

Environmental, Social, and Governance (ESG) Policy

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

Scope

This Environmental, Social, and Governance (ESG) Policy applies to all owned and operated facilities under Diamond Packaging's operational control. Environmental performance is measured in accordance with the GHG Protocol Corporate Standard; Social and Governance performance is guided by the Ten Principles of the UN Global Compact and reported in alignment with GRI Standards.

Policy Statement

Diamond Packaging is committed to integrating Environmental, Social, and Governance (ESG) principles into every facet of its operations. Our ESG policy is designed to ensure that we not only comply with regulatory requirements but also proactively contribute to sustainable development, social equity, and ethical governance. We believe that our commitment to ESG is essential for long-term business success and the well-being of our stakeholders, including employees, customers, suppliers, and the communities in which we operate.

Environmental stewardship is a cornerstone of Diamond's ESG strategy. Diamond is committed to working toward a cleaner environment and developed its greenbox initiative to research, design, and implement packaging solutions that are innovative and sustainable. The initiative balances business with environmental considerations by promoting sustainability in all aspects of package production. The core of the initiative – **designs, materials, and methods** – represents a comprehensive approach to packaging that minimizes environmental impact throughout the supply chain. Through creative design, careful material selection, and best practices at the plant level, Diamond is able to minimize waste, reduce energy use and emissions, and increase efficiencies – all of which support a sustainable use of resources and cultivate a positive emotional connection to the brand. Additionally, we actively engage in initiatives that promote recycling and circular economy principles within the Containers & Packaging industry. The Diamond greenbox initiative is one more way we plan to surpass our customers' expectations today, tomorrow, and into a greener future.

On the Social front, Diamond prioritizes the health, safety, and well-being of our employees. We foster an inclusive workplace culture where diversity is celebrated and opportunities for professional growth are abundant. Our community engagement efforts focus on supporting local initiatives that enhance education, environmental conservation, and social welfare.

In terms of Governance, we adhere to the highest standards of corporate ethics and transparency. Our Strategic Planning Team oversees all ESG activities to ensure alignment with our strategic objectives while maintaining accountability through regular reporting and stakeholder engagement.

Diamond's ESG policy reflects our unwavering commitment to sustainability, social responsibility, and ethical governance. By embedding these principles into our business model, we aim to create lasting value for all stakeholders while contributing positively to society and the environment.

Implementation Measures

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

Environmental Stewardship Measures

Greenbox Initiative

- Designs utilizing recyclable or recycled paperboards (many FSC®-certified), and manufactured using 100% clean, renewable wind energy, in a Zero Waste to Landfill (ZWL) and Carbon Neutral (Scope 1 and Scope 2) facility.

Material and Supply Chain Management

- Diamond is Forest Stewardship Council (FSC) Chain of Custody certified and reflects a commitment to making more environmentally and socially responsible supply chain decisions.
- Diamond purchases paperboard that comes from FSC- or SFI-certified sources.

Wind Energy

- Since 2007, Diamond has been purchasing and retiring Green-e certified wind-generated renewable energy certificates (RECs) to match 100% of our electrical energy consumption, becoming one of the first U.S. based folding carton suppliers to do so.
- Diamond purchases approximately 8,400,000 kilowatt hours (kWhs) of renewable energy credits annually.

Climate Action Reserve (CAR) / Ambitious Climate Results (ACR)

- In 2021, Diamond announced a multi-year commitment with **3Degrees** to purchase Climate Action Reserve (CAR)-certified carbon offsets to reduce its carbon footprint.
- In 2025 Diamond entered into a multi-year agreement with **Climate Impact Partners** to purchase Ambitious Climate Results (ACR)-certified carbon offsets aimed at reducing its carbon footprint.
- With these purchases, Diamond is taking a significant step on the path to carbon neutral by offsetting its Scope 1 emissions. (Its Scope 2 emissions are already offset through its long-term commitment to wind energy.)
- As the premier carbon offset registry for the North American carbon market, the [Climate Action Reserve](#) encourages action to reduce greenhouse gas (GHG) emissions by ensuring the environmental integrity and financial benefit of emissions reduction projects.
- As a leading global carbon crediting program operating in global compliance and voluntary carbon markets, [ACR](#) engages actively in a broad range of industry initiatives to help shape the development and growth of high-integrity carbon markets.

Waste Recycling

- Diamond maintains its zero waste to landfill (ZWTL) status as a part of our demonstrable effort to design and produce packaging within a restorative and regenerative circular economy

Continuous Improvement Measures

Data Collection and Analysis

- Diamond tracks progress on sustainable sourcing of paperboard products and sets targets to increase usage annually
- Adopt an array of metrics to measure the performance of our energy efficiency, waste recycling, and process improvement initiatives
- Establish baseline metrics for all key performance indicators by Q4 2026
- Maintain compliance with the Ten Principles of the UN Global Compact, and GHG Protocol guidelines to promote best practices in assessing and setting targets

Stakeholder Engagement

- Solicit feedback from customers on environmental stewardship 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 and environmental stewardship

Innovation and Technology

- Incorporates best manufacturing practices and employs comprehensive approach to energy efficiency
- Continue our commitment to sustainable design methods considering factors such as product protection, usability, billboard space, and first moment of truth (FMOT)
- Capturing the essence of luxury brands through more sustainable in-line converting methods

Key Performance Indicators (KPIs) – Environmental

To monitor progress on environmental stewardship, Diamond tracks the following KPIs:

Environmental KPIs

- Certified board usage: increase the use of certified paperboards by 1% per year over the next 10 years (10% total), based on a 2012 baseline
- Renewable or recycled paperboard usage: over 99% of all packaging was made from renewable or recycled paperboards, many FSC-certified
- Waste recycling: About 97% of all manufacturing waste is recycled annually
- Landfill disposal: In 2014 Diamond achieved zero waste to landfill status, becoming the first U.S.-based folding carton supplier to achieve the distinction
- Water Usage: absolute target of a 2% reduction in water usage per year for the next 10 years (20% total reduction), based on a 2022 baseline. We have also set an intensity target of a 3% reduction in water usage (cubic meters per unit of production) per year for the next 10 years (30% total)
- Scope 1 and Scope 2 GHG emissions: 42% reduction by 2030 based on 2022 baseline
- Scope 1 and Scope 2 intensity target: 4.2% reduction per year based on 2022 baseline
- Scope 3 emissions: absolute target of a 2% reduction per year based on 2022 baseline

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).

