

DIAB SUSTAINABILITY REPORT 2025

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The sustainability report has been prepared in accordance with the requirements of the ÅRL (ÅRL 6 kap. 10 § (Lag 2016:947)) and has been reviewed by the company's auditor.

This sustainability report constitutes the group's and the company's statutory sustainability report and is part of the management report for Diab Group AB with organization number 556603-1711. This year's sustainability report covers the financial year 2025.

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DIAB - SUSTAINABLE AT OUR CORE

Diab offers industry-leading competence and the broadest range of sandwich cores and buoyancy materials, supplying these materials in high-demand industries such as marine, aerospace, subsea, defence and wind energy. Since our start more than 75 years ago, we have developed, improved, and fine-tuned our products.

Diab develops stronger, lighter, and smarter core materials that make our customers' products more competitive and sustainable. We help our customers create the best solution possible by offering them our industry-leading knowledge and service.

We believe we have an important part to play in making the world more sustainable. To achieve this, we must all work together, respect each other, and use our knowledge. It's when we are all moving in the same direction that we create a force strong enough to make an impact. This is evident when we help our customers find smart solutions and make the world more sustainable. We do it by providing solutions that are:

- **Stronger - to last longer**
- **Lighter - to save weight and energy resources**
- **Smarter - to be more intelligent in use**

It's a constant strive to develop new ways our materials can be used to contribute to a more sustainable world. Diab is the flexible, reliable, customer-focused partner offering leading knowledge and a comprehensive range of high-quality core materials. Always at the core of your solution.

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DIAB AT A GLANCE

Global solutions - Sustainable results

Diab offers a full range of materials and services. Ensuring security of supply, cost efficiency, and strong local support, this strategic global presence allows us to follow our customers and efficiently deliver the stronger, lighter, and smarter core solutions necessary to achieve their and our sustainability goals worldwide.

KEY FIGURES

750

EMPLOYEES

8

MANUFACTURING SITES

14

SALES COMPANIES

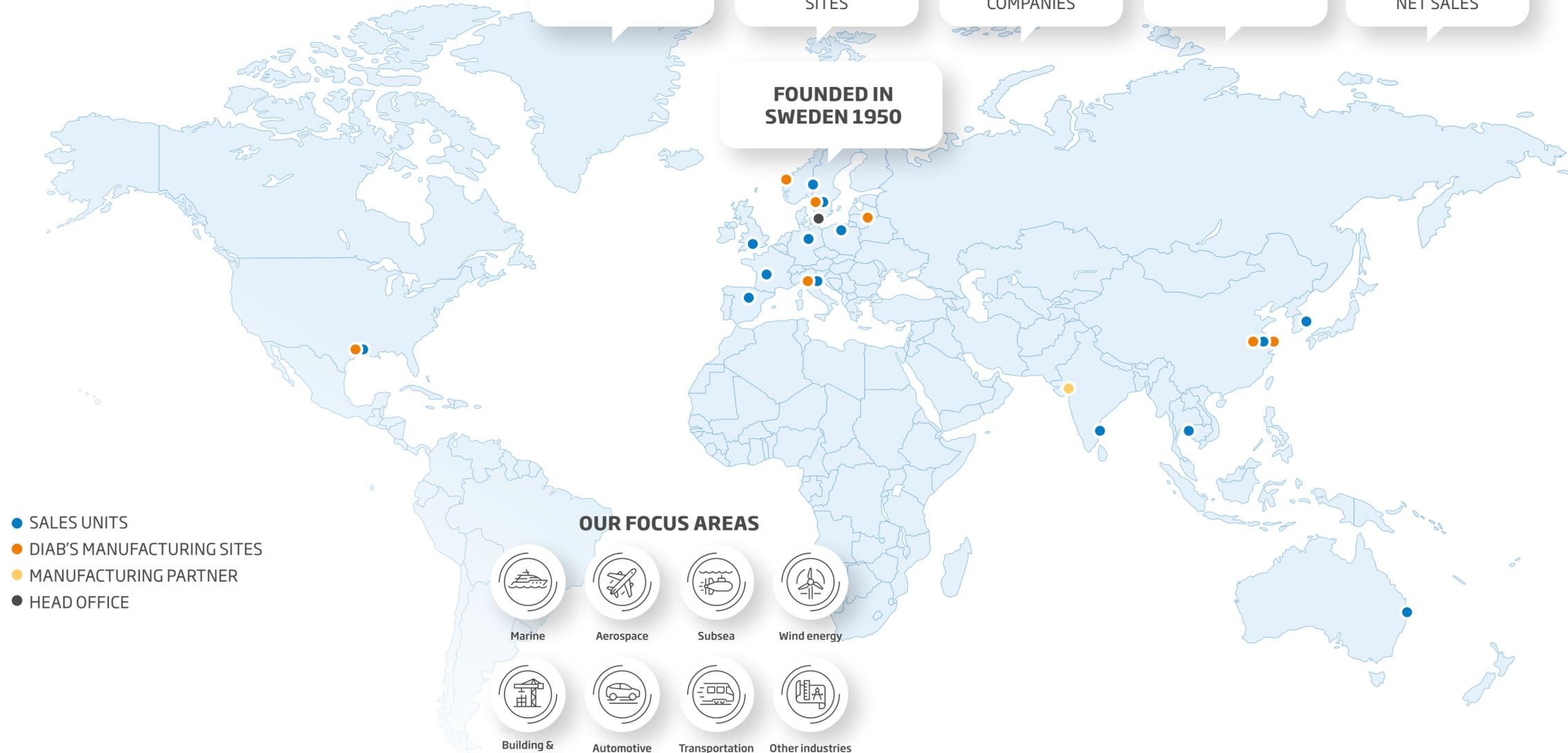
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DISTRIBUTORS

1.6

BNSEK NET SALES

FOUNDED IN SWEDEN 1950



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OUR STRATEGIC APPROACH TO SUSTAINABILITY

We are driven by a bold vision: “Enabling everybody to create sustainably by leading the structural core innovation”. This vision serves as our guiding star, providing clear direction for every decision we make and inspiring us to always strive for excellence.

To bring this image of a sustainable future to life, our daily mission is to consistently challenge ourselves. We use our experience, expertise, and creativity to design and deliver stronger, lighter, and smarter core solutions that empower our customers globally.

Our long-term expertise and capabilities are instrumental in driving sustainable outcomes across global industries. We maintain the customer promise: **“Always at the core of your solution”**.

SUSTAINABILITY IS IN OUR CORE

Working systematically to lower our carbon footprint and creating solutions that help our customers do the same is part of our DNA. We are a socially responsible and transparent partner that strives to be the environmental, social and governance, ESG, leader in our industry.

We help customers design for the future by prioritizing sustainable solutions. By utilizing lightweight sandwich core materials, maximizing the use of recycled and recyclable cores, and systematically reducing emissions in line with the Science Based Targets initiative, Diab makes applications more sustainable. Our use of fossil-free PVC raw material, alongside technical innovations like Advanced Kits, actively works to decrease Scope 3 emissions.

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MESSAGE FROM OUR CEO

In a complex global year, Diab demonstrated resilience, yielding a financial development above expectations. Robust growth across our core markets confirms our strategic relevance. Diab's vision, leading structural core innovation, is validated by accelerating customer demand for low-carbon and sustainable solutions. Lightweight solutions, fundamental to achieving sustainability, guide our ambitious climate agenda and our commitment to ethical working conditions across the entire value chain.

Our dedication to sustainability earned the prestigious EcoVadis Gold Medal in our third annual assessment (advancing from Bronze and Silver). This success confirms we are on the correct path to meet our stringent Science Based Targets (SBT) for CO₂e reduction. Another major step was the expansion of our ISCC PLUS certification across all European sales companies, enabling the launch of Advanced Kits featuring 100% fossil-free, mass balanced PVC raw material at JEC World in March. This innovation is critical to decreasing Scope 3 emissions and our strive towards circularity.

Operationally, we successfully met our Scope 1 SBT targets and are accelerating our use of green electricity from 51% to 69% (targeting 100% by 2030). Strategically, we have transitioned from eight years of GRI Standard reporting to a CSRD-inspired Sustainability Report. This shift enhances comparability with European peers and aligns with the Ratos structure. Finally, we updated our Diab Code of Conduct to strengthen due diligence and risk assessment across our value chain, ensuring all employees received training on the changes. I invite you to read this report and join us on this vital journey.



Johan Arvidsson
CEO

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ALIGNED WITH THE UN SUSTAINABLE DEVELOPMENT GOALS

Diab's sustainability strategy is closely aligned with the United Nations Sustainable Development Goals (SDGs). This framework represents the global blueprint for achieving a better, more sustainable future by 2030, tackling critical global challenges such as climate change, poverty, inequality, and environmental degradation. The 17 Goals are interconnected and must be realized universally to uphold the promise to "leave no one behind".

To ensure that our commitment to the SDGs translates into measurable action and maximum impact, Diab employs a strategy of strict prioritization. We have therefore carefully identified and prioritized the four SDGs that are most relevant to our business, where we can maximize our impact and contribute most effectively to global progress.



Goal 3
Good health and well-being
Ensure healthy lives and promote well-being for all at all ages.



Goal 5
Gender equality
Achieve gender equality and empower all women and girls.



Goal 8
Decent work and economic growth
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Goal 13
Climate action
Take urgent action to combat climate change and its impacts.

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GOAL 3 GOOD HEALTH AND WELL-BEING

At the heart of our work is a genuine commitment to health, safety, and well-being, not just for our employees, but for the communities we serve. We strive every day to create a secure, supportive, and safe working environment, setting the highest standards for health and safety in everything we do. This dedication is part of our broader sustainability efforts and reflects our shared goal of supporting healthy lives and well-being for people of all ages.



How do we impact this goal?

- Ensure a safe and healthy workplace through strong EHS programs and compliance with international standards.
- Implement strict safety protocols to reduce accidents and occupational hazards.
- Require suppliers to uphold health and safety standards throughout the supply chain.
- Reduce environmental and climate-related risks that can impact community health by minimizing emissions and pollution.

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GOAL 5 GENDER EQUALITY

We are deeply committed to promoting gender equality across our organization, seeing it as a vital driver of both innovation and business success. We focus on empowering women and nurturing an inclusive culture, making sure every employee, whether on the factory floor or in senior management, has equal opportunities to thrive. This commitment is essential to unlocking the full potential of our team and is a key part of our broader sustainability goals.



How do we impact this goal?

- Ensure equal pay for equal work and transparent compensation practices.
- Promote women in leadership roles and decision-making positions.
- Our Diab Code of Conduct and Supplier Code of Conduct treat discrimination and harassment seriously in order to create a safe and respectful workplace.

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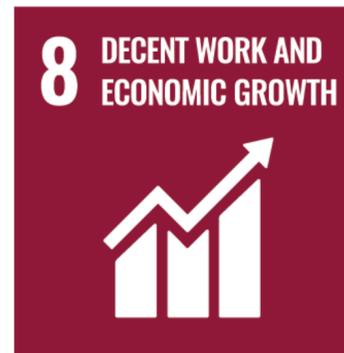
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GOAL 8 DECENT WORK AND ECONOMIC GROWTH

We are committed to supporting inclusive and sustainable economic growth, making sure our business operations benefit both local communities and the broader global economy. A key part of this is creating meaningful work opportunities for everyone, which means maintaining and improving labor conditions, respecting workers' rights, and ensuring a safe, fair, and productive workplace. By embracing sustainable practices, we aim to contribute to long-term economic stability and responsible development wherever we operate.



How do we impact this goal?

- Ensure fair and safe working conditions for all employees, with strong health, safety, and well-being programs.
- Promote equal opportunities and diversity within the workforce, supporting inclusive growth.
- Provide training and development to enhance skills and long-term employability.
- Require ethical labor practices in the supply chain, including zero tolerance for forced or child labor.

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GOAL 13 CLIMATE ACTION

We are deeply committed to tackling the global challenge of climate change, with a clear focus on reducing our overall greenhouse gas, GHG, emissions. This means actively implementing strategies to lower emissions across all our manufacturing and operational sites. At the same time, we work to promote sustainable practices throughout our entire value chain, see value chain process page 21, from sourcing raw materials to the end-of-life of our products. By taking these steps, we aim to contribute to a low-carbon future and support our customers in reaching their own sustainability goals.



How do we impact this goal?

- Reduce greenhouse gas emissions through science-based targets (SBTi-approved) aligned with the Paris Agreement.
- Provide Environmental Product Declarations (EPDs) for transparency on product climate impact.
- Develop lightweight, high-strength materials that help customers lower fuel consumption and emissions in their applications.
- Improve energy efficiency and transition to renewable energy in operations.
- Engage suppliers to reduce climate impact across the value chain.
- Continuously monitor and report progress toward climate goals to ensure accountability and improvement.

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DIAB'S SUSTAINABILITY FOCUS AREAS

Helping customers build more sustainable products

At Diab, we help customers create lighter, stronger products that enable smarter, more sustainable solutions. Our composite materials reduce weight without compromising strength, delivering benefits across industries.

In transport, lighter structures mean lower fuel consumption and emissions. In stationary applications, such as wind turbine blades, our solutions allow for longer, more efficient designs that boost energy output while maintaining durability.

To further drive sustainability, we have introduced Advanced Kits with PVC foam made from fossil-free, bio-circular raw materials using a mass balance approach. Each delivery includes a Sustainability Declaration for full transparency. Through our ISCC-certified process, these kits help reduce the carbon footprint for both Diab and our customers, supporting our shared commitment to a sustainable future.

Driving Continuous Improvement in Operations

We are committed to continuously improving our operations to enhance efficiency and reduce environmental impact. This includes optimizing processes to minimize waste,

lowering energy consumption, and increasing resource efficiency across all production sites.

By incorporating recycled and circular raw materials into our products, we reduce reliance on virgin resources and support a more sustainable value chain. These efforts are aligned with our Science Based Targets (SBT), ensuring that operational improvements contribute directly to our climate goals and long-term sustainability objectives.

A safe and encouraging workplace for our own workforce

Our people are at the heart of everything we do. We strive to ensure a workplace that is safe, respectful, inclusive, and empowering for everyone, regardless of location or position. The updated Diab Code of Conduct, for which all employees completed training this year, is the foundation of this commitment. It outlines clear expectations around safety, non-harassment, diversity, gender equality, equal treatment, and opportunities for development and much more.

Following the Diab Code of Conduct is everyone's responsibility, and we encourage proactive reporting of any concerns. By living these principles every day, we create a secure and supportive environment where all employees can

grow and thrive. This is not just a policy, it is a cornerstone of our culture and a key driver of our success.

Robust Value Chain Due Diligence

Diab maintains a robust value chain due diligence process to ensure responsible sourcing and ethical business practices across all operations. This includes systematic risk assessments, supplier evaluations, and continuous monitoring to verify compliance with our Diab Code of Conduct, sustainability standards, and applicable regulations.

A key element of this process is our Supplier Code of Conduct, which 100% of strategic and critical suppliers are required to acknowledge. We go beyond traditional compliance by evaluating our customers against international sanctions lists, but also from a broader ESG perspective, ensuring alignment with our values and sustainability goals.

By integrating transparency and accountability into every step of the supply chain, we safeguard human rights, promote fair labor practices, and minimize environmental impact, creating a resilient and sustainable value chain.

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TARGETS AND RESULTS

HELPING CUSTOMERS BUILD MORE SUSTAINABLE PRODUCTS

Prioritized topics

- Continue developing stronger, lighter, and smarter solutions for our customers using Diab sandwich core materials.
- Drive sales of Advanced Kits with significantly reduced resin uptake, resulting in lighter final applications that minimize fuel consumption – for example, in marine sectors.
- Achieve mandatory ISCC certification for all sales offices to market and sell PVC foam made with bio-circular PVC raw material.
- Launch sales in March of PVC foam using circular raw materials, complementing PET foam that has long utilized post-consumer PET.
- Align with CO₂e emission reduction targets according to our Science Based Targets (SBT).

Results 2025

- ⊕ Increased sales of all Diab foam materials: Increased turnover from 1,435 MSEK (2024) to 1,583 MSEK (2025).
- ⊕ Increased sales of Advanced Kits: +7% from 2024 to 2025.
- ⊕ ISCC certification achieved for all European sales offices, in addition to the production site in Sweden.
- ⊕ From 0 tons in 2024 to 90 tons of bio-circular PVC raw material used in PVC foam production in 2025.

Target 2026

- Optimize the offering to our customers of sustainable sandwich core products.
- Increase sales of all Diab foam materials

DRIVING CONTINUOUS IMPROVEMENT IN OPERATIONS

Prioritized topics

- Reduce the carbon footprint of our operations by optimizing raw material, energy and transportation usage.
- Increase use of recycled and circular materials.

Results 2025

- ⊖ In 2025, the total carbon footprint of Diab was 82,450 tCO₂e. Of that, Scope 3 amounted to 70,418 tCO₂e, Scope 2 to 8,652 tCO₂e and Scope 1 to 3,380 tCO₂e (all numbers market-based method).

