



OUR ENVIRONMENTAL APPROACH

EVOLUTION OF ENVIRONMENTAL INDICATORS 2023

Presentation of our environmental approach

Our company, Diam Bouchage, develops, produces and markets micro-agglomerated cork closures with high quality requirements that are in line with our customers' expectations. We work with cork, a natural material issued from an ecosystem whose biodiversity and economic values are of vital importance to the Mediterranean basin. During the transformation of the cork and the manufacture of our Diam, Mytik and Setop closures, we use highly innovative industrial processes such as the supercritical CO₂ extraction of 2, 4, 6 TCE to guarantee the excellent quality of our finished products.

Since 2009, we have been implementing an environmental policy that is integrated into the Quality & Food Safety Management system already in place for numerous years at all our manufacturing sites. So going beyond compliance with environmental regulations, we are committed to preventing pollution and continuously improving the performance of our manufacturing sites as well ours products throughout their life cycle.

As part of this environmental policy, we are committed to implementing human, technical and financial resources in order to:

1

Control our consumption of energy, materials and, therefore, our carbon footprint

2

Control the industrial risks of our technical facilities

3

Engage in a circular economy approach by recycling our cork by-products and waste as well as recycling our products

4

Develop more environmentally-friendly products with eco-design as an essential factor in their life cycle

In order to roll out our environmental policy, we have made a commitment to adhering to the framework for the international standard ISO 14001 geared to setting up a pertinent and effective Environmental Management System. **After certification of Diam Corchos and Diam France in 2021, the certification of Diam Portugal in 2023 means that our business activities are fully covered under this EMS framework.**

The purpose of this document is to report on our environmental performance indicators and the steps we are taking to achieve our objectives. The indicators have been updated with 2022 data.

ENVIRONMENTALLY-FRIENDLY PRODUCTS

Cork, a renewable resource that contributes to CO₂ sequestration

Cork is stripped off the cork oak trees every 9 to 10 years. The cork oak forests are woodland ecosystems whose trees live for over 200 years, and which support a rich biodiversity.

In addition, like all forests, cork oak forests sequester carbon, year after year: carbon dioxide is captured by photosynthesis and transformed into biomass that accumulates from one year to the other. Forest's studies carried out in Spain and Portugal show that carbon captured by cork oak forests during a window of over 100 years represents between 1.5 to 2.5 tonnes of CO₂ per hectare every year. This depends on the location of the cork oak forest and the type of forestry management. The use of cork by the closure manufacturing industry, for which the maintenance and renewal of the cork oak forests is economically viable, therefore contributes to this carbon sequestration, capturing about 10 to 15 tons of CO₂ per ton of cork harvested from the trees¹.

By using this renewable resource, Diam Bouchage contributes to the sequestration of over 300,000 tonnes of CO₂ every year.

Diam Bouchage is investing in the re-exploitation of French cork oak forests

Promoting French cork has been the subject of a stimulus policy after a long period of non-exploitation of cork oak forests resources. Diam Bouchage has been participating in revitalizing this industry by setting up purchase contracts with forests owners groups for several years: since 2011, for cork from the Pyrénées-Orientales, 2012 from the Maures Massif (Var), and 2016 in Corsica. **In 2022, Diam Bouchage purchased and transformed 500 tons of cork harvested in France** for the development of its 'Liège de France' ranges.

Diam Bouchage has also supported replanting projects in the Var, particularly areas affected by forest fires. One of these projects, situated in Borne-les-Mimosas, obtained a low carbon certification under the **Label Bas Carbone**² administered by the Ministry of Ecological Transition, thereby recognizing the sequestration potential of cork oak forests.

Diam Bouchage is FSC certified

All Diam Bouchage sites are FSC certified: closures made from FSC-certified cork also have FSC accreditation. This certificate enables us to respond to the growing demand from our customers as sales of FSC closures increased by 40% between 2018 and 2020.

¹ Based on average production, generally accepted by the profession of 150 kg of cork per hectare/per annum.

² This label enables carbon sequestration in a forestry project to be recorded over 30 years according, in this case, to the method for "Restoring degraded forest stands" channeled by the National Forest Ownership Center (CNPF).



Origine by Diam, an OK Biobased® certified closure

Since 2017, Diam Bouchage has been marketing the Origine by Diam closure, combining our cork flour with bio-sourced materials (castor oil and beeswax) that are used in place of petroleum-sourced products.