Key Performance Indicators (KPIs) – Diversity

To monitor progress on workplace diversity and inclusion, Diamond tracks the following KPIs:

- Workforce diversity: percentage of employees by demographic category, tracked annually
- Diversity in leadership: percentage of management-level positions held by underrepresented groups, tracked annually
- Supplier diversity tracked annually

These KPIs are reviewed annually by management and incorporated into Diamond's GRI-aligned Sustainability Report. Policy detail and scope are maintained in the Employee Handbook and Human Resources KPIs document.

Key Performance Indicators (KPIs) – Health & Safety

To monitor progress on employee health and safety, Diamond tracks the following KPIs:

- Incident Rate (IR): tracked annually against a goal of zero incidents
- Lost Time Case Rate (LTCR): tracked annually against a goal of zero lost-time cases

These KPIs are reviewed regularly by management to identify trends and drive continuous improvement, and are reported annually to executive leadership. Policy detail and scope are maintained in the Employee Handbook; full metric definitions are in the Human Resources KPIs document.

Key Performance Indicators (KPIs) – Governance

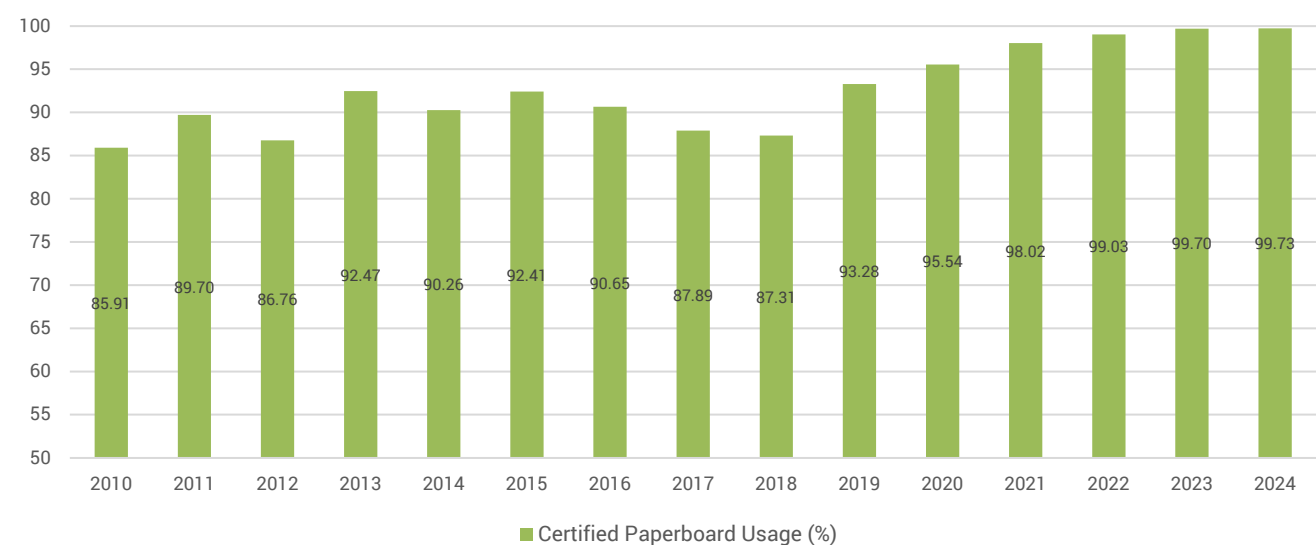
To monitor progress on governance and business ethics, Diamond tracks the following KPIs:

- Employees trained on Business Ethics Policy: percentage of employees completing annual training
- Code of Conduct violations: number of substantiated violations across business ethics, child labor, forced labor, human trafficking, and fundamental human rights categories
- Suppliers signing the Supplier Code of Conduct: percentage of major suppliers with a completed, on-file acknowledgment

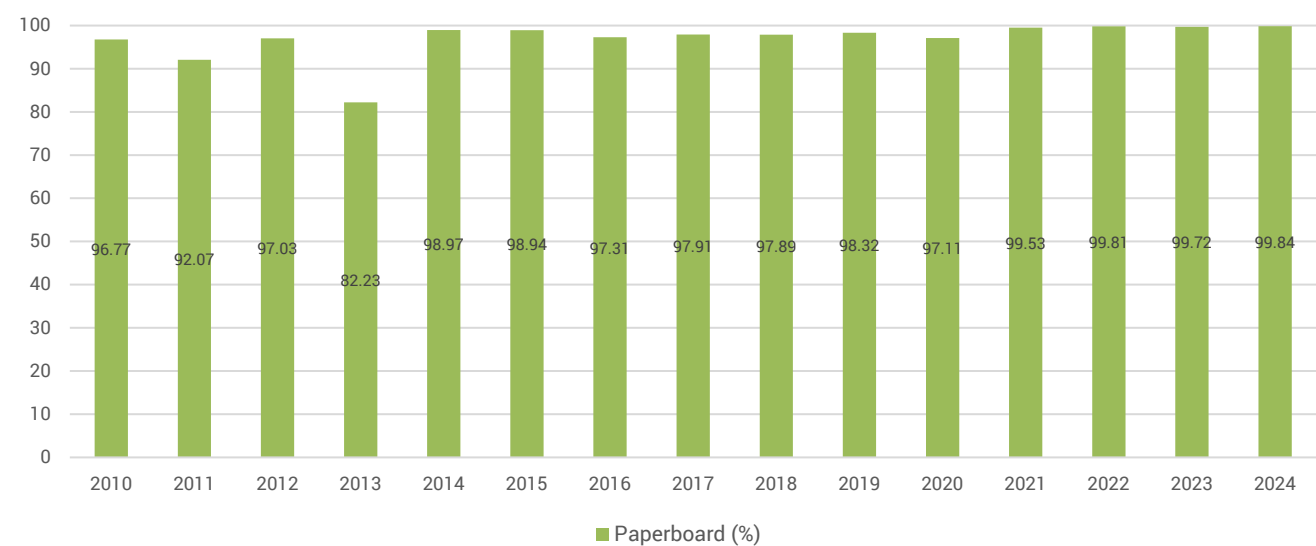
These KPIs are reported annually to executive leadership and incorporated into Diamond's GRI-aligned Sustainability Report. Policy detail and scope are maintained in the Employee Handbook and Supplier Code of Conduct document.