Target 2026

- Increase requirements for raw material suppliers to provide carbon footprint data and demonstrate progress in reducing CO₂e emissions.
- Increase sales of foam made from circular raw materials.
- Develop life-prolonging and circular options for production waste, see value chain process page 21.
- Continuous improvement across all value chains to reduce the carbon footprint, at a minimum in alignment with our Science Based Targets (SBT).

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TARGETS AND RESULTS >>

A SAFE AND ENCOURAGING WORKPLACE FOR OUR WORKFORCE

Prioritized topics

- Annual update of Diab Code of Conduct to ensure compliance with regulations and ESG requirements from society and our owner.
- Mandatory yearly training and sign-off for all employees on the updated Diab Code of Conduct.
- Safety: Zero for recordable accident rate.

Results 2025

- ⊕ New Diab Code of Conduct approved by The Board on March 28, 2025, and signed off by all employees by June 30, 2025.
- ⊖ The recordable accident rate increased from 7.9 in 2024 to 9.4 in 2025.

Targets 2026

- All sites must be certified according to ISO 9001, 14001, and 45001.
- Update and training on the new Diab Code of Conduct.
- Continuous improvement by use of implemented tools and shared learning between sites.

A ROBUST VALUE CHAIN DUE DILIGENCE

Prioritized topics

- Update and strengthen value chain due diligence processes for both customers and suppliers.
- Training for sales and procurement teams on the new due diligence process.

Results 2025

- ⊕ New value chain due diligence process implemented.
- ⊖ Training postponed to early 2026.
- ⊕ 4 supplier audits completed.

Targets 2026

- Training in the new value chain due diligence process for sales and procurement.
- 10 supplier audits.
- Questionnaire for initial supplier ESG evaluation.
- Deepened evaluation processes for high-risk suppliers and customers.
- Updated Supplier Code of Conduct signed by all suppliers.

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ESRS2 – GENERAL DISCLOSURES

Throughout the document, the following definitions apply: “Diab Group AB” refers to the parent company of Diab. “Diab” refers to subsidiaries within the group, including the parent company Diab Group AB. “Group companies” refers to companies in Diab, excluding the parent company Diab Group AB and associates. “The Board” refers to Board of Directors of Diab Group AB unless otherwise stated.

Basis for preparation

BP-1 General basis for preparation of sustainability statements

Diab's Sustainability Report is a consolidated report covering the global operations and sales of Diab. Operations beyond Diab's direct control, such as suppliers, are not covered by the report. The report serves as Diab's communication on sustainability efforts and their progress, as part of the company's commitment to the UN Global Compact for the fiscal year 2025. The content and structure are CSRD-inspired. Diab reports comprehensive sustainability data and information on an annual basis. The presented information has not been assured by an external party. This report was published in March 2026.

Governance

GOV-1 The rule of the administrative management and supervisory bodies

Composition and diversity

Members of the Diab Management Team, DMT, are recruited through internal or external selection processes, and their performance is evaluated using the same review process applied to all other Diab employees. The sole exception is the CEO, who undergoes an annual evaluation conducted by The Board.

Roles and responsibilities

The Board, in collaboration with the DMT, develop, approve and update Diab's strategies and goals, including sustainability, according to a yearly process.

The Board oversees the organization and management of Diab, ensuring compliance with applicable laws and the Articles of Association. It consists of between three and eight directors, with a maximum of six deputy directors. All members are elected annually at the Annual General Meeting for a term lasting until the following year's meeting.

A formal work plan defines The Board's agenda, facilitating effective operational oversight, strategic direction, and performance evaluations of both The Board and the CEO. This plan stipulates at least three meetings per year, with auditors attending the session dedicated to reviewing the annual accounts. Throughout the year, Board members, deputies, and auditors receive regular written updates regarding Diab's business, financial position, and other relevant matters.

Overall responsibility

The Board is accountable to shareholders for Diab's governance and strategic management. This includes addressing all matters deemed significant for Diab, such as the ongoing assessment of its financial position. The CEO, appointed by The Board, manages day-to-day operations and coordinates activities across Diab in accordance with Board instructions.

Operational management is supported by structured governance bodies, with Group management executed through the DMT. The DMT focuses on long-term strategic matters and typically meets at least ten times per year. The team comprises the President & CEO, CFO Finance & IT, EVP Business Unit Wind, EVP Business Unit MIA, and EVP Business Unit China. The DMT holds overall responsibility for Diab's operations, strategic direction, and financial control, with the CEO serving as Chair.

The Group Sustainability and EHSQ Manager, in close coordination with the DMT, is responsible for driving Diab's sustainability efforts systematically. Local entities play a significant role in daily sustainability efforts, particularly regarding environmental management and occupational health and safety at production facilities.

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DMT - DIAB MANAGEMENT TEAM



Johan Arvidsson
CEO



Henrik Lundkvist
CFO



Aurelien Lafforgue
EVP BU Marine,
Industry & Aerospace



Magdalena Sandström
EVP BU Wind



Robert Ramnér
EVP BU China

DIAB GROUP AB - BOARD MEMBERS

Jonas Wiström, Chairman
 Anna Vilogorac, Board member
 Jacob Landén, Board member
 Oscar Tydén, Board member

Wilhelm Montgomery, Board member
 Maria Ek, Board member
 Fredrik Nilsson, Board member



Diversity of governance bodies

Diab Group AB Board members are divided as follows:

- 5 men and 2 women
- 2 persons are in the age group of 30-50 years and 4 persons are > 50 years



DMT members are divided as follows

- 4 men and 1 woman
- 2 persons are in the age group of 30-50 years and 3 persons are > 50 years

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COMPANY LEGAL STRUCTURE

Ratos AB holds 97.5% of the shares in Diab Group AB. Diab Group AB, which has no employees, owns 100% of Diab International AB, and Diab International AB in turn owns 100% of all operating subsidiaries.

All entities included in the organization's consolidated financial statements:

- Diab Group AB (Sweden) 556603-1711
- Diab International AB (Sweden) 556509-3027
- Diab AB (Sweden)
- Diab GmbH (Germany)
- Diab AS (Norway)
- Diab Ltd (UK)
- Diab SAS (France)
- Diab SpA (Italy)
- Diab UAB (Lithuania)
- Diab Sp. z o.o. (Poland)
- Diab Spain S.L. (Spain)
- Diab New Material (Zhangjiagang) Co. Ltd. (China)
- Diab New Materials (ChangShu) Co., Ltd. (China)
- Diab Technology (ChangShu) Co. Ltd (China)
- Diab Core Materials Private Ltd (India)
- Diab Australia Pty Ltd (Australia)
- Diab South East Asia Co. Ltd. (Thailand)
- Diab Holdings Inc. (USA) including:
 - Diab Ecuador S.A. (Ecuador)
 - Diab Investments Inc. (USA)
 - Diab Americas LP (USA)
- Subsea Composite Solutions AS (SCS)



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GOV-2 Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Diab's sustainability performance is regularly evaluated and reported to the DMT and The Board.

GOV3 - Integration of sustainability-related performance in incentive schemes

Diab's remuneration policy, integrated into the Diab Code of Conduct, is designed to promote professional development and recognize exceptional performance. It is implemented to ensure fairness and non-discrimination, regardless of gender, ethnicity, religion, or other factors.

A fundamental requirement for an effective and sustainable business is the ability to attract, motivate, and retain employees with critical skills over the long-term. To achieve this, compensation is based on individual performance and differentiated roles. Unless otherwise stipulated in a collective agreement, these principles apply to all employees.

Our incentive structures are designed to set clear objectives and align goals across the organization, with an emphasis on long-term incentives and strategic targets for senior positions. Sustainability objectives may also be integrated into individual work plans and considered in performance evaluations, directly influencing remuneration outcomes.

GOV-4 Statement in due diligence

The DMT holds overall responsibility for Diab's sustainability efforts, including the development of due diligence processes and the management of environmental, social, and economic impacts.

GOV-5 Risk management and internal controls over sustainability reporting

Diab has produced an annual sustainability report since 2016. Key performance indicators, such as waste volumes, yield and safety measures, are monitored at least monthly and undergo an annual data quality review to ensure accuracy and consistency.

For climate footprint reporting, Diab utilises a dedicated tool, Our Impacts, OI, that has been in place since 2016, ensuring the completeness and reliability of emissions data. In 2024, an additional sustainability reporting platform, Position Green, was introduced to streamline reporting across all entities and cover material topics identified through the Double Materiality Assessment (DMA).

In 2025, the DMT incorporated sustainability-related risks into Diab-wide risk map. Business risks, including selected sustainability risks, are reviewed annually by management, and corrective actions are determined as part of this process. The Board oversees this framework to ensure alignment with Diab's strategic objectives and compliance with regulatory and stakeholder requirements.

Strategy

SBM-1 Strategy, business model and value chain

Diab employs 750 permanent team members across more or less 15 countries, reflecting our global presence in the same regions where our customers operate. Sustainability is deeply embedded in Diab's strategy and guides our decision-making at every level. Based on our material impacts, risks, and opportunities, we focus on four strategic areas:

- Helping customers build more sustainable products - Delivering lighter, stronger, and smarter solutions that enable our customers to reduce environmental impact.
- Driving continuous improvement in operations - Optimizing processes to minimize resource use, emissions, and waste.
- A safe and encouraging workplace for our workforce - Ensuring health, safety, diversity, and equal opportunities for all employees.
- Robust value chain due diligence - Promoting responsible sourcing and ethical practices throughout our customer base and supply chain.

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Business model and value chain

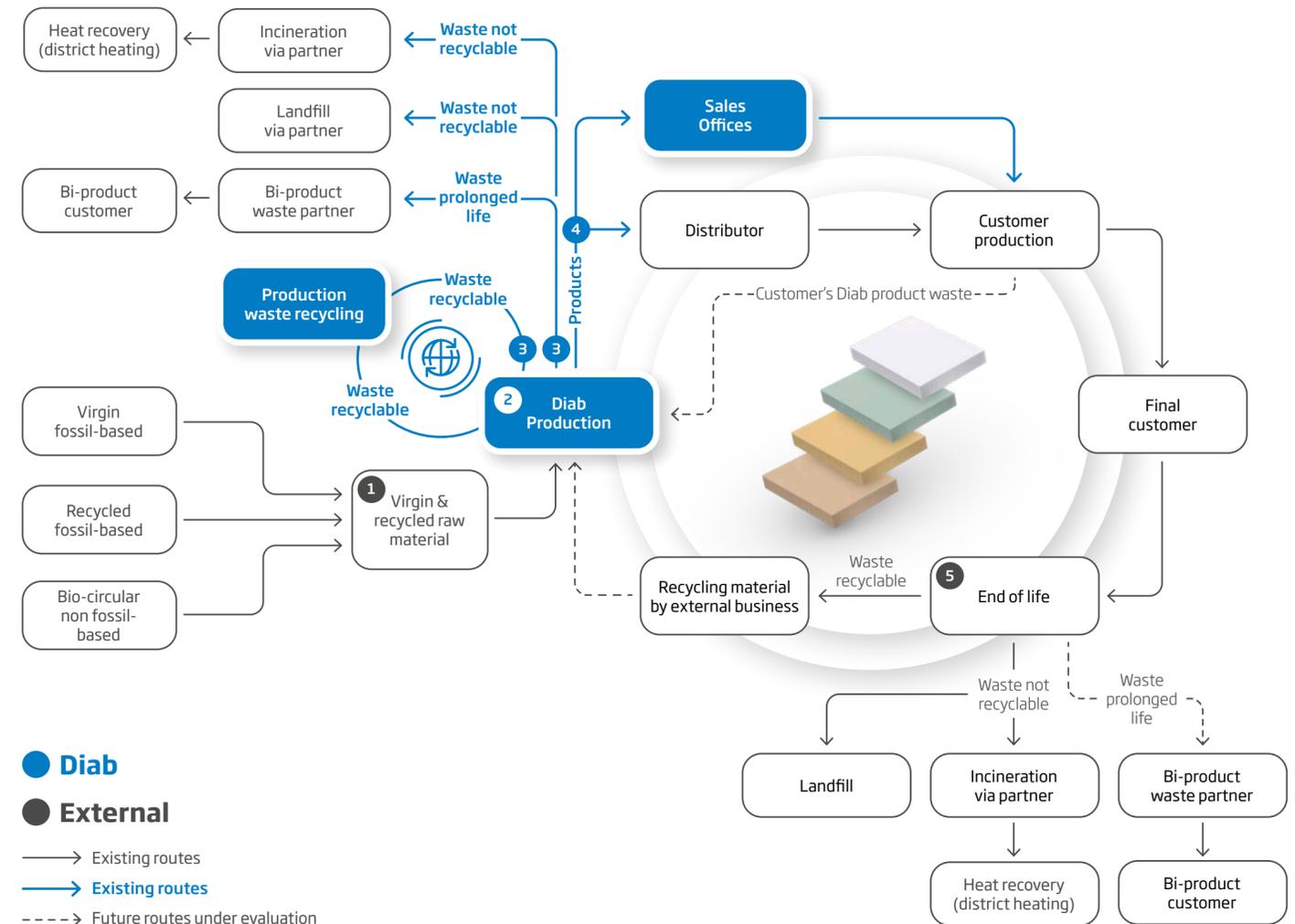
Diab is a global leader in advanced composite solutions, providing sandwich core materials and engineered kits that enable customers to build lighter, stronger, and more sustainable products. Our business model integrates innovation, operational excellence, and close collaboration to deliver high-performance solutions for applications in such as marine, aerospace, subsea, defence and wind energy.

With a global presence and a workforce of 750 permanent employees, we serve customers worldwide. Our strategy places sustainability at its core, ensuring that environmental and social considerations guide our product development, operations, and partnerships.

Value chain overview

Diab's value chain spans three main stages:

- **Upstream:** Procurement of raw materials, including various polymers, additives, and other components for our foam production. We work closely with suppliers to ensure compliance with our Supplier Code of Conduct and to advance ESG performance, focusing on carbon footprint reduction and responsible sourcing.
- **Operations:** Manufacturing, machining, and kitting at Diab's production sites. Here, we focus on process efficiency, energy reduction, waste minimization, and the incorporation of recycled and circular raw materials. Our continuous improvement initiatives are aligned with our Science Based Targets (SBT) to reduce emissions and environmental impact.
- **Downstream:** Delivery of solutions to customers in sectors that rely on lightweight, durable materials to improve efficiency and reduce emissions. Key applications are found within such as marine, aerospace, subsea, defence and wind energy. We also explore circularity options for production waste and end-of-life products to extend material life cycles.



- Diab
- External
- Existing routes
- Existing routes
- > Future routes under evaluation

1. Diab sources three main types of raw materials, aiming to increase the share of recycled and bio-circular materials over virgin fossil-based ones.
2. Diab manufactures several foam types (PVC, PET, F- and U-foams) and generates various waste streams (non-recyclable waste, bi-products with extended use, and recyclable waste) at its production sites
3. Because each waste type requires different handling, three waste-processing solutions are applied. All waste treatment, except internal recycling, is managed by external partners.
4. The products are sold via Diab's sales offices or through external distributors. Currently evaluation on take-back solutions on Diab product waste at customer facilities are done.
5. Products' end-of-life follow similar waste-handling pathways as described in point 3. External initiatives are developing composite end-of-life solutions, and early results indicate that recycled core materials could potentially be returned to core material producers via external partners.

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SBM-2 Interest and views of stakeholders

Customers

Aim, requirements and expectations

Diab recognises that sustainability measures strengthen customer relationships. Many customers require Diab to maintain a robust, up-to-date Diab Code of Conduct and certified management systems, alongside the phasing out of non-sustainable chemicals. Furthermore, as Diab offers resource-efficient products, customers expect us to continuously decrease the environmental impact of our product range – both during production and within the customer's final application.

Value created

The value created through our sustainability work is regularly reviewed by customers, including throughout 2025. The overall results remain positive, and our sustainable development aims are highly valued by our customers. In 2019, we finalised the first Life Cycle Assessments (LCA) of our main grades; this allowed us to provide comprehensive Environmental Product Declarations (EPDs) for all products to customers seeking a clear picture of the environmental footprint associated with our materials.

During 2025, we launched fossil-free PVC raw material in our foam for all Advanced Kits to meet the growing demand for a reduced carbon footprint and increased circular business.

Own Workforce

Aim, requirements and expectations

Our employees are integral stakeholders in our sustainability journey. We actively engage with our workforce to foster a culture of sustainability and ensure their voices are heard in our decision-making processes.

Value created

By involving employees at all levels, we aim to: Empower and educate – Provide comprehensive training and resources to enhance their understanding of sustainability practices.

- **Encourage participation** – Create opportunities for employees to contribute ideas and initiatives that promote environmental and social responsibility.
- **Foster collaboration** – Establish cross-functional teams to drive sustainability projects and initiatives, leveraging diverse perspectives and expertise.
- **Recognise contributions** – Acknowledge and reward employees who demonstrate exceptional commitment to sustainability goals.