This closure has 4-star OK Biobased® certification, a label from TÜV Austria that, based on analyses, guarantees the organic origin of the carbon content in products.

Origine by Diam has the 4-star accreditation, being the highest level for this certification, meaning that over 80% of the carbon contained in the closure is of organic origin (fixed through photosynthesis).

The Origine by Diam closure therefore meets our customers' expectations and sales have increased significantly over the last two years.

The R&D teams at Diam Bouchage continue their research and development in order to identify new bio-based formulas and extend their application to the whole range of closures.

Setop Element: the bartop closure that upcycles materials from spirit crafting

Following numerous trials, Diam Bouchage has launched on the spirits market a new premium and entirely eco-designed concept called "Setop Element" it has been developed with a focus on two significant lines of research: design and naturality.

We make the heads from materials usually considered as naturally occurring waste from spirit making (whisky distillers' grains, apple pomace, lavender pomace, barrel shavings, etc.). The materials used are supplied by the distillers themselves, who are thus able to upcycle a raw material that is usually thrown away at the end of their production process.

We have applied this concept to our own by-products by developing the Element head range based on cork granules and dust discarded in our manufacturing processes.

This virtuous approach enables us to combine aesthetics and a circular economy!

CONTROLLING OUR ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

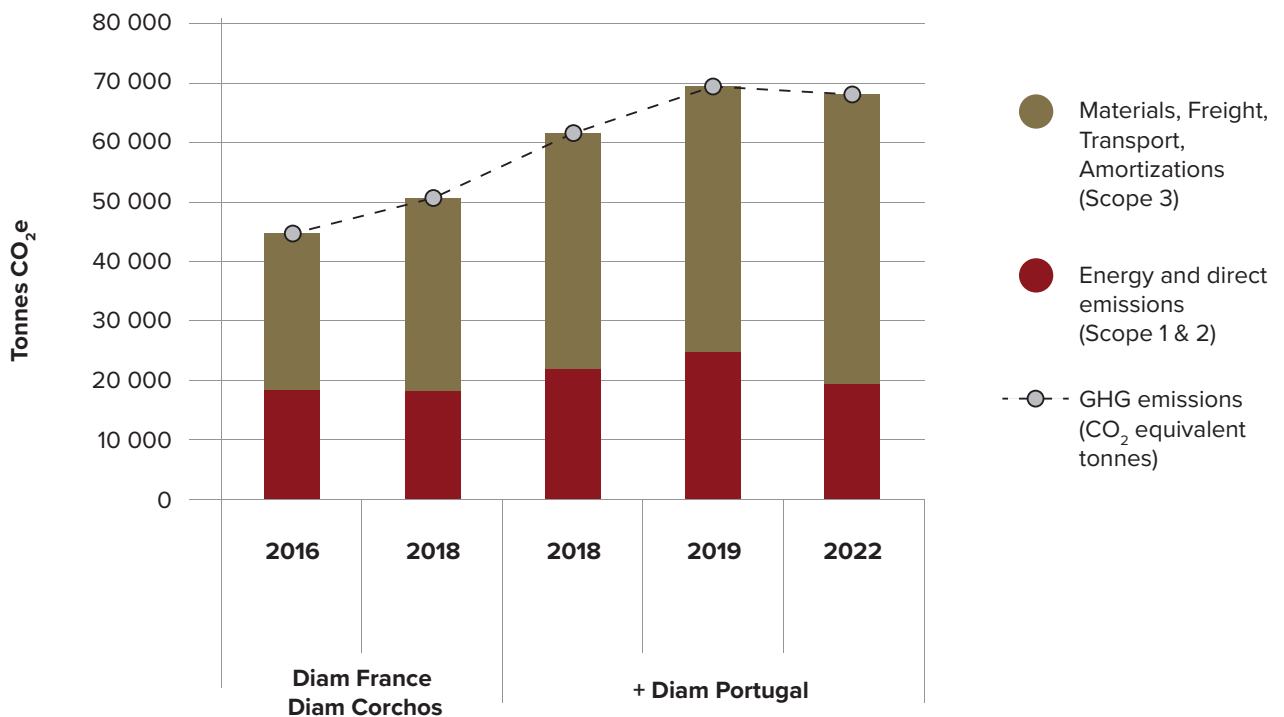
Evolution of Diam Bouchage’s greenhouse gas emissions

Calculation method: until 2018, the carbon footprint was calculated using Bilan Carbone® v8. It was applied to the extended scope of our activities (direct and indirect emissions), from the supply of raw materials to the delivery of the finished product to our customers, via our production stages. In 2019 and 2022, the carbon footprint was measured as part of a global process carried out by our Oeneo Group according to the French frame of reference for establishing Greenhouse Gas Emissions³. Greenhouse gas emissions for the electricity mix are updated based on the latest values published by ADEME⁴ for France and IEA⁵ for Spain and Portugal.

