DIAMOND packaging
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Verified Carbon Footprint 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 Verified Carbon Footprint Policy applies to all owned and operated facilities under Diamond Packaging's operational control, in accordance with the GHG Protocol Corporate Standard.

This policy covers:
- **Scope 1** – Direct emissions from owned or controlled sources
- **Scope 2** – Indirect emissions from purchased electricity (reported using both location-based and market-based methods)

Verified Carbon Footprint

Diamond Packaging is committed to measuring, managing, and transparently reporting its greenhouse gas (GHG) emissions in accordance with internationally recognized standards. This policy establishes the framework for calculating, verifying, and publicly disclosing the company's organizational carbon footprint to ensure accuracy, credibility, and continuous improvement.

Standards and Methodology

Diamond calculates its carbon footprint in accordance with:
- GHG Protocol Corporate Accounting and Reporting Standard
- GHG Protocol Scope 2 Guidance
- U.S. EPA emissions factors (eGRID and other applicable sources)

Emission factors are selected based on geographic relevance, data quality, and consistency year-over-year.

Emissions Calculations

Diamond Packaging commits to maintaining a consistent and transparent approach to verifying our 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 carbon footprint verification objectives, Diamond has established the following concrete measures:

Carbon Management Measures

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.
- Diamond purchases and retires a volume of RECs equivalent to its annual electricity use (approximately 8,400 MWh, subject to annual adjustment).
- Renewable Energy Certificates (RECs) are applied under the market-based accounting method in accordance with the GHG Protocol Scope 2 Guidance. Diamond separately reports its location-based Scope 2 emissions in its annual GHG inventory.

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. (Carbon offsets are used to neutralize residual Scope 1 emissions and are not applied toward achievement of Diamond's science-based emissions reduction targets. Its Scope 2 emissions are already offset through its long-term commitment to wind energy.)
- Climate Action Reserve (CAR) and Ambitious Climate Results (ACR) are recognized carbon offset registries operating in voluntary and compliance markets.

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 annual usage of renewable energy credits (REC)
- 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 water and energy consumption with greater sustainability and economic impacts
- Determining a baseline dependent on best available environmental primary data

Continuous Improvement Measures

Data Collection and Analysis

- Collect and calculate energy consumption across all relevant facilities and operations
- Assess results to inform future purchases of carbon offsets and wind energy RECs

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 facilities improvements

Innovation and Technology

- Evaluate ESG-related expectations in commercial packaging, including climate change, digitalization, customer sustainable procurement initiatives, consumer experience 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

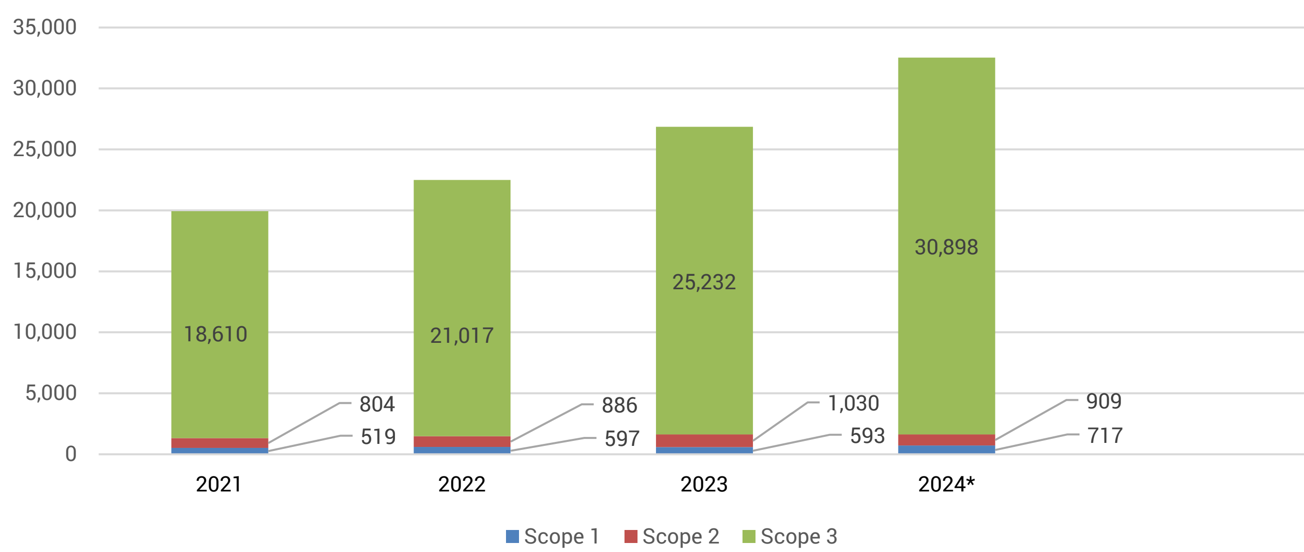
- Scope 1 emissions: measure and calculate all Scope 1 emissions, including those from natural gas, propane, diesel fuel, gasoline, and fugitive emissions
- Scope 2 emissions: measure and calculate emissions from electrical energy requirements
- Carbon offsets: Diamond purchases and retires certified carbon offsets to match 100% of its Scope 1 emissions
- Wind energy (RECs): Diamond purchases and retires Green-e certified wind-generated renewable energy certificates (RECs) to match 100% of its electrical energy consumption and Scope 2 emissions

