

#4

ON THE ROAD TO REGENERATION

THE EXAMPLE OF **DIAM**



LE LABORATOIRE D'IDÉES POUR LES PME ET ETI

EDITORIAL

SME AND MID-CAP COMPANY LEADERS FACE THE CHALLENGE OF TRANSFORMING THEIR BUSINESS TO ALIGN WITH ENVIRONMENTAL ISSUES. BPIFRANCE LE LAB'S MISSION IS TO HELP BUSINESS LEADERS MOVE FROM CONVICTION TO ACTION.

BREAKING DOWN CONCRETE CASES OF PIONEERING COMPANIES TAKING ACTION

After analyzing the cases of 15 low-carbon transition companies in previous studies, Bpifrance Le Lab continues to explore ecological transition models to inspire business leaders. In this case study series dedicated to the regenerative economy, the authors examine four companies* aiming to become "regenerative" following their participation in the program offered by the Convention des Entreprises pour le Climat (CEC). To assess this "regenerative" transformation, an analytical framework based on five dimensions, each broken down into specific actions, was developed in collaboration with the Convention des Entreprises pour le Climat and Lumia, a research-action center on the regenerative economy, drawing inspiration from their work¹.

WHAT ARE THE DIFFERENCES BETWEEN A REGENERATIVE APPROACH AND A CSR POLICY?

- The tools and approach of CSR (documented by the ISO 26000 standard (2010)) primarily aim at reducing the negative impacts of a company's activity on the environment and society, by highlighting the interdependencies between these spheres; CSR only partially encourages positive actions for society and the environment.

- The regenerative approach places the company within the environment it depends on, prioritizing it, and aims for a "net" positive impact on both the environment and society, going beyond carbon neutrality. The regenerative ambition seeks to restore the ecosystem services that support living conditions on Earth (water cycle, biodiversity, climate regulation, etc.) and to renew natural resources².

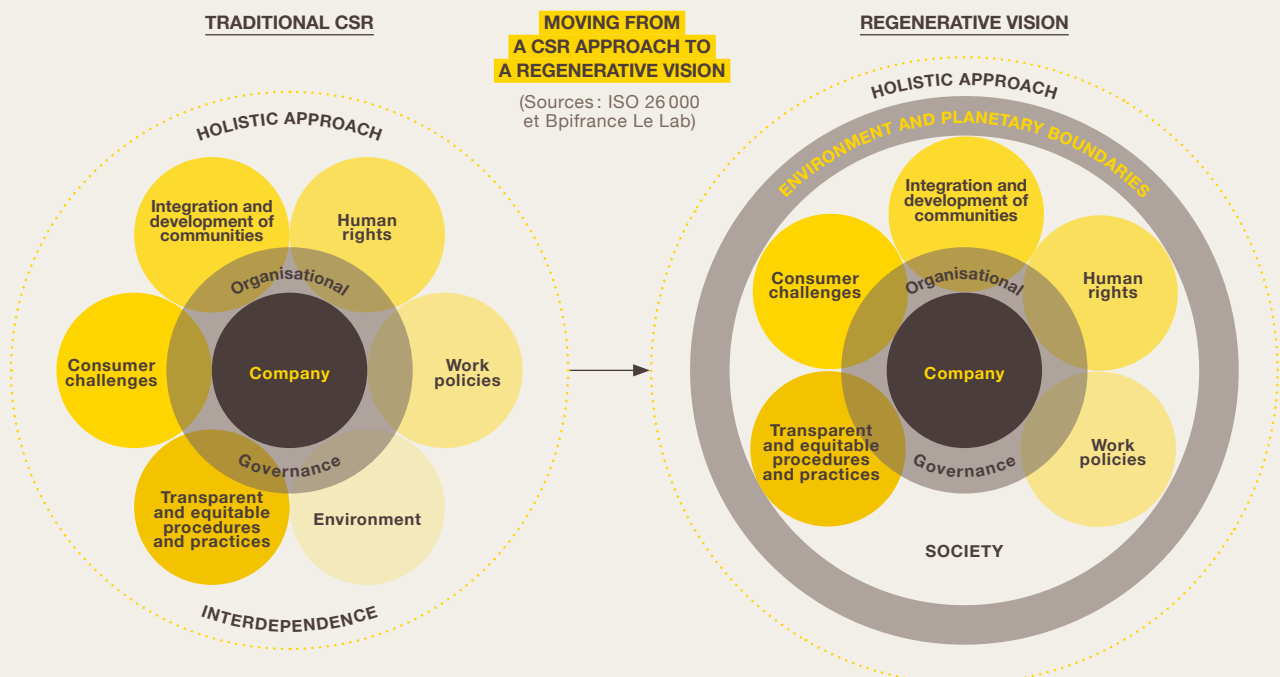
- Regeneration stimulates the re-design and innovation of the business model as well as the way value is created and shared, because producing while regenerating presents a new challenge: how to produce and regenerate the natural resources being used at the same time?

WHY PLACE THE COMPANY AT THE HEART OF THE ENVIRONMENT AND SOCIETY RATHER THAN IN INTERDEPENDENCE?

- Because economic activities are embedded within the ecological and social foundations on which they depend. The "wedding cake" representation proposed by Johan Rockström from the Stockholm Resilience Center for the Sustainable Development Goals shows the interdependence of ecological, social, and economic systems. If the ecological foundation, which is the base, weakens, everything else weakens too (society and the economy).

- Because 50% of the world's GDP depends on biodiversity.³ The loss of biodiversity has been ranked as the third most serious threat that humanity will face the next 10 years.⁴ This new approach aims to guide companies on a new path, to anticipate environmental challenges, reinvent business models, create value differently, and ensure the long-term sustainability of their activities.

*The criteria used to select the companies are as follows: size (SME/mid-cap); the leader's expressed intention to become a regenerative company by 2035; maturity of the CSR policy (presence of certifications, labels, life cycle analysis, and carbon footprint already conducted); participation in the Convention des Entreprises pour le Climat; type of clients (2 in B-to-B and 2 in B-to-C); companies in the industry whose offerings do not provide direct solutions to the ecological transition.