Suppliers

Aim, requirements and expectations

Diab endeavours to maintain long-term, transparent relationships with its suppliers. The aim is to ensure the required quality, financial stability and sustainable development for both parties.

Value created

Throughout the year, Diab conducted assessments, also addressing sustainability issues. Furthermore, Diab has engaged in concrete discussions with suppliers to identify and pursue opportunities for reducing the carbon footprint of their products.

Shareholders

Aim, requirements and expectations

The primary objective of sustainability work at Diab is to create value for shareholders. Diab achieves this through efficient resource use and investments in new sustainable technologies. The integration of sustainability into business operations, such as the development of more sustainable products, reduces risks and creates significant business opportunities.

Value created

Diab's majority shareholder, Ratos, maintains clear and mandatory reporting requirements. The status and progress regarding the implementation of our sustainability framework are reported to Ratos annually in Q1. Furthermore, Diab's strategy to be the premier ESG investment in its industry aligns closely with Ratos' expectations.

Society

Aim, requirements and expectations

Social engagement is a vital aspect of our operations and is expected by the local communities where Diab is present. As a global company, Diab is committed to undertaking measures that contribute to the United Nations Sustainable Development Goals.

Value created

Diab annually reaffirms its support for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-corruption.

In 2018, Diab became the first company in the composite industry globally to have its Science Based Targets (SBT) approved. During 2019, Diab adjusted these targets to align with the goal of staying well below 1.5°C. In 2024, the targets were renewed – a process undertaken every five years – and now set a path for near-term 2028 and long-term 2050 to achieve net-zero emissions. See page 28 for more details.

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Material impacts, risks and opportunities

Helping customers to build more sustainable products

Diab's strategy is closely aligned with the growing market demand for sustainable materials and solutions. Every year, we see an increasing sense of urgency and expectation from customers and end-users to reduce climate impacts. Responding to this trend, Diab is committed to creating more sustainable solutions and continuously seeks innovative ways to deliver them. Helping our customers build long-term sustainable businesses is a core priority.

Our approach includes offering products and solutions that enable customers to reduce raw material consumption in their own processes, thereby lowering their carbon footprint. At the same time, we work actively to minimize the carbon footprint of our own operations. The most significant climate impacts in our value chain occur in the sourcing and use of virgin- and fossil-based materials traditionally used in our industry. To address this, we have launched initiatives to increase the use of bio-circular raw material, reducing reliance on virgin and fossil-based resources and making sustainable materials more commonplace in Diab products.

Beyond product innovation, we engage with our major raw material suppliers to ensure they are reducing the carbon footprint of the products we purchase. This collaboration is supported by clear requirements and continuous dialogue. Internally, we are committed to reducing our own emissions in line with our approved Science Based Targets (SBT), ensuring that our operations contribute to global climate goals.

Through these actions, Diab not only mitigates risks associated with climate change but also captures opportunities by meeting customer expectations for sustainability. This strategic alignment strengthens our market position and supports the transition to a low-carbon, resource-efficient economy.

Driving Continuous Improvement in Operations

Continuous improvement in our operations is a cornerstone of Diab's strategy to reduce environmental impacts and strengthen resilience against climate-related risks. By systematically enhancing efficiency, reducing emissions, and optimizing resource use, we not only lower our own climate footprint but also help our customers achieve their sustainability goals.

Our largest operational risks are linked to greenhouse gas emissions and resource intensity in production. To address these, we have implemented a structured approach to minimize energy consumption, increase the use of renewable energy, and reduce waste throughout our processes. These actions directly mitigate climate-related risks such as for example rising carbon costs and regulatory changes. At the same time, continuous improvement creates opportunities by reducing emissions and improving material efficiency. This strengthens our value proposition and positions Diab as a trusted partner in the transition to a low-carbon economy.

Through innovation and operational excellence, we ensure that sustainability is embedded in our business model, reducing risks and unlocking long-term growth opportunities.

A safe and encouraging workplace for our own workforce

Creating a safe and inclusive workplace is essential for protecting our employees and ensuring the delivery of high-quality products. At Diab, health and safety risks are primarily linked to production and warehouse operations, where physical work and machinery such as saws, presses, and forklifts are involved. We take a proactive approach by continuously updating safety procedures and assessing risks to prevent accidents.

Equally important is fostering diversity and equal opportunities for all employees, regardless of background or personal characteristics. We strive to maintain an inclusive

environment where everyone can thrive, develop, and contribute to innovation and long-term success.

To monitor and improve our workplace culture, we regularly conduct engagement surveys to identify potential risks related to equal treatment and employee well-being. Through these efforts, Diab ensures a safe, respectful, and motivating work environment that supports both individual growth and business performance.

A Robust Value Chain Due Diligence

Diab's value chain includes around 50 main direct material suppliers providing raw materials globally. We recognize that a significant part of our environmental and social impact occurs within this chain, which is why we apply a structured due diligence process to identify and manage risks related to human rights, working conditions, and sustainability performance.

Our approach includes regular assessments of key suppliers, requiring compliance with our Diab Code of Conduct, Supplier Code of Conduct and international standards. We engage in continuous dialogue to address material sustainability impacts and foster long-term partnerships. Where risks are identified, such as potential violations of labor rights or unsafe working conditions, we take corrective actions and monitor progress.

In addition to suppliers, we also perform checks on customers in markets or sectors where there is a heightened risk of human rights violations or unethical practices. This proactive stance reduces reputational and operational risks while strengthening trust throughout the value chain. By integrating due diligence into our business model, we mitigate risks and capture opportunities for collaboration, innovation, and sustainable growth.

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IRO 1: Double Materiality Assessment – Process and Methodology (2025)

In 2025, Ratos conducted a comprehensive reassessment of the Ratos' group (all Ratos' portfolio companies) Double Materiality Assessment (DMA). The reassessment was initiated as Ratos, as a large, listed company, will report under the Corporate Sustainability Reporting Directive (CSRD) for the first time in the 2025 Annual and Sustainability Report. The previous DMA was developed in 2022, prior to the introduction of the European Sustainability Reporting Standards (ESRS) and therefore required updating to align with the new framework.

To prepare for this transition, Ratos introduced a strengthened consolidation model in 2024 to determine material topics at Ratos' group level. This updated approach improved documentation, refined the identification of the most material sustainability issues and provided a clear methodological foundation for the 2025 assessment. Ratos also published a CSRD inspired Annual and Sustainability Report for 2024, serving as a transitional step ahead of the mandatory CSRD reporting year.

The purpose of the DMA is to identify and prioritize the sustainability topics that are material from both an impact and a financial perspective. These material topics ultimately determine which disclosures Ratos and its portfolio companies are required to report under CSRD/ESRS.

Methodology Used in the DMA

Ratos' DMA methodology follows ESRS guidance and ensures a consistent and transparent assessment across all companies in the Ratos' group. The process evaluates each topic from two complementary angles: Impact Materiality and Financial Materiality.

1. Impact Materiality

Impact materiality considers the actual and potential sustainability impacts connected to the business. Two variables are assessed:

- Severity of impact
- Likelihood of the impact occurring

Severity is calculated as the average of:

- Scale – how serious the impact is
- Scope – how widespread the impact is
- Irremediability – how difficult the impact is to reverse (negative impacts only)

This ensures that both the magnitude and reach of impacts are captured.

Likelihood reflects the probability of the impact occurring, based on predefined probability thresholds.

These two components are combined to determine whether a topic is material from an impact perspective.

2. Financial Materiality

Financial materiality assesses the extent to which sustainability related risks or opportunities could influence the company's financial performance, cash flows or position.

It is calculated using:

Financial size – the potential financial effect (measured as % of EBITDA).

Likelihood – probability that the financial effect will materialize.

If a topic scores sufficiently high, it is considered financially material and thus reportable.

Consolidation of Group-Level Material Topics:

To reach a group-level conclusion, Ratos applied a structured three step consolidation model:

Step 1 – Weighting Assessment

Each company's material topics were weighted according to company size, establishing an aggregated threshold.

Step 2 – Proportionality Assessment

Regardless of size, if more than 50% of the 13 companies (including Ratos AB) identified a topic as material, it was classified as material at Ratos' group level.

Step 3 – Qualitative Review

A final qualitative assessment ensured completeness and relevance from a Ratos' group perspective, allowing for adjustments where sector specific or cross Ratos' group considerations required refinement.

This process generated the final Ratos' group Material Sustainability Topics and the updated KPI list aligned with ESRS.

Outcome: Material Topics and KPIs for 2025 Reporting
The final material topics for Ratos AB and thereby also Diab, based on the 2025 DMA, require reporting primarily under the following ESRS standards, with a total of 124 KPIs:

ESRS E1 – Climate Change

- Energy consumption and mix
- Gross Scopes 1,2,3 and Total GHG

ESRS S1 – Own Workforce

- Characteristics of the undertaking's employees
- Collective bargaining coverage and social dialogue
- Diversity metrics
- Adequate wages
- Health and Safety metrics
- Work-life balance metrics
- Compensation metrics
- Incidents, complaints and severe human rights impacts

ESRS S2 – Workers in the Value Chain

- Not reported by Ratos' portfolio companies

ESRS G1 – Business Conduct

- Corporate culture and business conduct policies and corporate culture
- Prevention and detection of corruption and bribery
- Confirmed incidents of corruption or bribery

These topics represent the Ratos' group's most significant impacts, risks and opportunities and form the core of the group's CSRD-aligned disclosures and KPIs for the 2025 reporting year.

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Policy Disclosures for Diab’s Material Topics

ESRS E1 – Climate Change

Key contents and objectives:

Diab Code of Conduct establishes commitment to environmental responsibility, including reducing greenhouse gas, GHG, emissions, protecting biodiversity, efficient resource use and advancing sustainable materials. Diab’s climate ambitions include approved science-based near-term and long-term GHG reduction targets, transitioning to 100% renewable electricity, reducing reliance on fossil feedstock, improving energy efficiency and implementing circularity initiatives such as increased recycling and waste minimization. The policy aims to reduce climate impacts across all operations and throughout the value chain.

Scope:

All Diab production sites, offices, employees and relevant functions globally, including upstream and downstream value chain partners. All sites shall maintain ISO 14001 certification.

Accountability:

The Board sets the strategic direction. The CEO and the DMT are responsible for implementation, while site leadership and the Group Sustainability EHSQ Manager ensure operational execution.

External standards referenced:

UN Global Compact, UN PRI, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, ISO 14001, Science Based Targets Initiative, ISCC PLUS Certificates for mass balanced bio-circular raw material.

Stakeholder considerations:

Customer sustainability expectations, regulatory developments, and internal employee engagement are incorporated into the climate agenda.

Accessibility:

The policy is communicated through the intranet, onboarding programs, Diab webpage, yearly training for all employees and supplier engagement processes.

ESRS S1 – Own Workforce

Key contents and objectives:

Diab Code of Conduct commits to upholding human rights, equality, non-discrimination, health and safety, and fair working conditions. The policy includes zero tolerance for harassment, discrimination, forced labor, child labor, and unsafe work. Diab emphasizes equal opportunities, professional development, fair compensation, training in ethics, safety and compliance, and the right to unionize. Employee safety is prioritized, reflected in the principle that “no one should get hurt while working at Diab,” supported by ISO 45001 aligned safety practices.

Scope:

All employees, managers, contractors and representatives working for Diab globally. All sites shall maintain ISO 45001 certification.

Accountability:

The Board defines expectations; the CEO and DMT oversee execution; HR, EHSQ and line managers implement the policy in daily practice.

External standards referenced:

ILO Core Conventions, UN Global Compact, national labor laws, applicable collective agreements.

Stakeholder considerations:

Employee feedback, safety committees, labor unions and local regulatory contexts inform ongoing updates.

Accessibility:

The policy is communicated through the intranet, onboarding programs, Diab webpage, yearly training for all employees and supplier engagement processes.

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ESRS S2 – Workers in the Value Chain

Key contents and objectives:

Through the Supplier Code of Conduct and Responsible Business chapter of the Diab Code of Conduct, Diab sets clear expectations for suppliers regarding human rights, working conditions, business ethics and environmental performance. Suppliers must comply with Diab's requirements on labor rights, non-discrimination, health and safety, working hours, fair treatment, and prohibition of child labor, forced labor, modern slavery, and unsafe conditions. Suppliers are required to maintain transparency, undergo assessments and audits, provide access to facilities and documentation, and support corrective actions where needed.

Scope:

All suppliers, subcontractors, service providers and business partners throughout the global upstream and downstream value chain.

Accountability:

Implementation responsibility is shared between Procurement, Sustainability & EHSQ, and local managers engaging with suppliers. All strategic and critical suppliers must sign the Supplier Code of Conduct.

External standards referenced:

UN Global Compact, OECD Guidelines, UN Guiding Principles on Business and Human Rights, relevant ILO conventions.

Stakeholder considerations:

Customer requirements, market expectations for responsible sourcing, and supplier engagement feedback guide policy design.

Accessibility:

The Supplier Code of Conduct is shared during onboarding, contract negotiations, audits, and supplier workshops.

ESRS G1 – Business Conduct

Key contents and objectives:

Diab Code of Conduct provides a comprehensive framework for ethical business behavior. It covers anti-corruption and bribery, competition law compliance, export controls, conflict of interest, responsible marketing, business partner integrity, financial transparency, data protection, and information security. Diab applies zero tolerance for corruption, demands honesty and fairness, prohibits improper gifts or favors, and prevents sharing of commercially sensitive information. Confidentiality, GDPR compliance and IT security protocols are enforced across all operations.

Scope:

All employees, representatives, contractors and business partners working on behalf of Diab, in all geographies.

Accountability:

The Board is responsible for policy oversight; the CEO, DMT ensures execution and monitoring. Business units and employees are accountable for adherence.

External standards referenced:

UN Global Compact, OECD Anti Bribery Convention, GDPR, national anti-corruption legislation.

Stakeholder considerations:

Supplier feedback, customer requirements and developments in human rights regulations are considered when updating the policy and strengthening responsible sourcing practices.

Accessibility:

Diab Code of Conduct is available to all employees and shared with customers, suppliers and partners at Diab's website. Whistleblowing channels allow for confidential reporting and is accessible both on Diab's intranet and website.



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E1 – CLIMATE CHANGE

Material impacts

ESRS E1 Material impacts

Material climate-related impacts for Diab arise primarily from energy use in production, direct process emissions (Scope 1), purchased electricity (Scope 2), and upstream emissions from raw materials such as polymers and chemicals (Scope 3). Additional impacts relate to transport, waste generation and limited circularity. Diab's processes do not generate significant air pollutants, as the company does not engage in activities that release hazardous airborne emissions; the primary environmental impact instead stems from energy consumption and material sourcing. Water consumption used for cooling in production is not material for Diab, but it is still subject to continuous efficiency improvement efforts. A closed cooling circuit has been installed in Diab's unit in Longarone and the usage of river water was decreased dramatically (>50%) from mid 2025 for Diab. (2024: 4.2 x 10⁵ m³, 2025: 2.1 x 10⁵ m³) At the same time, Diab's lightweight and durable materials contribute positively to reducing emissions for customers, for example in wind energy and transportation industries.

Governance

GOV 3 – Integration of climate performance in incentive schemes

Diab does not currently link climate-related performance to variable remuneration for management. However, reducing the company's carbon footprint is a key strategic goal, and climate-related progress forms part of the overall sustainability follow up performed by DMT.

Strategy

E1 1 – Transition Plan for Climate Change Mitigation

Diab has established science-based near-term and long-term greenhouse gas, GHG, reduction targets that have been officially validated by the Science Based Targets initiative (SBTi) in line with the SBTi Corporate Net-Zero Standard. Diab's Scope 1 and 2 ambition is classified as aligned with a 1.5°C trajectory.

To achieve these goals, Diab is implementing a group-wide transition plan focusing on energy efficiency improvements, phasing out fossil-based fuels, expanding the use of renewable electricity, reducing the climate footprint of raw materials, and driving circularity in its materials and processes. All Diab production units shall operate under ISO 14001 to support structured climate and environmental work.

Near-term transition actions (by 2028-2030)

- Reduce absolute Scope 1 GHG emissions by 33.6% by 2028 from a 2022 base year.
- Increase annual sourcing of renewable electricity from 51% in 2022 to 100% by 2030.
- Reduce Scope 3 GHG emissions by 44% per metric tonne of sold product by 2028.

Long-term transition actions (towards 2050)

- Achieve a 90% reduction in absolute Scope 1 GHG emissions by 2050.
- Maintain 100% renewable electricity from 2030 to 2050.
- Reduce Scope 3 GHG emissions by 97% per metric tonne of sold product by 2050.

Net zero commitment

Diab commits to achieving net zero greenhouse gas, GHG, emissions across the entire value chain by 2050.

Implementation and monitoring

The transition plan is integrated into Diab's sustainability governance framework. Progress is monitored annually by DMT, supported by site level energy and emissions follow up. Supplier engagement, material innovation, de-coupling from fossil-based raw material and fuels and increased circularity are central enablers of Diab's long-term decarbonization trajectory.