Environmental Stewardship Metrics

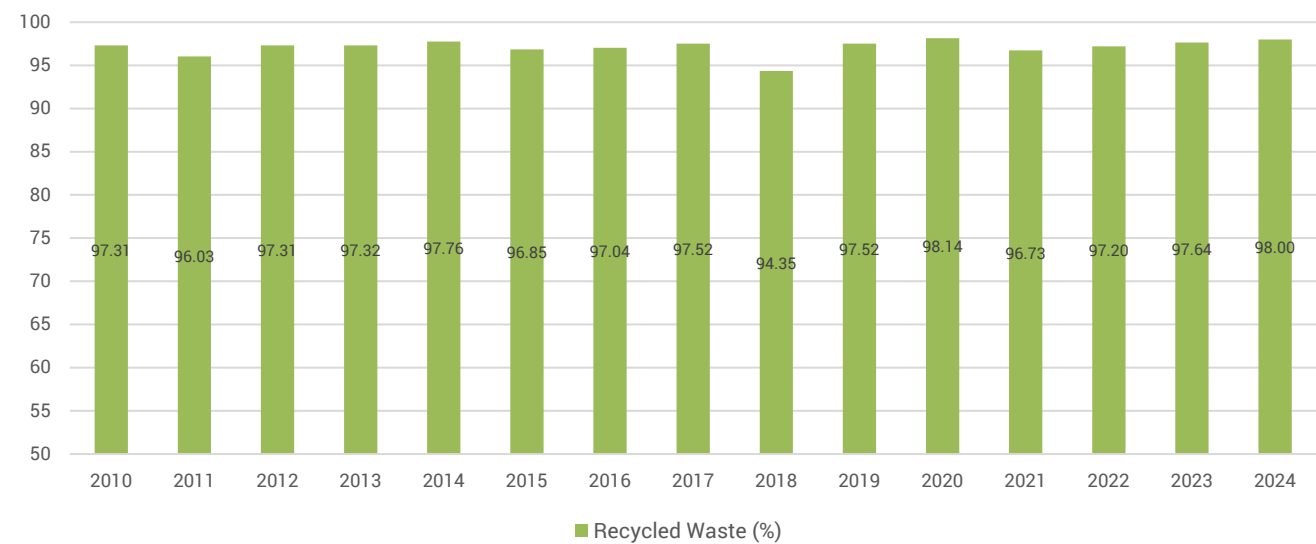
Certified Paperboard Usage



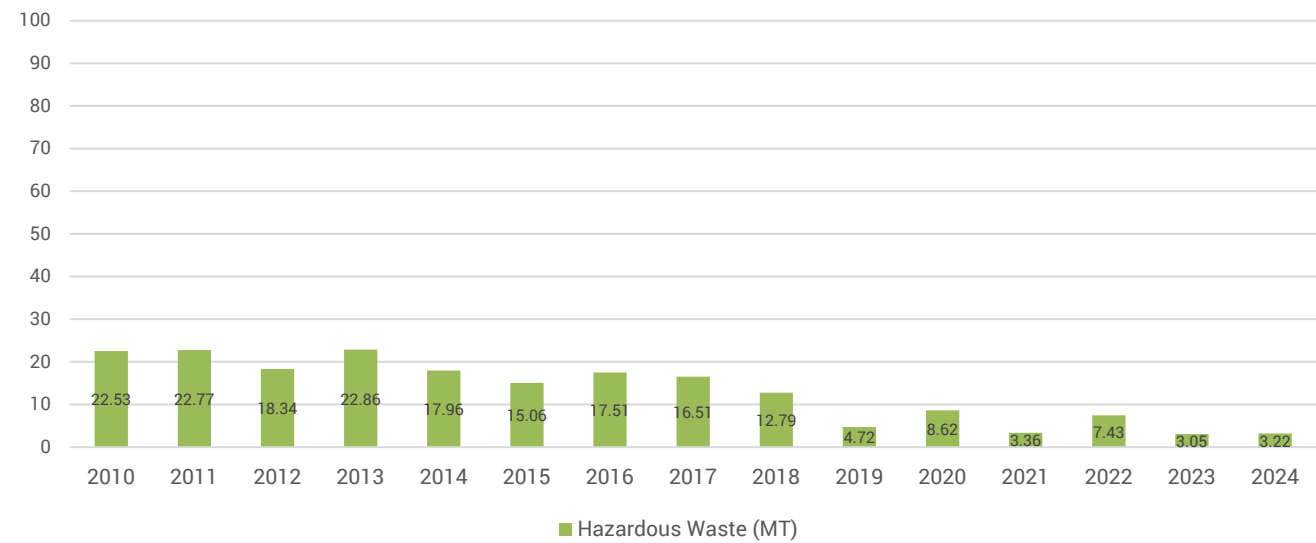
Recycled or Renewable Paperboard Usage



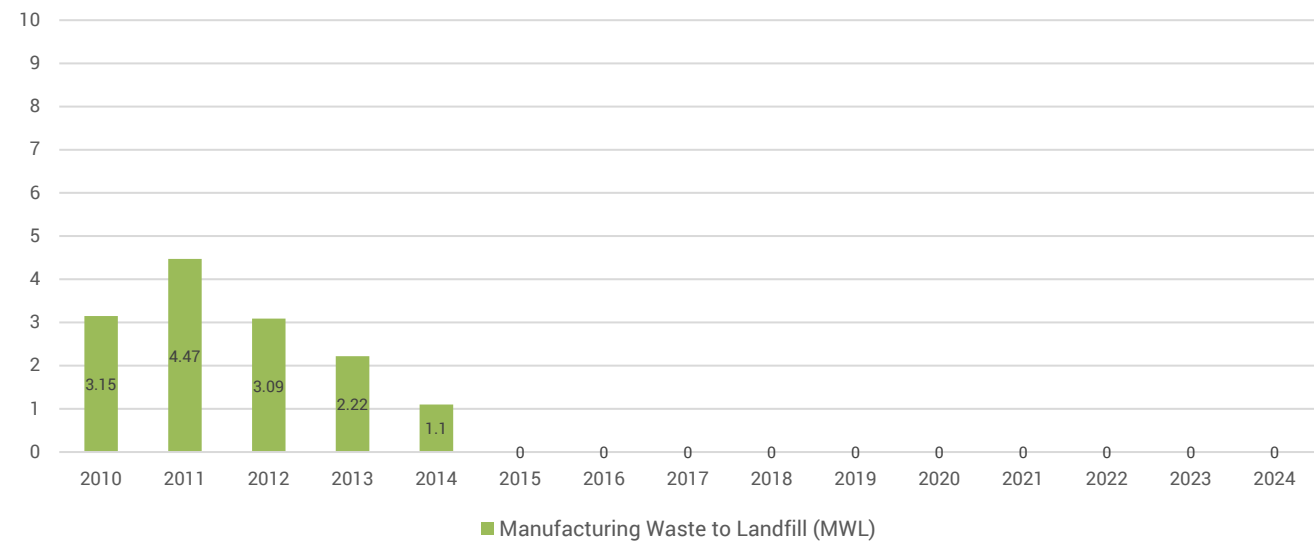
Recycled Waste



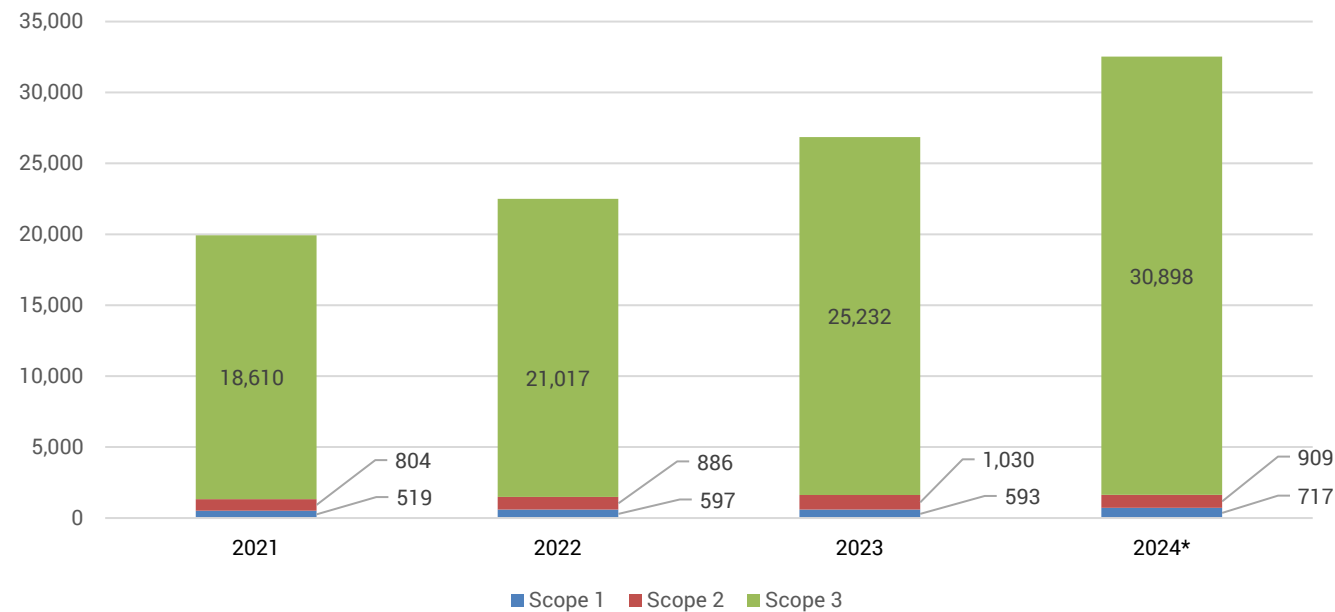