1 - Report of the Climate Enterprise Convention (CEC): cec-impact.org/ressource/rapport-final-de-la-premiere-convention-des-entreprises-pour-le-climat/
 2 - www.ofb.gouv.fr/pourquoi-parler-de-biodiversite/la-biodiversite-cest-toute-la-vie/ / 3 - World Economic Forum (Davos Forum), article dated 19 January 2020: www.weforum.org/press/2020/01/half-of-world-s-gdp-moderately-or-highly-dependent-on-nature-says-new-report, Article du 7 février 2023 www.weforum.org/agenda/2023/02/biodiversity-nature-loss-cop15/ / 4 - 17th edition of the Global Risks Report 2022, World Economic Forum

THE TRANSFORMATION TO A REGENERATIVE APPROACH IN THE COMPANY

| | OBJECTIVES | EXPLANATION AND EXAMPLES |
|--|---|--|
|  <p>LOOK BEYOND CLIMATE CHANGE AND UNDERSTAND THE COMPLEXITIES</p> | #1 Take a systematic approach | Understand all the environmental challenges (including biodiversity, climate, water, the nitrogen and phosphorus cycles, pollution, which represent the planetary boundaries defined by Johan Rockström from the Stockholm Resilience Center) and their interdependence, having a holistic and integrative vision. |
| | #2 — Generate net positive value for stakeholders, natural ecosystems and society | Seek substantial positive impact beyond shareholders and end customers, benefiting society and the environment. |
| | #3 To be able to set limits, to make sacrifices | Discontinue unsustainable activities or products. Move away from a "there is always more" mentality, which conflicts with finite resources and a low-carbon trajectory. |
|  <p>RECONNECT WITH LIVING SYSTEMS THROUGHOUT THE VALUE CHAIN</p> | #4 Strengthen the ecosystem's regulating and supporting services | Have a positive impact on natural ecosystems, on biodiversity through land renaturation, or through natural production processes (e.g., phytoremediation), nature-based solutions, or through sourcing with practices such as permaculture or agroforestry, for example. |
| | #5 Strike a balance between performance and robustness | Seek more modular, redundant solutions, if needed, to gain resilience and robustness, moving away from performance models that have a negative impact on nature (e.g., dispersed value chains). |
| | #6 Use bio-assimilable molecules | Use bio-based, biodegradable, compostable materials, with zero pollutants and toxicity for water, soil, air, living organisms, and directly assimilable by biological cycles. |
|  <p>DEEPLY TRANSFORM THE BUSINESS MODEL</p> | #7 Drastically reduce the use of raw materials and energy | Strive for moderation in production processes by moving towards service-based models focused on use or performance (rather than on ownership), or collaborative models centered around usage, on-demand without stock... |
| | #8 Be circular by design | Close production loops and make waste a resource, use reverse logistics (customer return management). |
| | #9 Be anchored locally | Promote short supply circuits and short logistics chains, or encourage local networks. |
|  <p>DEVELOP A RANGE OF PRODUCTS OR SERVICES COMPATIBLE WITH LIFE</p> | #10 Be moderate and multi-functional | Seek energy- and resource-efficient solutions through eco-design, low-tech, modularity, reparability, reuse, multifunctionality, shared usage, extended lifespans, and biomimicry... |
| | #11 Create reciprocal and co-evolutionary relationships based on cooperation | Create offerings where the consumer/user is an active participant and co-constructs demand with the company; build customer loyalty and personalize offerings; create connections and align interests; collaborate within value chains to innovate across sectors. |
|  <p>PUT PEOPLE AT THE HEART OF TRANSFORMATIONS</p> | #12 Share monetary value with stakeholders and for the common good | Propose employee shareholding models in governance; share monetary value throughout the value chain (e.g., the "C'est qui le patron" brand); create endowment funds or shareholder foundations; invest in renaturation projects in the local area; create cooperative models. |
| | #13 Create revitalizing relationships | Adopt cross-functional organizational models or shared governance; promote the expression of everyone's potential, inclusion, diversity, and cohesion among stakeholders. |



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COMPANY PRESENTATION

DIAM is one of those companies actively working to reduce their environmental footprint and is convinced of the urgent need to act in favor of life. To date, DIAM has made commitments, taken actions, and achieved results in reducing impacts, positioning itself as a CSR leader in its market. However, it does not wish to present itself as a "regenerative" company or one "on the path to regeneration," as this roadmap is not yet fully developed. That said, DIAM aims to push its socio-ecological transition as far as possible.

We thought it would be useful to evaluate its approach through the lens of regeneration, to draw lessons that can be helpful to anyone interested in strong sustainability approaches in general, and regenerative practices in particular.

A partner to luxury and beauty Houses and Brands for over 50 years, DIAM Group offers consulting and design services in Retail and Merchandising, creates and produces merchandising elements (furniture, display units, etc.), and provides store layout solutions. The company also designs and produces high-end packaging and offers digital solutions to enhance the in-store customer experience. Initially founded in France and expanded through an acquisition in the United Kingdom, the company then internationalized (from 2006 to 2015) to support its European clients in the Asia-Pacific (APAC) region and the Americas, before pursuing an aggressive strategy to develop its portfolio and broaden the range of services offered to clients. All products are designed and manufactured at DIAM's various factories around the world, most often in a "Local to Local" model. The service offer is also developing to meet the requirements of beauty (perfumes, care and make-up products, etc.) and luxury brands (watchmakers, jewellers, fashion, wines and spirits).

A WORD FROM

**FRANÇOISE
RAOUL-DUVAL,**
CEO

For over 10 years, DIAM has pursued a sustainability strategy. In 2019, we aligned our carbon trajectory with the SBTi 1.5°C target (-46% by 2030). Our participation in the Climate Business Convention in 2021 pushed us to be even more ambitious, socially and environmentally, including reconsidering our business models. We are implementing the necessary changes with a strong scientific foundation (Life Cycle Assessments, eco-design, measurement), focusing on training and engaging our teams, and collaborating with key industry stakeholders (partners, clients, suppliers...).

COMPANY PRESENTATION

| | |
|---|--|
| YEAR OF ESTABLISHMENT: 1973 | GLOBAL FOOTPRINT: 20 countries through 30 factories |
| SECTOR OF ACTIVITY: Design, manufacture and installation of displays and complete shop-fitting solutions for the Luxury and Beauty sectors. | REVENUE: €403 million (2023) |
| WORKFORCE: 3,300 employees (2023) | 2024 OWNERSHIP STRUCTURE: Leveraged buy-out (LBO) private equity with managers who are owners and majority shareholders along with several partnership funds Number of shareholders: 150 |

PEOPLE INTERVIEWED AS PART OF THIS CASE STUDY:



**FRANÇOISE
RAOUL-DUVAL**
CEO



**MATHIEU
PARFAIT**
RSE Director

ENVIRONMENTAL CHALLENGES IN THE MERCHANDISING SECTOR



The luxury and beauty sector is particularly influenced by representations that encourage creativity, storytelling, and desirability. By definition, luxury is closely tied to quality, rarity, and excellence. Luxury brands and houses are therefore active on sustainability issues. They also measure the impact of their activities on climate urgency, particularly regarding carbon, water, and wood footprints. Several houses are taking the lead and wish to contribute, at their level, to initiatives promoting greater sustainability. Today, one of the sector's challenges is to balance the need for stores to use displays and layouts to enchant spaces, create emotions, and boost sales, with the requirement to adopt a sustainable approach, often through eco-design. The merchandising elements (furniture, display units, posters, pop-up stores, etc.) produced by DIAM to showcase luxury and beauty brands have a variable lifespan (from 3 months to 10 years) and are renewed based on the decisions of the brands' marketing departments. The furniture is typically made from multiple materials, including plastic, cardboard, wood, metal, and lighting components. The furniture often consumes electricity for lighting. The most significant impact factors are the raw materials used and electricity consumption during the in-store lifecycle.

