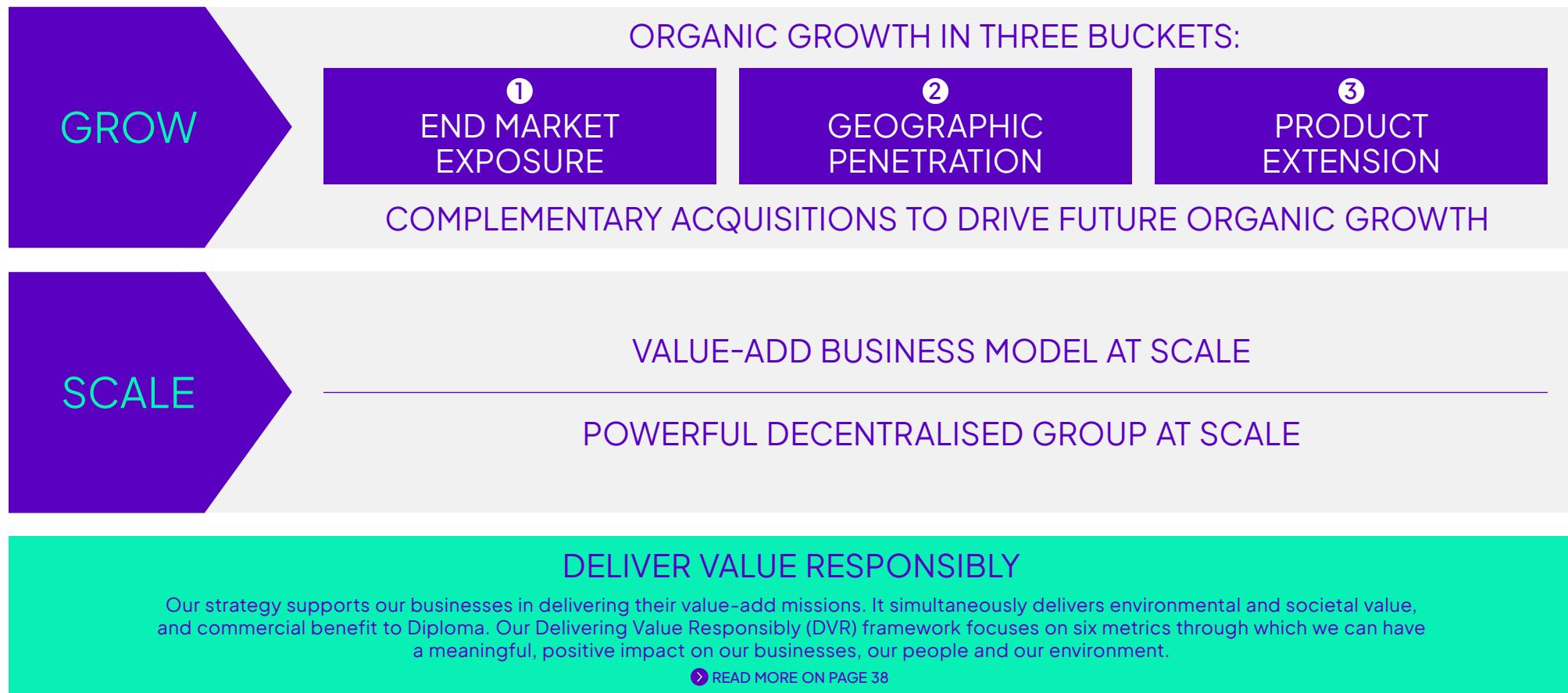


OUR STRATEGY

THE RIGHT STRATEGY FOR SUSTAINABLE GROWTH

To deliver sustainable quality compounding, our strategy focuses on growth, scale and delivering value responsibly. The discipline of continuous improvement is essential to sustain growth and build the right capability for the future.



OUR STRATEGY CONTINUED

GROW

Our strategy is focused on sustainable organic growth in three buckets:

1 Positioning behind fast-growing end markets

We have an exciting opportunity to access structurally high-growth end markets, such as renewables, datacentres, electrification, aerospace, industrial automation, in vitro diagnostics and infrastructure. We have increased our exposure in these markets, but still have a very small share, meaning there is lots to go for.

➤ SEE PAGE 18

2 Expanding our footprint in core geographies

We remain focused on the US, Canada, the UK, Europe and Australia. We have minimal market share – or none at all – in most of our product verticals across our core geographies, so we do not need to look to higher-risk, developing markets for growth. There is lots to go for in our existing geographies.

➤ SEE PAGE 19

3 Extending our product offer

We expand our addressable markets by extending our product offering. We do this through continuous product innovation; coordinated cross-selling across different Group businesses; or, selectively, through building out new product lines that fit our value-add model.

➤ SEE PAGE 19

We make complementary acquisitions to drive future organic growth. Acquisitions also help us to build scale and resilience, bring in new talent and expertise, and drive great returns on capital. Most of our acquisitions are bolt-ons to existing businesses but, occasionally, we execute larger deals which provide a platform for accelerated growth. We have a clear set of criteria to determine businesses that may be a good fit for us, strategically and culturally: a value-add customer proposition, a clear growth trajectory and strong leadership. We are incredibly disciplined in our acquisition process and have high return thresholds.

➤ READ MORE IN THE CEO'S REVIEW ON PAGE 6 AND THE SECTOR REVIEWS ON PAGES 22-33

SCALE

Scaling our businesses and our Group for sustained growth

Our strategy supports the individual scaling journey of each business so that they can deliver great customer propositions at scale. It also means developing our Group to sustain execution as we grow. This can be through investment in talent and developing teams, investment in technology systems and processes, and investing in facilities. Scale is about building the capability and capacity to support ambitious growth plans whilst retaining the qualities which underpin our businesses' success.

Each business has its own scaling plan, however, there are core attributes and competencies which are common to all: value-add, route to market, operational excellence, supply chain management, commercial discipline and sales excellence. We are selective in these scaling investments and require high returns from them.

➤ READ MORE IN THE CEO'S REVIEW ON PAGE 6 AND THE SECTOR REVIEWS ON PAGES 22-33

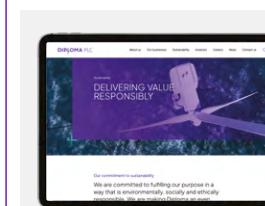
DELIVER VALUE RESPONSIBLY

Ensuring we grow and scale in a way that is socially and environmentally responsible

We are committed to executing our strategy whilst being environmentally, socially and ethically responsible. We support our businesses to make Diploma an even safer, better and fairer place to work. We collaborate with our colleagues, suppliers and customers to deliver our sustainability targets, including our SBTi-approved net zero targets.

By concentrating the efforts of our large, diverse, and decentralised Group on three core areas, we can drive meaningful progress against our sustainability targets.

➤ READ MORE ON PAGES 38-41



⊕ DISCOVER MORE AT
DIPLOMAPLC.COM/SUSTAINABILITY