

**WE SUPPORT**



# **COMMUNICATION ON PROGRESS**

## **2020**

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





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# Foreword from the CEO

## What a year in 2020!

It started off with a terrible bushfire in Australia, then came the Covid-19 pandemic, many “natural” disasters, including fires in Brazil, Portugal, France, California, more cyclones in Asia, earthquakes in Turkey and Japan, political and social crisis in many countries, India, HK, Tunisia, Poland (...). Then related economies collapsing, job losses at a peak, major crisis for many segments like Hospitality and Retail. We were in those very touched areas, socially and economically wounded.

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

### What is the relation between bushfires and retail?

First, luckily our employees did not get directly impacted by the first waves of the pandemic. We did our best to support them and rapidly enforce safety measures. But our business got severely impacted and we had to take measures to adapt to the new situation. Second, everything is linked: each year climate change gets more visible and impacts more directly our lives, the lives of our employees, their families, and lives everywhere around the globe, starting with the weakest.



We must act, strongly. And what better place to act than in our own business? At DIAM, we are fortunate to keep serving, and have been for almost 50 years, the most prestigious brands. Many of these brands are at the spearhead of climate and social action. It is our honor to join them in this endeavor.

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

In this 2020 Communication on Progress, we share in detail the results of our actions. But what matters is not necessarily reflected by dozens of KPI. What is key is our commitment to do what is right and contribute -at our modest scale- with our prestigious clients and the entire retail and POS eco-system to inventing together the retail of tomorrow. A positive retail.

We have this responsibility. We have this opportunity.

Françoise Raoul-Duval, CEO

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

## OUR MISSION

**At the heart of everything we do since 1973.**

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

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

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

-We provide Merchandising solutions for all types of distribution

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

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

## KEY FIGURES

**2517** employees, 46% women, 54% men

**94%** of renewable electricity

**53%** of DIAM employees have received at least one training in 2020

**83%** of DIAM employees are covered by formally elected employee representatives

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

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

Since 2012, DIAM has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment, and anti-corruption. By this COP 2020, DIAM renews its commitment to the Global Compact ten principles.

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

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

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

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

**Principle 5:** The effective abolition of child labour; and

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

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

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

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

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



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CEO Mass Market



Raphaèle Briand  
HR Director



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CEO Asia



Françoise Raoul-Duval  
Group CEO



Michel Vaissaire  
Group Chairman



# 1. Governance

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

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

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

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

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

## 2. Labor Practices & Human Rights

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

### 2.1. Employee health and safety

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

#### *Health and safety risk assessment*

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

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

The health and safety management system follows SA 8000 and ISO 45001 best practice and each site is audited internally every 18 months on an audit grid inspired by these standards. (in 2020, internal audits had to be put on hold due to the pandemic). Safety Committees and / or fire-response teams have been formed in the largest plants of the Group. These Safety Committees follow the deployment of a PDCA (continuous improvement "plan do check act") action plan nurtured by internal and external audits, and by site-own risk assessments. Day after day, we liaise between the factory management lines and central CSR team to foster a full safety culture in every DIAM factory.

## 2.2. Working conditions

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

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

## 2.3. Social dialogue

DIAM implements various initiatives regarding social dialogue. There are Unions and / or **employee representatives in 59% of DIAM locations, globally covering 80% of employees**. In countries or locations where specific representation is not in force, the local CSR coordinators serve as communication relays. Furthermore, several communication tools (intranet, newsletter, notice display, verbal announcements from the plant managers and semester communication of financial performance) are implemented to promote transparency and a good social climate.

In spite of the pandemic, various employee representatives elections have been held in 2020, either to renew or to install a new representation, slightly increasing the number of elected representatives with regards to 2019. Fewer meetings have been held, due to the lockdowns.

Indicator	Unit	2016	2017	2018	2019	2020
<b>DIAM employees</b>	FTE	1 855	2 034	2 321	<b>2484</b>	<b>2517</b>
<b>Employee representatives</b>	Number	2	29	49	<b>100</b>	<b>103</b>
<b>Employee Representation meetings done</b>	Number	<i>Not reported</i>	39	147	<b>158</b>	<b>124</b>
<i>DIAM employees covered by formally- elected employee representatives</i>	%	<i>Not reported</i>	49%	57%	<b>78%</b>	<b>83%</b>
<i>DIAM employees covered by represented in formal joint management-worker H&amp;S committees</i>	%	<i>Not reported</i>	<i>Not reported</i>	43%	<b>79%</b>	<b>72%</b>
<i>DIAM employees covered by a collective internal agreement on working conditions</i>	%	<i>Not reported</i>	<i>Not reported</i>	29%	<b>59%</b>	<b>55%</b>
<i>DIAM employees covered by an industry agreement on working conditions</i>	%	<i>Not reported</i>	<i>Not reported</i>	38%	<b>50%</b>	<b>44%</b>