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E1 – CLIMATE CHANGE >>

Scope 1, 2, 3

Key actions to reduce direct and indirect emissions (Scope 1 & 2)

Diab's primary focus for reducing Scope 1 and 2 emissions lies in improving energy efficiency, transitioning away from fossil fuels, including the phase out of natural gas used for process heat and increasing the share of renewable electricity across all operations. These activities directly support Diab's SBTi approved near-term target to reduce absolute Scope 1 emissions by 33.6% by 2028 and to reach 100% renewable electricity by 2030.

Energy efficiency and heat system optimization

Energy consumption remains the dominant driver of Diab's Scope 1 and 2 emissions, particularly in production units where thermal processes require stable and high temperature heat. To address this, Diab has implemented targeted efficiency improvements across its global manufacturing footprint. This includes for example optimization of heating systems and upgrades of energy-intensive equipment.

Phasing out natural gas for process heat

Several Diab sites still use natural gas as a primary heat source. Reducing and ultimately eliminating natural gas dependence is therefore a key part of Diab's decarbonisation approach. Active projects include, for example, alternative low carbon energy sources as switching from natural gas to bio-pellets for process heat in Laholm.

Increasing renewable electricity

Diab continues to transition toward renewable electricity across all sites. Progress has accelerated in recent years, and several factories now operate fully on renewable sources. Efforts will continue until Diab reaches its SBTi aligned target of 100% renewable electricity by 2030.

Compliance with STEMFS 2014:2 energy mapping requirements

A key milestone was achieved when the Diab site in Laholm completed its energy mapping obligations in accordance with STEMFS 2014:2. This framework ensures structured and systematic energy analysis and supports the identification of high potential efficiency measures. The insights gained are now being applied to other sites to strengthen Diab's long-term energy management practices.

Key actions to reduce other indirect emissions (Scope 3)

Scope 3 emissions account for the majority of Diab's total climate footprint. Diab's key focus areas include reducing the climate impact of raw materials, increasing circularity and ensuring that Diab's products help customers lower their own emissions across the value chain – from manufacturing to user phase.

Reducing material related emissions

A significant share of Diab's Scope 3 emissions originates from upstream production of polymers, chemicals and other raw materials. Diab works closely with suppliers to improve transparency and reduce emissions, for example through supplier engagement, Life Cycle Assessment (LCA) data, and evaluation of lower emission material alternatives.

Circular approaches and waste reduction

Diab continues to explore ways to reduce waste generation and increase the circularity of its materials. Ongoing actions include reduced material losses in production and initiatives to evaluate recycling opportunities for high value polymer scrap streams.

Helping customers reduce their carbon footprint through lightweight and long lasting solutions

Diab's products are designed to deliver lower environmental impact throughout the customer value chain. The "stronger, lighter, smarter" material concept enables customers to significantly reduce carbon emissions in several ways:

- **Lightweight materials** reduce fuel consumption or energy demand in applications such as marine, aerospace, subsea, defence and wind energy.
- **Durable and long lasting sandwich composites** extend product lifetime, reducing the need for replacements and lowering lifetime emissions.
- **High performance core materials** improve efficiency in end applications such as wind turbine blades, thereby contributing to higher renewable energy output.
- **Material optimization and structural efficiency** allow customers to achieve the same mechanical performance with less raw material – lowering embodied carbon.

By supporting customer decarbonisation in these ways, Diab contributes to climate benefits that go beyond its own operating footprint.

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SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

For information on material impacts, risks and opportunities and their interaction with strategy and business model see page 24.

Impact, risk and opportunity management IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities

For an overall description of the processes to identify and assess material impacts, risks and opportunities see page 24.

E1-2 Policies for climate change mitigation and adaptation

Diab's climate related parts in Diab Code of Conduct guide how we reduce emissions across our operations and value chain. Our policy is built on science-based targets and international frameworks and ensure that climate considerations are embedded in everyday decision making.

Our climate related part of Diab Code of Conduct include:

- **Reducing Diab's direct climate impact** through energy efficiency improvements, phase out of natural gas, and transition to 100% renewable electricity.
- **Lowering the carbon footprint of raw materials** by engaging suppliers, increasing transparency, and promoting recycled and lower carbon alternatives.
- **Applying circular principles** by reducing production waste, evaluating recycling options for polymer scrap and optimizing material use.
- **Supporting customers' decarbonisation** through lightweight, durable, high performance materials that reduce energy use and extend product lifetimes.
- **Ensuring responsible sourcing** through strict material regulations, chemical restrictions, conflict mineral due diligence and compliance with international standards.

- **Integrating climate considerations** into product development, investment decisions and site level improvement planning.
- **Complying with international guidelines**, including the UN Global Compact, OECD Guidelines, UN Guiding Principles and REACH.

E1-3 Actions and Resources

Diab is taking concrete actions to reduce greenhouse gas, GHG, emissions in line with its SBTi approved climate targets. The focus is on reducing emissions from energy use, transitioning away from fossil raw materials, and increasing the climate performance of Diab's materials and production processes.

Key actions

- **Increasing use of bio-circular PVC through ISCC PLUS certifications** to reduce dependence on fossil based inputs and lower upstream Scope 3 emissions.
- **Expanding the use of renewable electricity** at production sites, with a clear pathway toward 100% renewable electricity by 2030.
- **Improving energy efficiency** through optimization of heat systems and site level energy efficiency projects.
- **Phasing out natural gas for process heat** transition planning at sites where natural gas is still in use.
- **Strengthening circularity:** Increasing use of bio-circular PVC to reduce dependence on fossil based inputs and lower upstream Scope 3 emissions. Reduced material losses and initiatives to evaluate recycling solutions for PVC foam based production scrap.
- **Supporting customers' decarbonisation** by providing lightweight, durable materials that reduce energy use and emissions in end applications such as wind energy, transportation and industrial products.
- **Enhancing supplier collaboration** to increase transparency on raw material emissions, promote lower carbon alternatives and drive reductions across the supply chain.

Resources

To support climate related progress, Diab allocates resources across the organisation:

- Investments in process optimization and renewable electricity sourcing.
- Cross-functional expertise to continue using bio-based, recycled and low carbon materials and further integrate them into Diab's product portfolio.
- Site level energy reviews and follow up processes to identify and implement efficiency improvements.
- Cross functional collaboration between Procurement, Operations, R&D and Sustainability, enabling coordinated decarbonisation across the value chain.

Doing our part for the climate

2018	Diab's first Science Based Targets were approved – making Diab the first company in the composites industry to receive SBTi validation.
2023	Diab conducted group-wide review, updating emission data and preparing the foundation for re-validation under the SBTi Net-Zero standard.
2024	Diab's new near-term and long-term science-based targets were officially approved by SBTi for the second time, confirming alignment.
2025	Implementation of Diab's transition plan begins across all sites, including increased renewable electricity sourcing, energy-efficiency upgrades, introduction of fossil-free PVC raw material in Advanced Kits and more.
2026	Diab continues to execute the climate transition plan established in 2025, scaling activities through all sites to deliver results in line with SBTi.

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Metrics and targets

E1-5 Energy consumption and mix

Energy consumption and energy mix are calculated in accordance with the WBCSD/WRI Greenhouse Gas Protocol and relevant Scope 2 Guidance. Total energy consumption includes purchased electricity and fuels used across Diab’s operations and is reported in energy units.

Scope 2 GHG emissions associated with purchased electricity are calculated using both the location-based method, applying grid-average emission factors for the country or region of consumption, and the market-based method, reflecting the use of contractual instruments where applicable. The composition of the grid where location or residual factors are applied is obtained using EcoOnline CSRD energy mix calculator based on IPCC models.

All contractual instruments applied in the market-based method are assessed to ensure compliance with the Scope 2 Quality Criteria of the GHG Protocol. Where contractual instruments are not applied, electricity-related emissions are reported using location-based grid-average emission factors or residual mix EFs for market-based accounting, in line with the GHG Protocol.

Electricity and heating accounted for 22% (2024: 31%) of the total carbon emissions in 2025. Diab’s electricity consumption amounted to 47.1 GWh (2024: 42.9 GWh), with 69% (2024: 51%) of the energy sourced from fossil-free sources (market-based method). The factory in Laholm operates entirely on fossil-free energy, while the other factories still rely partly on fossil-based energy. However, Diab remains committed to reducing fossil-based energy consumption to zero across our operations and identifying more sustainable alternatives.

Under the ESRS (European Sustainability Reporting Standards) and CSRD, high climate impact sectors are defined as those in NACE Sections A to H and Section L (real estate activities).

Diab manufactures core composite materials and is typically classified under NACE Section C (Manufacturing), specifically codes like 22.2 Manufacture of plastics products or related subcodes in C22 Manufacture of rubber and plastic products might apply.

Relevant activities related to NACE Section C include manufacturing, sales and distribution of core composite and structural materials.

Net revenue from activities in high climate impact sector(s): 1,583 MSEK.

Based on the reported data, Diab has no Scope 1 emissions regulated under emission trading schemes. For Scope 3, a total of 10,703 tCO₂e has been calculated using primary data, representing 15.2% of total Scope 3 emissions. In addition, biogenic emissions amount to 6,560 tCO₂e under Scope 1, while biogenic Scope 2 and Scope 3 emissions are reported as zero.

Energy consumption and mix	2025
(1) Fuel consumption from coal and coal products (MWh)	0.00
(2) Fuel consumption from crude oil and petroleum products (MWh)	727.00
(3) Fuel consumption from natural gas (MWh)	14,389.00
(4) Fuel consumption from other fossil sources (MWh)	0.00
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	9,441.00
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	24,557.00
Share of fossil sources in total energy consumption (%)	30.28
(7) Consumption from nuclear sources (MWh)	663.90
Share of consumption from nuclear sources in total energy consumption (%)	0.82
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	18,742.00
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	37,142.60
(10) The consumption of self-generated non-fuel renewable energy (MWh)	0.00
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	55,884.60
Share of renewable sources in total energy consumption (%)	68.90
Total energy consumption (MWh) (calculated as the sum of lines 6, 7, and 11)	81,105.50

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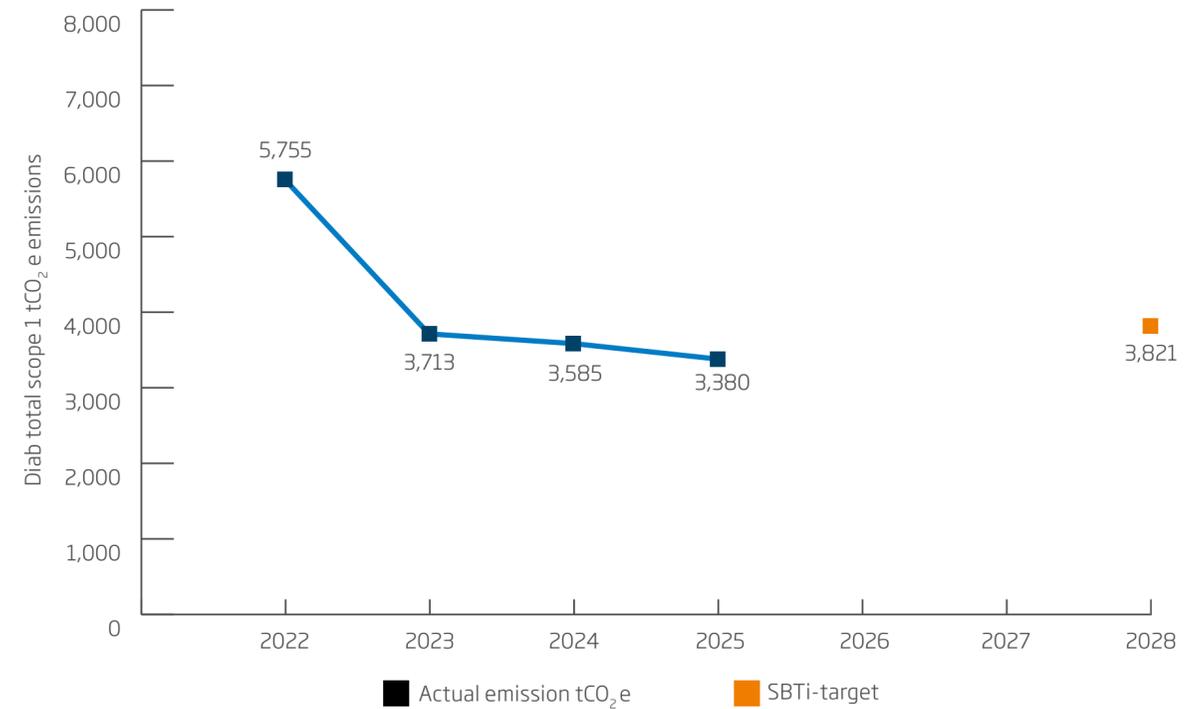
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Since SBTi base year, 2022, Diab's total market-based emissions have decreased by 18% compared to 2025.

Scope 1

For scope 1 Diab has a near-term SBTi-target to reduce absolute GHG emissions 33.6% by 2028 from a 2022 base year. As can be seen in the diagram below the target was already met in 2023 and for 2025 a reduction of 41% was measured. This is mainly due to significant reduction in usage of natural gas in the production site in Longarone, Italy.

Diab total scope 1 tCO₂e emissions vs target 2028



Scope 2

For scope 2 Diab has committed to increase active annual sourcing of renewable electricity from 51% 2022 to 100% by 2030. For 2025 the annual sourcing of renewable electricity was 69%, which mainly depends in that renewable energy certificates (iRECs) were applied at Diab's partner site in Mundra, India.

In 2025, Diab covered electricity consumption for its European and American operations by applying a combination of bundled and unbundled Energy Attribute Certificates (EACs) in the form of EU AIB Guarantees of Origin (technology-specific: mostly wind but also solar, hydro, and geothermal) and RECs. These certificates were applied to cover 100% of reported electricity consumption for sites in Europe such as Laholm, Siauliai as well as the US in DeSoto under the market-based method.

All unbundled EACs applied in 2025 were cancelled and retired in the relevant registry, are no longer tradable, and correspond to the 2025 consumption period, ensuring exclusive renewable electricity claims in line with the GHG Protocol Scope 2 Quality Criteria. The certificates represent electricity generated from renewable sources, primarily wind power, and were cancelled in favour of Diab as the end consumer.

In China i.e. for Changshu and Zhangjiagang, Diab applied Energy Attribute Certificates (EACs) to 15-40% of the total electricity consumed and reported this portion using the market based EFs. The rest were applied a location-based EF. In India renewable energy certificates (iRECs) were applied, and electricity consumption is reported using the market based instrument.

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Scope 3

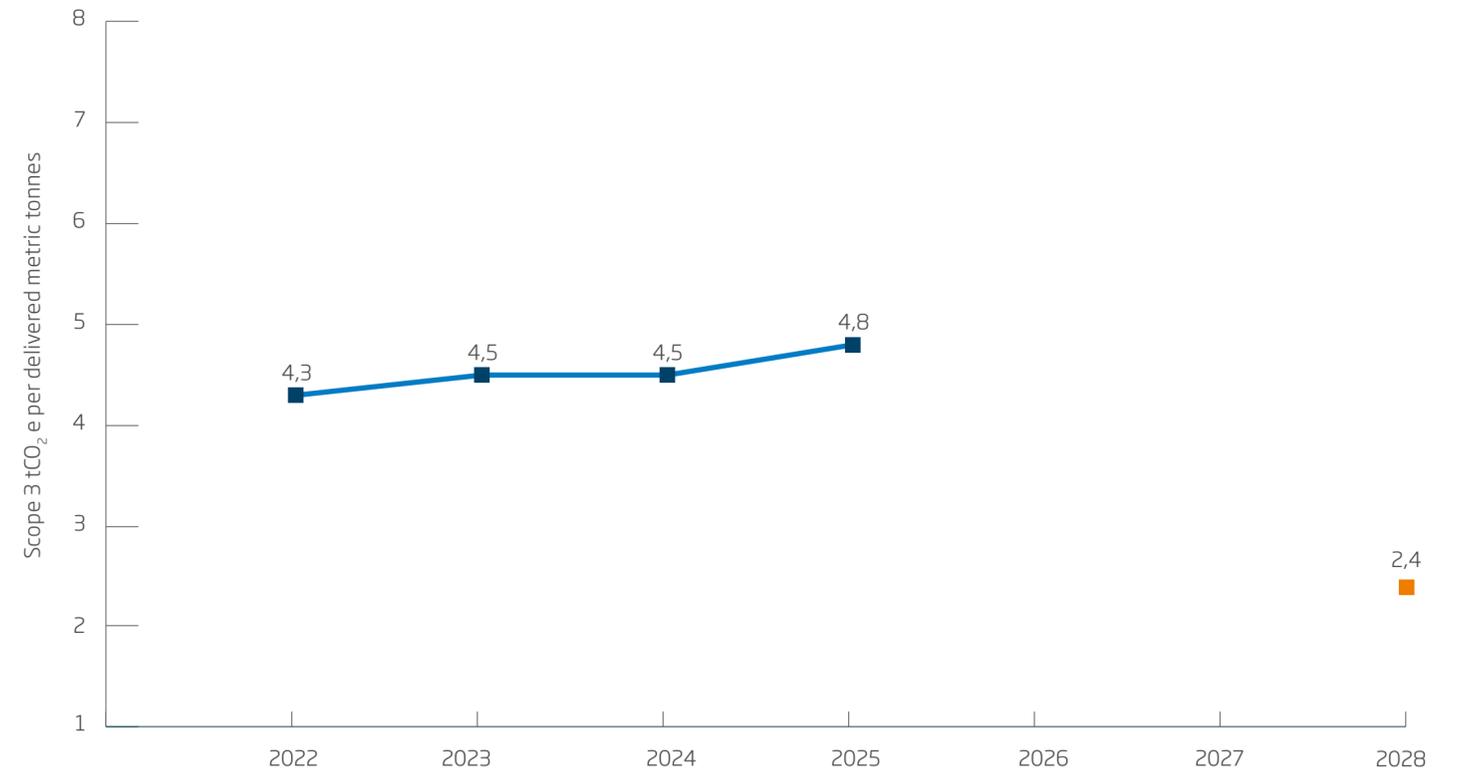
For Scope 3, Diab has committed to reducing GHG emissions by 44% per metric ton of sold product by 2028, using 2022 as the base year.

