CLASSIC LABELS PACKAGING GROUP

Sustainable Procurement Policy

Purpose

Classic Labels Packaging Group (CLPG) is committed to integrating environmental, social, ethical, and economic considerations into its sourcing and supplier management processes.

As a provider of labels, folding cartons, inserts, RFID solutions, warehousing, and kitting services, CLPG recognizes that supplier performance plays a critical role in achieving our sustainability objectives, supporting customer expectations, and reducing environmental impacts throughout our value chain. This policy establishes the framework for responsible sourcing and supplier engagement across CLPG's procurement activities.

Scope

This policy applies to all CLPG employees, contractors, consultants, and representatives involved in supplier selection, sourcing, procurement, and supply chain management activities. The policy applies to all suppliers, manufacturers, converters, logistics providers, service providers, and other business partners supporting CLPG operations.

Procurement Principles

CLPG is committed to sourcing products and services in a manner that:

- Supports ethical and responsible business practices.
- Promotes environmental sustainability.
- Respects human rights and fair labor standards.
- Encourages supplier diversity and inclusion.
- Supports regulatory compliance and quality requirements.
- Reduces supply chain risks and environmental impacts.
- Creates long-term value for customers, suppliers, and stakeholders.

Supplier Selection & Evaluation

CLPG incorporates sustainability considerations into supplier selection and evaluation processes.

When appropriate, suppliers may be evaluated based on:

Environmental Performance

- Environmental management practices
- Sustainability commitments and programs
- Greenhouse gas emissions management
- Waste reduction and recycling initiatives
- Responsible material sourcing
- FSC certification and chain-of-custody capabilities
- Participation in sustainability assessments

Social Responsibility

- Human rights practices
- Labor standards
- Workplace health and safety
- Diversity and inclusion initiatives
- Community engagement

Business Ethics

- Compliance with laws and regulations
- Anti-corruption practices
- Data protection and confidentiality
- Business continuity capabilities
- Responsible business conduct

Responsible Material Sourcing

CLPG promotes the use of responsibly sourced materials throughout its supply chain.

We are committed to:

- Supporting FSC-certified paperboard and fiber-based packaging materials.
- Encouraging recycled and recyclable material solutions where commercially and technically feasible.
- Supporting circular economy principles and design-for-recyclability initiatives.
- Working with suppliers that demonstrate responsible environmental stewardship.

Supplier Diversity

As a certified minority-owned business, CLPG supports supplier diversity and inclusive sourcing practices.

CLPG encourages participation from qualified:

- Minority-Owned Business Enterprises (MBE)
- Women-Owned Business Enterprises (WBE)
- Veteran-Owned Business Enterprises (VBE)
- Service-Disabled Veteran-Owned Businesses (SDVOB)
- Disability-Owned Business Enterprises (DOBE)
- LGBTQ+-Owned Business Enterprises (LGBTBE)
- Small Business Enterprises (SBE)

Supplier diversity considerations may be incorporated into sourcing decisions where appropriate and consistent with customer, quality, regulatory, and commercial requirements.

Supplier Expectations

CLPG expects suppliers to:

- Comply with all applicable laws and regulations.
- Adhere to CLPG's Supplier Code of Conduct.
- Respect human rights and labor standards.
- Maintain safe and healthy workplaces.
- Support environmental sustainability initiatives.
- Provide relevant sustainability, traceability, and compliance information upon request.
- Participate in supplier assessments, audits, or sustainability reviews when required.

Scope 3 & Climate Considerations

Recognizing that the majority of CLPG's greenhouse gas emissions occur within its value chain, CLPG will seek to engage suppliers in support of climate and sustainability initiatives.

This may include:

- Collecting supplier sustainability information.
- Encouraging emissions measurement and reduction activities.
- Promoting sustainable material selection.
- Supporting transportation and logistics efficiencies.
- Identifying opportunities to reduce Scope 3 emissions.

Performance Measurement

CLPG will periodically monitor and evaluate sustainable procurement performance through metrics such as:

- Supplier Code of Conduct participation.
- FSC-certified supplier utilization.
- Supplier sustainability assessments completed.
- Diverse supplier participation.
- Sustainable product adoption.
- Supplier ESG engagement and improvement activities.

Performance metrics may be incorporated into management reviews, customer reporting, EcoVadis assessments, and continuous improvement initiatives.

Continuous Improvement

CLPG is committed to continuously improving sustainable procurement practices through:

- Supplier engagement and collaboration.
- Ongoing evaluation of sustainability risks and opportunities.
- Participation in industry sustainability initiatives.
- Monitoring emerging regulations and customer requirements.
- Expanding the use of responsible sourcing practices throughout the supply chain.

Governance

The Chief Executive Officer & Founder is responsible for overseeing implementation of this policy in partnership with procurement, operations, and executive leadership. The CLPG Executive Leadership Team will review sustainable procurement objectives, supplier performance, and related ESG initiatives annually.

Revision Control

Document No.: PROC-001
Version: 1.0
Effective Date: June 11, 2026
Review Cycle: Annual

Approval

Steven Ayala, Chief Executive Officer & Founder

Signature: Steven J Ayala Date: 6/11/2026