Figure 1: Social dialogue related indicators

## 2.4. Training and career management

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

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

DIAM aims to provide at least one training every year to every employee and an average of 2 days (14 hours) of training per employee per year in average. In 2019, we reached **over 80% of DIAM employees who received at least one training, and 12,8 hours/person, but these numbers dropped in 2020, as with the pandemic very few trainings could be held.**

Indicator	Unit	2016	2017	2018	2019	2020
DIAM employees	FTE	1 855	2 034	2 321	<b>2477</b>	<b>2517</b>
Training hours	Hours	19 115	20 849	30 778	<b>31 729</b>	<b>22 471</b>
DIAM employees received at least one training	FTE	Not reported	Not reported	1 893	<b>2015</b>	<b>1339</b>
	%	Not reported	Not reported	82%	<b>81%</b>	<b>53%</b>
Number of training hours by FTE	h/FTE	10,3	10,2	12,9	<b>12,8</b>	<b>8,9</b>
Number of training hours by trained employee	h/pers	Not reported	Not reported	16.3	<b>15.7</b>	<b>16,8</b>

Figure 2: Training related indicators

### *Regular assessment of individual performance*

Individual annual reviews have been implemented since 2013. In 2020, such reviews have been conducted for 81% of the target people (i-e employees with the type of work that make it relevant to have a yearly appraisal. Reported to the full number of DIAM employees, the number of appraisals is of 35% of DIAM employees). These reviews go through various criteria including client relationship management, international skills, and management skills.

“People reviews” of high potential employees are organized on an annual basis at Board level by the HR Director. The assessment of the high potentials is based on a profile grid established by the HR department to maximize the homogeneity of the appreciation methods. It is followed up by individual meetings. Every 18 months, the network of high potentials is fostered by a strategic convention during which they gather and spend two days to increase cooperative work.

Indicator	Unit	2016	2017	2018	2019	2020
<b>Number of career management evaluations performed regarding this year (done year after)</b>	Number	36	252	765	<b>1006</b>	<b>819</b>
<b>% of TARGET employees who had a career evaluation w. ref. prev. year</b>	%	N/R	82%	75%	<b>84%</b>	<b>81%</b>
<b>% of employees who had a career evaluation w. ref. prev. year</b>	%	2%	12%	33%	<b>40%</b>	<b>35%</b>

Figure 3 : Career management related indicators

### Policy to give priority to internal recruitment

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

### Skills development training

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

Indicator	Unit	2016	2017	2018	2019	2020
<b>Training hours on safety</b>	Hours	0	737	16 522	<b>15 692</b>	<b>9 381</b>
<b>DIAM employees received at least one training on Health and Safety</b>	FTE	Not reported	Not reported	1 504	<b>1448</b>	<b>935</b>
	%	Not reported	Not reported	65%	<b>58%</b>	<b>37%</b>
<b>DIAM employees received at least one training on ethics</b>	FTE	0	118	841	<b>808</b>	<b>745</b>
	%	0%	5%	36%	<b>33%</b>	<b>30%</b>
<b>DIAM employees received at least one training on eco-design</b>	FTE	0	0	83	<b>39</b>	<b>208</b>
	%	0%	0%	4%	<b>2%</b>	<b>8%</b>
<b>DIAM employees received at least one training on job position skills</b>	FTE	Not reported	Not reported	Not reported	<b>994</b>	<b>656</b>
	%	Not reported	Not reported	Not reported	<b>40%</b>	<b>26%</b>
<b>DIAM employees received at least one training on foreign language</b>	FTE	Not reported	Not reported	Not reported	<b>94</b>	<b>86</b>
	%	Not reported	Not reported	Not reported	<b>4%</b>	<b>3%</b>
<b>DIAM employees received at least one training on discrimination and human rights violations</b>	FTE	Not reported	Not reported	Not reported	<b>0</b>	<b>340</b>
	%	Not reported	Not reported	Not reported	<b>0%</b>	<b>14%</b>

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

## **2.5. Child labor, slavery and human trafficking**

DIAM prohibits any form of forced or compulsory labor. Our policy is based on the SA8000 standard and our adherence 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 labor standards and the prohibition of the use of forced labor and child labor in all operations.

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

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

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

## **2.6. Discrimination and harassment**

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

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

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

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

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

- In DIAM “D3” USA, supporting men’s and women’s health issues has become part of the D3’s annual calendar. Employees and temporary agency workers alike participate every year in October’s Wear Pink Day to raise awareness and funding on breast cancer, and “Movember”, which raises funds and awareness every November on prostate cancer. D3 also supports local universities and food pantries.
- DIAM Brazil is well involved with its local communities in the neighborhood.
- It organizes BBQ parties with families and kids and tends to propose “reuse” solutions for some of the furniture it collects back from stores once they are anonymized and ready for a second life. Other initiatives include favoring hiring from low-income areas.
- DIAM Yzeure has a longstanding partnership with a social inclusion workshop for both production and postconsumer dismantling.
- In 2019, DIAM Poland has further developed its agreement with a local prison to ‘re-socialize ‘offenders through work. The employees also raised money for a polish NGO which helps children with special needs.
- In the UK, DIAM very actively partners with RNIB and Remploy, two NGOs to recruit disabled employees or help the work and social inclusion of people with difficulties.
- DIAM Display China sponsors young girls from Chinese minorities with the NGO “Couleurs de Chine” to provide them access to school.

