

Science Based Targets Initiative (SBTi) 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 Science Based Targets initiative (SBTi) policy applies to all owned and operated facilities under Diamond Packaging's operational control, in accordance with the GHG Protocol Corporate Standard.

This policy defines and promotes best practice in science-based target setting and independently assesses companies' targets with levels required to meet the goals of the Paris Agreement.

Science Based Targets Initiative (SBTi)

Diamond Packaging is committed to continuous improvement across our sustainability ESG work and reporting. As part of our sustainability commitment, we have published clear, metric-based performance and reported on our sustainability progress annually since launching Diamond's sustainability program to align its operations, sites, products, business, and sustainability reporting with industry-wide best practices and established precedents. Along the way, we have identified standards that apply across our business. We take a long-term approach to sustainability by setting a strong foundation and ensuring adequate flexibility to adapt, improve and evolve alongside industry expectations and opportunities

Emissions Calculations

Diamond Packaging commits to maintaining a consistent and transparent approach to verifying our emissions targets and carbon footprint. 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.

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.

Implementation Measures

To achieve our science-based targets initiative (SBTi) objectives, Diamond has established the following concrete measures:

Science-Backed Decarbonization Approach

- Diamond's near-term science-based targets have been validated by the Science Based Targets initiative (SBTi) and are aligned with the 1.5°C target of the UN Paris Agreement on Climate Change
- Diamond commits to reduce **Scope 1** and **Scope 2** GHG emissions 42% by 2030 from a 2022 base year, and to measure and reduce its **Scope 3** emissions, in alignment with Diamond's science-based target framework.
- This target was approved using a streamlined target validation route exclusive to small and medium-sized enterprises (SMEs).

Verified Carbon Footprint

- Diamond's entity-wide greenhouse gas (GHG) emissions are verified by SCS Global Services
- A third-party verified carbon footprint ensures that our greenhouse gas measurements are accurate and reliable, and provides transparency and credibility with stakeholders.
- Verification is based on:
 - Evaluation of our GHG inventory data
 - Review of our GHG data management system
 - Related reporting and verification criteria

Environmental Sustainability Measures

Carbon Footprint Reduction

- Track Scope 1 and Scope 2 emissions and verify emissions inventory for three (3) facilities under operational control through a verified third party
- Continual efforts to reduce energy consumption with greater sustainability and economic impacts

Continuous Improvement Measures

Data Collection and Analysis

- Maintain compliance with Science Based Targets initiative (SBTi) and GHG Protocol guidelines to promote best practices in assessing and setting targets
- Continue utilization of hybrid method for calculating Scope 3 emissions using primary data from key suppliers, including upstream cradle-to-gate emissions (tCO₂e/MT), if available, and transportation data
- Establish baseline metrics for all key performance indicators by Q4 2026

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

Innovation and Technology

- Evaluate ESG-related expectations in commercial packaging, including climate change, digitalization, customer sustainable procurement initiatives, consumer demands, and circular economy principles
- Invest in emerging technologies and responsible materials procurement to support facility efficiency goals and help catalyze our continual innovation

Key Performance Indicators (KPIs)

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

Environmental KPIs

Primary

- Scope 1 and Scope 2 emissions (absolute): Reduce absolute Scope 1 and Scope 2 GHG emissions 42% by 2030 from a 2022 base year

Supplemental

- Scope 1 and Scope 2 emissions (intensity): Reduce Scope 1 + Scope 2 emissions intensity (per unit of production) 4.2% per year for the next 10 years (42% total reduction), based on a 2022 baseline
- Scope 3 emissions (absolute): Reduce Scope 3 emissions 2% per year for the next 10 years (20% total reduction), based on a 2022 baseline

