

Sustainable Procurement Policy

Effective Date: January 2026
Review Cycle: Annually (next review due: January 2027)
Policy Owner: Supply Chain Manager
Approved By: Chief Financial Officer (CFO)

Scope

This Sustainable Procurement Policy applies to all Diamond packaging facilities and operations. It governs procurement activities conducted by Diamond employees, contractors, and consultants who make purchasing decisions or manage supplier relationships on behalf of Diamond.

The policy covers all suppliers, vendors, and business partners who provide materials, products, or services to Diamond, with particular emphasis on our key supply categories including paperboard, foil, inks, adhesives, and other production materials. All supply chain personnel, and individuals involved in supplier selection or contract negotiations are required to adhere to this policy and integrate its principles into their decision-making processes.

Sustainable Procurement

Diamond integrates environmental, social, and governance (ESG) considerations into procurement decisions to support responsible sourcing and long-term supply chain resilience. Our sustainable procurement policy is designed to guide our sourcing decisions and supplier relationships in alignment with our core values and sustainability goals.

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, and implementing eco-friendly practices. This includes preferring suppliers who use renewable energy sources, engage in waste reduction initiatives, and offer products with recyclable or biodegradable packaging. 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 sustainable procurement 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.

Sustainable Paperboard

Diamond is committed to using sustainable paperboard in our folding carton production. We prioritize sourcing from FSC, PEFC, or SFI certified suppliers, ensuring the wood fiber in our paperboard comes from responsibly managed forests. We regularly verify our suppliers' certification status to maintain these standards. Moving forward, we aim to strengthen partnerships with paperboard suppliers who share our dedication to sustainability, further aligning our supply chain with our environmental goals.

FSC® Chain of Custody Certified

Diamond has obtained Forest Stewardship Council® (FSC) Chain of Custody certification from Preferred by Nature. FSC certification demonstrates our continued commitment to environmental responsibility. By utilizing paperboard sourced from responsibly managed forests, we can help businesses empower consumers to make more sustainable choices.

Sustainable Sourcing Metrics (Certified Paperboard)

Diamond tracks progress on **sustainable sourcing** of paperboard products. We set a **target** to maintain certified paperboard use >99.8% through 2030.

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)
- Require environmental performance data from paperboard and foil suppliers by Q4 2026
- Establish minimum environmental standards (e.g., certification, EUDR compliance) as mandatory criteria in procurement process

Carbon Footprint Reduction

- Track Scope 3 emissions from key suppliers and set reduction targets
- Partner with suppliers to identify carbon reduction opportunities in transportation and manufacturing

Sustainable Materials Sourcing

- Maintain and expand FSC Chain of Custody certification
- Conduct annual verification of supplier certification status (FSC)
- Maintain specific targets for certified paperboard procurement
- Evaluate alternative materials with lower environmental impact when technically feasible

Waste Reduction and Circular Economy

- Collaborate with suppliers on packaging optimization to reduce material waste
- Require suppliers to provide take-back programs or recycling options for packaging materials
- Track zero waste to landfill diversion rates from suppliers' operations

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:

Environmental KPIs

- Certified paperboard usage: Maintain >99.8% through 2030
- Scope 3 emissions: Track Scope 3 emissions from key suppliers and collaborate on emissions reduction opportunities