PROCUREMENT OF RAW MATERIALS

Seeking to reduce the impact that its activity has on the environment, DIAM has decided to improve its procurement processes:

With recycled plastic:

- One way in which DIAM is reducing its impact on the environment is through its goal to incorporate 80% recycled plastics into its products by 2030.
- It has also set up a circular economy service for its customers, enabling it to reduce the impact of its furniture and access a source of secondary raw materials.

It sources wood from sustainably managed forests which traps carbon for a long period time:

- For DIAM, wood is the raw material closest to the "living sphere". DIAM's goal is to purchase only certified wood (FSC or PEFC) by 2025, but the company also aims to go further by influencing upstream forestry practices toward even more virtuous approaches.

The wood used in the production of display units faces several challenges. To achieve a regenerative goal, three major conditions must be considered:

- The management of forests, ensuring that the wood comes from certified forests where the operator takes into account the sustainable management of the forest through diverse replanting actions.
- The actual durability of the wooden object: if the wood is used to create a short-lived product and is not recycled at the end of its life, the carbon consumed by using the wood exceeds the amount the tree could have absorbed and trapped.
- Use of highly processed wood (MDF, melamine, laminated, etc.): this potentially deprives the panels of the environmental benefits of the raw material, considering the energy intensity of their manufacturing and the co-products added (e.g., binders, adhesives, varnishes, etc.).

5 - POS: point-of-sale advertising. The acronym 'POS' refers to all the communication media used at points of sale to promote brands, sales messages and products.

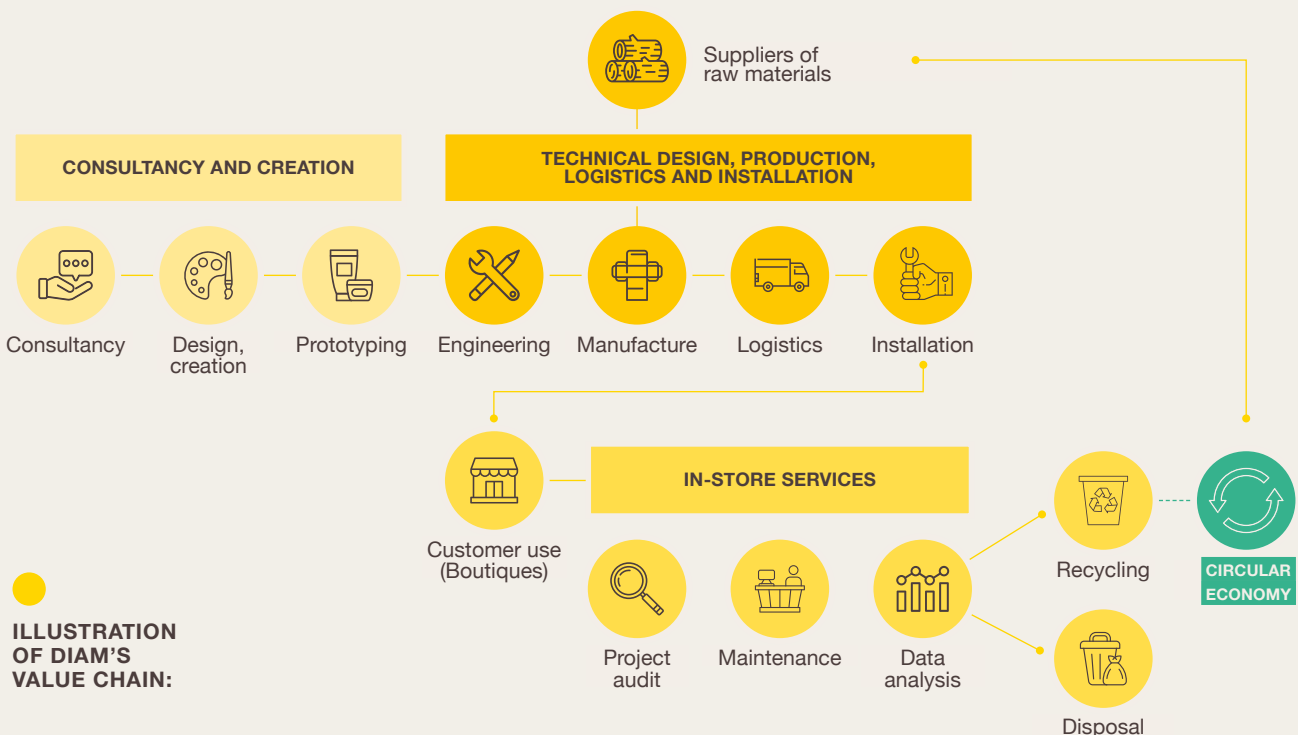


ILLUSTRATION
OF DIAM'S
VALUE CHAIN:

CHANGE MANAGEMENT AT DIAM: MOVING FROM A LINEAR TO A CIRCULAR MODEL AND CREATING POSITIVE RETAIL



1ST MILESTONE: 2012

A member of the United Nations Global Compact since 2012, transparency and business ethics are key issues for DIAM, alongside third-party evaluations. The group has been committed for over 10 years to implementing a CSR strategy focused on various initiatives (such as, for example, reducing energy consumption and developing renewable energy, assessing the environmental quality of products through the first life cycle assessments (LCAs), and eco-designing its furniture).

2ND MILESTONE: 2022

At the end of its journey with the CEC in 2022, DIAM defined a strategic transformation roadmap with new ambitions for 2030. In this process, two main areas of focus were identified as key drivers of the transformation:

1 — Reducing the negative environmental impacts of products by developing eco-design, circular economy practices, and shifting its business model towards usage, alongside service-based offerings.

2 — Aiming to generate positive social impacts by ensuring its wood sourcing contributes to carbon capture and biodiversity development.

