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Base Year Emissions Recalculation Policy

Effective Date: January 2026
Review Cycle: Annually (next review due: January 2027)
Policy Owner: Marketing Director / Sustainability Lead
Approved By: Chief Operating Officer (COO)

Scope

This Base Year Emissions Recalculation policy applies to all GHG emissions data reported by Diamond Packaging across all relevant operations and emission sources. It establishes guidelines for recalculating the base year greenhouse gas (GHG) emissions to ensure consistency, transparency, and accuracy in emissions reporting, in accordance with the GHG Protocol.

Recalculation applies to Scope 1 and Scope 2 emissions and may apply to Scope 3 emissions when methodology or supplier data changes materially affect the inventory. Diamond's base year for greenhouse gas accounting is **2022**, consistent with the company's science-based emissions reduction pathway.

Base Year Emissions Recalculation

Diamond maintains a consistent and transparent approach to greenhouse gas emissions reporting in accordance with the GHG Protocol. Our base year emissions recalculation policy is designed to guide our aim to reduce or offset our emissions in alignment with our core values and sustainability goals through comprehensive, credible, and transparent data collection and reporting.

To ensure comparability of emissions data over time, the base year emissions inventory may be recalculated under the following circumstances:

1. **Significant changes in calculation methodologies:**
   When there are updates or improvements to calculation methods, emission factors, or data collection procedures that affect emissions estimates.
2. **Changes in organizational boundaries:**
   Due to acquisitions, divestitures, or other structural changes affecting the scope of the company's operations.
3. **Changes in physical boundaries:**
   When operational changes (e.g., facility expansions, closures, or production shifts) significantly impact emissions.
4. **Correction of errors:**
   If errors or omissions in previous base year data are identified.

Recalculation Procedure

- Diamond's Green Team will review and document the need for any base year recalculations.
- Any recalculation must be clearly documented with explanations for the changes and their impacts.
- Recalculated base year emissions data will be approved by senior management before publication.
- The updated base year inventory and related documentation will be maintained for audit and verification purposes.

Recalculation Threshold

Base year emissions will be recalculated if structural or methodological changes result in a cumulative impact greater than 5% of total base year emissions.

When base year emissions are recalculated, Diamond will update the base year inventory and associated emissions reduction targets as appropriate to maintain transparency and comparability in emissions reporting.

Communication

Any recalculations will be transparently communicated in the company's GHG emissions reports, including the reasons for the recalculation and the impact on reported emissions.

When recalculation occurs, historical emissions data will be restated to maintain consistent comparability with the base year.

Implementation Measures

To achieve our emissions recalculation objectives, Diamond has established the following concrete measures:

Environmental Sustainability Measures

Data Collection and Analysis

- Establish baseline metrics for all key performance indicators by Q4 2026
- Maintain compliance with Science Based Targets initiative (SBTi) and GHG Protocol guidelines to promote best practices in assessing and setting targets

Stakeholder Engagement

- Solicit feedback from customers on sustainability expectations
- Provide greater transparency and credibility through third-party verification registries
- Engage with industry associations to stay current on best practices
- Participate in collaborative initiatives for supplier engagement

Key Performance Indicators (KPIs)

To monitor progress on implementation measures, Diamond tracks the following KPIs:

Process KPIs

- Policy training completion: Percentage (%) of Green Team members trained on carbon accounting | Target 100% in 2025

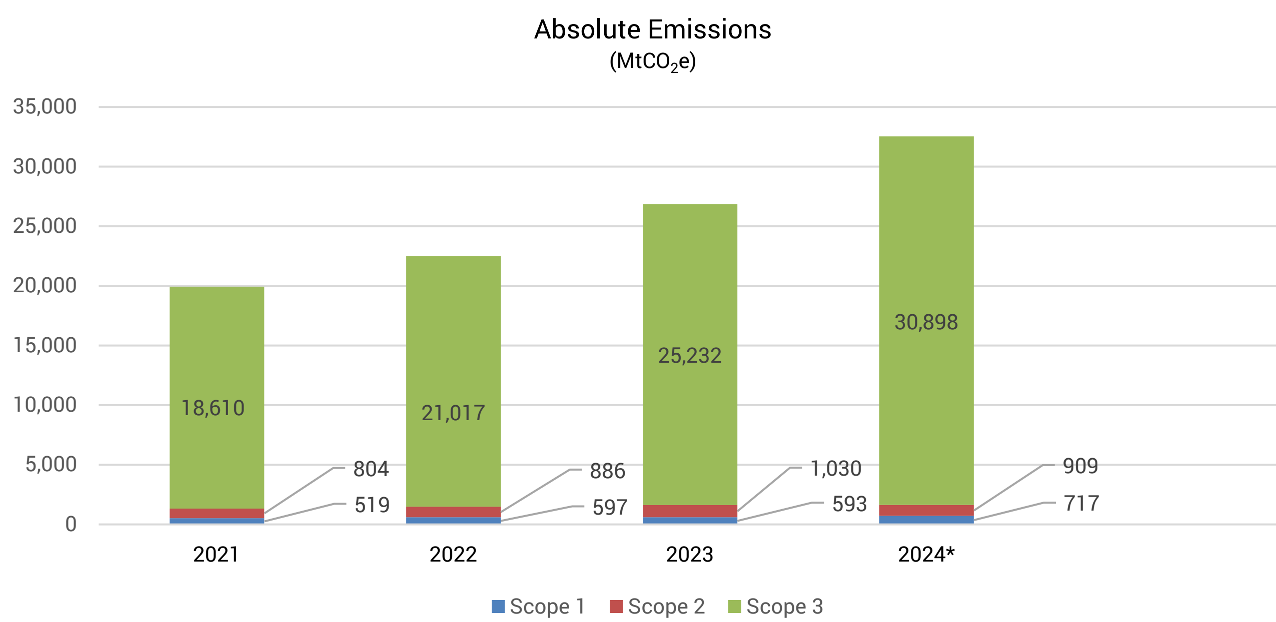
These KPIs are reported monthly (for critical metrics), quarterly (to Green Team), and annually (in Diamond Sustainability Report).

