CLASSIC LABELS PACKAGING GROUP

Governance & ESG Oversight Policy

Purpose

Classic Labels Packaging Group (CLPG) is committed to conducting business responsibly and integrating Environmental, Social, and Governance (ESG) principles into its operations, supply chain management, and strategic decision-making processes.

This policy establishes the governance framework used to oversee CLPG's sustainability, ethics, compliance, supplier responsibility, and corporate citizenship initiatives.

Scope

This policy applies to all CLPG employees, officers, contractors, consultants, and representatives. It also supports CLPG's engagement with suppliers, customers, and strategic partners regarding ESG-related matters.

ESG Governance Framework

CLPG's ESG program is designed to support:

- Ethical business conduct
- Responsible Sourcing and supplier management
- Environmental sustainability
- Human rights and labor practices
- Supplier diversity and inclusion
- Risk management and regulatory compliance
- Continuous improvement and stakeholder engagement

ESG considerations are integrated into CLPG's business planning, supplier selection processes, customer support activities, and operational decision-making.

Executive Oversight

Overall responsibility for ESG oversight resides with CLPG Executive Leadership.

Chief Executive Officer (CEO)

The CEO provides executive leadership and strategic direction for ESG initiatives and is responsible for:

- Approving ESG-related policies and objectives
- Supporting ethical business practices and corporate responsibility
- Reviewing ESG performance and improvement initiatives
- Ensuring ESG considerations are incorporated into business strategy

Chief Strategy & Sustainability Officer (CSSO)

The Chief Strategy & Sustainability Officer is responsible for the development, implementation, monitoring, and reporting of ESG initiatives and responsible for:

- Maintaining ESG policies and governance documents
- Managing sustainability programs and reporting activities
- Supporting customer ESG requirements and assessments
- Overseeing supplier sustainability and supplier diversity initiatives
- Coordinating EcoVadis, customer audits, and sustainability disclosures
- Monitoring ESG performance metrics and improvement plans

ESG Management Responsibilities

CLPG leadership and employees are expected to support the company's ESG objectives through their respective responsibilities.

Areas of focus include:

Environmental

- Sustainable packaging solutions
- Scope 3 emissions measurement and reduction
- FSC-certified sourcing
- Circular economy initiatives
- Resource conservation and waste reduction

Social

- Employee well-being
- Human rights and labor practices
- Diversity, equity, and inclusion
- Supplier diversity
- Community engagement

Governance

- Business ethics and compliance
- Anti-corruption practices
- Data protection and confidentiality
- Supplier oversight and responsible sourcing
- Risk management and accountability

ESG Performance Measurement

CLPG maintains ESG performance indicators to support continuous improvement and transparency.

Key metrics may include:

- Scope 3 emissions measurement progress
- Sustainable product portfolio growth
- FSC-certified supplier participation
- Supplier Code of Conduct compliance
- Supplier diversity participation and spend
- Employee training and policy acknowledgments
- Customer sustainability support initiatives

Performance is reviewed periodically and incorporated into annual management reviews.

Supplier & Stakeholder Engagement

CLPG recognizes that ESG performance extends beyond its direct operations.

The company works collaboratively with:

- Manufacturing partners
- Logistics providers
- Suppliers
- Customers
- Industry organizations
- Diversity and sustainability associations

to promote responsible business practices throughout the supply chain.

Continuous Improvement

CLPG is committed to continually improving its ESG performance through:

- Annual review of ESG policies and objectives
- Monitoring emerging regulatory requirements and industry best practices
- Participation in sustainability and supplier diversity initiatives
- Ongoing supplier engagement and performance evaluation
- Regular assessment of ESG risks and opportunities

Corrective actions and improvement plans may be developed when gaps or opportunities are identified.

Reporting & Accountability

ESG performance and initiatives will be reviewed annually by executive leadership.

The Chief Executive Officer & Founder will maintain ESG documentation, coordinate reporting activities, and provide recommendations for continuous improvement.

All employees are expected to support the principles and objectives outlined in this policy.

Revision Control

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Approval

Steven Ayala, Chief Executive Officer & Founder

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