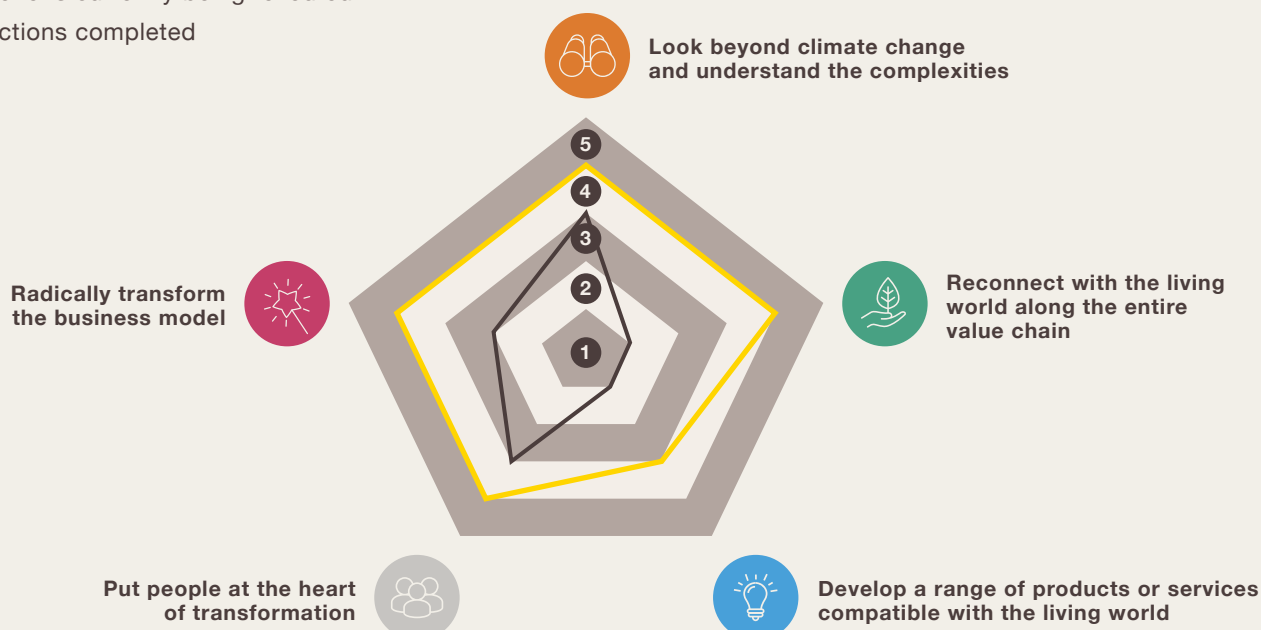


To better understand DIAM's transformation project, the analysis delves into each dimension and details the nature of ongoing or upcoming initiatives.

DIAM'S AMBITION ACROSS THE FIVE DIMENSIONS OF THE REGENERATIVE APPROACH:

— in 2023
— in 2030

- 1 No actions
- 2 Actions in the planning stage
- 3 Actions in the initial stage
- 4 Actions currently being rolled out
- 5 Actions completed





LOOK BEYOND CLIMATE CHANGE AND UNDERSTAND THE COMPLEXITIES

#1 TAKE A SYSTEMATIC APPROACH

DIAM has now adopted a more systematic approach by incorporating biodiversity and strengthening ecosystem services into its considerations. Several actions are particularly noteworthy in this context:

- Since 2018, DIAM has based its eco-design efforts on a multifactorial approach that integrates all elements of environmental impact (CO₂, biodiversity, toxicity, resource scarcity, water, etc.) through the inclusion of life cycle analysis experts in DIAM's teams and the development of a proprietary tool. Around thirty project managers worldwide are now capable of conducting these LCAs, under the supervision of lead experts.
- In 2024, DIAM reaffirmed its commitment to biodiversity by joining the

"Act4Nature" initiative which will prepare the company for its commitment to SBTN⁸ in a few years.

By addressing these issues, DIAM reduces the risk of shifting the problem, which may occur with an approach solely focused on greenhouse gas reduction targets. This is what Bpifrance Le Lab refers to as "the paradox of wanting to do good" in its study "SMEs and Mid-Caps Facing the Climate Emergency," which explains that a focus only on climate can obscure other environmental challenges. The link to the study can be found below⁹.

- The first biodiversity impact assessment was carried out by DIAM between 2021 and 2022. DIAM Group's biodiversity footprint in 2021 (equivalent to 48.4 million PDF/km²/year¹⁰) is broken down below. This assessment allows DIAM to prioritize its socio-ecological transition efforts:

More broadly, DIAM's systemic approach is also reflected in its desire to collaborate with various stakeholders in its supply chain (clients, suppliers, local actors), as well as within the sector, to engage them in a shared project. In particular, DIAM is working to **create a specific recovery and recycling stream for display units, especially those that are small and made of plastic, few of which are correctly recycled, if recycled at all.**

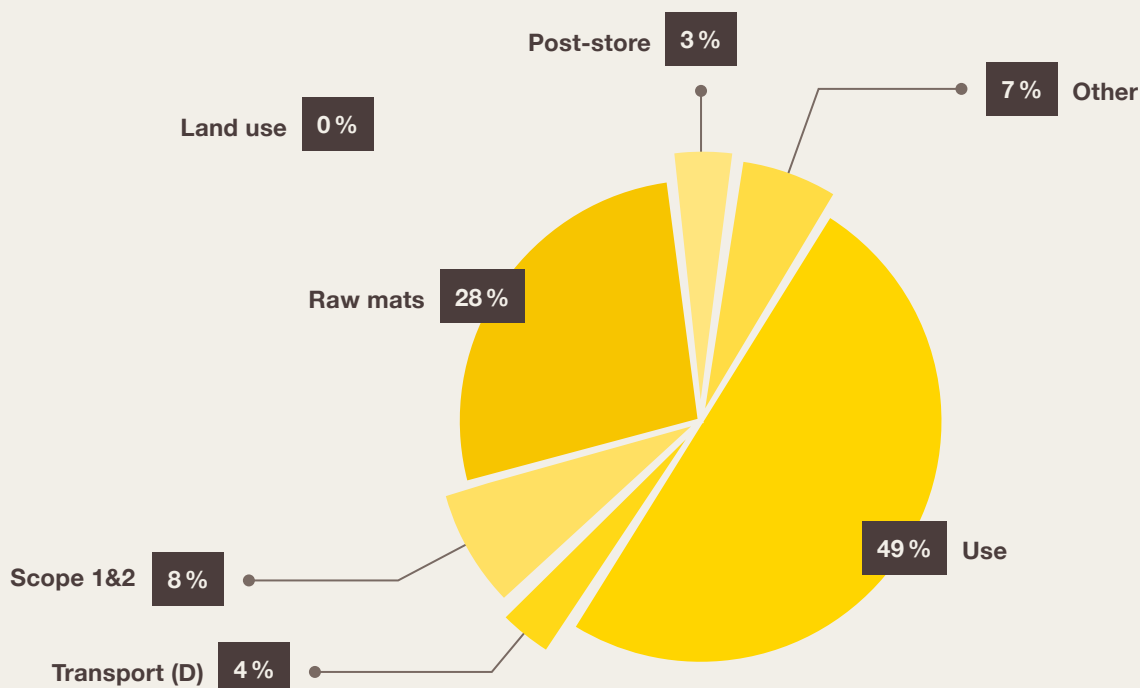
Moving towards a generative approach

8 – Science Based Targets for Nature

9 – [Heads of small and medium-sized companies faced with the climate emergency BPI Le Lab \(bpifrance.fr\)](#). Page 37