As shown in the diagram below, the tCO₂e per delivered product (metric tonnes) has slightly increased compared with the 2022 base year. The main driver behind this increase is the substantial shift in product volumes from PET foam to PVC foam in recent years, largely due to the significant downturn in the wind industry, which historically has been the primary driver of PET volumes.

Overall, PET raw materials have a lower carbon footprint than the corresponding PVC foam raw materials, and the production yield also differs between the two product groups. PVC foam is more difficult to recycle internally compared with PET foam, which further affects the overall emissions intensity.

The strategy for Scope 3 is well defined, and ongoing actions are addressing the urgent need to reduce tCO₂e emissions within this category. The introduction of mass balanced (bio-circular) PVC raw materials, made possible through ISCC PLUS certification, has been successfully implemented and enables significant reductions in Scope 3 emissions in both the near and long-term perspective. This transition is supported by several projects aimed at improving the production yield of PVC foam. In addition, strong and long-standing partnerships with raw material suppliers continue to drive collaborative initiatives focused on reducing the carbon footprint of purchased materials. Scope 3 alone accounts for 70,417 tCO₂e, representing 85% of Diab's total emissions. Raw materials make up 42,128 tCO₂e, corresponding to 51% of total emissions and 60% of Scope 3 emissions. This is why the primary efforts to reduce Scope 3 emissions are focused on raw materials and their optimal use throughout production.

Scope 3 tCO₂e per delivered product (metric tonnes) vs target 2028



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In 2025, the total carbon footprint of Diab was 82,450 tCO₂ e. Of that, Scope 3 amounted to 70,418 tCO₂ e, Scope 2 to 8,652 tCO₂ e and Scope 1 to 3,380 tCO₂ e (all numbers market-based method).

Gross Scopes 1, 2, 3 and total GHG Emissions	Base year				% 2025/2022
	2022	2023	2024	2025	
Gross Scope 1 GHG emissions (tCO ₂ eq)	5,755	3,713	3,585	3380	-41%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)					
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	14,267	13,442	17,334	19,746	38%
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	13,431	11,453	14,129	8,652	-36%
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	80,760	56,379	58,338	70,418	-13%
Purchased goods and services	49,171	41,399	40,848	42,128	-14%
Capital goods	6,946	4,212	4,634	15,833	128%
Fuel and energy-related activities (not included in Scope1 or Scope 2)					
Upstream transportation and distribution	2,296	1,557	1,894	2,252	-2%
Waste generated in operations	146	716	1,093	24	-84%
Business travel	265	504	662	408	54%
Employee commuting	855	1,261	501	615	-28%
Upstream leased assets	-	-	-	-	-
Downstream transportation	1,870	1,204	1,894	1,241	-34%
Processing of sold products	40	-	782	875	-
Use of sold products	12,697	-	-	-	-
End-of-life treatment of sold products	382	149	172	197	-48%
Downstream leased assets	-	-	-	-	-
Franchises	-	-	-	-	-
Investments	-	-	-	-	-
Scope 3 tCO ₂ e per delivered product (metric tonnes)	4.3	4.5	4.5	4.8	11%
Total GHG emissions (location-based) (tCO₂eq)	101,284	74,242	80,208	95,038	-6%
Total GHG emissions (market-based) (tCO₂eq)	99,946	71,544	76,051	82,450	-18%

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Calculation methods for greenhouse gas emissions

Diab has followed the WBCSD/WRI Greenhouse Gas Protocol as the primary methodology for calculating and measuring Scope 1, 2, and 3 GHG emissions.

Scope 1 emissions are calculated based on direct GHG emissions from sources owned or controlled by Diab, such as natural gas combustion and company-owned vehicles.

For **Scope 2 emissions**, which involve GHG emissions from purchased electricity, we have applied both the location-based method (using average emission factors corresponding to the grid where consumption occurs) and the market-based method (using emission factors for energy purchased through contractual instruments, e.g., energy attribute certificates; guarantees of origin). Where contractual instruments are not applied or do not meet the Scope 2 Quality Criteria, electricity consumption is reported using residual mix or location-based emission factors, as appropriate.

For **Scope 3 emissions**, we have included indirect emissions from all other activities not captured in Scope 1 and 2, such as purchased goods and services, business travel, and employee commuting. These activities are reported according to the WBCSD/WRI GHG Protocol, with activity data (e.g., the amount of raw material, travel distance, fuel consumption) or spend data combined with emission factors specific to each category, and supplier-calculated emissions data used where available.

Significant assumptions are made in the calculations to obtain standardized and secondary activity data as in the case of employee commuting, downstream transportation and distribution, etc. The assumptions made are logical and properly documented for future reference. For example, Diab was unable to send out a survey to collect primary data regarding employee commuting. Hence, we used transport statistics provided by the government of UK.

Likewise, the activity data for end-of-life treatment of sold products was based on understanding what becomes of Diab's products in a reference study carried out in 2018.

The GHG emission data has not been validated through an external body involved by Diab but it has been partly reviewed by Ernst & Young as validation of Ratos' CSRD report. To ensure data integrity, ZeroMission, an external consultant, validates reported data before closing the year. Although this is not equivalent to a third-party audit, this process ensures accurate documentation of main emission drivers and investigation of any anomalies. This effort supports our transition toward CSRD-aligned sustainability reporting, and we are currently evaluating third-party assurance options to further enhance transparency and credibility.

Emission factors used to calculate Scope 1, 2, and 3 GHG emissions are selected in accordance with the WBCSD/WRI GHG Protocol and are sourced from recognized, authoritative, and in most cases publicly available databases. Priority is given to official national authorities, sector-specific organizations, and internationally recognized institutions, as well as supplier- or service-provider-specific data where available.

Emission factors are chosen based on their relevance to the underlying activity, geographical and technological representativeness, data transparency, and temporal alignment with the reporting period. For some, especially, location sensitive activities (e.g., for electricity, fuels, transport, and district heating), country- or region-specific factors are applied.

For Scope 1 activities such as company owned/leased vehicles and stationary combustion, emission factors used were sourced from sources such as Energimyndigheten, Drivkraft, Trafikverket, US EPA, DESNZ, etc.

For Scope 2 emissions, electricity-related emission factors include grid-average, residual mix, and contractual instrument-based factors, selected in line with the Scope

2 Quality Criteria. Location based and residual mix EFs are derived from UN 2025 and IPCC 2019.

For Scope 3 emissions, a combination of activity-based, spend-based, and supplier-calculated emission factors is applied, reflecting data availability and proportionality across categories. For 3.1, regional/global industry-average EFs (Plastics Europe or Ecoinvent) or lifecycle-based factors (supplier specific) are used based on availability. For the other categories, the EF source is either DESNZ 2025 or UN 2025 & IPCC 2019.

Emission factor sources and assumptions are reviewed annually to ensure continued alignment with best practice, regulatory expectations, and data availability. In 2025, Diab's Scope 3 GHG emissions were measured using inputs from specific upstream activities within the value chain relevant to our operations as a core material manufacturer and supplier.

Upstream Scope 3 categories included in 2025 comprise:

Category 1: Purchased goods and services, includes predominantly the cradle to gate emissions of purchased raw materials.

Category 2: Capital goods, including capitalized equipment, machinery, buildings and other ongoing construction related capital expenditures.

Category 3: Fuel and energy related activities

Category 4: Upstream transportation and distribution of purchased raw materials to Diab sites via sea and road freight.

Category 5: Waste generated in operations includes emissions from disposal and treatment of waste. Transportation of the waste is also included beyond the minimum boundary of the GHG inventory.

Category 6: Business travel, including air, rail, cars, taxis, hired cars, and hotel stays.

Category 7: Employee commuting

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Emissions for these categories are calculated using a combination of activity-based data (e.g., amount of purchased raw materials, ton.kilometre of transport, passenger kilometre of air travel, etc) and spend-based data where activity data were unavailable, particularly for capital goods (e.g., million SEK Capex on machinery and equipment). Data inputs are sourced from internal systems, relevant functions, and suppliers or vendors, and appropriate emission factors are applied in line with the GHG Protocol Scope 3 Standard. In rare instances, where suppliers or vendors provided directly calculated emissions data for specific activities or services, these values were used as reported, and no additional emission factors were applied.

Downstream Scope 3 emissions are also included in our Scope 3 reporting as they are material to our operations and business model, which involves the manufacturing, sale, and distribution of intermediate products. The following categories were material and therefore, included in Diab’s 2025 GHG inventory:

Downstream Scope 3 categories included in 2025 comprise:

Category 9: Downstream transportation and distribution of Diab’s products to customers via sea or road.

Category 10: Processing of sold products. Since Diab sells its products to business customers who are not final customers, they undergo further modification or integration which requires energy inputs. These energy inputs were estimated and included in the GHG inventory.

Category 11: Use of Sold Products. Although activities in this category were included in the past, it was excluded from the GHG inventory this year on the grounds that Diab’s products only have indirect use phase emissions, which fall beyond the minimum inventory boundary.

Category 12: End-of-life-treatment of sold products.

Diab will continue to monitor and assess the relevance of these emissions as well as track any changes in them in future reporting periods.

Reporting boundaries considered:

Diab’s Scope 3 GHG emissions are reported in accordance with the WBCSD/WRI GHG Protocol Scope 3 Standard. The reporting boundary includes upstream activities across the value chain that are relevant to our operations as a core material manufacturer, covering Categories 1, 2, 3, 4, 5, 6 and 7. The inventory boundaries also include downstream Scope 3 categories 9, 10 and 12 as they are material to our business model. Materiality is reviewed annually.

Calculation methods:

Scope 3 emissions are calculated using a combination of activity-based and spend-based methods, in line with the GHG protocol Scope 3 Standard. The applied calculation approach varies by category, as outlined below:

Category 1: Emissions rely entirely on primary activity-based data from Diab’s own internal functions and procurement logs, to which Ecoinvent emission factors were applied.

Category 2: Activity data was wholly spend based in the form of capital expenditures on machinery, equipment, buildings and constructions labelled as PP&E in financial accounts.

Category 4: Activity data in ton.kilometre estimated using internal logs of shipments received and paid by Diab.

Category 5: Activity data in kg or tons of waste generated in operations during the 12 months of 2025. Regional emission factors used according to the waste treatment method.

Category 6: Emissions are predominantly calculated using activity-based travel data obtained from internal systems specifically maintained to track Diab’s business travel across all sites. In limited cases, spend-based calculations are applied.

Category 7: Emissions are estimated using commuting patterns, transport modes, and average FTEs by employment type. Emissions from homeworking are not calculated as that is considered out of scope and beyond the minimum boundary for 3.7.

Category 9: Estimated secondary activity data in ton.kilometre estimated using total product sales in 2025 and assumed delivery routes and modes used for outgoing shipments paid by customers.

Category 10: Diab’s products undergo further processing called kitting. It was possible to estimate the energy intensity of this process from Diab’s own kitting operations. This KPI was used to calculate electricity inputs and appropriate emission factors were applied according to the markets in which Diab operates.

Calculation tools:

Diab uses a third-party calculation tool (including Our Impacts), recognized emission-factor databases (e.g., Ecoinvent), and internal calculation models to estimate Scope 3 GHG emissions. The choice of calculation tools and methodologies reflects data availability, proportionality, and materiality considerations across Scope 3 categories. If applicable, disclose which Scope 3 categories have been excluded, including a justification of the exclusion:

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The following Scope 3 categories have been excluded from our emissions reporting for 2025:

Category 8: Upstream leased assets

Category 11: Use of Sold Products

Category 13: Downstream Leased Assets

Category 14: Franchises

Category 15: Investments

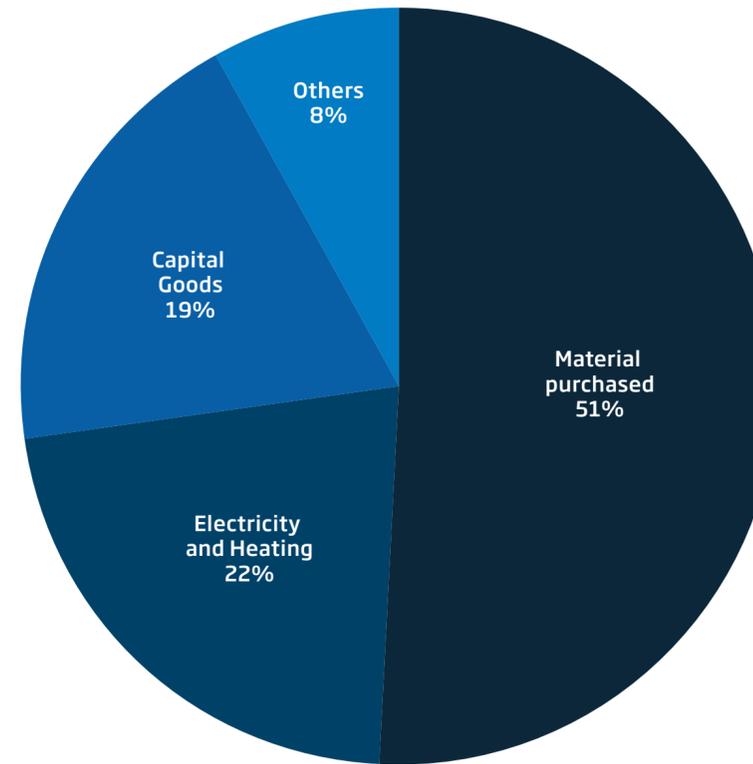
Justification for exclusion:

These Scope 3 categories are excluded as they are not material to Diab's operations as a core material manufacturer and supplier. Insofar as Diab has leased assets, it is an operational lease and hence these emissions have been consolidated under Scope 1 & 2. Moreover, Diab manufactured core materials are structural or mechanical elements in the final assembled product, not consuming any energy directly. Finally, as for Scope 3 category 14 and 15, Diab does not operate franchises or hold investment portfolios that would give rise to material downstream emissions under these categories.

The relevance of excluded Scope 3 categories is reviewed annually as part of our materiality assessment and Scope 3 boundary review.

Illustration: In 2025, the total carbon footprint of Diab was 82,450 tCO₂e. Of that, Scope 3 amounted to 70,418 tCO₂e, Scope 2 to 8,652 tCO₂e and Scope 1 to 3,380 tCO₂e (all numbers market based method).

Emission of greenhouse gases divided per activity 2025



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E5 – RESOURCE USE AND CIRCULAR ECONOMY

E5-1 Policies related to resource use and circular economy

Diab Code of Conduct parts

Although resource use and circular economy were not assessed as material in Diab's double materiality assessment, the company maintains clear commitments to responsible material management and continuous improvement in resource efficiency. Diab's approach is grounded in reducing waste, increasing yield, and improving the sourcing profile of raw materials through certified, traceable supply chains.

A core part of this commitment is Diab's ISCC PLUS-certified mass balanced PVC sourcing, which ensures traceability, transparency, and integrity of renewable and circular raw materials across the entire supply chain. ISCC PLUS is a global certification covering bio-based waste, recycled feedstock, and other circular materials, using a rigorous mass balance model to track sustainable inputs through verified bookkeeping processes. This method safeguards environmental integrity and ensures that renewable or circular feedstocks are correctly allocated to finished products.