Diam Bouchage’s carbon footprint stood at 67,722 tonnes of CO₂e in 2022, a decrease of 2% in comparison to 2019, while our activity has continued to increase by over 10% during this period.

There has been a significant reduction in Scope 1 & 2 emissions (-20%) due both to controlling our energy consumptions and the decrease in emission factors in the Spanish and Portuguese electricity mix.

Evolution of Diam Bouchage’s greenhouse gas emissions



³ Application of Article L. 229-25 of the French Environment Code. See <https://www.economie.gouv.fr/cedef/bilan-carbone-entreprise>

⁴ Environment and Energy Management Agency

⁵ International Energy Agency



Our Carbon 2025 trajectory:

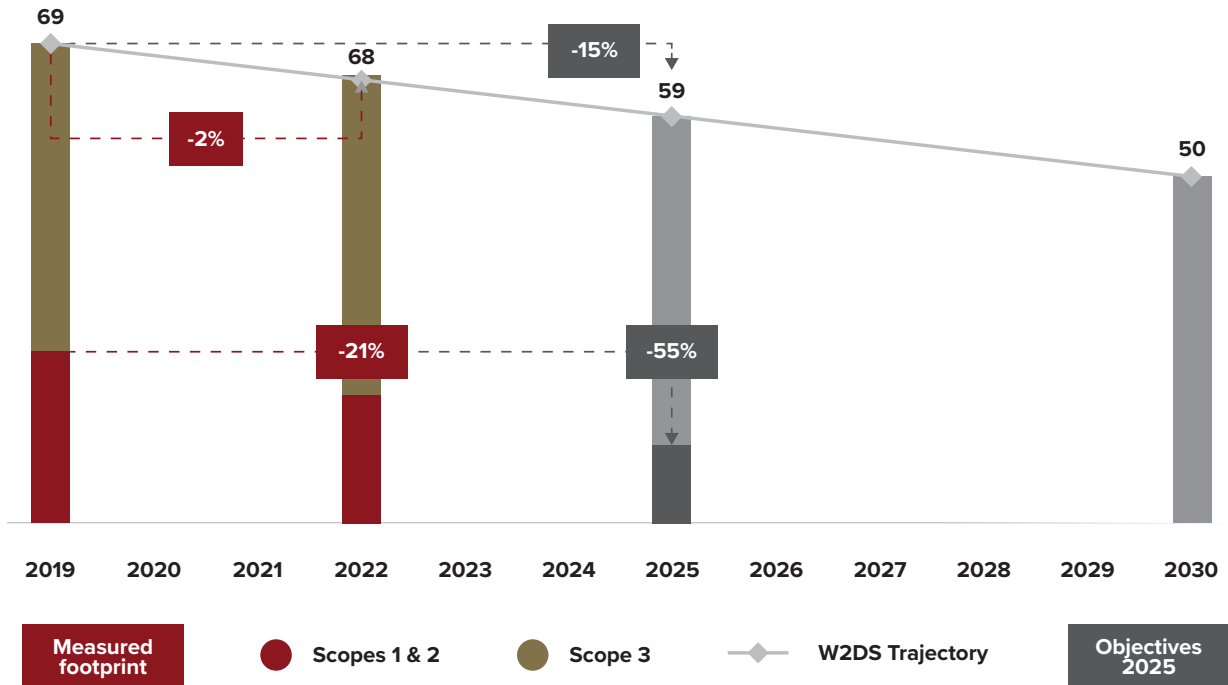
In mid-2021, the Oeneo Group committed to significantly reducing its carbon footprint by engaging in the W2DS trajectory launched by the Science Based Target Initiative⁶.

As the primary contributor to Oeneo’s carbon footprint, Diam Bouchage has committed to a 15% reduction in its carbon footprint by 2025.

In 2022, we committed to the **Energy-Carbon project** in order to reach our objective. It combines projects to reduce energy consumption, recover heat and develop means to produce renewable energy at our industrial sites. Their implementation puts us on track to an ambitious 55% reduction of our Scope 1 & 2 emissions (energy and direct emissions) by 2025. Significant initial investments have been made in 2023, especially in a heat recovery system at our Diamant factories in Spain, which will enable us to drastically reduce our gas consumption.