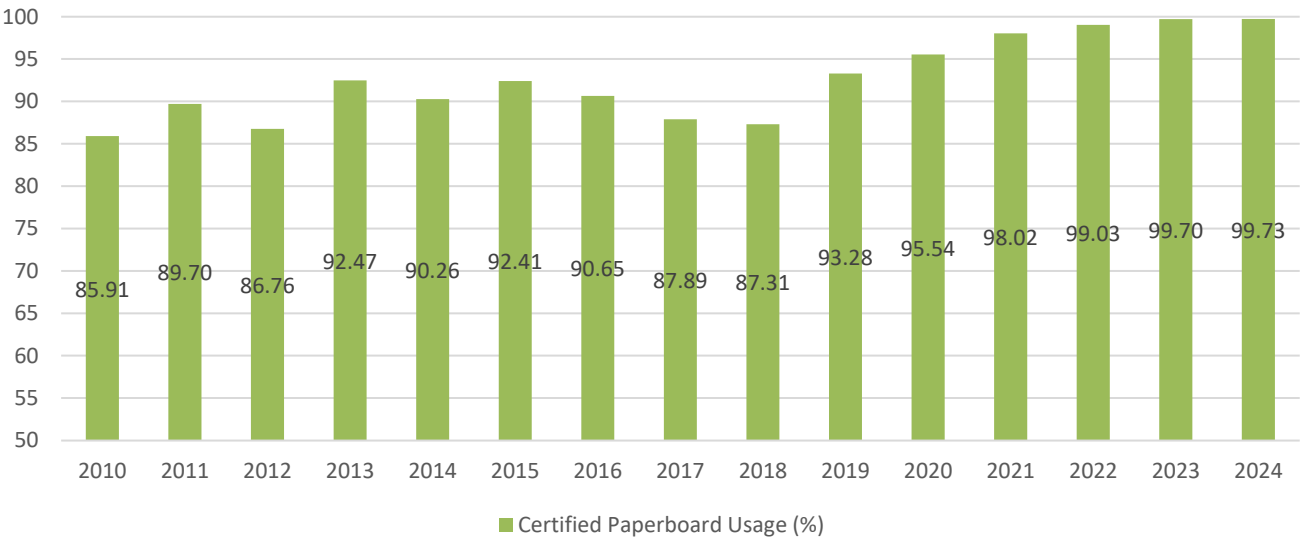
Process KPIs

- 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%

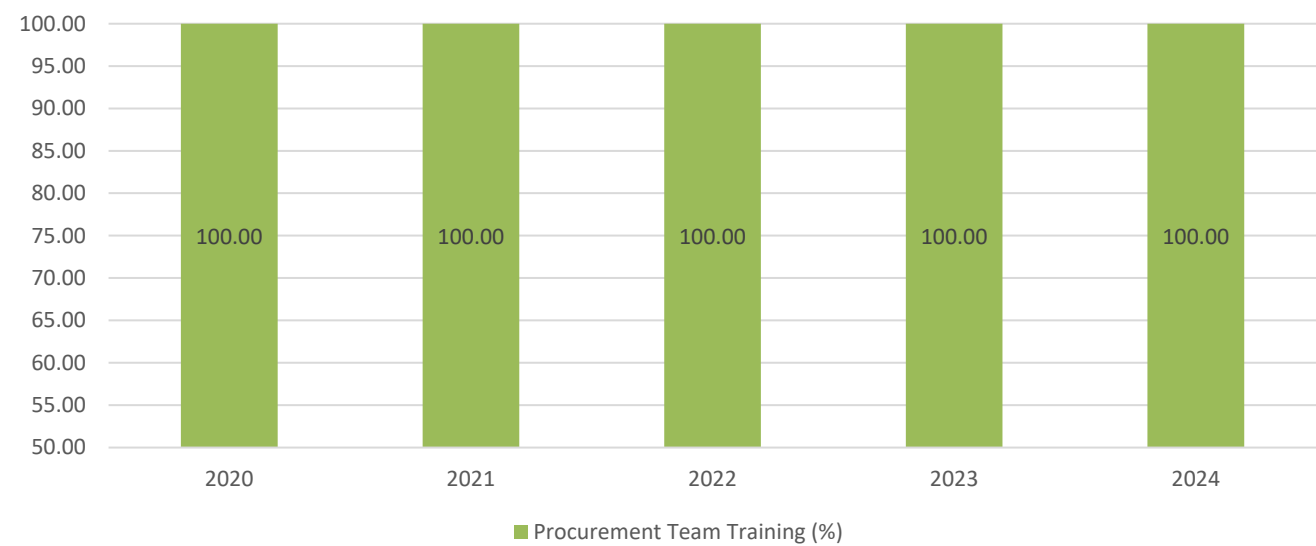
These KPIs are reported monthly (for critical metrics), quarterly (to Green Team), and annually (in Diamond Sustainability Report).

Metrics

Certified Paperboard Usage



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 calculations and performance
- 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
- 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: Track certified paperboard usage percentages
- 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

- May engage third-party audits or recognized assessment platforms (e.g., EcoVadis, FSC) to verify supplier sustainability performance.
- Participate in industry benchmarking to identify improvement opportunities
- Maintain transparency through public reporting of key metrics