 41% of our wood (panels) purchases are certified and 63% of our cardboard purchases are certified. Overall, 52% of our timber based purchases are certified.

PLASTIC

In 2023, we sourced more than half of our plastics from recycled sourced for the second time. DIAM purchased 52% recycled plastics. We maintained our previous year's rate despite a higher production volume. We aim for 80% by 2030.

WASTE

In 2023, DIAM generated 3 892 tons of waste from production. The recycling waste decreased by 11 percentage points compared to 2022 due to a higher production volume, despite efforts in eco-design, and production waste handling and sorting. DIAM has a zero-production waste to landfill policy.

CIRCULAR ECONOMY

Today, we offer B2D services in out of 15 countries where we have industrial site and growing. B2D contributes to enabling a circular economy in the beauty & luxury Retail sphere. In 2023, B2D collected 2 510 tons of waste from clients, most of it being plastic elements. It represents around 15% of the volume of raw materials used for client products that year.

ENVIRONMENTAL MANAGEMENT SYSTEM

DIAM does not seek EMS certifications per se, but we do request all our industrial sites to have proper policies, actions, and improvement results with regards to the environment. Some DIAM sites have decided to get ISO 14001 certified, such as all DIAM sites in China and Prugent Europe in Lannemezan.

TABLE 15 : ENVIRONMENT RELATED INDICATORS

CERTIFIED WOOD				
Indicator	Unit	2022	2023	% Var 2022 vs. 2023
Certified wood purchased	%	35%	41%	+ 6 pts
Certified cardboard and paper	%	48%	63%	+ 15 pts
Total certified timber-based products purchased	%	42%	52%	+ 10 pts

PLASTIC				
Indicator	Unit	2022	2023	% Var 2022 vs. 2023
Recycled plastic purchased	%	52%	52%	-

WASTE				
Indicator	Unit	2022	2023	% Var 2022 vs. 2023
Total waste generated	Tons	3 754	3 892	+ 4%
Of which sent to treatment*	Tons	2 498	2 305	- 8%
Recycling rate	%	67%	59%	- 11 pts
Hazardous waste	Tons	252	195	- 23%

CIRCULAR ECONOMY - B2D				
Indicator	Unit	2022	2023	% Var 2022 vs. 2023
Countries with an industrial site where a circular economy chain has been developed	%	40%	60%	+ 20 pts
Waste collected from client	Tons	1 085	2 510	+ 131%

ENVIRONMENTAL MANAGEMENT SYSTEM				
Indicator	Unit	2022	2023	% Var 2022 vs. 2023
DIAM sites which are certified by ISO14001, EMAS or other environmental management standard**	Number	4	4	-
	%	15%	15%	-
DIAM sites with a timber CoC certification (FSC®/PEFC certification)***	Number	12	13	+ 8%
	%	63%	68%	+ 5 pts

\* Waste that benefits from reusing, recycling, composting or other recovery operation  
\*\* Measured on targeted sites, eg. production sites.  
\*\*\* % measured only on relevant industrial sites that consumed more than 100 tons of timber-based



# ANNEXIS

## GRI CROSS-REFERENCE TABLE WITH DIAM INDICATORS

### SOCIAL

GRI Standard	Code GRI	GRI Indicator	DIAM Indicator	Unit	Source
GRI 2: General Disclosures	2-6	2-6 Activities, value chain and other business relationships	Total workforce	FTE	p. 34
			Women workforce	%	p. 34
	2-7	2-7 Employees	Total DIAM Employees	FTE	p. 34
			Part of DIAM employees women	%	p. 34
	2-8	2-8 Workers who are not employees	Total agency workers	FTE	p. 34
			Of which women	%	p. 34
	2-29	2-29 Approach to stakeholder engagement	Buyers across all locations who received training on sustainable procurement over the past two years	%	p. 41
			% Total turnover from supplier who signed the code of conduct	%	p. 40
	2-30	2-30 Collective bargaining agreements	Sites with employee representatives	%	p. 37
			DIAM employees covered by formally-elected employee representatives	%	p. 37
			DIAM employees covered by a collective internal agreement on working conditions	%	p. 37
			DIAM employees covered by an industry agreement on working conditions	%	p. 37

### MATERIALS

GRI Standard	Code GRI	GRI Indicator	DIAM Indicator	Unit	Source
GRI 301: Materials	301-1 & 301-2	301-1 Materials used by weight or volume	Certified wood purchased	%	p. 65
			Certified cardboard and paper	%	p. 65
		301-2 Recycled input materials used	Recycled plastic purchased	%	p. 65

### ENERGY

GRI Standard	Code GRI	GRI Indicator	DIAM Indicator	Unit	Source
GRI 302: Energy	302-1	302-1 Energy consumption within the organization	Total energy consumption	MWh	p. 55
			Total gas consumption	MWh	p. 55
			Total electricity consumption	MWh	p. 55
			Of which total renewable electricity consumed	%	p. 55
			Of which renewable electricity produced	MWh	p. 55
GRI 305: Emissions	305-4	305-4 GHG emissions intensity	Scope 1+2 market based	t CO2 eq.	p. 55
			Scope 1+2 intensity	gr CO2 eq/EUR	p. 55
			Total scopes market based	t CO2 eq.	p. 55
			Total scopes intensity	gr CO2 eq/EUR	p. 55

### WATER

GRI Standard	Code GRI	GRI Indicator	DIAM Indicator	Unit	Source
GRI 303: Water and Effluents	303-5	303-5 Water consumption	Water consumed	Cubic meter	p. 60
			Water intensity	m3/m€	p. 60