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

Indicator	Unit	2016	2017	2018	2019	2020
Long-term unemployment hires	FTE	56	25	15	9	8
People with disabilities	FTE	39	45	42	42	43
Occupational disease employees	FTE	16	18	6	3	3
Refugees hires	FTE	0	2	0	0	1
Senior hires	FTE	20	22	16	19	21
Army veteran hires	FTE	0	0	11	8	5
Other vulnerable people	FTE	2	17	4	1	0
Underprivileged area employees	FTE	15	26	25	33	16
Subcontracted and Agency Social inclusion jobs	FTE	19	48	Not reported	Not reported	0
Agency Social inclusion jobs	FTE	Not reported	Not reported	47	44	42
Subcontracted Social inclusion jobs	FTE	Not reported	Not reported	45	37	27
<b>TOTAL</b>	<b>FTE</b>	<b>167</b>	<b>203</b>	<b>212</b>	<b>196</b>	<b>166</b>
<b>Percentage on Workforce</b>	<b>%</b>	<b>9,0</b>	<b>7,3</b>	<b>6,8</b>	<b>6,1</b>	<b>5,8</b>
Percentage on in top executive positions excluding boards of directors (estimated)	%	Not reported	Not reported	Not reported	0	Not reported

Figure 5 : Diversity related indicators



Indicator	Unit	2016	2017	2018	2019	2020
<b>Total number of hours worked</b>	Number	3 921 385	5 751 856	6 910 397	6 894 384	5 662 695
<b>Number of lost time injury events</b>	Number	42	63	50	44	37
<b>Number of days lost due to injuries</b>	Number	665	1 353	828	832	1 029
<b>Frequency rate<sup>1</sup></b>	Number	10,7	11,0	7,2	6,4	6,5
<b>Severity rate<sup>2</sup></b>	Number	0,17	0,24	0,12	0,12	0,19
<b>hours of safety training</b>	Number	0	737	16 522	15 692	<b>9 381</b>
<b>Average hours of safety training per year per employee</b>	Number	Not reported	Not reported	7,1	6,3	3,7
<b>Operational sites for which an employee health &amp; safety risk assessment has been conducted<sup>1</sup></b>	%	100%	100%	100%	100%	60%
<b>Workforce across all locations represented in formal joint management-worker health &amp; safety committees</b>	%	Not reported	Not reported	<b>43%</b>	<b>79%</b>	<b>72%</b>
<b>Workforce across all locations who are covered by formal collective agreements concerning working conditions</b>	%	Not reported	Not reported	<b>27%</b>	<b>59%</b>	<b>55%</b>
<b>Workforce across all locations who are covered by formally elected employee representatives</b>	%	Not reported	46%	<b>57%</b>	<b>78%</b>	<b>53%</b>
<b>DIAM employees across all locations who received regular performance and career development reviews</b>	%	Not reported	Not reported	36%	40%	35%
<b>DIAM employees (excluding short term contract) across all locations who received regular performance and career development reviews</b>	%	Not reported	Not reported	41% <sup>3</sup>	54%	47%
<b>Employees across all locations who received career- or skills-related training</b>	%	Not reported	Not reported	79% <sup>3</sup>	31%	26%
<b>Operational sites that have been subject to human rights reviews or human rights impact assessments*</b>	%	Not reported	100%	100%	100%	60%
<b>DIAM employed covered by SA8000 certification</b>	%	Not reported	8%	9%	7%	14%
<b>% of women in top executive positions (%)</b>	%	29%	29%	36%	36%	36%

Figure 6 : Human resources related indicators

### Index

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

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

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

### **3. Environment and Customer safety**

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

#### **3.1. Energy Consumption and Greenhouse gases**

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

##### *Reduction of energy consumption through employee's awareness*

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

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

In 2018, DIAM organized a Group-wide "Recycling day" event. That day, all DIAM employees have been invited to learn about climate change and the environment, to share ideas on circular economy, and to act to reduce our environmental impact (materials, waste, water, energy, products...). In 2019, the effort continued differently, through the development of a Point-of-Sale-specific life-cycle Analysis (LCA) tool. This tool has been finalized in 2019 and we started to train the teams to its use and carried-out training on eco-design. In 2020, we accelerated this training by launching a full e-learning training on environment and eco-design.

