

Supplier Code of Conduct Policy

Effective Date: January 2024
Review Cycle: Annually (next review due: January 2027)
Policy Owner: Supply Chain Manager
Approved By: Chief Financial Officer (CFO)

Scope

This Supplier Code of Conduct applies to all suppliers, vendors, contractors, and business partners who provide materials, products, or services to Diamond Packaging. It establishes the standards of environmental responsibility, labor practices, ethical business conduct, and regulatory compliance expected of organizations doing business with Diamond.

The policy applies across all Diamond facilities and operations, with particular relevance to key supply categories including paperboard, foil, inks, adhesives, and other production materials. Suppliers are expected to comply with the principles outlined in this Code and to communicate these expectations within their own operations and supply chains where applicable.

Compliance with this Code is a condition of doing business with Diamond Packaging.

Supplier Code of Conduct

Diamond Packaging is committed to conducting procurement in an ethical, legal, and socially responsible manner. Diamond expects its suppliers to share this commitment.

- Suppliers must comply with all applicable laws, codes or regulations of the countries, states, and localities in which they operate.
- Suppliers must comply with all environmental laws and regulations applicable to their operations worldwide.
- Suppliers are expected to provide their employees with a safe and healthy working environment to prevent accidents and injury to health.
- Suppliers are expected to adopt sound labor practices and treat their workers fairly in accordance with local laws and regulations.
- Suppliers shall not use any forced or child labor and shall not discriminate in its employment practices on the basis of race, color, sex, sexual orientation, gender identity, religion, creed, national or ethnic origin, citizenship status, age, disability, veteran status, or any other legally protected class status.

- Suppliers are expected to conduct their businesses in accordance with the highest standards of ethical behavior and in accordance with applicable laws and regulations.
- Suppliers shall conduct audits and inspections to ensure compliance with this Supplier Code of Conduct and applicable legal requirements. If a supplier identifies areas of non-compliance, the supplier agrees to notify Diamond as to its plans to remedy any such non-compliance.

Environmental Components

Diamond prioritizes the procurement of materials and services that minimize environmental impact throughout their lifecycle. We will actively seek suppliers who demonstrate a commitment to reducing their carbon footprint, conserving natural resources, implementing eco-friendly practices, and comply with all environmental laws and regulations applicable to their operations. Additionally, we will conduct regular assessments of our supply chain to identify opportunities for improving environmental performance and collaborate with suppliers to implement sustainable solutions.

Labor Practices and Human Rights Components

We are dedicated to upholding the highest standards of labor practices and human rights within our supply chain. Diamond requires all suppliers to comply with applicable labor laws and international human rights standards. We expect our suppliers to provide safe working conditions, fair wages, and reasonable working hours for their employees. Furthermore, we strictly prohibit the use of child labor, forced labor, and any form of discrimination or harassment in the workplace. To ensure compliance, we will conduct periodic audits and engage in transparent dialogue with them about their labor practices. Suppliers must also commit to Diamond's Supplier Code of Conduct policy to do business with us.

By adhering to this Supplier Code of Conduct policy, Diamond aims to foster a supply chain that not only supports our business objectives but also contributes positively to society and the environment. We believe that responsible sourcing is essential for long-term success and remain committed to continuous improvement in our procurement processes. Through collaboration with like-minded partners, we strive to create a more sustainable future for all stakeholders involved in our operations.

Implementation Measures

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

Environmental Sustainability Measures

Supplier Assessment and Selection

- Implement a sustainability scorecard system for evaluating 100% of new and existing suppliers (paperboard, foil) by Q4 2026
- Prioritize suppliers with third-party environmental certifications (ISO 14001, FSC, PEFC, SFI)
- Establish minimum environmental standards (e.g., certification, EUDR compliance) as mandatory criteria in procurement process

Sustainable Materials Sourcing

- Maintain and expand FSC Chain of Custody certification
- Conduct annual verification of supplier certification status (FSC)

Labor Practices and Human Rights Measures

Supplier Code of Conduct Compliance (major suppliers)

- Require 100% of suppliers to sign and commit to Diamond's Supplier Code of Conduct by Q4 2026
- Establish zero-tolerance policy for child labor, forced labor, and workplace discrimination

Audit and Verification Program

- Conduct on-site or virtual audits of five (5) major suppliers every year
- Utilize third-party audits (e.g., EcoVadis, FSC) for independent verification of labor practices (paperboard, foil)
- Implement corrective action plans for suppliers with identified non-compliance issues
- Establish escalation procedures, including certified supplier status for repeat violations

Continuous Improvement Measures

Data Collection and Analysis

- Maintain supplier product compliance data management system for all major suppliers
- Establish baseline metrics for all key performance indicators by Q4 2026
- Conduct annual supply chain risk assessments to identify emerging sustainability issues

Stakeholder Engagement

- Solicit feedback from customers on sustainability expectations
- Engage with industry associations to stay current on best practices
- Participate in collaborative initiatives for supply chain sustainability

Innovation and Technology

- Evaluate emerging technologies that support sustainable procurement goals
- Pilot new approaches with select suppliers before broader implementation
- Share successful practices across supplier network

Key Performance Indicators (KPIs)