Process KPIs

- Policy training completion: Percentage (%) of Green Team members trained on verified carbon footprint | Target 100%

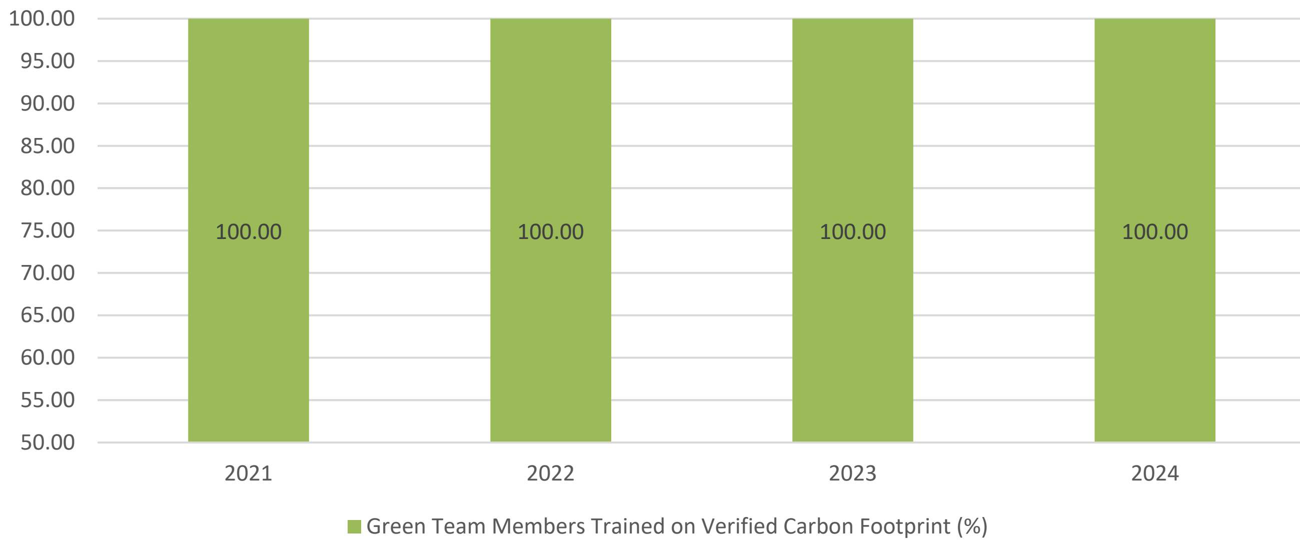
These KPIs are reported monthly (for critical metrics), quarterly (to Green Team), and annually (in Diamond Sustainability Report).

Absolute Emissions*



** Note: Scope 1 and Scope 2 emissions are independently verified. Scope 3 emissions are calculated and disclosed for transparency but are not third-party verified and are outside the scope of this Verified Carbon Footprint Policy.*

Green Team Members Trained on Verified Carbon Footprint



Governance Structure

The implementation and oversight of this Verified Carbon Footprint Policy is governed through the following structure:

Marketing Director / Sustainability Lead

- Overall accountability for emission 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
- 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

- Diamond's entity-wide Scope 1 and Scope 2 emissions are independently verified annually by an accredited third-party assurance provider in accordance with ISO 14064-3 or equivalent assurance standards. Scope 3 emissions are calculated and disclosed but are not currently subject to third-party verification.
- Verification findings, including any material discrepancies and corrective actions, are documented and retained in accordance with Diamond's internal records management procedures.
- Participate in industry benchmarking to identify improvement opportunities
- Maintain transparency through public reporting of key metrics