##### *Purchasing of renewable energy through the electrical grid*

In 2016, taking effect on 1/1/2017, DIAM started to shift to renewable electricity by switching 100% of its electricity consumption in France to renewable. In 2018, DIAM reinforced this action by switching most of sites around the world to renewable electricity. In 2020 we achieved 94% renewable electricity usage and almost 5 400 tons of CO<sub>2</sub>eq. emissions avoided.

Indicator	Unit	2016	2017	2018	2019	2020
<b>Electricity consumed</b>	MWh	<b>18 758</b>	<b>22 568</b>	<b>23 070</b>	<b>22 724</b>	<b>19 137</b>
<b>Renewable Electricity consumed</b>	MWh	0	9 143	18 988	19 880	17 958
<b>Share of renewable electricity</b>	%	0	40%	82%	87%	94%
<b>Avoided emissions due to renewable electricity</b>	tCO2eq	0	669	6 600	5 138*	5 357

Figure 7: Electricity related indicators\*To be noticed: despite the improvement in terms of renewable electricity consumed in MWh (especially in Europe), the avoided emissions associated are decreasing for 2 reasons:

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

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

### *Production of renewable energy*

In the beginning 2018, 180kWp of ground panels and then 50kWp additional panels on the roof have been installed on DIAM Brazil sites (see photo below). The powerplant produced 227 MWh of renewable energy in 2020 for the energy network and for the site's activities. At the ending 2020, 59% of the DIAM Brazil electricity consumption come from this powerplant and saved 31 tons of CO2eq.



Table 1: Power plant at DIAM BRAZIL

### *Reduction energy consumption through efficient devices*

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

Furthermore, several DIAM sites (France, China, USA...) installed low consumption lights (LED) in the production areas with significant decreases in electricity consumption whilst maintaining or improving the workshop lighting environment for workers. By this action, we will reduce our consumption by 77 MWh and we will avoid about 50 tons of CO<sub>2</sub>eq. by the end of this project.

## *Process optimization to reduce emissions of GHGs*

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

## *Monitoring of direct or indirect GHG emissions*

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

DIAM had targeted a Group-level yearly decrease of 5% in CO<sub>2</sub>eq. intensity (CO<sub>2</sub>eq. emissions scope 1+2 by euro of sales). In 2020, this objective was replaced by a more ambitious Science Based target approach.

DIAM has committed to the Science Based Targets Initiative at the end of 2019 and got our 1.5°C target validated in January 2021. This initiative will be the most significant contribution to the Sustainable Development Goals (SDGs) number 13: Take urgent action to combat climate change and its impacts.

In 2020, DIAM's Scope 1 decreased by 15%, mainly due to the factory shut downs, and to a lesser extent to efficiency improvement initiatives (better insulation in some factories enforced in 2019 and taking effect in 2020).

Electricity consumed in the Group decreased by 15% also, due to the same lock-down causes. But our scope 2 carbon footprint improved much more as we increased the share of renewable electricity consumed, from 87% in 2019 to 94% in 2020

Indicator	Unit	2016	2017	2018	2019	2020
<b>Gas consumed</b>	MWh	6 683	7 531	8 729	9 117	8 203
<b>Car fleet consumed</b>	MWh	1 928	3 546	4 121	6 152	4 558
<b>Other energy consumed</b>	MWh	0	99	594	645	288
<b>SCOPE 1</b>	tCO <sub>2</sub> eq	2 232	2 981	3 616	3 431	2 918
- <b>Gas consumed</b>	tCO <sub>2</sub> eq	1 631	1 838	2 130	1 705	1 534
- <b>Car fleet consumed</b>	tCO <sub>2</sub> eq	601	1 106	1 286	923	684
- <b>Other energy consumed</b>	tCO <sub>2</sub> eq	0	37	200	191	88
- <b>Direct fugitive emissions</b>	tCO <sub>2</sub> eq	Not reported	Not reported	Not reported	612	612*
<b>Electricity consumed</b>	MWh	18 758	22 568	23 070	22 724	19 137
<b>Of which renewable Electricity consumed</b>	MWh	0	9 143	18 988	19 880	17 998
<b>SCOPE 2 - Location based</b>	tCO <sub>2</sub> eq	5 781	6 743	7 681	6 654	5 953
<b>SCOPE 2 - Market based</b>	tCO <sub>2</sub> eq	5 781	6 074	1 081	1 516	597
<b>Total energy consumed</b>	MWh	27 368	33 744	36 514	38 638	32 187
<b>SCOPE 1 + 2 - Location based</b>	tCO <sub>2</sub> eq	8 012	9 725	11 297	10 085	8 872
<b>SCOPE 1 + 2 - Market based</b>	tCO <sub>2</sub> eq	8 012	9 055	4 697	4 947	3 515
<b>Intensity SCOPE 1 + 2</b>	gCO <sub>2</sub> eq /€	38	27	14,5	14,6	13,9
<b>Intensity SCOPE 1 + 2 variation</b>	%	-10	-29	-46	+1	-12

Figure 8: Energy and GHG direct emissions related indicators

\*Due to lack of data for the "direct fugitive emissions (refrigerant liquids) for 2020, DIAM considered that the CO<sub>2</sub> emissions in 2020 were identical to 2019.