Historical Emissions Metrics

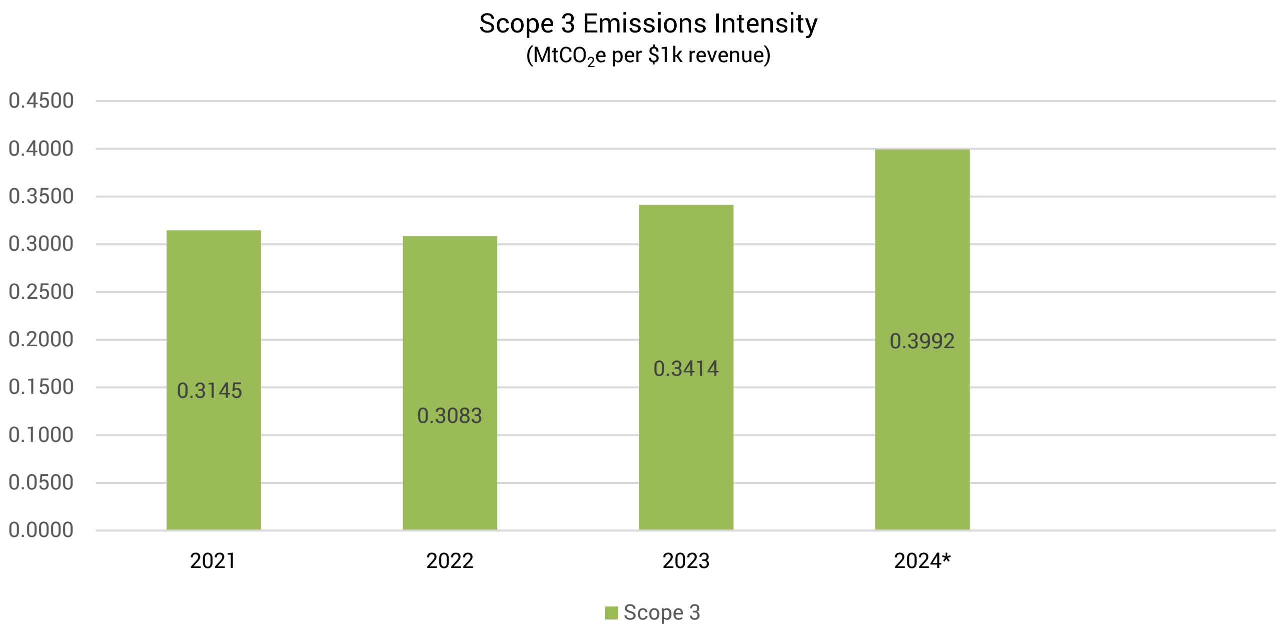
Diamond has set emission reduction targets to assess progress and determine short-term and long-term goals with an emphasis on comprehensively tracking and calculating emissions with the aim of decreasing or offsetting them. We set an intensity target of 4.2% for Scope 1 and Scope 2 emissions (per unit of production) per year for the next 10 years (42% total reduction), based on a 2022 baseline. Diamond has also set an absolute target of a 2% reduction in Scope 3 emissions per year for the next 10 years (20% total reduction), based on a 2022 baseline.

Metrics

Absolute Emissions (Scope 1+2+3)



Scope 3 Emissions Intensity



Governance Structure

The implementation and oversight of this Base Year Emissions Recalculation Policy is governed through the following structure:

Marketing Director / Sustainability Lead

- Overall accountability for emission calculations and performance
- Determines the basis for recalculation
- Reports sustainability metrics to executive leadership and Green Team quarterly
- Submit entity-wide GHG emissions inventory for external verification
- Authors annual Sustainability Report for customers and external stakeholders, including CDP, EcoVadis, UN Global Compact

Supply Chain Management Team

- Engage with suppliers to foster a transparent transfer of primary data required for accurate reporting
- Identifies opportunities for supply chain improvements

Cross-Functional Sustainability Committee (Diamond's Green Team)

- Reviews progress against targets quarterly
- Recommend policy updates and new initiatives
- Ensure alignment with Diamond's Sustainability Report

Policy Review and Continuous Improvement

Annual Review Process

- This policy will be formally reviewed annually in Q1 of each calendar year
- Review will assess progress against quantitative targets and qualitative objectives
- Updates will be incorporated based on:
    - Regulatory changes in environmental standards
    - Evolution of industry best practices
    - Stakeholder feedback (customers, suppliers, employees)
    - Performance data from the previous year

Trigger-Based Reviews

- Policy may be reviewed outside the annual cycle when:
    - Significant changes occur in calculation methodologies
    - Changes in organizational boundaries
    - Changes in physical boundaries
    - Correction of errors

Documentation and Communication

- All policy updates will be documented with a date or version control
- Public-facing updates will be reflected in the annual Diamond Sustainability Report

Performance Monitoring

- Quarterly: Reports sustainability metrics to executive leadership and Green Team
- Annually: Track emissions data based on a hybrid approach to achieve greater accuracy
- Annually: Evaluate overall environmental and social impact metrics and assess targets
- Report findings to executive leadership and incorporate into continuous improvement initiatives

External Verification

- Independently verify Scope 1 and Scope 2 emissions inventories by an accredited third-party assurance provider annually
- Participate in industry benchmarking to identify improvement opportunities
- Maintain transparency through public reporting of key metrics