Hazardous Waste



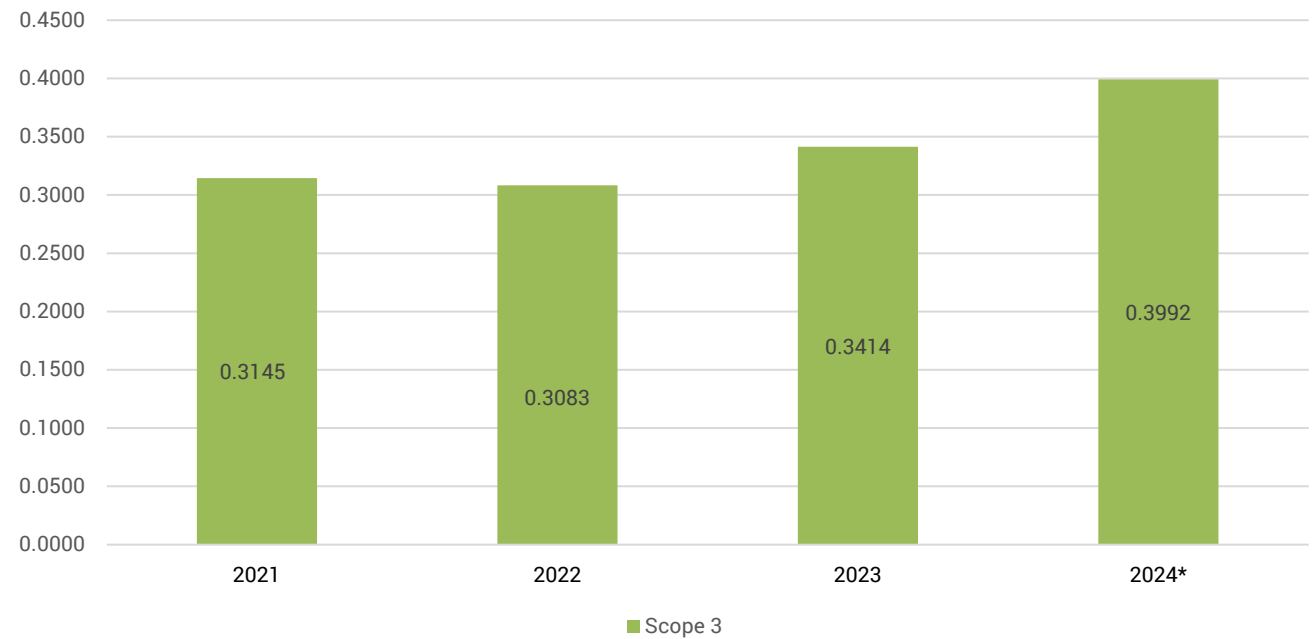
Manufacturing Waste to Landfill



Absolute Emissions (Scope 1 + Scope 2 + Scope 3)



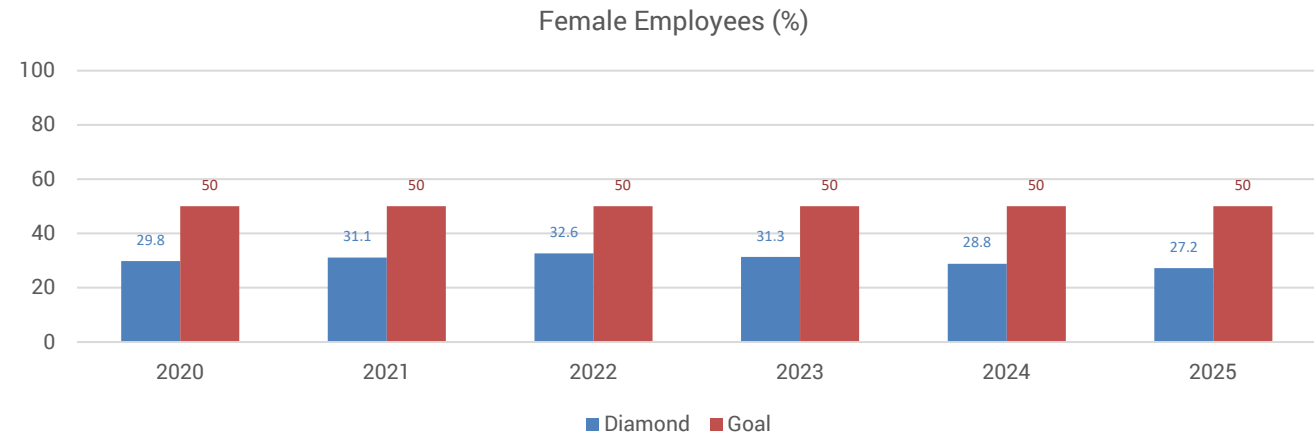
Scope 3 Emissions Intensity



Diversity Metrics

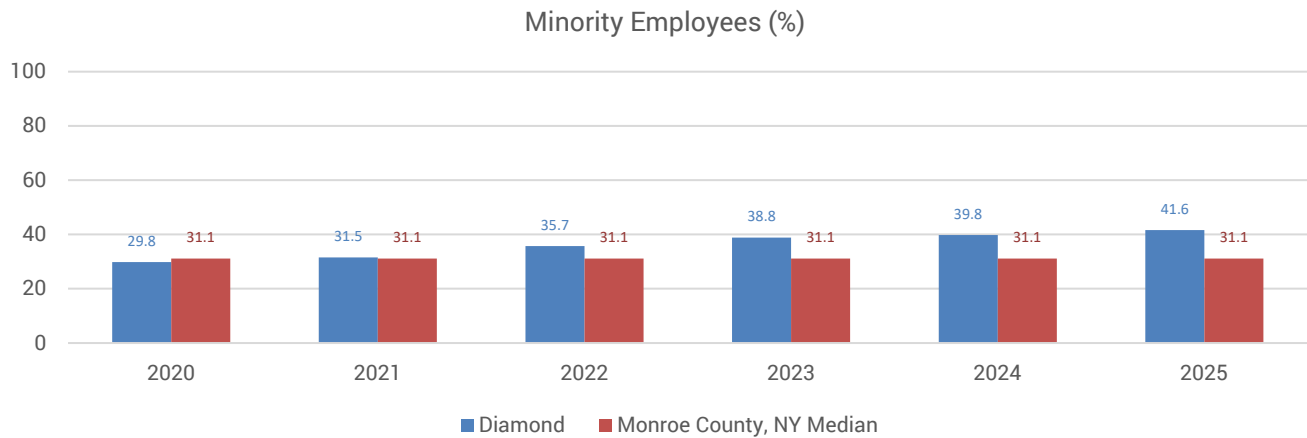
To monitor progress on implementation measures, Diamond tracks the following KPIs:

Female Employees



Diamond has initiatives in place to recruit talent, including posting career opportunities internally, on our company website, through our social media accounts (Facebook, LinkedIn), and a Referral Program.