### EMISSIONS

GRI Standard	Code GRI	GRI Indicator	DIAM Indicator	Unit	Source
GRI 305: Emissions	305	305 Emissions	Total carbon footprint	Tons of CO2eq	p. 55
	305-1	305-1 Direct (Scope 1) GHG emissions	Scope 1	Tons of CO2eq	p. 55
	305-2	305-2 Energy indirect (Scope 2) GHG emissions	Scope 2	Tons of CO2eq	p. 55
	305-3	305-3 Other indirect (Scope 3) GHG emissions	Scope 3	Tons of CO2eq	p. 55

### WASTE

GRI Standard	Code GRI	GRI Indicator	DIAM Indicator	Unit	Source
GRI 305: Emissions	306-3	306-3 Waste generated	Hazardous waste	Tons	p. 65
	306-4	306-4 Waste diverted from disposal	Waste collected from client	Tons	p. 65
GRI 306: Waste	306-1	306-3 Waste generated	Total waste generated	Tons	p. 65
			Of which sent to treatment*	Tons	p. 65
	306-2	306-2 Management of significant waste-related impacts	Recycling rate	%	p. 65
			Countries with an industrial site where a circular economy chain has been developed	%	p. 65

### SUPPLIER

GRI Standard	Code GRI	GRI Indicator	DIAM Indicator	Unit	Source
GRI 308: Supplier Environmental Assessment	308 - 1 308 - 2 414 - 1	308-1 New suppliers that were screened using environmental criteria	Suppliers which have gone through a CSR risk analysis	Number	p. 41
			Targeted suppliers that have gone through a CSR assessment (e.g. questionnaire)	%	p. 41
			Targeted suppliers which have gone through a CSR on-site audit (in turnover)**	%	p. 41
		414-1 New suppliers that were screened using social criteria	Audited/assessed suppliers engaged in corrective actions	Number	p. 41
			Targeted suppliers with contracts that include clauses on environmental, labor, and human rights requirements	%	p. 41

### SAFETY

GRI Standard	Code GRI	GRI Indicator	DIAM Indicator	Unit	Source
GRI 403: Occupational Health and Safety	403-1	403-1 Occupational health and safety management system	Frequency rate	%	p. 36
			Severity rate	%	p. 36
	403-2	403-2 Hazard identification, risk assessment, and incident investigation	Operational sites for which an employee health & safety risk assessment has been conducted	%	p. 37
	403-5	403-5 Worker training on occupational health and safety	Average hours of safety training per year per employee	%	p. 37

WORKING CONDITIONS

GRI Standard	Code GRI	GRI Indicator	DIAM Indicator	Unit	Source
GRI 404: Training and Education	404-1	404-1 Average hours of training per year per employee	Training hours per employee	Hours	p. 35
	404-2	404-2 Programs for upgrading employee skills and transition assistance programs	Unique people trained	%	p. 35
			Career evaluation of targeted employees	%	p. 35
GRI 405: Diversity and Equal Opportunity	405-1	405-1 Diversity of governance bodies and employees	404-3 Percentage of employees receiving regular performance and career development reviews	%	p. 35
			% of women at management position by entities	Number	p. 38
			% of women at executive committee	Number	p. 38
GRI 406: Non-discrimination	406-1	406-1 Incidents of discrimination and corrective actions taken	Diversity of governance bodies and employees	%	p. 38
			Complaints incurred during the year regarding harassment	Number	p. 28
GRI 410: Security Practices	410-1	410-1 Security personnel trained in human rights policies or procedures	Whistleblowing alerts received during the year	Number	p. 28
			Operational sites that have been subject to human rights reviews or human rights impact assessments*	Number	p. 37
GRI 413: Local Communities	413-1	413-1 Security personnel trained in human rights policies or procedures	SA8000 certified sites	Number	p. 37
			413-1 Operations with local community engagement, impact assessments, and development programs	%	p. 38
			Total of disadvantaged people	%	p. 38
			Of which disabled personS	%	p. 38

ANTI-CORRUPTION

GRI Standard	Code GRI	GRI Indicator	DIAM Indicator	Unit	Source
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	% of all operational sites for which an internal audit / ethics risk assessment has been carried out	%	p. 28
	205-2	Communication and training about anti-corruption policies and procedures	% of the total workforce trained on specific ethical issues	%	p. 28
	205-3	Confirmed incidents of corruption and actions taken	Number of confirmed incidents of corruption	Number	p. 28
			Number of confirmed information security incidents	Number	p. 28

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. Each year through its annual Communication On Progress (COP), DIAM renews its commitment to the Global Compact ten principles.

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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 BAQLEY CEO Mass Market	Raphaële BRIAND HR Director	Thierry CHETAILLE CFO
Louis DUPÉRÉ CEO Americas	Stéphane Michel GROSJEAN CEO Asia	Françoise RAOUL-DUVAL Group CEO
Claire Marie PEDERSEN President D3	Davide RUSSO COO Mass europe	Cyril CABARET CEO prestige europe (VM)
Emmanuelle SAUCIER VOISIN MD shopfitting	Eric TOLLEMER MD Prugent & Sales animation APAC	Jonathan MIHY MD packaging division
Pascal LEMAN COO Americas		





**DIAM GROUP**

1 Rue Chappe - 78130 Les Mureaux - France

[DIAMINTER.COM](http://DIAMINTER.COM)

[contact@diaminter.com](mailto:contact@diaminter.com)