## Measures for Green IT

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

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

Furthermore, DIAM promotes video conferencing to limit travel impact. It was obviously especially true in 2020 with the pandemic and the travel ban that was enforced. We have installed video conferencing equipment in most of Group's sites, and on all the employees' computers.

## Energy audit

Thanks to the monthly monitoring of energy consumption, DIAM identified two sites with high potential of energy savings. In 2019, these two sites represented about 20% of the total energy consumption of the Group. DIAM launched two energy audits on these two sites with the help of an external expert in industrial energy efficiency. The goal was to identify actions to reduce energy consumption and to be able to duplicate these actions on other sites in following years. In 2020 part of the efficiency work on these 2 sites has been delayed due to the pandemic.

## 3.2. Water

DIAM is committed to water resources protection. Our ambition is to decrease our water intensity (water consumption by euro of sales) by 5% every year. In 2020 water intensity has been reduced by 16% vs 2019.

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

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

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

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

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

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

### *Reduction of water consumption through innovative equipment*

To save water resources, DIAM implements different solutions of water reuse. For example, at Yzeure plant, the water circuit of hydraulic presses 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*

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

## Steps to detect and eliminate any groundwater contamination

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

Indicator	Unit	2016	2017	2018	2019	2020
Water consumed	Cubic meter	45 771	49 000	72 199	72 627	56 491
Wastewater produced	Cubic meter	45 771	49 000	72 199	72 627	56 491
Water intensity	liter/kEuro	218	157	235	214	180
Water intensity variation	%		-28	+50	-9	-16

Figure 9 : Water related indicators

### 3.3. Materials, Chemicals and Waste

We estimate materials purchased and waste generated to represent 35% of DIAM total greenhouse gases emissions.

DIAM's material impact primarily come from plastics (decreasing at 56% of the raw material carbon impact in 2020 vs 63% in 2019), but also metals, wood-related materials, electronics, and chemicals. This drop is explained by efforts to switch away from virgin plastics and from a volume and mix effect linked to the pandemic. In 2020, DIAM used 12% recycled plastics vs 6% in 2019, saving over 1100 tons of CO2 equivalent in the process.

In 2019, DIAM generated 2 558 tons of waste from production, of which 60% are sent to recycling overall.

Most of the drop in climate change impact coming from raw materials and end-of-life nevertheless come from a volume effect of over 30%. This means that in the coming years, some of this volume and CO2 impact is likely to come back. DIAM will continue its efforts to decrease its carbon footprint in line with its Science Based Targets engagements.

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

#### *Labelling, storing, handling, and transporting hazardous goods*

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

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



necessary handling measures.

### *Formal timeline defined to reduce consumption of hazardous substances*

The furniture manufacturers are subject to REACH<sup>1</sup> requirements in Europe and DIAM works to continuously improve its REACH reporting capability.

To go further, and in direct link with the precautionary principle, DIAM has the goal to avoid potentially harmful chemicals, and has made important efforts to ban the use of CMR 1A (proven risk) and CMR 1B (alleged risk) and to limit and replace whenever possible the use of CMR 2 (potential risk). To achieve this objective, DIAM developed in 2017 an internal tool to ease the identification, elimination, and replacement of CMR products. This tool is still working in 2020.

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

Eco-design plays a major role in this effort too: glue-free products for instance are a constant aim for DIAM as they enable good recycling rates, be it at production stage (quality or process rejects) and after store life.

Intense work is being done at DIAM to limit waste generation during process through technological improvements, for instance at CNC and laser cutting.

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

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

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

Chemical wastes are handled through specific streams for safe recycling.

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<sup>1</sup> Registration, Evaluation, Authorization and Restriction of Chemicals

### **3.4. Environmental impacts from use of products**

The environmental impact from the use of products comes from in-store electric consumption of POS displays. We estimate this impact to represent 39% of DIAM's total carbon footprint in 2020 (vs. 37% in 2019). This proportion slight increase is due to a mix effect, but the absolute emissions have dropped by 35% in absolute terms, most of it due to volume drop, and part of it due to increased eco-design.

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

### **3.5. Environmental impacts from Products End-of-Life**

Scope 3 indirect emissions of greenhouse gases is by far the main contributor to DIAM's climate change footprint with an estimation of 97% of the total (direct and indirect: scopes 1,2 and 3). 39% came from the use of sold products (electric consumption of POS displays), 34% came from the purchased goods and services (with a majority coming from the plastics purchase), 10% from downstream transportation and distribution, with a notable decrease vs 2019 that is mostly due to the efforts to cut down on air freight. Air freight was identified in 2020 as by far the biggest part in our downstream transport carbon impact, despite being used only in 14% of the tons-km transported. Our efforts, along with our client's helped to decrease to 10% of the total tons-km. Finally, 7% of our carbon impact comes from the end-of-life treatment of sold products (the emissions generated by the products after they are disposed of). This is being improved by the development of services by DIAM to gather and recycled POS displays.