10 – DF.m².yr = Potentially Disappeared Fraction of species in a square meter within a year = surface of a lush forest transformed into a car park (0 biodiversity) in 1 year

BREAKDOWN OF DIAM GROUP'S BIODIVERSITY FOOTPRINT IN 2021



Source: 2022 ESG report



LOOK BEYOND CLIMATE CHANGE AND UNDERSTAND THE COMPLEXITIES



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#2 GENERATE NET POSITIVE VALUE FOR STAKEHOLDERS, NATURAL ECOSYSTEMS AND SOCIETY

DIAM has incorporated the principle of “positive value” into the concept of positive retail. This represents a challenge as it opens entirely new discussions and reflections within the Group: what does it mean? How can it be given substance and objective reality by engaging all stakeholders in the value chain?

Additionally, DIAM has engaged in co-creation work with its clients and value chain stakeholders, discussing with them the functions of the store and how they fit into interconnected systems (a building, a street, a neighborhood, a city). DIAM has published two books on its eco-design approach to share what it believes is a serious sustainability approach with the entire industry. The first book, “Less is More,” focuses on environmental impact assessment methodologies (LCA) and provides eco-design principles applicable to DIAM's sector.

The second book goes further, expanding readers' understanding of planetary boundaries, shifts in models such as

the functional economy, reconnecting with the living world, and the actions required to drastically reduce the environmental impact of companies in the sector. These open-source books are contributing to the advancement of scientific approaches and measurements, while also sharing best practices with the entire industry. For customer brands looking to take it a step further and train their teams in this eco-design approach, DIAM offers Qualiopi-certified training courses.

DIAM is collaborating with some of its competitors and brands to jointly work on projects that, individually, would not have sufficient impact. This includes the creation of recovery networks for products and equipment from customer stores.

Regarding ecosystems, the creation of a positive impact could be achievable in the long run by establishing a wood procurement system based on regenerative practices. The Tikamoon case study (link below¹¹) also addresses the same challenges for the sector, working to ensure traceability of practices and the sustainable management of forest ecosystems.

#3 TO BE ABLE TO SET LIMITS, TO MAKE SACRIFICES

DIAM is beginning to open discussions internally and with its most advanced clients: what are the sacrifices DIAM is willing to make (with a decision-making process of “keep, stop, change” — i.e., maintain, stop, and/or transform, particularly in terms of technology, volume, and margins)? How far are the clients willing to go in making these sacrifices that are beneficial for ecosystems? Sometimes, sacrifices are good for both ecology and business. For DIAM, renouncing can be relatively simple, like the work they're doing to encourage their clients to consider “design freeze” without stifling creativity, or it can be complex, such as slowing down updates or implementing technological breakthroughs for ephemeral items.

“HOW TO CONVINCE CREATIVES (WHO HAVE KEY ROLES IN THE LUXURY SECTOR) THAT WE CAN ACCELERATE A BRAND'S DESIRABILITY BY RENEWING ITS MERCHANDISING LESS FREQUENTLY? HOW TO ENCOURAGE FINANCIAL SHAREHOLDERS (INCLUDING OURSELVES, DIAM'S MANAGER-SHAREHOLDERS) TO PARTIALLY RECONSIDER PROFITABILITY GOALS IN ORDER TO SUPPORT THIS PHASE OF ECONOMIC MODEL TRANSFORMATION, ULTIMATELY AIMING AT THE LONG-TERM SUSTAINABILITY OF THE COMPANY? IT'S ABOUT PUSHING ALL THE LEVERS OF INDIVIDUAL RESPONSIBILITY WITHIN A COLLECTIVE FRAMEWORK.”

FRANÇOISE RAOUL-DUVAL
DIAM CEO

Moving towards
a generative approach



11 – Link to the study: [On the road to regeneration, the example of Tikamoon](#)



RECONNECT WITH LIVING¹² SYSTEMS THROUGHOUT THE VALUE CHAIN



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"The idea of 'positive'—giving more than we take—remains intentionally somewhat vague, as we do not want to appear to be engaging in greenwashing or to set ambitions that are too weak given today's planetary challenges. We invest heavily in training those around us; and in the face of these immense challenges, we must both lead and remain humble." — Françoise Raoul-Duval, CEO

#4 STRENGTHEN THE ECOSYSTEM'S REGULATING AND SUPPORT SERVICES

For the DIAM group, the most direct connection to living ecosystems is through forests, as the wood used in their panels is essential for manufacturing furniture and designing store layouts. To address this, DIAM **has set a clear procurement policy goal of zero deforestation, with the ambition that 100% of wood-derived products will be certified by 2025** (FSC certification, or PEFC if FSC is unavailable and only in countries where the risk of deforestation and poor practices is low). In 2023, 52% of DIAM's wood was certified compared to 7% in 2019. Currently, DIAM prioritizes materials like plywood and MDF for several reasons: they are easy to work with, offer great versatility, and can mimic various finishes.

They are also extremely resistant to deformation and humidity. However,

even if these materials are technically efficient, they still lack regenerative capabilities due to the high level of wood processing and the use of toxic substances (such as glues and solvents). Efforts are being made to carefully select suppliers and reduce the glue and other adhesive content present in purchased panels. The idea of replacing these materials with solid wood is under consideration, but technical and economic challenges—well known to clients—make this transition difficult in the short term.

Looking further ahead, DIAM aims to go beyond current practices. Since early 2023, the company has been exploring the development of a **regenerative wood supply chain to create positive environmental impacts**. The goal is for DIAM's wood panel procurement to capture more carbon than it emits and enhance supporting and regulating ecosystem services, ultimately promoting biodiversity. This would require new forestry techniques—which still need to be assessed—as well as upstream and downstream partnerships to implement these changes effectively.