Also in 2023, we joined the **Fret21** initiative supported by the French Agency for Ecological Transition, ADEME, and have committed to reducing greenhouse gas emissions linked to the transport of our products by 5% between 2022 and 2025 (inter-site transport and transport to our customers around the world).

Diam’s Carbon Trajectory - kTonnes CO₂e



⁶ Science Based Target Initiative (SBTI) is an international approach that gives companies a scientific framework to define their Carbon trajectory and contribute to achieving goals set out in the 2015 Paris Climate Agreement. W2DS (Well Below 2 Degrees) is an ambitious trajectory that aims to limit global warming to well below 2°C.

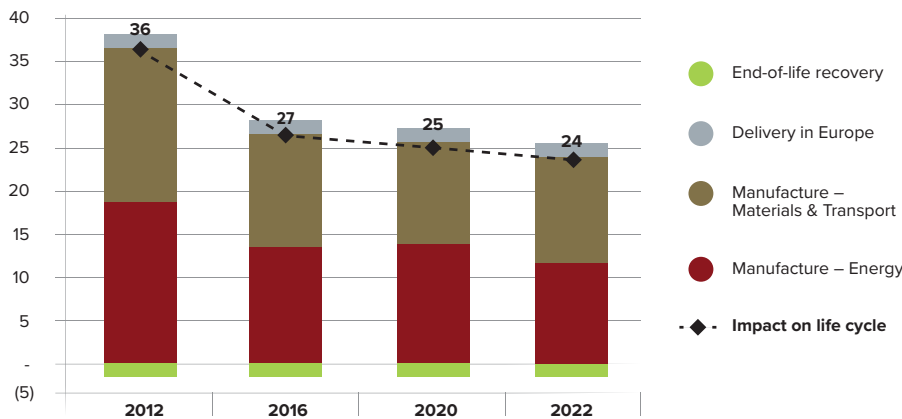
Evolution of greenhouse gas (GHG) emissions in the manufacture of our Diam 5 and Mytik Diam 5 closures during their life cycle

Method: the “Greenhouse Gas Emissions” indicator shown below results from the Life Cycle Analysis (LCA) of Diam Bouchage’s main closures. Refer to the appendix for more details on the scope and calculation methodology, based on the Product Environmental Footprint method.

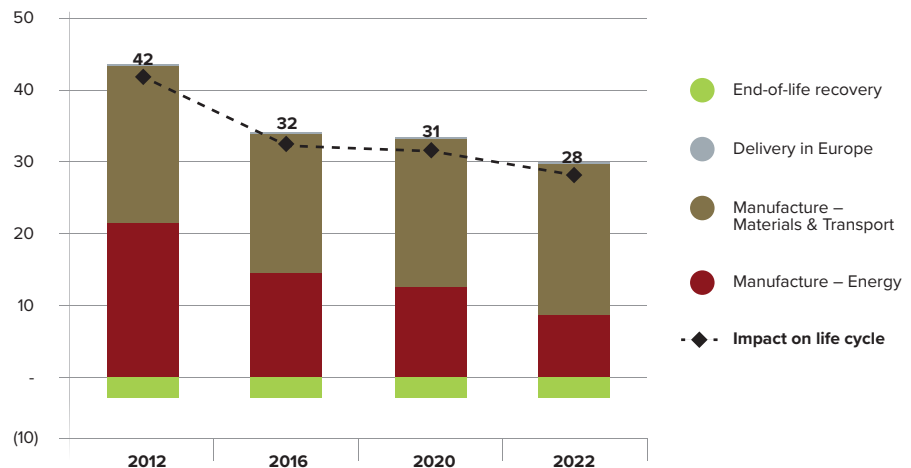
A continuous improvement in processes involving energy and material balance led to a gradual reduction in the carbon impact of closures in the ranges for still wines and sparkling wines, of more than 30% over 10 years.

This evaluation is carried out from the cork oak forest to closure waste management (cradle-to-grave assessment). In this case, in addition to the impact of production presented above, we consider the impact of an average delivery of our closures and the management of the closure when it becomes waste, including a scenario of incineration with energy recovery in Europe. The cork contained in our closures becomes a source of renewable energy as it is bio-sourced, which substitutes a fossil resource, thus creating a benefit for the environment.