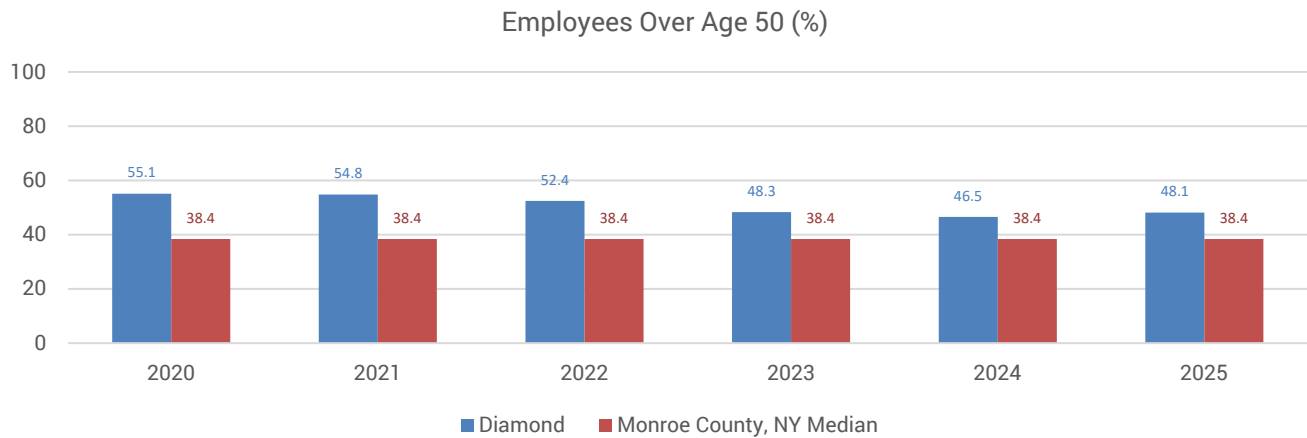
Minority Employees



In 2024 the ethnic composition of the population of Monroe County, NY was composed of 68.9% white and 31.1% non-white residents (*source: U.S. Census Bureau, July 1, 2024*). – [link](#)

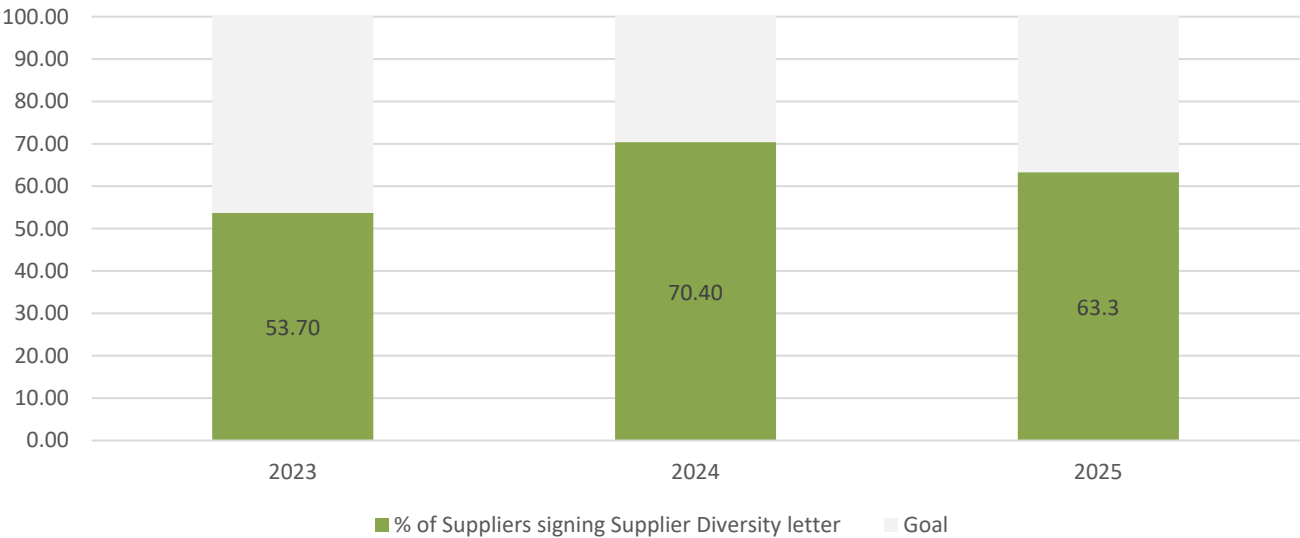
Diamond has initiatives in place to recruit talent, including posting career opportunities internally, on its company website, through social media (Facebook, LinkedIn), and a Referral Program.