E5-2 Actions and resources related to resource use and circular economy

Diab has implemented several initiatives to advance circularity and resource efficiency, even beyond mandatory reporting requirements:

Introduction of mass balanced PVC (bio-circular feedstock)

Since 2025, Diab has successfully introduced mass balanced PVC into its Advanced Kits. The manufacturing site in Laholm, Sweden, along with all European sales offices, are ISCC PLUS certified. This allows Diab to offer customers Advanced Kits with declared mass balanced PVC and other specific production processes, providing:

- Reduced fossil dependency
- Lower overall resin consumption
- Optimized product performance
- Verified sustainability declarations with full upstream traceability

This transition represents a major step toward circularity, as mass balanced PVC includes renewable and recycled feedstock while maintaining full traceability from raw material input to finished goods.

Yield optimization and internal recycling

To minimize material waste, Diab runs ongoing improvement projects focused on production yield, particularly in PVC foam manufacturing where internal recycling is more challenging. PET foam continues to demonstrate full recyclability internally, making it an important part of Diab's circular material flow strategy.

Supplier engagement

Strong partnerships with raw material suppliers enable joint projects aimed at lowering the carbon footprint of purchased materials. These collaborations form a key part of Diab's resource efficiency roadmap and support future circular innovation.

E5-3 Targets related to resource use and circular economy

Although E5 is not material and no mandatory targets are required, Diab's internal strategy emphasises:

- Increased adoption of mass balanced bio-circular raw materials
- Continuous improvement of yield and scrap reduction
- Enhanced internal recycling rates where technically feasible
- Strengthened traceability and transparency across raw material inflows

These ambitions align with EU circular economy principles and support Diab's long-term goal of decoupling production growth from virgin and fossil resource use.

E5-4 Resource inflows

Key resource inflows for Diab include PVC and PET raw materials. With the introduction of mass balanced PVC, part of Diab's inflows now consist of certified renewable and circular feedstock, allocated through the ISCC PLUS mass balance methodology.

Mass balance works similarly to renewable electricity schemes: a certified quantity of bio-circular raw material is allocated to a defined share of Diab's PVC production. Only the corresponding amount of mass balanced PVC purchased with, material loss due to waste, can be sold as mass balanced products.

This shift is essential for reducing fossil-based inputs and increasing the share of circular materials in Diab's product portfolio.

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E5 – RESOURCE USE AND CIRCULAR ECONOMY >>

E5-5 Resource outflows (products, materials, and waste)

Outflows from Diab's operations mainly consist of:

- Finished foam products (Advanced Kits, Kits, PVC foam, PET foam, PES foam PEI foam etc)
- Production scrap, which varies by material type
- PVC waste, which is collected and processed externally

PVC foam has yet no internal recyclability, which influences total waste generation. Diab addresses this through yield improvement initiatives and procurement of lower footprint raw materials.

All Advanced Kits delivered to European customers include a sustainability declaration, ensuring full traceability from feedstock to final product, which is a key enabler of circularity claims under ISCC PLUS.

E5-6 Anticipated financial effects from resource use and circular economy practices

While E5 is not material from a risk perspective, Diab expects several positive financial implications from its circularity initiatives:

- Reduced long-term exposure to volatile fossil based raw material prices
- Lowered Scope 3 emissions through bio-circular PVC, benefiting customers with decarbonisation requirements
- Operational efficiencies from improved yield and lower scrap rates
- Strengthened market competitiveness as customer demand for certified circular materials increases

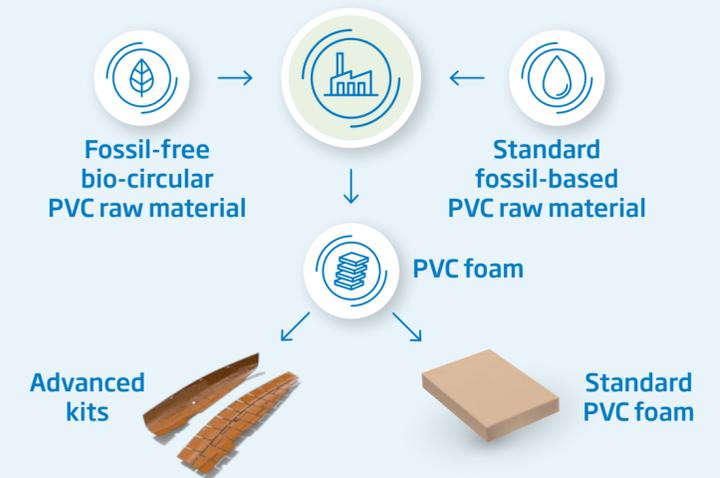
These initiatives support Diab's resilience and long-term value creation, even in the absence of mandatory E5 reporting.

Conclusion:

Although ESRS E5 was not deemed material in Diab's double materiality assessment, the company demonstrates clear progress and commitment to circular economy principles through the introduction of ISCC PLUS mass balanced PVC, continuous yield optimization, and transparent, traceable material flows. These efforts contribute to both environmental benefits and business resilience, positioning Diab strongly for future regulatory and customer expectations.

How mass balance works

Mass balance works like buying renewable electricity: when you pay for renewable electricity, an equivalent amount is added to the grid. Similarly, when you buy mass balanced PVC, you pay for a corresponding amount of bio-circular raw material to be used in production. In Diab's case, the bio-circular feedstock is used cooking oil. Only the amount of bio-circular material actually introduced into the system (but also taking into account the material loss due to waste) can be sold as mass balanced PVC with a sustainability declaration.



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MANUFACTURE OF RENEWABLE ENERGY TECHNOLOGIES – CLIMATE MITIGATION

Diab manufactures polymeric foam core materials used in lightweight sandwich constructions for industries such as marine, aerospace, subsea, defence and, most critically, wind turbine blades. These core materials form an essential structural part of the blade's composite sandwich construction, directly contributing to its strength, durability and performance. Because blades are indispensable for wind turbine operation, Diab's materials represent a critical enabling component within the renewable energy value chain. Although Diab's internal NACE classification falls within plastics manufacturing, the wind related part of our business is considered aligned with the EU Taxonomy activity 3.1 Manufacture of renewable energy technologies. Through the supply of core materials integral to turbine blade production, Diab contributes substantially to climate change mitigation by enabling the generation of renewable electricity.

Do No Significant Harm (DNSH)

Climate adaptation

Diab has assessed climate related physical risks and confirmed that these are effectively managed through established risk controls and mitigation measures implemented across all facilities. With appropriate preventive actions in place, the activity meets the climate adaptation requirements and does not pose significant harm with respect to expected future climate impacts.

Water

Diab's production processes use minimal water and generate no process wastewater discharges. Existing operational controls ensure that the activity has no significant impact on groundwater, surface water or marine environments.

Circular economy

Across our operations, Diab works to optimize material efficiency, minimize waste, and design products with long service life, thereby supporting key circular economy principles. Even where some composite material systems have limited recyclability at end of life, Diab's focus on resource efficiency and durability reduces the overall environmental impact of production and product use.

Pollution prevention and control

Pollution risks are mitigated through robust chemical handling procedures, safe storage practices, and continuous efforts to reduce emissions and waste. All materials are managed in ways that prevent releases to air, soil or water, ensuring compliance with pollution prevention criteria.

Biodiversity and ecosystems

Diab's manufacturing sites are located exclusively in industrial areas, involve no land use changes, and operate under controls designed to avoid any interaction with protected species or sensitive ecosystems. As a result, the activity has no negative impact on biodiversity.

Minimum safeguards

Diab complies with the EU Taxonomy's minimum safeguards through a well established governance and ethical framework. This includes the Diab Code of Conduct, the Supplier Code of Conduct, a zero tolerance policy toward bribery and corruption, annual mandatory Diab Code of Conduct training (completed by 100% of employees in 2025), and a confidential external whistleblowing channel available to all employees and stakeholders. Diab is also a member of the UN Global Compact, renewing its commitment annually and integrating the Compact's Ten Principles into its strategy, culture and operations. Together, these measures ensure alignment with requirements related to human rights, labor rights, anti-corruption and responsible business conduct.

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MANUFACTURE OF RENEWABLE ENERGY TECHNOLOGIES – CLIMATE MITIGATION

Financial Data

Diab reports financial data for the economic activity “Manufacture of renewable energy technologies” in accordance with the EU Taxonomy Regulation. The figures below represent the share of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) linked to the production of polymeric core materials used in wind turbine blades, which form a critical enabling component of renewable electricity generation.

Turnover

For 2025, the Taxonomy eligible turnover attributable to this activity amounted to 307.6 MSEK, compared with 163.2 MSEK in 2024. The year on year increase reflects a recovery in wind related demand as well as strengthened alignment of Diab’s product portfolio with the renewable energy sector. Turnover reported under this activity represents sales directly linked to materials used in wind turbine blade production, an activity contributing substantially to climate change mitigation.

Capital Expenditure (CapEx)

Taxonomy eligible CapEx for 2025 totalled 14.2 MSEK, up from 2.6 MSEK in 2024. The increase is primarily driven by continued investments in production capabilities and process improvements supporting the manufacture of core materials used in renewable energy technologies.

Operating Expenditure (OpEx)

Taxonomy eligible OpEx for 2025 amounted to 13.0 MSEK, compared with 20.4 MSEK in 2024. The decrease is largely due to lower maintenance and repair expenditures during the year, as well as completed process upgrades that require less operational input. Reported OpEx includes activities necessary to maintain and operate assets directly related to wind technology manufacturing.

EU Taxonomy Financial Data

Diab reports its financial data in accordance with the EU Taxonomy Regulation, covering total turnover, capital expenditure (CapEx) and operating expenditure (OpEx) for the financial years 2024 and 2025. These figures form the basis for calculating the proportion of Taxonomy eligible and Taxonomy aligned economic activities presented in the subsequent sections of the report.

Total Turnover

Diab’s total net turnover amounted to 1,582.9 MSEK in 2025, compared with 1,434.9 MSEK in 2024. The increase reflects market developments across Diab’s core segments, including such as marine, aerospace, subsea, defence and renewable energy technologies.

Total Capital Expenditure (CapEx)

Total CapEx for 2025 was 72.7 MSEK, compared with 66.4 MSEK in 2024. The year on year increase relates to capitalised investments that support operational efficiency, facility improvements and equipment upgrades across Diab’s global operations. These investments contribute to maintaining production capability and supporting long-term competitiveness.

Total Operating Expenditure (OpEx)

Total OpEx for 2025 amounted to 71.0 MSEK, compared with 75.6 MSEK in 2024. The decrease is primarily driven by lower maintenance related activities during 2025, as well as the effects of completed upgrades that have reduced recurring operational expenditure.



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S1 – OWN WORKFORCE

Material impacts

- Characteristics of the undertaking's employees
- Collective bargaining coverage and social dialogue
- Diversity metrics
- Health and safety metrics
- Work-life balance metrics
- Compensation metrics (pay gap and total compensation)
- Incidents, complaints and severe human rights impacts

Diab employs 750 employees worldwide, representing one of the company's most valuable assets. As an employer, our impact spans working conditions, health and safety, and our commitment to ensuring equal treatment and opportunities for all.

We strive to create a workplace where employees can grow, develop, and thrive, both as professionals and as individuals. Our ambition is to maintain an engaging, safe, and inclusive environment that supports continuous learning, fosters collaboration, and empowers every employee to contribute meaningfully to Diab's long-term success.

Strategy

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.

For more information about material impacts, risks and opportunities, and the interaction with strategy and business model, see page 24.

Impact, risk and opportunity management

S1-1 Policies related to own workforce

Diab Code of Conduct

The Diab Code of Conduct outlines the minimum standards we require our employees to comply with, including internationally recognized human rights and labor standards. Any employee found to be in violation of this policy will be subject to disciplinary action, up to and including termination of employment.

The Diab Code of Conduct is available on the company intranet as well as on our website. Rather than providing a detailed summary here, we refer readers to the full version of the Diab Code of Conduct, which forms the foundation for all business practices and all work carried out within Diab, in collaboration with our partners, in connection with our stakeholders, and in our interactions with both the global and local society.

New employees sign Diab Code of Conduct by completing an online Diab Code of Conduct module. We also require all employees to complete a Diab Code of Conduct refresher e-module or workshop each year. Managers are responsible for communicating a reminder of the Diab Code of Conduct annually, and Group Sustainability & EHSQ Manager makes sure the updated version is accessible on the intranet and website. The part in Diab Code of Conduct related to employee diversity, inclusiveness and equality is implemented by making employee diversity, inclusiveness, and equality an integrated part of our operative business decisions. We are also working to ensure that managers have the information and support needed to follow local legislation in their employment decisions.

S1-2 Processes for engaging with own workers and workers' representatives about impacts

To engage workers on topics relating to the work environment and to identify and work on potential issues, managers are expected to have regular meetings with their team members. These meetings are both one-on-one or with the collective team and can be both formal and informal in nature.

As for employee diversity, inclusiveness and equality, Diab is measuring and evaluating the work environment in the regular employee engagement surveys, and through the guided dialogue which takes place when the results are presented. Improvement actions are defined and implemented based on the results of this evaluation. Each manager in the company is responsible for evaluating the results, prioritizing improvement areas and building a plan.

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OWN WORKFORCE METRICS AND TARGETS >>

Metrics and targets

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities.

Diab has established clear and measurable targets related to the well-being, safety, and fair treatment of its employees. These targets reflect the company's commitment to protecting human rights, fostering a safe and inclusive workplace, and ensuring responsible business conduct across all operations. All targets are anchored in the Diab Code of Conduct and are supported by policies, procedures, and training programs implemented across the organization.

Human Rights & Ethical Conduct Targets

Diab is firmly committed to upholding internationally recognized human rights. To ensure full alignment with these principles, the company has set a zero tolerance target for child and any kind of forced labor and a zero tolerance target for harassment or discrimination. These commitments apply to all Diab operations globally and extend to interactions with suppliers and external stakeholders.

Progress toward these targets is monitored through incident reporting systems, HR processes, whistleblowing channels, and regular training on Diab Code of Conduct requirements. No violations are tolerated, and any suspected breach triggers immediate investigation and corrective actions.

Health & Safety Targets

Diab's ambition is to achieve zero health and safety incidents, guided by the principle that "no one should get hurt while working at Diab." This target is central to the company's safety culture and directly connected to the requirement that all production sites shall maintain ISO 45001 certification. Preventive work, including risk assessments, safety training, internal audits, and employee involvement in safety committees is essential to achieving this goal. The company continuously tracks safety performance, including near miss reporting, incident analysis, and root cause elimination. Improvement plans are updated regularly, and site level Health and Safety managers ensure ongoing implementation and progress.

Continuous Improvement and Accountability

All workforce related targets are reviewed at a minimum monthly, and progress is reported to senior management as part of Diab's broader sustainability governance. Clear ownership is assigned at site level and supported by global functions to ensure consistency, transparency, and measurable advancement.

Through these targets and associated action plans, Diab aims to strengthen employee well-being, uphold human rights, and foster a workplace characterized by integrity, inclusion, and safety for all.

S1-6 Characteristics of the undertaking's employees

Diab's workforce consists of 750 employees across around 15 countries, spanning North America, Europe, and the Asia Pacific region. This global footprint reflects the company's diversified operations and enables close collaboration with customers in all major markets.

In full time equivalents (FTEs), Diab's total workforce amounts to 903.5 FTEs, illustrating the scale and distribution of personnel required to support the company's production facilities, sales offices, technical centers, and administrative functions worldwide.

During the reporting period, 86 employees left the company, resulting in an employee turnover rate of 11%. Diab monitors turnover closely as part of its workforce management and strives to maintain employee retention through strong engagement initiatives, clear development opportunities, and consistent working conditions across all regions.

Employees represent a wide range of functions, including production, R&D, engineering, quality, sustainability, supply chain, sales, and administrative roles.

Diab's multinational workforce contributes significantly to its innovation capability, operational excellence, and long-term growth. Ensuring alignment across regions, maintaining stable employment, and supporting a collaborative global culture remain central priorities for the organization.