So, how can this regenerative wood supply chain be made economically viable? The generation of financial savings through the development of a service-based business model could represent an innovation that

may potentially make the additional cost of regeneration financially viable (to find out more, refer to the 'Deeply transform the Business Model' section).

Moving towards
a generative approach



12 – In this context, "living" refers to all levels of life complexity on Earth, from the infinitely small (cells, bacteria, etc.) to larger scales such as plant organisms, animals, natural ecosystems, and even the planet's major ecosystems (or biomes) and the biosphere—the entirety of life on Earth.

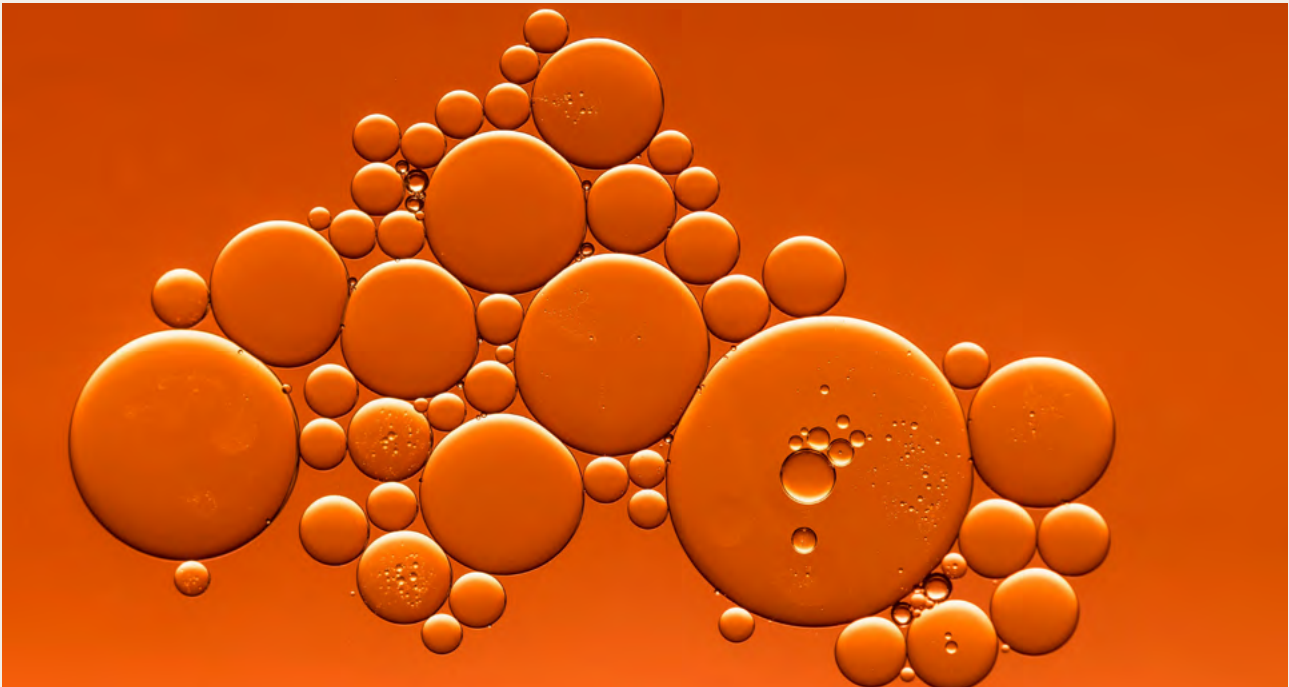
13 – FSC: Forest Stewardship Council® – an international certification label ensuring that the wood used complies with sustainable forest management practices.

14 – Composite materials made of wood fibre and a synthetic binder.

15 – Compared to an intensively managed forest, a regenerative forestry management approach—whose specifications are yet to be defined—would diversify tree species, avoid clear-cutting and uniform stands, instead favoring selective harvesting, and extend the maturation period of trees. All these factors would likely result in additional costs compared to conventional intensive forestry.



RECONNECT WITH LIVING SYSTEMS THROUGHOUT THE VALUE CHAIN



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#5 STRIKE A BALANCE BETWEEN PERFORMANCE AND ROBUSTNESS

From an organizational perspective, DIAM has chosen to limit the size of its factories to maintain a human-scale approach, with typically around a hundred employees per site. While this may be less optimal in terms of production efficiency (fewer opportunities for economies of scale), it enhances resilience by allowing for redundancy between different factories. It also increases agility, maintaining a more dynamic balance.

Similarly, most raw material purchases are made locally. While this may be suboptimal in some respects, it enhances flexibility and robustness, particularly in the event of supply chain or logistics disruptions.

#6 USE BIO-ASSIMILABLE MOLECULES¹⁶

Where certain manufacturers are able to easily switch to plant-based oils or treatment products, the conditions and environment in which the furniture produced by DIAM is used makes these substitutions far more difficult to envisage due to customers' aesthetic

demands for the promotion of their products and brands, as well as the technical constraints related to the environments in which DIAM's products are installed: airports and establishments open to the public, such as shops, generally require the use of fire-resistant materials, which means applying a chemical product to the wooden panel.

DIAM has undertaken significant eco-design efforts to eliminate glues and chemicals as much as possible. As a result, this improves product recyclability. Additionally, DIAM increasingly uses water-based paints instead of solvent-based ones for store fittings.

The company closely monitors the evolution of available materials, with a dedicated specialist responsible for market research. Although many new products are emerging, DIAM still faces the challenge of selecting truly lower-impact solutions that are also available in sufficient quantities, at the right quality, and at a viable cost.

Moving towards
a generative approach



¹⁶ - 'Bioassimilable' means that all the molecules can be transformed or assimilated by natural processes without generating pollution.



DEEPLY TRANSFORM THE BUSINESS MODEL

#7 DRASTICALLY REDUCE THE USE OF RAW MATERIALS AND ENERGY

For several years now, DIAM has been implementing practical actions aimed at reducing its energy consumption and greenhouse gas emissions¹⁷. DIAM's objective for 2030 is to reduce by 46% its direct emissions and emissions related to raw materials and to the use of products compared to 2019.

One notable area of progress is the reduction of energy consumption during the product usage phase—in other words, the electricity used by DIAM's furniture while in stores. This item represented 40% of DIAM's carbon footprint in 2019.

By leveraging new technologies and developing expertise in lighting and energy efficiency, DIAM managed to

reduce this impact by one-third by 2023, despite significant revenue growth. This expertise is now integrated into DIAM's products and offered as an additional consulting service to its clients.