Employees Over Age 50



In 2024 the population of Monroe County, NY residents over the age of 50 was 37.5% (*source: U.S. Census Bureau, 2022 American Community Survey 1-Year Estimates*). – [link](#)

Suppliers Signing Supplier Diversity Letter

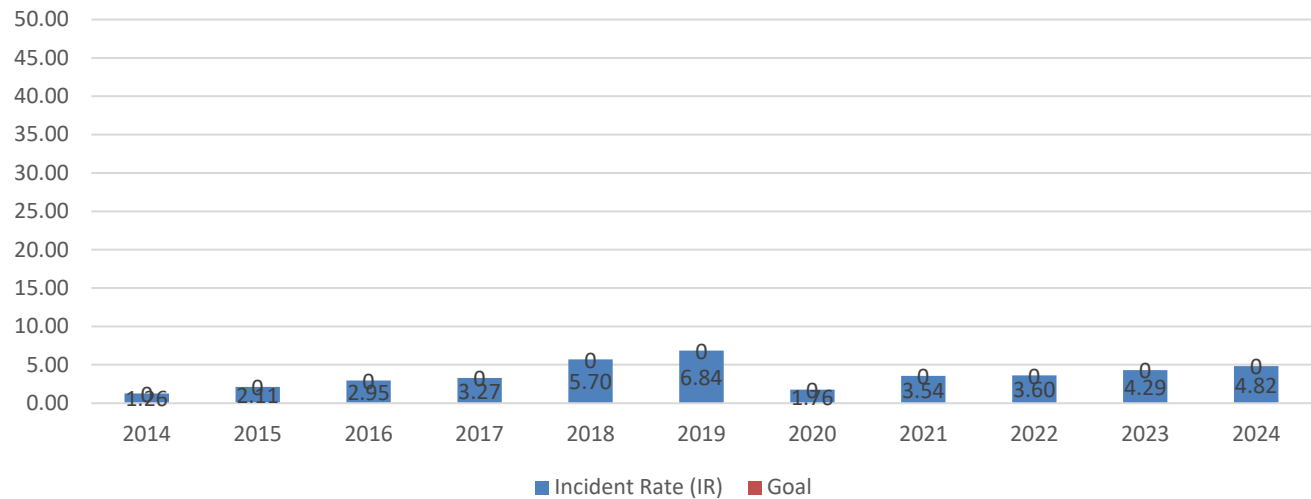


Diamond looks to add diversity to its supply chain and tracks progress on sourcing from diverse suppliers. Diamond sends the Supplier Diversity Letter to all non-public companies, requesting that they let us know which of the following categories their company falls into, and if applicable, provide their current diversity certificate: African American; Asian; Disabled; Hispanic; Lesbian, Gay, Bisexual, Transgender (LGBT); Native American; Subcontinent Asian American; Veteran; Women; Small; and Not Applicable. All responses are tracked in Diamond’s SharePoint database with the following status – Complete, Complete (no exception), Pending, N/A – and date completed.

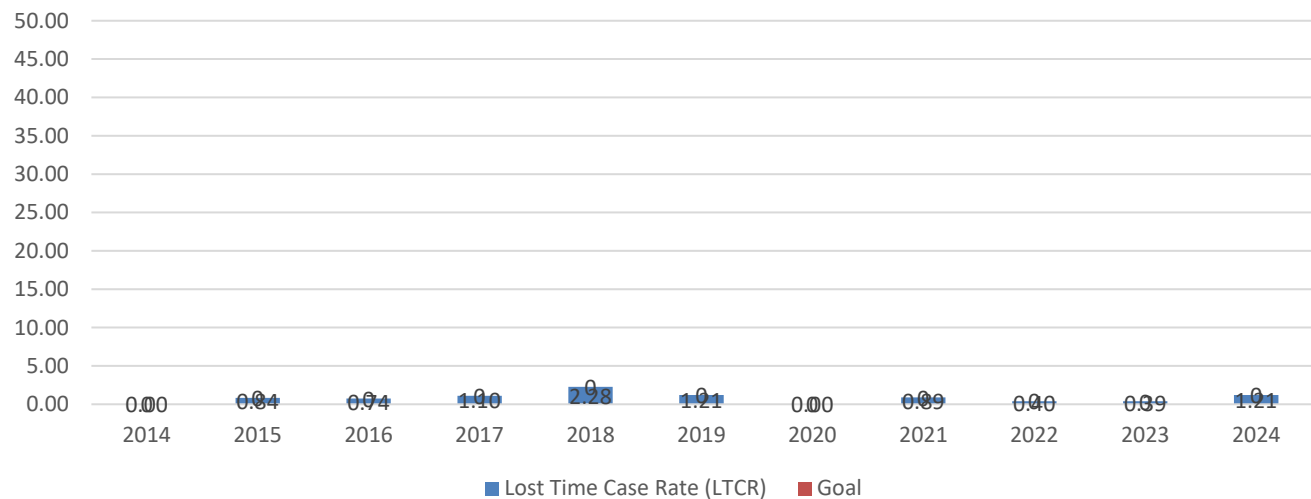
Health & Safety Performance Metrics

Diamond Packaging monitors health and safety performance using key indicators, including Incident Rate (IR) and Lost Time Case Rate (LTCR). Performance is reviewed regularly by management to identify trends, implement corrective and preventive actions, and drive continuous improvement.

Incident Rate (IR)



Lost Time Case Rate (LTCR)



More information on Employee Health & Safety can be found in the Employee Handbook. All employees are required to acknowledge this program.

More information on Key Performance Indicators can be found in the Human Resources KPIs document.

Diamond's **Health & Safety Policy** is also publicly available in its GRI-aligned **Sustainability Report** and on the ESG Policies web page of its [website](#).