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OWN WORKFORCE METRICS AND TARGETS >>

Organizational unit	Employees by head count, Female	Employees by head count, Male	Employees by head count, Other	Employees by head count, Gender not disclosed	Employees by head count, Total	Country
Diab AB, Sweden	23	148	0	0	171	Sweden
Diab Americas LP, US	22	64	0	0	86	United States of America
Diab AS	1	2	0	0	3	Norway
Diab Australia Pty Ltd	1	4	0	0	5	Australia
Diab Changsu	14	114	0	0	128	China
Diab Core Materials Private Ltd	4	4	0	0	8	India
Diab GmbH	1	5	0	0	6	Germany
Diab International AB	11	29	0	0	40	Sweden
Diab Ltd	1	4	0	0	5	United Kingdom
Diab New Materials, (Zhangjiagang) Co Ltd	24	72	0	0	96	China
Diab Sas	2	7	0	0	9	France
Diab South East Asia Co. Ltd	3	3	0	0	6	Thailand, Vietnam
Diab SpA, Italy	5	83	0	0	88	Italy
Diab Spain SL	2	2	0	0	4	Spain
Diab Spzoo	1	2	0	0	3	Poland
Diab UAB, Lithuania	23	58	0	0	81	Lithuania
SCS AS	1	10	0	0	11	Norway
Total	139	611	0	0	750	

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OWN WORKFORCE METRICS AND TARGETS >>

Organizational unit	Permanent employees, FTE, Female	Permanent employees, FTE, Male	Permanent employees, FTE, Other	Permanent employees, FTE, Gender not disclosed	Temporary employees, FTE, Female	Temporary employees, FTE, Male	Temporary employees, FTE, Other	Temporary employees, FTE, Gender not disclosed	Non-guaranteed hours employees, FTE, Female	Non-guaranteed hours employees, FTE, Male	Non-guaranteed hours employees, FTE, Other	Non-guaranteed hours employees, FTE, Gender not disclosed	Employees who left the company during the reporting period	Employee Turnover, (%)
Diab AB, Sweden	22,5	150,8	0	0	0	0,8	0	0	0	0	0	0	20	12
Diab Americas LP, US	22	62	0	0	0	2	0	0	0	0	0	0	14	16
Diab AS	1	2	0	0	0	0	0	0	0	0	0	0	0	0
Diab Australia Pty Ltd	1	4	0	0	0	0	0	0	0	0	0	0	0	0
Diab Changsu	17	137	0	0	0	0	0	0	2	106	0	0	27	21
Diab Core Materials Private Ltd	4	4	0	0	0	0	0	0	0	0	0	0	0	0
Diab GmbH	1	5	0	0	0	0	0	0	0	1,3	0	0	1	3
Diab International AB	9,7	29,2	0	0	0	0	0	0	0	0	0	0	1	3
Diab Ltd	1	4	0	0	0	0	0	0	0	0	0	0	4	80
Diab New Materials, (Zhangjiagang) Co Ltd	30	89	0	0	0	0	0	0	0	23	0	0	2	2
Diab Sas	1,7	7	0	0	0	0	0	0	0	0	0	0	0	0
Diab South East Asia Co. Ltd	3	3	0	0	0	0	0	0	0	0	0	0	3	50
Diab SpA, Italy	3,9	52,6	0	0	0	0	0	0	0	0	0	0	6	7
Diab Spain SL	2	2	0	0	0	0	0	0	0	0	0	0	0	0
Diab Spzoo	1	2	0	0	0	0	0	0	0	0	0	0	0	0
Diab UAB, Lithuania	24	59	0	0	0	0	0	0	0	0	0	0	8	10
SCS AS	1	10	0	0	0	0	0	0	0	0	0	0	0	0
Total	145,8	622,6	0	0	0	2,8	0	0	2	130,3	0	0	86	11%

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S1-7 Characteristics of non-employee workers in the undertaking's own workforce

Based on operational needs, Diab engages agency workers and external contractors to support the business when required. These non-employees operate primarily at Diab's production sites. Their engagement is used to manage temporary capacity demands, such as workload peaks driven by large customer orders or internal projects that require staffing levels beyond normal operational capacity.

S1-8 – Collective bargaining coverage and social dialogue

Diab follows collective agreements in countries where such agreements are in place. At the end of 2025, 44% of our employees were covered by formal collective agreements. In the table the collective bargaining coverage and social dialogue for regions with ≥50 empl. representing ≥10% total employees is shown.

S1-9 Diversity metrics

Diab's workforce shows a balanced distribution across age groups, with 14% under 30 years, 56% between 30 and 50 years, and 30% above 50 years. This structure reflects a mix of early career talent, experienced professionals, and senior expertise, which together support continuity, competence development, and long-term organizational strength.

Within top management, gender representation is 20% women and 80% men, corresponding to one woman and four men. Regarding age distribution in this group, two members are between 30 and 50 years, while three members are over 50 years. This indicates that the leadership team combines mature industry experience with mid-career perspectives, supporting stable and informed decision making.

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees – EEA (for countries with ≥50 empl. representing ≥10% total empl.)	Employees – Non-EEA (estimate for regions with ≥50 empl. representing ≥10% total empl.)	Workplace representation (EEA only) (for countries with ≥50 empl. representing ≥10% total empl.)
0-19%	-	-	-
20-39%	-	-	-
40-59%	-	-	-
60-79%	-	-	-
80-100%	Italy, Sweden	-	Italy, Sweden

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OWN WORKFORCE METRICS AND TARGETS >>

S1-10 Adequate wages

All Diab employees are paid an adequate and fair wage, aligned with applicable market benchmarks, national legislation, and industry standards in each country where Diab operates. Compensation practices are reviewed regularly to ensure competitiveness and internal equity.

Diab follows a structured and consistent approach to employee development and promotion. Salary levels for each position are based on several factors:

- the knowledge and competencies required to perform the job,
- the complexity of the tasks and problem solving involved,
- the level of responsibility and accountability associated with the role, and
- the demonstrated behaviors, performance, and results delivered by the individual.

This systematic approach ensures that career progression is transparent, merit based, and supportive of long-term employee growth. Through continuous feedback, development opportunities, and clear role expectations, Diab aims to foster a workplace where employees are motivated, recognized, and rewarded for their contributions.

S1-13 Training and skills development metrics

Diab is committed to fostering a culture of continuous learning, professional growth, and lifelong skill development across all regions in which we operate. Ensuring that employees have the knowledge, competencies, and tools needed to perform their roles effectively is a fundamental part of Diab's people strategy and an integrated element of our Diab Code of Conduct.

Training and development opportunities are made available to all employees on an equal basis. Diab offers mandatory training programs covering compliance, ethics, anti-corruption, anti-discrimination, harassment prevention, workplace safety, and company policies. These foundational programs ensure that all employees understand and adhere to Diab's standards of conduct and contribute to a safe, respectful, and ethically responsible workplace environment. Beyond mandatory training, Diab encourages employees to take part in development activities that support both their professional goals and the company's evolving needs. This includes participation in workshops, seminars, technical courses, leadership development initiatives, and other forms of competence building. Managers and employees are encouraged to incorporate learning objectives into performance and development discussions, ensuring alignment between individual career aspirations and organizational priorities.

Diab continues to strengthen its approach to learning and development by promoting accessible training formats, leveraging internal expertise, and gradually expanding the range of learning opportunities available across the organization. The company remains committed to enhancing its capability to monitor and measure participation, effectiveness, and long-term impact of training programs going forward.

Diab's ambition is to maintain with a learning oriented culture where employees feel supported in their growth and where continuous development is recognized as a key driver of performance, engagement, and long-term success. Diab is currently upgrading and enhancing its e-learning platform, CoreSkill, to strengthen internal competence development across the organization. The updated platform will provide more structured, accessible, and role-specific training modules, supporting consistent knowledge building in key areas such as sustainability, safety, and operational excellence. By improving the functionality and user experience of CoreSkill, Diab aims to ensure that employees have the tools and learning resources they need to meet evolving requirements and contribute to the company's long-term sustainability ambitions.

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OWN WORKFORCE METRICS AND TARGETS >>

S1-14 Health and safety metrics

Diab continuously monitors health and safety performance across all production sites to ensure a safe working environment and to support the company's long-term commitment to zero harm. All sites report key health and safety metrics on a weekly basis through the Operations Management Team (OMT) meetings. This structured reporting process enables early identification of trends, timely corrective actions, and strong accountability throughout the organization.

In 2024 and 2025, 100% of Diab's workforce were covered by a health and safety management system that meets legal requirements and recognized standards. All production sites are required to have ISO 45001 certification.

Health and Safety Outcomes

The reported outcomes show that Diab maintained zero fatalities resulting from work related injuries or work related ill health in both 2024 and 2025. The number of recordable work related accidents increased from 9 cases in 2024 to 13 cases in 2025, corresponding to a recordable accident rate of 7.9 in 2024 and 9.4 in 2025.

Cases of work related ill health decreased from 16 in 2024 to 10 in 2025, indicating progress in preventive efforts and early detection. The number of days lost due to work related injuries and work related ill health were 665 days in 2024 and 707 days in 2025.

These indicators highlight both areas of improvement and areas requiring continued attention. The rise in recordable work related accidents in 2025 underscores the importance of strengthening preventive measures, reinforcing safe working practices, and promoting systematic hazard identification at all sites.

Continuous Improvement Efforts

Through weekly H&S reporting, ongoing risk assessments, mandatory training, and close follow up by site Health & Safety managers, Diab seeks to reduce injuries, enhance workplace well-being, and ensure that all employees operate in safe, compliant, and well managed environments. Diab's long-term objective remains zero incidents and the guiding principle that "no one should get hurt while working at Diab". The company will continue refining its monitoring processes, improving internal reporting quality, and strengthening engagement in safety across all levels of the organization.

Employees in Diab's own workforce	2024	2025
Percentage of own workforce who are covered by the company's health and safety management system based on legal requirements and/or recognised standards or guidelines (%)	100	100
Percentage of own workforce who are covered by a health and safety management system which is based on legal requirements and/or recognised standards or guidelines and which has been internally audited and/or audited or certified by an external party (%)	0	0
Fatalities as a result of work-related injuries	0	0
Fatalities as a result of work-related ill health	0	0
Recordable work-related accidents	9	13
Rate of recordable work-related accidents	7.9	9.4
Cases of recordable work-related ill health	16	10
Days lost to work-related injuries and fatalities from work-related accidents and work-related ill-health and fatalities from ill health	665	707

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Continuous Improvement Efforts

Through weekly H&S reporting, ongoing risk assessments, mandatory training (see the table on Health & Safety training rate), Behavior-Based Safety (BBS) approach and close follow up by site Health & Safety managers, Diab seeks to reduce injuries, enhance workplace well-being, and ensure that all employees operate in safe, compliant, and well managed environments. Diab’s long-term objective remains zero incidents and the guiding principle that “no one should get hurt while working at Diab”. The company will continue refining its monitoring processes, improving internal reporting quality, and strengthening engagement in safety across all levels of the organization.

The reported training rate for the whole Diab from 2014 to 2025 is calculated as the hours of training per total hours worked and shown in percent.

	Health & Safety Training rate, %
2014	0.14
2015	0.33
2016	0.30
2017	0.40
2018	0.43
2019	0.60
2020	0.73
2021	0.50
2022	0.63
2023	0.70
2024	0.50
2025	0.53

The BBS rate is calculated as the quantity of BBS observations per total hours worked and shown in percent. For 2025 this was 0,04% for Diab.

S1-16 Compensation metrics (pay-gap and total compensation)

The aggregated gender pay gap at Diab for the reporting year is -3.7%, meaning that average female employees earn slightly more than male employees across the organisation. This figure reflects the overall distribution of roles, seniority, and competencies within Diab’s workforce, and does not indicate any systematic pay discrepancies or discriminatory practices.

Diab remains committed to ensuring fair, equitable, and market aligned compensation for all employees. Salary decisions are based on objective criteria such as job responsibilities, required competencies, performance, and relevant market benchmarks. Diab’s remuneration ratio for 2025 was 13.0. As part of our ongoing commitment to transparency and equal treatment, Diab will continue to review its compensation structures and monitor potential pay differences to ensure they remain justified, job related, and free from bias.

S1-17 Incidents, complaints and severe human rights impacts

Work-related grievances, incidents and complaints Diab maintains established channels for employees to raise concerns, including formal grievance mechanisms and HR processes reporting system. During the reporting year, four incidents of discrimination, including harassment, were recorded. All cases were addressed in line with Diab’s internal procedures, which include investigation, corrective actions and follow up to prevent recurrence.

No complaints were filed through Diab’s grievance channels by employees, nor were any cases reported to the OECD National Contact Points. Likewise, there were no fines, penalties or compensation payments resulting from incidents or complaints during the year. Importantly, Diab recorded zero severe human rights incidents connected to its workforce.

These outcomes reflect both Diab’s ongoing efforts to maintain an ethical, respectful and inclusive work environment and the importance of continuous improvement. The company remains committed to strengthening awareness, accessibility and trust in its reporting mechanisms, ensuring that all employees feel safe to speak up and that all concerns are handled promptly and transparently.

	2025
Total number of incidents of discrimination, including harassment	4
Number of complaints filed through channels for own workers to raise concerns (including grievance mechanisms)	0
Number of complaints filed through channels for own workers to raise concerns (including grievance mechanisms) to the National Contact Points for OECD Multinational Enterprises	0
Total amount of fines, penalties, and compensation for damages as a result of incidents and complaints [Company currency]	0
Total number of severe human rights incidents connected to the company’s workforce	0

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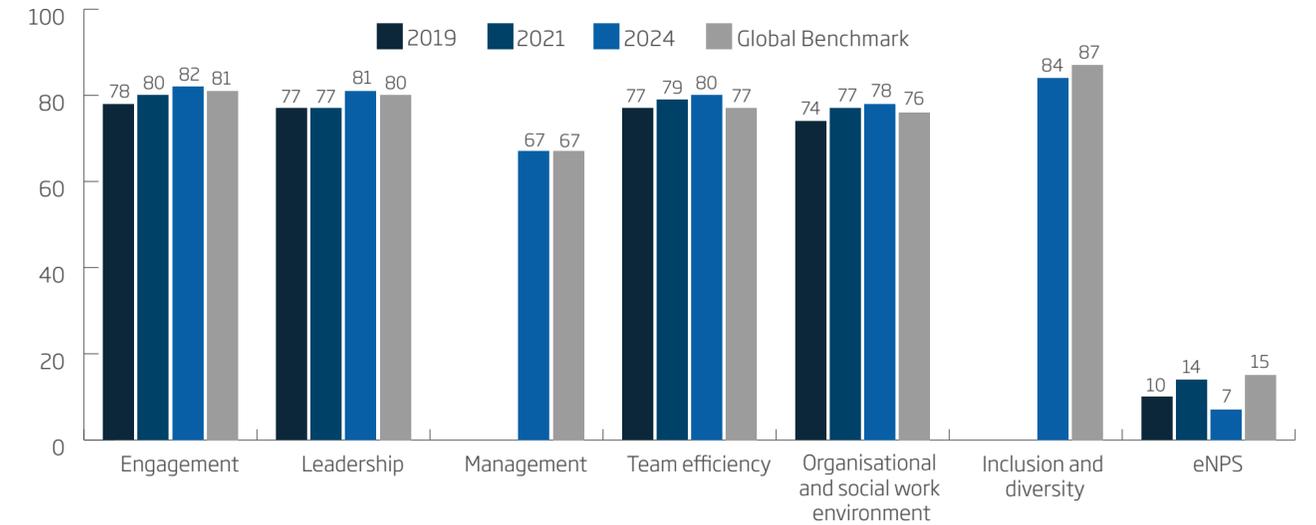
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S1-18 Employee engagement

During 2024, Diab conducted its employee engagement survey, continuing the company's regular practice of monitoring organisational climate, leadership quality, team dynamics and overall employee experience. The results show a general improvement across most surveyed areas compared with previous years, including engagement, leadership, team efficiency, and organisational and social work environment. In several dimensions, Diab's scores also approach or align with global benchmark levels, indicating a positive development in overall employee sentiment.

However, the Employee Net Promoter Score (eNPS) decreased compared with earlier years. This development can be directly linked to the organisational adjustments Diab has had to implement due to the reduced demand in the wind power industry during the period. Workforce reductions and restructuring activities are known to affect employees' willingness to recommend their employer, even when broader engagement indicators remain stable or improve. Diab continues to use insights from the engagement survey to guide leadership development, prioritise improvement actions, and strengthen communication across the organisation. The company remains committed to fostering a workplace where employees feel engaged, supported, and motivated, and where feedback is systematically used as a driver of continuous improvement.



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S2 – WORKERS IN THE VALUE CHAIN

Material impacts

Diab collaborates with suppliers across several global regions. As with all globally distributed value chains, there are potential risks for workers employed by suppliers, including:

- Working conditions and occupational safety
- Human rights risks, including forced labor and child labor
- Fair treatment and non-discrimination
- Anti-corruption and ethical business conduct

Diab recognises that insufficient insight into supplier practices may expose value chain workers to unacceptable risks and therefore prioritises responsible sourcing, improved transparency and enhanced due diligence.

Strategy

Responsible sourcing aligned with Diab's business model

Responsible value chain management is integral to Diab's long-term operational resilience. Through the Supplier Code of Conduct, Diab sets clear expectations for suppliers on labor rights, human rights, business ethics, anti-corruption and environmental responsibility.

Diab's long-term strategy is to systematically identify risks in the value chain, strengthen ethical compliance among suppliers and ensure that value chain workers are protected from unsafe or unfair working conditions.

Impact, risk and opportunity management

S2-1 Policies related to value chain workers

Diab's Supplier Code of Conduct outlines minimum requirements for suppliers and subcontractors regarding:

- Human rights and labor standards
- Prohibition of forced labor and child labor
- Fair and safe working conditions
- Freedom of association
- Non-discrimination and equal treatment
- Anti-corruption anti-bribery
- Environmental responsibility

Compliance with Diab's Supplier Code of Conduct is a precondition for all strategical and critical suppliers doing business with Diab.

S2-2 Processes for engaging with value chain workers

Initial screening of all new suppliers

All potential new strategical and critical suppliers undergo a first stage risk screening before Diab enters into any commercial relationship.