However, DIAM recognizes that these reductions alone will not be enough. Under its current economic model, the company is at risk of reaching a threshold by 2030 where further incremental improvements will no longer be sufficient to meet the speed of change required by science. In response, at the beginning of 2023, DIAM launched a strategic exploration into evolving towards a service-based rental model focused on product usage rather than ownership. This transformation would be based on circular economy principles and the functional economy, aiming to drastically reduce resource consumption while maintaining business growth.

“OUR CARBON EMISSIONS REDUCTION ROADMAP IS SBTI-CERTIFIED. THE ACTIONS REQUIRED TO MEET OUR 2030 TARGETS HAVE ALSO BEEN IDENTIFIED. TO CONSIDER EVEN MORE AMBITIOUS GOALS FOR 2050 (-90% REDUCTION IN CARBON FOOTPRINT AS REQUIRED BY SBTI), WE CANNOT SIMPLY DO LESS—WE MUST DO THINGS DIFFERENTLY.”

MATHIEU PARFAIT
CSR Director

SOME EXAMPLES OF DIAM'S GOALS FOR 2030



Reduction of greenhouse gas emissions

Carbon training for employees (climate workshops, enhanced LCA and eco-design training, etc.)

Development of training programmes for customers

90% decarbonised electricity
(% REN in the mix = 63% in 2023)

16% reduction in factory energy consumption
between 2019 and 2023

37% reduction in GHG emissions
between 2019 and 2023

Share of renewable energies in the energy mix
to increase to over 70%

Reduction of downstream air transport (-30%)

“Local to local” approach: moving production
and consumption closer to the 3 continents
in which we operate

OBJECTIVES ALREADY ACHIEVED



Reduction of the material footprint

First LCAs initiated
in 2017/2018

Eco-design training for all employees as well
as for customers

Eco-design innovation (streamlining designs and
productions, weight of packaging, etc.)

From 6% recycled plastics in 2019
to 52% in 2023

CSR/LCA/eco-design training courses
for over 400 engineers, designers, sales reps
and project managers

Reduce the weight of products
and equipment by 11%

80% of recycled plastics by 2030



DEEPLY TRANSFORM THE BUSINESS MODEL

#8 BE CIRCULAR BY DESIGN

Regarding circularity, in 2021, DIAM established a new entity called B2D, specializing in the recycling of end-of-life displays. When displays reach the end of their use in stores, B2D collects them, consolidates them, manually disassembles them—often through social inclusion programs—and recycles them as much as possible within a closed-loop system. To further facilitate recycling and reuse, DIAM integrates easy disassembly into its product designs.

However, at present, the cost of recovering these displays exceeds their intrinsic value, making this process economically unviable in the long term, unless clients agree to pay for this service, as they currently do not typically cover end-of-life product costs.

Therefore, DIAM has included the concept of circularity – a key element of a service-based approach, focused on use. To go even further and radically reduce the use of resources rather than systematically selling off its productions, it will be necessary **to experiment with making point-of-sale advertising**

(POS) available to our customers subject to use-related invoicing.

This approach would have numerous advantages:

- Moving away from volume-based sales while still ensuring clients receive and maintain the services they require;
 - Exiting the linear economy model (extraction > production > disposal) by controlling material flows and adopting eco-design principles (extended product lifespan, disassembly, repairability, and retrofitting improvements);
 - Aligning interests in terms of durability and robustness of materials and finishes;
 - Encouraging product reuse and repurposing, which would extend product life cycles—allowing furniture and displays to be rotated across multiple stores or brands;
 - Significantly reduce the amount of waste generated as well as virgin raw material requirements.
- This approach would also make it pos-

sible for customer brands to reduce development times if more “universal” modules were proposed and used. Furthermore, it would guarantee customers that all the material elements were correctly recycled and reused, thus strengthening their brand image.

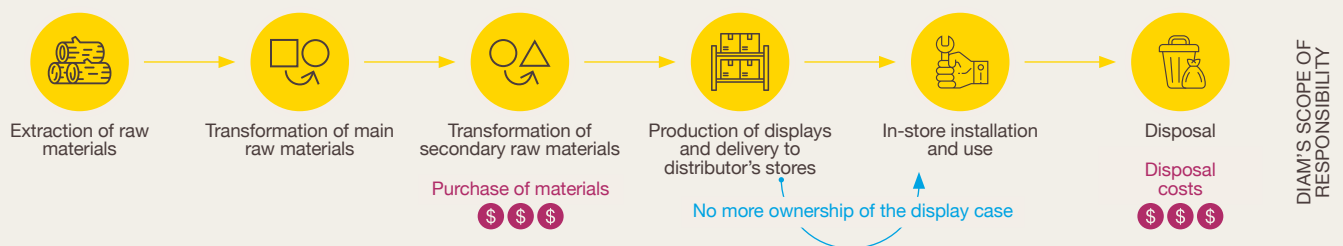
#9 BE ANCHORED LOCALLY

As mentioned previously, through its international presence, DIAM has succeeded in reconciling production and consumption through its different units in a “local to local” model. The current model has already been rolled out on a regional level with production lines tailored to local markets at a rate of 85%. The purchase of raw materials has also been implemented on a regional level at a rate of 95%.

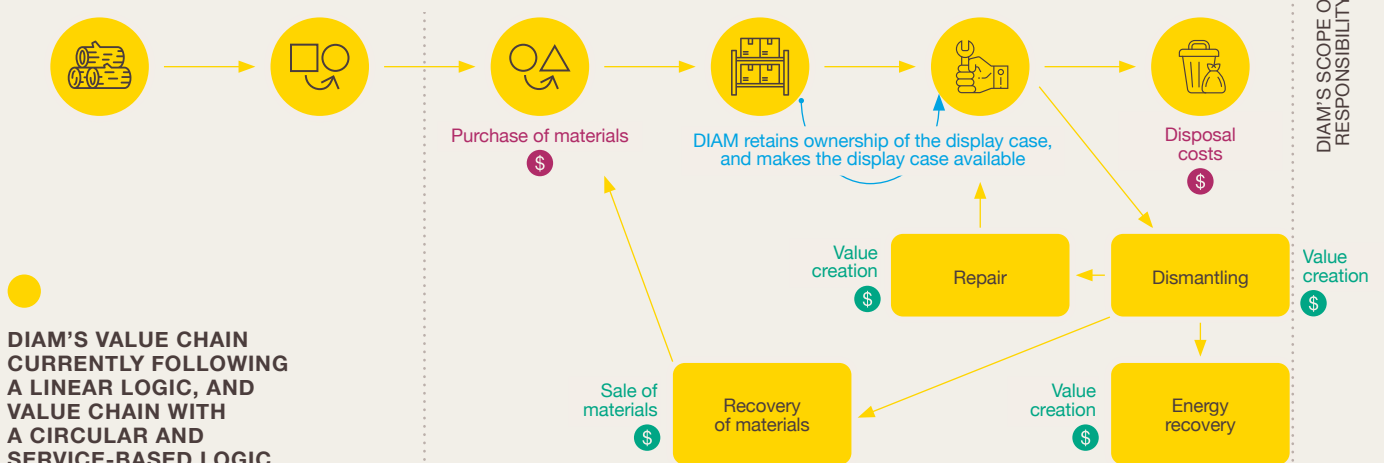
Various “social actions” have also been carried out by the production sites on a local level.