Governance Performance Metrics

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

Employees Trained on Business Ethics (Business Ethics Policy)



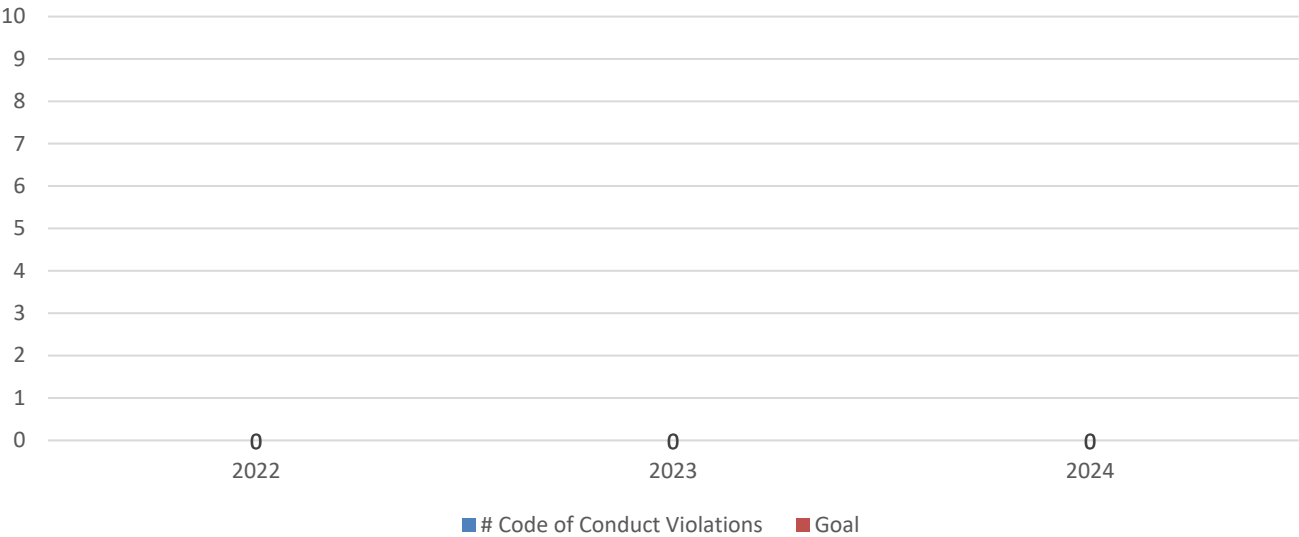
Diamond is committed to upholding the highest standards of business ethics and integrity. Our values and principles guide every decision we make, ensuring that we operate with transparency, fairness, and accountability.

Diamond’s **Business Ethics Policy** is found in the Employee Handbook. This policy is signed off on by all employees.

Diamond’s **Business Ethics Policy** is also publicly available in its GRI-aligned **Sustainability Report** and on the ESG Policies web page of its [website](#).

Code of Conduct Violations, including:

- 1. Business Ethics
 - a. Corruption
 - b. Conflict of interest
 - c. Fraud
 - d. Information Security
 - e. Anticompetitive practices
- 2. Child Labor
- 3. Forced Labor
- 4. Human Trafficking
- 5. Fundamental Human Rights



Diamond is committed to upholding the highest standards of business ethics and integrity. Our values and principles guide every decision we make, ensuring that we operate with transparency, fairness, and accountability. Code of Conduct violations extend to employees, interns, applicants, contractors, suppliers, consultants, and any other non-employees providing services in the workplace. Diamond’s **Code of Conduct Policy** is found in the Employee Handbook. This policy is signed off on by all employees.

See Diamond’s **Employee Handbook** for information on Governance, Review Mechanism, and Scope.

Suppliers Signing Supplier Code of Conduct Policy, addressing:

- 1. All applicable laws, regulations
- 2. All environmental laws
- 3. Safe and healthy work environment
- 4. Labor practices
- 5. Forced labor, child labor
- 6. Discrimination
- 7. Ethics
- 8. Compliance



Diamond is committed to conducting procurement in an ethical, legal, and socially responsible manner. Diamond expects its suppliers to share this commitment. All Diamond suppliers must meet the minimum requirements outlined in the Supplier Code of Conduct document to do business with Diamond. This document is sent to all major Diamond suppliers, requesting them to sign and return to acknowledge compliance with these standards. All responses are tracked in Diamond’s SharePoint database with the following status – Complete, Complete (no exception), Pending, N/A – and date completed.

Governance Structure

The implementation and oversight of this ESG 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 and external GHG emissions inventory for verification
- Authors annual Sustainability Report for customers and external stakeholders, including CDP, EcoVadis, UN Global Compact

Human Resources Manager

- Overall accountability for human resources practices and adherence to standards
- Reports violations to executive leadership

Safety & Environmental Specialist

- Overall accountability for safety and environmental standards, trainings, and compliance
- Reports violations to executive leadership

Strategic Planning Team

- Overall accountability for overseeing corporate governance
- Reports violations to executive leadership

Operations/Facilities Director

- Overall accountability for overseeing execution of proper facility and equipment maintenance
- Identify facility inefficiencies and determine ways to optimize our performance
- Evaluate developments in process improvements to incorporate best practices at the plant level

Supply Management Team

- Identify opportunities to supply chain improvements
- Continued procurement of materials that are sourced through socially and environmentally suppliers

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

- Reviews progress against targets quarterly
- Recommend policy updates and new initiatives
- Ensuring 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 – Environmental

- Quarterly: Reports sustainability metrics to executive leadership and Green Team
- Annually: Track progress on sustainable sourcing
- Annually: Track emissions data and waste recycling metrics
- Annually: Evaluate overall environmental and social impact metrics and assess targets
- Report findings to executive leadership and incorporate into continuous improvement initiatives

Performance Monitoring – Diversity

- Annually: Track % Female Employees
- Annually: Track % Minority Employees
- Annually: Track % Employees Over Age 50
- Report findings to executive leadership and incorporate into continuous improvement initiatives

Performance Monitoring – Health & Safety

- Annually: Track Incident Rate
- Annually: Track Lost Time Case Rate
- Report findings to executive leadership and incorporate into continuous improvement initiatives

Performance Monitoring – Governance

- Annually: Track Number of Code of Conduct violations
- Annually: Evaluate Code of Conduct compliance
- Report findings to executive leadership and incorporate into continuous improvement initiatives

External Verification

- Engage third-party audits to verify compliance with policy standards annually
- Participate in industry benchmarking to identify improvement opportunities
- Maintain transparency through public reporting of key metrics