Greenhouse Gas Emissions of the Diam 5 closure during its life cycle (g CO₂e/unit)



Greenhouse Gas Emissions of the Mytik Diam 5 closure during its life cycle (g CO₂e/unit)

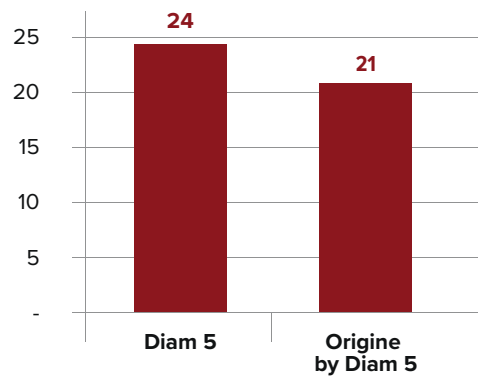


Development of our raw materials reduces the carbon footprint of our closures

Depending on the closures chosen, the Origine by Diam range has a carbon impact of less than 5 to 10% during its life cycle compared to ‘classic’ closures. Available environmental evaluations show that production of our bio-sourced products have less of a carbon impact in their manufacture. However, faced with the increasing use of these raw materials, new life cycle analyses are underway that may affect these results. In any case, bio-sourced closures store more biogenic carbon and release less fossil carbon at their end-of-life stage.

To ensure that naturalness and reduced carbon impact are moving in the same direction, each new raw material identified by R&D is subject to a Life Cycle Analysis in concert with our suppliers.

Greenhouse Gas Emissions of the Diam 5 and Origine by Diam 5 during their lifecycle
(g CO₂e/unit)



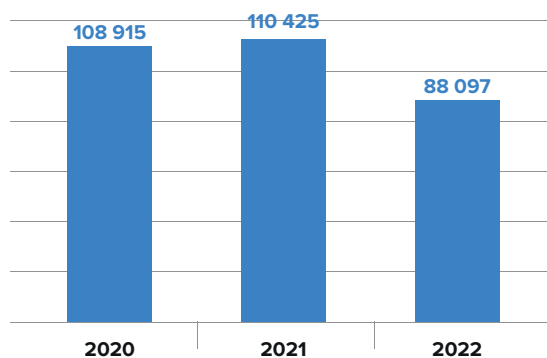
OTHER ENVIRONMENTAL INDICATORS

Controlling our water consumption

Our efforts to save water have borne fruit over the last year: detecting leaks, water-saving devices for sanitary fixtures, promotion of non-washed closures, etc.

All these actions have allowed us to gradually reduce our demand on this resource that is increasingly under pressure.

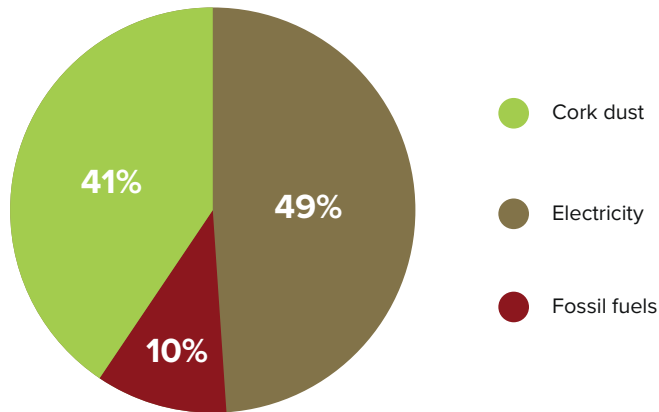
Water consumption (m³)



Recycling our cork by-products and waste

Diam Bouchage generates cork dust, which is mostly recycled on the industrial sites in order to provide the heat of combustion necessary to the manufacturing process, thus mitigating the need to resort to fossil fuels. 41% of our energy consumption came from our cork dust in 2022.