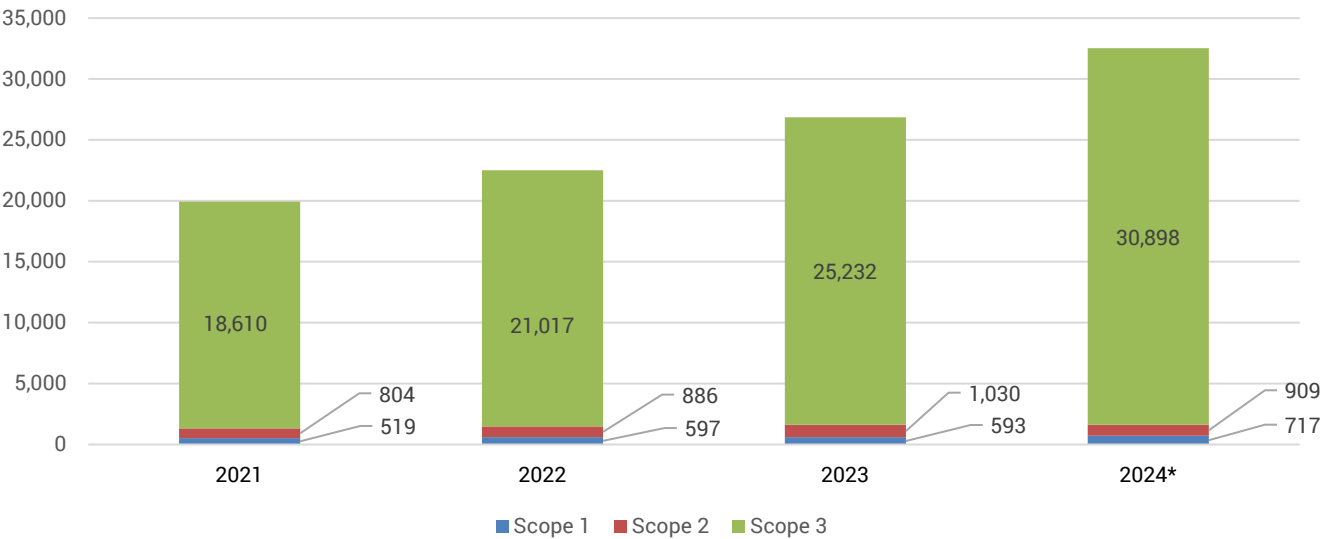
Process KPIs

- Policy training completion: Percentage (%) of relevant personnel involved in emissions data collection, reporting, and target implementation trained on science-based targets initiative and GHG Protocol requirements | Target 100%

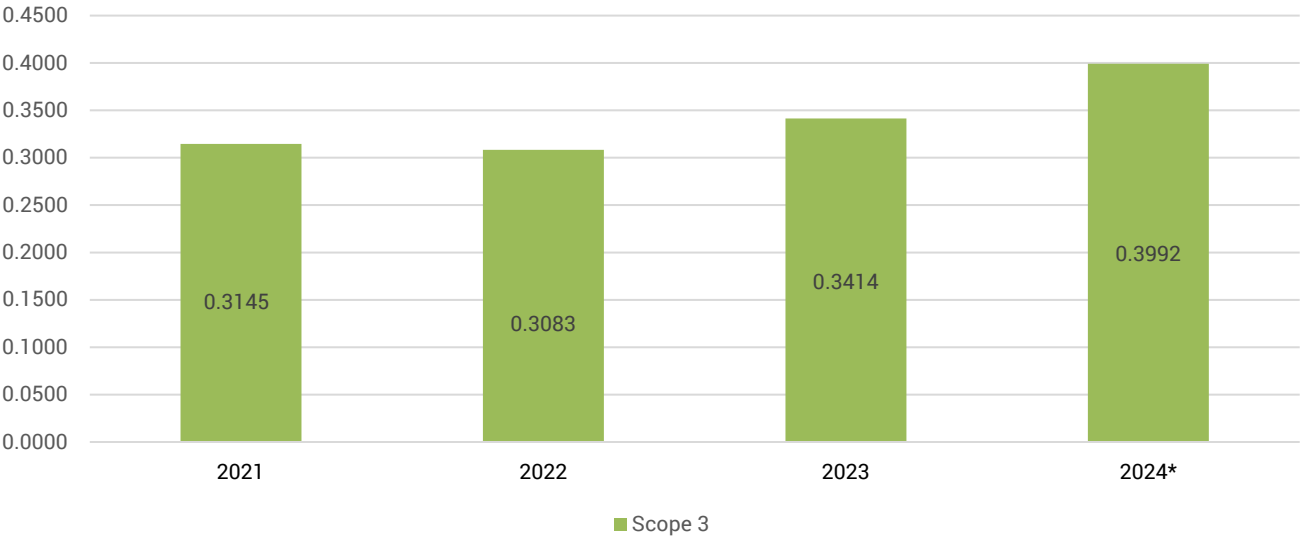
These KPIs are reported monthly (for critical metrics), quarterly (to Green Team), and annually (in Diamond Sustainability Report).

Metrics

Absolute Emissions



Scope 3 Emissions Intensity



Relevant Personnel Trained on SBTi



Governance Structure

The implementation and oversight of this Science Based Targets Initiative (SBTi) Policy is governed through the following structure:

Marketing Director / Sustainability Lead

- Overall accountability for emissions 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

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
- Updated policies will be communicated to all suppliers within 30 days
- 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

- 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