This initial screening is mainly considering:

- Country risk
- Sector/industry risk
- Business specific exposure
- Potential ethical or compliance concerns

Only if this initial assessment indicates an elevated risk will Diab proceed with advanced screening through D&B RiskAnalytics.

Advanced screening through D&B RiskAnalytics (elevated risk partners)

Suppliers or customers classified as elevated risk undergo a structured due diligence check using D&B RiskAnalytics – Supplier Intelligence, an AI powered global screening and monitoring platform.

The tool will:

- Screen suppliers and customers against sanctions lists, PEP lists, watchlists, and adverse media
- Verify beneficial ownership (UBO) using extensive corporate linkage data.
- Use AI driven workflows that reduce manual review efforts and support consistent compliance checks.
- Receive real time monitoring alerts on changes in financial, legal, ESG or reputational risk indicators.

This strengthened capability allows Diab to more proactively identify and address risks that could negatively affect workers in the value chain.

Supplier Code of Conduct implementation

All strategical and critical suppliers must acknowledge Diab's Supplier Code of Conduct and commit to its standards.

While Diab does not yet use self assessment questionnaires, compliance is followed up through:

- Contractual obligations
- Ongoing dialogue
- Escalation when discrepancies are identified
- Risk based screening and audits

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S2 – WORKERS IN THE VALUE CHAIN

Physical supplier audits

Diab carries out annual on site audits with a selected number of suppliers, prioritizing those identified as higher risk through the initial or advanced screening.

Audits focus on:

- Working conditions and labor rights
- Health and safety practices
- Human rights (including forced labor and child labor risks)
- Environmental and ethical compliance
- Verification of practices against the Supplier Code of Conduct

Future development: strengthened processes & internal capability building

To advance responsible value chain oversight, Diab will during 2026 implement:

- A more structured internal risk classification model for suppliers and customers
- Training for procurement and sales teams on risk analysis, responsible partner evaluation, and use of D&B RiskAnalytics
- Strengthened governance for escalation, follow up and documentation

These improvements aim to build a more robust system to protect workers in the value chain and ensure ethical operations throughout Diab's business relationships.

S2-3 Processes to remediate negative impacts and raise concerns

Suppliers and external partners can raise concerns via Diab's reporting channels.

Non compliance with the Supplier Code of Conduct triggers:

- Investigation
- Corrective actions
- Follow up audits
- Potential termination of the supplier relationship if violations are not resolved

S2-4 Actions taken to address material impacts

During 2025, Diab has:

- Implemented D&B RiskAnalytics to enable risk based screening of suppliers and customers
- Conducted physical supplier audits for selected suppliers
- Initiated the development of new screening processes covering the entire value chain
- Planned targeted training initiatives for procurement and sales teams
- Increased internal awareness of risks in the supply chain

S2-5 Metrics and targets

Diab's targets and follow up going forward:

- 100% of new suppliers and customers undergo an initial risk screening
- Partners identified as having elevated risk will be screened through D&B RiskAnalytics
- 100% of the larger, strategical. and critical suppliers are required to acknowledge the Supplier Code of Conduct
- Annual on-site audits, minimum 6; China 3, Europe 2 and US 1
- Full implementation of the new screening process
- Training of the procurement and sales teams in risk analysis and due diligence

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G1 – BUSINESS CONDUCT

Our Values

Success is all about teamwork. Teamwork where every individual contribution has the same value. Because it is with commitment, involvement, dialogue and feedback that we can reach our common goals. But to achieve that, we must all share the same values, work together, respect each other and use our knowledge. It’s when we are all moving in the same direction as One Diab that we create a force strong enough to create an impact. That’s why we have four core values. They are the soul of our company and describe how we relate to our customers and each other.



Safety

Safety for people always comes first. Simply put, no one should get hurt while working at Diab. Together, we all take responsibility for each other’s safety.



Can-Do

Each one of us is responsible for driving improvement. With a positive, productive approach to work, we take personal initiative – empowering ourselves, our employees and our company.



Reliability

We keep our promises, both to each other internally and to our customers, partners and others externally. We work for a sustainable society, our work ethic is strong and we prove it every day.



Efficiency

Efficiency and high performance are distinctions of our culture. With clear organization, we make sure that we do the right things at the right time with the right speed.

Diab maintains a zero tolerance policy towards bribery and corruption. This principle is embedded throughout the Code and reinforced through training, communication, and leadership accountability.

All employees must complete mandatory annual Diab Code of Conduct training. In 2025, 100% of Diab employees completed the training and formally signed their acknowledgement. The programme includes modules on anti-corruption, non-discrimination, harassment prevention, competition law, confidentiality and responsible business conduct.

UN Global Compact Membership

As a committed member of the UN Global Compact, Diab aligns its operations and strategy with the Compact’s Ten Principles covering human rights, labor rights, the environment and anti-corruption.

As part of this membership, Diab has committed to:

- Integrate the UN Global Compact and the Ten Principles into its strategy, culture and daily operations, including subsidiaries and the supply chain
- Advocate for the Ten Principles through its communication channels and stakeholder interactions
- Report annually on its progress and implementation through the Communication on Progress (COP) published on the UN Global Compact’s platform

This membership reinforces Diab’s ethical foundation and strengthens its alignment with global sustainability standards.



WE SUPPORT

G1 1 Business Conduct Policies and Corporate Culture (Diab)

Diab is committed to conducting business responsibly, ethically, and in full alignment with international standards for corporate behavior.

The company’s approach is guided by the Diab Code of Conduct, the Supplier Code of Conduct, Diab’s

four core values – Safety, Reliability, Can Do and Efficiency – and its long-standing membership in the UN Global Compact.

Together, these commitments uphold a culture of integrity, transparency, and respect across all markets in which Diab operates.

The Diab Code of Conduct

The Diab Code of Conduct serves as the foundation for ethical business practices across the company. It outlines expectations for all employees concerning legal compliance, responsible business behavior, human rights, labor conditions, anti-corruption, environmental responsibility and interactions with stakeholders.

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G1 – BUSINESS CONDUCT >>

Supplier Code of Conduct

Diab Supplier Code of Conduct ensures that business partners uphold standards consistent with Diab's values and ethical expectations. The Code includes requirements related to:

- Human rights and labor standards
- Prohibition of forced labor and child labor
- Health and safety
- Environmental responsibility
- Anti-corruption and ethical behavior
- Responsible business practices

All strategical and critical suppliers must acknowledge and comply with the Diab Supplier Code of Conduct as a condition for doing business with Diab. Compliance is monitored through contractual commitments, risk based follow up and physical audits in selected cases.

Whistleblowing and Speak Up Culture

Diab maintains a whistleblowing policy and reporting channel available to employees and external stakeholders. Reports may be submitted anonymously, and strict confidentiality and non-retaliation protections apply. There were no whistleblowing cases reported in 2025, consistent with previous years. Diab continues to promote awareness of the whistleblowing channel to ensure that employees feel empowered to raise concerns.

Risk Identification and Management

In 2025, DMT conducted a comprehensive risk assessment covering the following areas:

- Corruption
- Anti-competitive practices
- Human rights and labor conditions
- Supply chain risks
- General business conduct risks

These assessments were conducted using internationally recognised risk indicators (including CPI, WGI and ITUC), combined with Diab's own operational insights. Countries such as China, India and Thailand were identified as higher risk in several categories.

Preventive actions taken include:

- Adoption of the updated Diab Code of Conduct by The Board in 2025
- Mandatory annual Diab Code of Conduct training for all employees
- Updated Supplier Code of Conduct (2026)
- Strong financial controls, including segregation of duties
- Enhanced supplier oversight, including planned on site audits and risk based monitoring

These measures help ensure Diab proactively manages ethical, legal and operational risks and continues to strengthen its responsible business practices.

Corporate Culture and Values

Diab's culture is built on four core values that guide behavior and decision making across the organisation see previous page.

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G1 – BUSINESS CONDUCT >>

G1-2 Management of Relationships with Suppliers

Responsible supplier relationships play a central role in Diab's commitment to ethical business conduct. To ensure that suppliers uphold the same standards that Diab expects internally, all suppliers are required to comply with the Supplier Code of Conduct, which outlines minimum expectations regarding human rights, labor conditions, health and safety, environmental responsibility, business ethics and anti-corruption.

Diab applies a structured, risk based approach when engaging suppliers. All new suppliers undergo an initial risk assessment, and those identified as elevated risk are screened using D&B RiskAnalytics. In addition, Diab conducts physical audits on selected suppliers each year to verify adherence to the Supplier Code of Conduct and to address any gaps that may pose risks related to working conditions, integrity or compliance.

The Group Sourcing Manager is responsible for maintaining and updating the Supplier Code of Conduct and ensuring that suppliers receive the latest version. In cases of non compliance, Diab initiates corrective actions, and suppliers who fail to meet the required standards may be reconsidered or replaced.

Through these processes, Diab works to ensure that its supplier relationships are built on transparency, integrity and responsible practices throughout the value chain.

G1-3 Prevention and Detection of Corruption and Bribery

Diab is firmly committed to preventing, detecting and responding to any form of corruption or bribery across its global operations. The company applies a comprehensive set of policies, controls and training requirements to ensure ethical conduct and compliance with applicable laws in all markets where it operates.

Training and awareness

All employees receive training on the Diab Code of Conduct when joining the company and annually thereafter. This mandatory training includes clear guidance on Diab's policy on corruption, bribery, conflicts of interest, gifts and business integrity.

During 2025, 100% of employees, including all functions at risk, completed the annual training and formally signed their commitment to the Diab Code of Conduct. This ensures consistent awareness and understanding of expected behavior and zero tolerance principles.

Internal controls and preventive measures

Diab maintains strong internal financial controls designed to minimize the risk of misconduct. All financial transactions, both incoming and outgoing, are conducted according to the "four-eye-principle", meaning that at least two authorised individuals must review and approve payments or financial decisions.

This segregation of duties reduces the risk of fraudulent or inaccurate transactions and strengthens transparency and accountability in Diab's financial processes.

The company also regularly evaluates corruption and bribery risks as part of its annual enterprise risk management process. The 2025 risk assessment conducted by senior management identified exposure areas such as high risk geographies, supply chain interactions and business partner engagement. Preventive actions are integrated into Diab's governance and compliance work.

Whistleblowing and reporting mechanisms

Diab provides an external, anonymous whistleblowing channel for employees and other stakeholders. This channel can be used whenever internal reporting is not considered feasible or safe.

All reports are handled confidentially. The whistleblowing team, consisting of the CFO and the Group Sustainability & EHSQ Manager, is jointly responsible for receiving whistle-

blowing reports, managing the case-handling process, and appointing an investigation committee when needed.

If a reported concern involves either of these individuals, the whistleblower may submit the report directly to an external lawyer, as defined in the whistleblowing policy. There were no corruption or bribery related incidents reported in 2025, and none during 2024.

Transparency and reporting

Should any case of corruption or bribery occur, Diab commits to reporting the incident in its official Sustainability Report together with the corrective actions taken. This reflects the company's commitment to openness, accountability and continuous improvement in its compliance practices.

G1-4 Confirmed Incidents of Corruption or Bribery

During both 2024 and 2025, Diab recorded no confirmed incidents of corruption or bribery. No breaches of Diab's anti-corruption or anti-bribery procedures were identified, and therefore no corrective actions were required.

Throughout the reporting year, no reports of bribery, corruption or improper conduct were submitted through Diab's external whistleblowing channel, nor were any such concerns raised with local site management. While these mechanisms provide an important safeguard, Diab recognizes that they cannot fully rule out the possibility of minor isolated incidents going undetected.

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CYBER SECURITY

Cyber security is a fundamental pillar of Diab's sustainable and responsible business operations. It encompasses the protection of our global IT environment, the safeguarding of data and digital assets, and the assurance that the products and services we provide to customers meet stringent security expectations. For Diab, Cyber security is not only about securing systems, but also about protecting our people, our customers, and the continuity of our operations.

Cyber threats represent a significant risk to Diab's business. Unauthorized access or data breaches can lead to exposure of sensitive information, operational disruptions, regulatory non-compliance, and financial consequences. Beyond immediate impact, such incidents may erode customer trust and damage Diab's reputation as a long-term and reliable partner within the advanced materials industry.

Diab's strategic approach to Cyber security is proactive and integrated across the organization. By continuously investing in modern security technologies, strengthening our governance frameworks, and aligning with relevant standards and regulations (including data protection laws, ISO requirements, and industry-specific guidance) we build resilience against emerging threats. This enables Diab to maintain stable and secure operations across all sites and regions. A strong Cyber security posture also creates opportunity. By demonstrating robust security practices, Diab differentiates itself in the market and reinforces confidence among customers, suppliers, and stakeholders. Embedding Cyber security into strategic planning supports sustainable growth and enhances operational efficiency, while ensuring that Diab remains compliant, resilient, and trusted.

Impact, risk and opportunity management

Cyber Risk Management Procedures

As part of Diab's commitment to safeguarding its global operations, the company has established a cyber risk management procedure that is reviewed and updated annually. This framework outlines Diab's structured approach to identifying, assessing, and mitigating Cyber security risks across all sites and functions. To ensure alignment with industry best practices, Diab adheres to relevant ISO standards, data protection legislation in all countries where we operate, and sector-specific requirements such as CMMC in the United States. This ensures that Diab's Cyber security posture remains compliant with regulatory expectations while supporting secure and resilient operations. A key component of Diab's risk mitigation strategy is the promotion of Cyber security awareness throughout the organization. Regular training initiatives and security awareness campaigns help employees recognize and respond to potential threats, strengthening Diab's internal security culture. These efforts are essential for building a resilient workforce capable of supporting the company's long-term operational stability and protecting sensitive information. Collectively, these initiatives reinforce Diab's ability to maintain strong security governance, uphold regulatory compliance, and preserve the trust of customers, partners, and stakeholders.

Measures Taken

To further enhance Cyber security resilience, Diab has implemented a range of proactive measures designed to strengthen defenses and safeguard critical data. Regular Security Awareness Simulations help employees practice identifying phishing attempts and other social-engineering threats, supporting a strong and informed security culture across the organization. Through a strategic partnership with a specialized security provider, Diab operates a dedicated Security Operations Centre (SOC). The SOC monitors Diab's IT environment in real time, providing rapid detection and response capabilities that reduce the likelihood and potential impact of cyber incidents. Advanced endpoint protection tools, deployed across servers and end-user devices, add another layer of defense, helping to prevent malware, ransomware, and other sophisticated threats. Multi-Factor Authentication (MFA) has been implemented company-wide to strengthen access controls and limit the risk of unauthorized account compromise. To secure business-critical information, Diab maintains immutable backups that ensure data remains protected, recoverable, and uncompromised, even in the event of ransomware or corruption attempts. Additionally, Diab carries cyber insurance as part of its broader risk-transfer strategy, providing financial protection against unforeseen security incidents.

In 2025, Diab recorded no confirmed data breaches or information security incidents, reflecting the effectiveness of its Cyber security systems and governance frameworks.

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CYBER SECURITY

Metrics and targets

Targets

To strengthen Diab's Cyber security resilience and reduce risks within our global operations, we have established a set of key strategic targets:

Early Threat Detection

Diab is committed to identifying cyber threats at an early stage by implementing proactive monitoring and preventive measures that minimize potential impact on operations and data integrity.

Minimizing Consequences

By continuously improving data storage structures, implementing robust access controls, and enhancing employee training, Diab aims to reduce the likelihood and consequences of unauthorized access or security breaches.

Continuous Improvement

Cyber security is an evolving discipline. Diab regularly updates strategies, frameworks, and technologies to address emerging threats, ensuring our defenses remain adaptive and aligned with best practices.

Security Awareness

Strengthening Cyber security culture is a key priority. Ongoing training, awareness campaigns, and simulation exercises ensure that employees remain informed, vigilant, and capable of recognizing and responding to threats.

Metrics

To monitor our progress and ensure measurable improvement, Diab utilizes a set of performance indicators and structured assessments:

Quantitative Monitoring

Diab leverages Microsoft Secure Score to measure and monitor our overall security posture, ensuring continuous enhancement of controls and configurations across the organization.

Compliance & Security Checklists

NIST- and NIS2-aligned frameworks serve as the foundation for Diab's internal security checklists, ensuring comprehensive coverage of critical controls and adherence to industry expectations.

Audits & Assessments

Regular internal and external reviews, such as annual cyber risk assessments, are conducted to evaluate the effectiveness of Diab's Cyber security policies, processes, and technical safeguards. These are complemented by an internal security awareness program that tracks user training participation and simulation outcomes, enabling Diab to measure cultural maturity and identify areas for further improvement.

Diab is a world leader in sandwich composite solutions that make customers' products stronger, lighter and smarter. Diab provides a range of core materials, cost-effective kits, and finishings along with in-depth knowledge on composites. Diab also provides engineering services for composite technology. Diab is a participant in the UN Global Compact.

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