Diam Bouchage’s energy mix in 2022

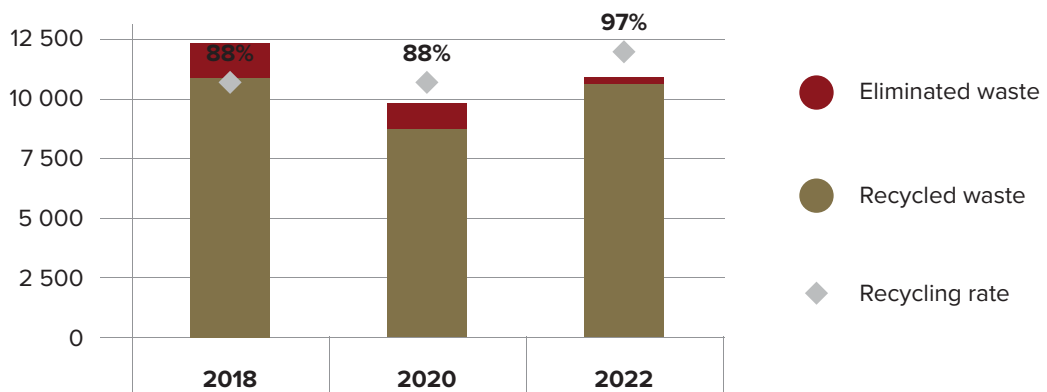


Excess cork waste is sent on to facilities in the recycling sector, composting, or wood-based energy and, since 2018, for use in the footwear industry. Since mid-2023, Diam France’s Céret site has been sending its cork dust to the biomass-fired boiler of a neighboring paper-mill.

Separation at the source of other wastes like, packaging, office and maintenance waste, is carried out at all our sites. We are seeking to make further progress in regard to re-use and recycling, spearheaded by our the Circular Economy manager appointed in 2020 for the whole Division. Big-bags used for inter-site transport are cleaned and used again in-house. At Céret, all pallets are recovered: wooden pallets are repaired and plastic pallets are recycled. In 2022, the Diam Portugal site completely redesigned the organization of its sorting and recycling procedures (sorting bins, signage, facilities).

All these efforts have resulted in extending the recycling rate to beyond 95%.

Production and recycling of waste (tonnes)



Since 2016, Diam has been carrying out the LCA of two typical closures from its production: the Diam 5 closure for still wines and the Mytik Diam 5 closure for sparkling wines.

Objectives of the LCA: In keeping with its environmental policy, Diam wants to measure the environmental performance of its products in order to steer the process of ongoing improvement. The company also wants to provide its clients with information that allows them to assess the environmental profile of their products for ecological labelling or their carbon footprint (greenhouse gas emissions) in Scope 3 of their activities.

Methodological framework: the PEF Method following the COMMISSION RECOMMENDATION of December 16, 2021 on the use of the Environmental Footprint methods to measure and communicate the life cycle environmental performance of products and organizations.

Functional unit: Closing 1,000 bottles of still wine (Diam 5) or sparkling wine (Mytik Diam 5) with a 5-year duration of conservation.

Impact indicators: 16 PEF indicators – The LCA results for all the impact indicators in the PEF method are available upon request.

Carbon stored temporarily in the product: The cork in the closure contains biogenic carbon captured by photosynthesis while the bark of the cork oak was growing. Stored temporarily in the closure, this carbon will be emitted when the closure decomposes during its end-of-life processing, leading to a zero-carbon footprint for the life cycle “from the tree to the end of the closure’s life” (cradle to grave, excluding energy recovery during processing). According to PEF Method recommendations, the carbon stored temporarily in the closure is available on demand.

Scope of ‘from the cradle to the grave’: The following life cycle stages are taken into account:

- Extraction and transformation of raw materials. Pursuant to the general methodological framework for the updated version of the PEF method, the sequestration of carbon in the forest from which the cork came is not taken into account.
- Manufacture of the cork body in Diam factories according to the industrial schemes in place.
- Processing and recycling of cork by-products generated during manufacture.
- All upstream and internal stages for transporting the goods.
- Transport to the client: for Still Wines, delivery in Europe from our factory in Céret, France over an average distance of 1,000 km; for Sparkling Wines, delivery to the Champagne region from our factory in Cumières, France over an average distance of 65 km.
- End-of-life processing of closures – Scenario of incineration with energy recovery in Europe taking into account the impacts of waste management (operating incinerators and emissions during incineration, fossil CO₂ emissions from petroleum-based closure components) and the environmental gain following production of heat or electricity, which substitutes network energy according to average European data¹.

Process / material data: Used in order of priority:

- Internal data for all industrial stages;
- Calculation using the PEF method of impact indicators for main raw materials based on life cycle inventories provided by suppliers;
- Ecoinvent v3.9.1 database - version cut-off, regionalized;
- Complementary LCA studies into materials not included in Ecoinvent.

¹ Status and Opportunities for Energy Recovery from Municipal Solid Waste in Europe - Nicolae Scarlat • Fernando Fahl • Jean-François Dallemand - 71st Conference of the Italian Thermal Machines Engineering Association, ATI2016, 14-16 September 2016, Turin, Italy.