Overall, we have a -38% reduction on our total carbon footprint in 2020 vs 2019. There is a -28% volume effect, consistent with our sales decrease in 2020 due to the COVID pandemic. Nevertheless, we can also start to see the positive impact of efforts towards Science Based Targets carbon reduction, despite 2020 not really being the first year of application of these efforts. (DIAM SBT targets were validated by SBTi in Jan 2021, based on 2019 baseline): we see a 1,1kt CO<sub>2</sub> eq. improvement due to raw materials improvement and recycled plastic usage, and a 8,7kt improvement due to decrease of air freight usage. Other actions are being done and will further give benefits in the upcoming years.

Indicator	Unit	2016	2017	2018	2019	2020
<b>SCOPE 1 + 2 + 3 - Location based</b>	t CO2eq	9 726	168 897	169 561	206 507	131 164
<b>SCOPE 1 + 2 + 3 - Market based</b>	t CO2eq	9 726	168 228	162 961	201 369	125 808
<b>Scope 1+2+3 Market based yoy change</b>				-3%	24%	-38%

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

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

### *Products and packaging designed for easy dismantling and recyclability*

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

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

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

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

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

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

### 3.6. Environmental impacts from Downstream transportation and distribution

The Downstream transport emissions linked to the transport of our finished products to stores is largely driven by the use of air freight for client deliveries. This category of emissions accounted for 15% of our 2019 carbon footprint. Thanks to our efforts to raise awareness to air freight emissions, this category represents now 10% in our 2020 carbon footprint. Even if only 10% of finished products are distributed by air, the impact in terms of emissions accounts for 89% of the Downstream transport.

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

Indicator	Unit	2017	2018	2019	2020
<b>SCOPE 3</b>					
- Purchased goods and services	t CO <sub>2</sub> eq	88 117	84 648	61 945	42 716
- Capital goods	t CO <sub>2</sub> eq	4 440	5 664	4 987	2 169
- Fuel- and energy-related activities	t CO <sub>2</sub> eq	1 960	1 120	2 275	1 987
- Upstream transportation and distribution	t CO <sub>2</sub> eq	2 532	1 529	2 522	1 786
- Waste generated in operations	t CO <sub>2</sub> eq	1 051	1 239	1 361	895
- Business travel	t CO <sub>2</sub> eq	Not reported	687	2 587	258
- Employee commuting	t CO <sub>2</sub> eq	Not reported	3 935	3 899	1 634
- Upstream leased assets	t CO <sub>2</sub> eq		0	0	0
- Downstream transportation and distribution	t CO <sub>2</sub> eq	1 405	1 678	29 272	12 679
- Processing of sold products	t CO <sub>2</sub> eq	0	0	0	0
- Use of sold products	t CO <sub>2</sub> eq	33 324	32 809	73 755	48 769
- End-of-life treatment of sold products	t CO <sub>2</sub> eq	26 344	24 954	13 819	9 401
- Downstream leased assets	t CO <sub>2</sub> eq	0	0	0	0
- Franchises	t CO <sub>2</sub> eq	Not reported	0	0	0
<b>TOTAL SCOPE 3</b>	<b>t CO<sub>2</sub>eq</b>	<b>159 173</b>	<b>158 263</b>	<b>196 422</b>	<b>122 293</b>
<b>SCOPE 1 + 2 + 3 - Location based</b>	<b>t CO<sub>2</sub>eq</b>	<b>168 897</b>	<b>169 561</b>	<b>206 507</b>	<b>131 164</b>
<b>SCOPE 1 + 2 + 3 - Market based</b>	<b>t CO<sub>2</sub>eq</b>	<b>168 228</b>	<b>162 961</b>	<b>201 369</b>	<b>125 808</b>

Figure 11: Scope 3 emissions related indicators

### 3.7. Customer Health and Safety

Since 2015, DIAM had one incident on end-customer's health and safety. For Shop fitting activities, DIAM pay special attention to the structural resistance of our products and to their proper installation when we install them, to avoid any risk of tilting or fall that might result in customer injury. For POS activities, DIAM focuses on electrical safety and quality control. In this way, Diam invested in 2019 in a laboratory to test shock resistance, the ageing of components or assemblies, and several other equipment to verify that a product or material is in conformity with customer and internal safety specifications.