Moving towards a generative approach

Current logic: linear economy



Under consideration: development of a service-based economy





DEVELOP A RANGE OF PRODUCTS OR SERVICES COMPATIBLE WITH LIFE



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#10 BE MODERATE AND MULTI-FUNCTIONAL

Aligned with its transition toward a service-based economy, DIAM's eco-design efforts focus on facilitating product disassembly, repairability, and component reuse. By developing more "universal" furniture designs—which maintain aesthetic appeal through innovative and high-performance techniques—only a few component parts need to be customized, resulting in material savings and greater potential for reuse and recycling.

DIAM has already applied this concept to bulk-selling furniture, such as its perfume fountains. The purpose of the furniture is to draw attention to the product and make it stand out. However, the luxury industry has specific aesthetic codes, and promoting new consumption behaviors—such as bulk sales of liquid or solid cosmetics to encourage permanent containers and zero waste—remains a challenge for clients.

However, perfume fountains have generated considerable excitement and accelerated the use of refills by consumers.

The actions involved in the search for moderation also include the work that DIAM is carrying out to achieve more efficient lighting (such as that discussed in principle #7).

#11 CREATE RECIPROCAL AND CO-EVOLUTIONARY RELATIONSHIPS BASED ON COOPERATION

DIAM recognizes that achieving SBTi's ambitious targets will require mobilizing the entire ecosystem, which is why it has strengthened collaboration with key industry players. For example, the company provides brands and distributors with expertise in calculating the environmental footprint of their products, as well as eco-design training programs.

As part of its work with the "Shop!" association—which brings together brands, distributors, and manufacturers of retail and point-of-sale (POS) solutions—DIAM played a key role in developing a common Life Cycle Analysis (LCA) methodology and an LCA tool accessible to the entire sector.

This initiative encouraged dialogue with brands and distributors about the environmental impact of displays and provided a platform for training client teams in eco-design and impact assessment methods.

It has also developed a best practices guide on eco-design under the Institute of Commerce's oversight.

On another front, DIAM is actively engaging its supplier network by organizing awareness sessions on environmental and social challenges, as well as co-development workshops with key suppliers of raw materials, subcontracting services, and decorative finishes, primarily operating in France.

"WE HAVE A CLEAR ASPIRATION: TO LEAD BY EXAMPLE IN REDUCING IMPACTS AND HELP DRIVE THE EMERGENCE OF A POSITIVE RETAIL INDUSTRY, WHILE RESPECTING THE BREATHTAKING CREATIVITY OF BRANDS. THIS IS MADE POSSIBLE WITH THE SUPPORT OF CLIENTS AND DESIGNERS WHO EXCEL AT COMBINING CREATIVITY WITH MODERATION. THE WORD 'CONTRIBUTE' IS KEY, AS WE MOVE FORWARD TOGETHER WITH OUR PRESTIGIOUS CLIENTS—OFTEN DRIVEN BY THEIR OWN INITIATIVES—AND PROVIDE THEM WITH SOLUTIONS TO MEET THEIR SUSTAINABILITY GOALS."

FRANÇOISE RAOUL-DUVAL
DIAM CEO



PUT PEOPLE AT THE HEART OF TRANSFORMATIONS



©Austin Ramsey

#12 SHARE MONETARY VALUE WITH STAKEHOLDERS AND FOR THE COMMON GOOD

DIAM, as a company with French cultural roots, has often exported the “employee participation” model to its international branches. In many of its subsidiaries, this system enables employees to share in the company’s success, following principles similar to France’s profit-sharing and incentive schemes. A significant portion of DIAM’s managers, including the Group’s Executive Committee, also have variable compensation or bonuses that are partially linked to CSR performance, which is consistently one of the employee’s five annual objectives.

Furthermore, 150 key managers are also shareholders in the Group. This equity participation model fosters engagement, motivation, and long-term retention, reinforcing DIAM’s **entrepreneurial culture**.

#13 CREATE REVITALIZING RELATIONSHIPS

DIAM is conducting a project explicitly aimed at a key element of regeneration, i.e. **empowering individuals to express their full potential**, strengthened by their work with wood as a living material.

In this regard, the woodworking trade is one of the sectors facing recruitment challenges. In response, **DIAM is considering creating an internal interior fittings school (a woodworking school) to train a base of skilled artisans, preserve traditional expertise, and enhance employability.** This school would serve as a talent pool, equipping individuals with the necessary skills to meet the profession’s demands within DIAM.

DIAM has a “kickstarter” **innovation programme for its employees**, enabling them to propose projects for innovation. Employees whose projects are selected are granted the time and means to develop the project, helping them to realise their full potential.

DIAM also operates a social inclusion program aimed at supporting individuals who face barriers to employment, such as people with disabilities, former prisoners, refugees, seniors, and those who require adapted working conditions due to specific life circumstances, such as caregivers. Currently, over 9% of DIAM’s employees benefit from dedicated inclusion efforts.

More broadly, DIAM promotes a culture of efficiency, kindness, high standards, and care. The company invests in team training and development programs, offering both individual and group coaching to foster professional growth and well-being.

“‘POSITIVE’ IMPACT IS ALSO CONSIDERED FROM A SOCIAL PERSPECTIVE (HEALTH SAFETY, PERSONAL AND TEAM DEVELOPMENT, INCLUSION AND DIVERSITY, KNOWLEDGE TRANSFER). WE STRIVE TO MOVE FORWARD PRAGMATICALLY WITH STRONG HUMAN VALUES AND SCIENCE AS OUR COMPASS, TRANSFORMING OUR VISION INTO OPERATIONAL GOALS AND ROADMAPS FOR EACH CONTINENT, FACTORY AND KEY MANAGER, IN ORDER TO BE EFFICIENT, FULFIL OUR COMMITMENTS AND TO KEEP MOVING ALONG THIS PATH.”

FRANÇOISE RAOUL-DUVAL
DIAM CEO



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