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

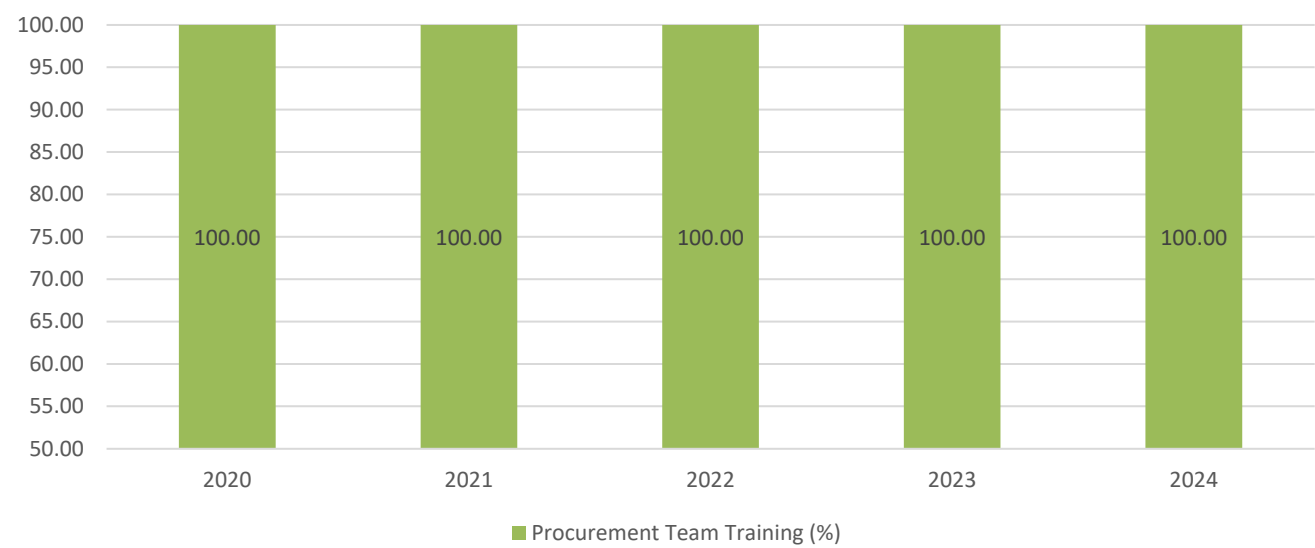
Process KPIs

- Policy training completion: Percentage (%) of procurement staff trained on sustainable procurement practices | Target 100%
- Supplier engagement: Percentage (%) of major suppliers signing Supplier Code of Conduct Policy, which includes labor and human rights clauses | Target 100%

- **Supplier engagement:** Percentage (%) of suppliers signing Product Compliance statements (BPA, Heavy Metals, MOSH-MOAH, PFAs, REACH) | Target 100%

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

Procurement Staff Trained on Sustainable Procurement



Suppliers Signing Supplier Code of Conduct Policy



Suppliers Signing Product Compliance Statements



Governance Structure

The implementation and oversight of this Sustainable Procurement Policy is governed through the following structure:

Supply Chain Manager

- Overall accountability for sustainable procurement strategy and performance
- Reports sustainability metrics to executive leadership and Green Team quarterly
- Approves major supplier partnerships and certifications
- Day-to-day implementation of sustainable procurement practices
- Leads supplier evaluations and selection processes
- Maintains supplier scorecards and compliance documentation
- Validates product specifications meet sustainability standards
- Verifies supplier certifications (FSC)

Supply Chain Management Team

- Conducts supplier audits and assessments
- Identifies opportunities for supply chain improvements

Quality Assurance Department

- Verifying supplier certifications (ISO, FSC)

Marketing Director / Sustainability Lead

- Overall accountability for ESG reporting
- 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

- Recommends policy updates and new initiatives
- Ensures 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 and labor 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 certification standards (FSC, EUDR)
 - Major supply chain disruptions require response
 - New sustainability technologies become available
 - Stakeholder concerns necessitate policy adjustments

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
- Training will be provided to procurement staff on any material changes
- Public-facing updates will be reflected in the annual Diamond Sustainability Report

Performance Monitoring

- Quarterly: Track Supplier Code of Conduct compliance percentages
- Quarterly: Review supplier audit results and compliance status
- Annually: Evaluate overall environmental and social impact metrics
- Annually: Evaluate Supplier 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



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Supplier Code of Conduct Policy Form

Diamond Packaging 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 following minimum requirements to do business with Diamond:

- Suppliers must comply with all applicable laws, codes or regulations of the countries, states, and localities in which they operate.
- Suppliers must comply with all environmental laws and regulations applicable to their operations worldwide.
- Suppliers are expected to provide their employees with a safe and healthy working environment to prevent accidents and injury to health.
- Suppliers are expected to adopt sound labor practices and treat their workers fairly in accordance with local laws and regulations.
- Suppliers shall not use any forced or child labor and shall not discriminate in its employment practices on the basis of race, color, sex, sexual orientation, gender identity, religion, creed, national or ethnic origin, citizenship status, age, disability, veteran status, or any other legally protected class status.
- Suppliers are expected to conduct their businesses in accordance with the highest standards of ethical behavior and in accordance with applicable laws and regulations.
- Suppliers shall conduct audits and inspections to ensure compliance with this Supplier Code of Conduct and applicable legal requirements. If a supplier identifies areas of non-compliance, the supplier agrees to notify Diamond as to its plans to remedy any such non-compliance.

I confirm the above-mentioned standards are adhered to by _____ ,
located at _____ .

If any of the above items are no longer followed, we will notify Diamond Packaging immediately.

Signed: _____
Printed Name: _____
Position: _____
Date: _____

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