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

Indicator	unit	2016	2017	2018	2019	2020
<b>Numbers of customer health and safety incidents</b>	Number	0	1	0	0	0

Figure 12: Customer health and safety incidents related indicators

### 3.8. Promotion of Sustainable Consumption

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

39% of DIAM's climate change impact comes from the electrical consumption used by products in the stores. DIAM has developed advanced know-how on eco-design, especially on illumination optimization to reduce this impact.

Sites for which an environmental risk assessment has been conducted: we consider the sites that have been audited over an 18 months period. In 2020, due to the COVID pandemic, less audits were performed, passing from 100% in 2019 to 62% in 2020.

Indicator	Unit	2016	2017	2018	2019	2020
<b>DIAM employees across all locations who received training on environmental issues</b>	%	Not reported	Not reported	4%	2%	8%
<b>Sites for which an environmental risk assessment has been conducted</b>	%	Not reported	100%	100%	100%	62%
<b>Operational sites for which a formal environmental management system (EMS) has been implemented</b>	%	Not reported	0%	100%	100%	100%
<b>Percentage of VOC-free glues and varnishes used</b>	%	Not reported	Above 50%	Above 50%	Above 50%	Above 50%
<b>Percentage of items with an indoor air quality label</b>	%	Not reported	0%	0%	0%	0%
<b>Percentage of recycled wood fibre used in production</b>	%	Not reported	Not reported	Not reported	0%	0%
<b>DIAM employees covered by certified ISO14001, EMAS or against other environmental management standard</b>	%	0%	0%	17%	23%	19%

Figure 13: Environmental related indicators

\* Percentage of aqueous based varnishes used: not applicable

## 4. Sustainable Procurement

Full compliance with internationally proclaimed human rights has become a license-to-operate in the purchaser/supplier relationship. We welcome this positive trend. We fully adhere to the UN Global Compact 10 principles. We implement policies, tools and responsible practices to enforce reasonable diligence on all these risks.

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

To push our suppliers in that direction, we request them to sign and commit to a supplier code of conduct to do business with DIAM. We have a full screening and risk assessment methodology (in 2020, more than 300 suppliers have been screen thanks to a new approach when we updated the CSR risk analysis) the and also request them to submit to auto-diagnostic evaluations and when needed to on-site audits to evaluate their compliance with DIAM's commitments and with regulation.

Indicators	Unit	2016	2017	2018	2019	2020
<b>Strategic Suppliers which have gone through a CSR risk analysis</b>	Number	Not reported	Not reported	80	80	324
<b>TOP 10 site suppliers which have gone through a CSR assessment</b>	Number	Not reported	Not reported	30	24	27
	%	Not reported	Not reported	5%	8%	9%
<b>TOP 10 site suppliers which have gone through a CSR on-site audit</b>	Number	Not reported	Not reported	30	22	13
	%	Not reported	Not reported	5%	7%	4%
<b>TOP 10 site suppliers which have signed the supplier code of conduct</b>	Number	Not reported	Not reported	Not reported	77	89
	%	Not reported	Not reported	Not reported	24%	29%

Figure 14: Suppliers related indicators

### 4.1. Social and environmental factors within procurement

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

## DIAM Supplier CSR code of conduct

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

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

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

Indicator	unit	2016	2017	2018	2019	2020
<b>Sites with over 50% of their suppliers who signed the code of conduct</b>	%	Not reported	Not reported	49%	19%	26%
<b>Sites with over 50% of their TOP 10 suppliers who signed the code of conduct</b>	%	Not reported	Not reported	Not reported	28%	32%
<b>% total turnover from suppliers who signed the code of conduct</b>	%	Not reported	Not reported	Not reported	18%	26%

Figure 15: Supplier's code of conduct related indicators

## CSR risk analysis

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

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

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

## Supplier assessment on environmental and social practices

In 2019, DIAM used Ecovadis assessment system to measure the CSR performance of its strategic suppliers in Europe. Ecovadis is a remote documents-based audit of the supplier covering several criteria across environmental, social (human rights), ethical



(corruption) and supplier relation issues, based on international CSR standards and with expert review and feedback.

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

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

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

In 2017, a number of DIAM purchasing teams have been trained to suppliers' audits, environmental and ethical questions. Further efforts have been performed in 2020 with the revision of the CSR risk analysis and a more efficient approach to screening and auditing suppliers.

- Over the past two years, 23 buyers received at least one training on sustainable procurement.
- Over the past two years, 29% of buyers received at least one training on sustainable procurement.

### *On-site audits of suppliers on environmental or social issues*

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

- Over the last year, on-site audits of suppliers have covered about 13% of the Group's strategic suppliers.
- Over the last year, on-site audits of suppliers have covered about 6% of the Group's strategic supplier's procurement spend.
- Over the last year, on-site audits of suppliers have covered about 3% of the Group's strategic suppliers.

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

Indicators	Unit	2016	2017	2018	2019	2020
Strategic Suppliers which have gone through a CSR risk analysis	Number	Not reported	Not reported	80	80	324
TOP 10 site suppliers which have gone through a CSR assessment	Number	Not reported	Not reported	30	24	27
% of total procurement spend which has gone through a CSR assessment or audit	%	Not reported	0%	10%	13%	13%
% of all suppliers which have gone through a CSR assessment	%	Not reported	0%	5%	3%	31%
Buyers at DIAM	Number	Not reported	47	54	74	80
Buyers across all locations who received at least one training on sustainable procurement over the past two years	Number	Not reported	Not reported	16	22	23
Buyers across all locations who received training on sustainable procurement over the past two years	%	Not reported	Not reported	29%	29%	29%
Suppliers which have gone through an CSR on-site audit	Number	Not reported	Not reported	30	22	13
% of total procurement spend which has gone through a CSR on-site audit	%	Not reported	Not reported	10%	10%	6%
% of all suppliers which have gone through a CSR on-site audit	%	Not reported	Not reported	5%	7%	3%

Figure 16: Sustainable procurement related indicators

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

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

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

Nevertheless, we closely monitor this target with our local purchasing teams as we have found occurrences in which certified wood meant stopping local supply which was previously considered "safe" and going to overseas supply of less controlled origin except for their certification. DIAM will pay extra attention to this situation in the coming years to evaluate its true benefits and risks.

Indicator	Unit	2016	2017	2018	2019	2020
Wood purchased from FSC certified suppliers	%	Not reported	Not reported	67%	55%	58%
Paper and cardboard purchased from FSC certified suppliers	%	Not reported	Not reported	24%	74%	74%
Total raw materials purchased from FSC certified suppliers	%	Not reported	Not reported	43%	68%	67%
Recycled wood or wood-based products/materials (estimated)	%	Not reported	Not reported	Not reported	0%	0%

Figure 17: FSC certified related indicators

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

## 5. Fair Business Practices

### 5.1. Anti-corruption and bribery

#### *Prevention of corruption and bribery*

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

This monitoring system consists in:

- A corruption and bribery risk assessment conducted in 20 by an independent third party over the entire DIAM business scope. This corruption risk assessment will be conducted every 3 years.
- A specific action plan on areas identified as high risk of corruption has been carried out (for example: supplier audits).
- An awareness training performed to prevent corruption and bribery based on the e-learning tool of Global Compact (The Fight against Corruption) has been deployed on 20% of employees over the past three years (500 employees), focused on critical positions like purchasing, sales and management. The total training time on anti-corruption reach 750 hours.
- A code of conduct was established and is signed by all managers and employees. The code of conduct is integrated into the contractual relation between DIAM and its employees and disciplinary sanctions may apply for non-compliance.
- An ethics alert procedure (Whistleblowing mechanism) is available to all employees and visitors to report any issue regarding corruption and bribery.

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

#### *Sensitive transactions and charity-related actions*

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

Indicator	Unit	2016	2017	2018	2019-12	2020
DIAM employees	FTE	1 855	2 034	2 321	2 477	2517
DIAM employees who received training on business ethics issues	FTE	Not reported	181	881	802	745
% of Diam employees who received training on business ethics issues	%	Not reported	9%	36%	33%	30%

Figure 18: Business ethics issues related indicators

## 5.2. Information security

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

- A dashboard to follow information security risk assessments performed. Since June 2021, all users 'employees are trained to Cyber Risk and Phishing by following an online training with "avantdecliquer.com".
- An awareness communication to prevent information security breaches (Think before you click).
- An automatic backup of the information (email and attachment) in a protected server.
- An alert procedure (Whistleblowing) for all employees to report information security concerns and a response procedure to manage breaches of confidential information.
- At IT level, 2 dedicated Whatsapp group were created to be able to give an alert even if an attack has broken all our communication channel.

Furthermore, the Group IT department and those procedures are certified by quality standard (ISO 9001) which guarantees the respect of the property and the protection of the customer information. Since May 2021, all IT partners must sign an NDA with special chapters about Cyber risk and confidentiality.

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

Indicator	Unit	2017	2018	2019	2020
Operational sites for which an internal audit/risk assessment concerning business ethics issues has been conducted*	%	100%	100%	100%	60%
Cases of business ethics related violations reported	Number	Not reported	Not reported	0	0
Confirmed incidents or legal actions related violations reported	Number	Not reported	Not reported	0	
Operational sites with an information security management system (ISMS) certified to ISO 27000	%	0%	0%	0%	0%
Operational sites with certified anti-corruption management system	%	0%	0%	0%	0%

Figure 19: Fair business practices related indicators

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

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

## 6. Methodology

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

### *Scope*

Reporting covers all operations sites and commercial offices with more than 10 employees. Acquisitions of entities made during a calendar year (N) are integrated in the following calendar year reporting (N+1) and their (N+1) performances are disclosed during year N+2. There was no acquisition in 2020.

### *Guidelines*

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

### *External assurance*

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

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



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