

People *First*

**Diversity, Equity and
Inclusion Strategy**

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1. Vision and mission

We are dedicated to fostering a workplace that values and leverages the diversity of all our colleagues, ensuring everyone feels they belong. Embracing diversity and cultivating a culture of respect and inclusion are essential for our growth.

Diverse teams are more innovative, achieve better business performance, and are more adept at meeting customer needs. This is only possible when everyone feels they can bring their whole self to work and thrive.

Vision: Create a workplace that reflects the diversity of the global communities we serve, where inclusion and equity drive innovation and collaboration.

Mission: Build a culture of belonging by embedding DEI into all aspects of our business, ensuring fair opportunities for all colleagues, and positively impacting the communities we operate in.

2. Assess the current state

We will use an external provider to help us assess where we are as a business and required actions.

- Global Audit - Evaluate the organisation's diversity across regions, levels, and functions.
- Colleague Insights: Using our My Voice survey data, focus groups, and one-on-one interviews to understand colleagues' experiences and identify barriers.
- Benchmarking: Compare with industry DEI standards and competitors to identify gaps.

3. Establish clear goals and metrics

Representation Goals: Set measurable diversity targets for leadership, hiring, and promotions, considering regional demographics.

Inclusion Metrics: Use the My Voice survey to track inclusion and belonging scores.

Equity Audits: Regularly review pay, benefits, and promotion pathways for equity.

Aligned to our People First strategy, the success of this strategy will be measured against the following objectives (OKIMs);

1. Colleague Retention >80%
2. Internal mobility > 60%
3. Colleague satisfaction > 80%
4. Regretted attrition < 20%
5. Front-line vacancies < 15%
6. Leadership talent reviews completed annually
7. Succession plans in place
8. DEI strategy

Key commitments to enable this;

- DEI initiatives to improve diversity and representation
- Close gender pay gap by 25% annually
- Competitive family friendly policies – paid parental leave
- Become the employer of choice within the sustainability sector
- Publish our DEI scorecard and actions annually

4. Build an inclusive culture

Leadership Accountability:

- Require leaders to champion DEI and incorporate it into their OKIMs.
- Establish an executive DEI steering committee to oversee strategy implementation.

Education and Awareness:

- Provide regular training on unconscious bias, DEI awareness, and inclusive conscious leadership.
- Celebrate cultural and identity-based milestones globally (e.g., Pride Month, International Women's / Men's Day, Diwali, Black History Month).

Inclusive Practices:

- Ensure policies are inclusive of all identities, including gender-neutral language, parental leave for all genders, and accommodations for disabilities.

Develop clear anti-discrimination and anti-harassment policies.

5. Diversify talent acquisition

Global Outreach:

- Partner with universities, organisations, and platforms that reach underrepresented talent pools globally.
- Use diverse interview panels to mitigate bias in the hiring process.

Inclusive Job Descriptions:

- Use gender-neutral language and remove unnecessary criteria that may deter qualified candidates.

Internships and Development:

- Offer programs aimed at historically underrepresented groups to build a diverse talent pipeline.

6. Foster equity in career development

Mentorship and Sponsorship:

- Pair colleagues from underrepresented backgrounds with mentors and sponsors across regions.

Fair Promotion Practices:

- Standardise promotion criteria and ensure transparency.

Global Learning Opportunities:

- Provide access to leadership development programs for colleagues across all geographies.

7. Engage and empower colleagues

Colleague Resource Groups (CRGs):

- Support the formation of CRGs aligned with various identities (e.g. Women, LGBTQ+, Disabilities, Neurodiversity, Cultural Heritage) and give them a global platform.

Feedback Mechanisms:

- Create safe channels for colleagues to share concerns, feedback, or ideas related to DEI.

Community Impact:

- Encourage colleagues participation in local initiatives that support DEI causes.

8. Embed DEI into business practices

Supplier Diversity:

- Partner with diverse suppliers and track spending with minority-owned businesses.

Product and Service Design:

- Ensure products and services are inclusive and accessible to a global customer base.

Global Alignment:

- Adapt DEI strategies to reflect regional cultural nuances and legal requirements while maintaining a unified global vision.

9. Communicate and celebrate progress

Transparency:

- Regularly publish DEI progress reports, including successes and areas for improvement.

Storytelling:

- Share stories of colleague experiences and DEI milestones through internal and external channels.

Recognition:

- Celebrate leaders, teams, and initiatives that drive DEI excellence.

10. Monitor, evaluate and evolve

Continuous Improvement:

- Regularly review DEI initiatives and adapt them based on colleague feedback and evolving global standards.

Third-Party Assessments:

- Engage external experts to evaluate progress and provide recommendations.

Long-Term Commitment:

- Invest in DEI as an ongoing priority, embedded into the company's core values and business strategy.

11. Conclusion

By implementing this strategy, Reconomy can create a global workplace that attracts top talent, fosters innovation, and drives sustainable growth while making a positive impact on society. This commitment to DEI will not only reflect the company's values but also serve as a competitive advantage in the global market.

12. APPENDIX 1 – People team priorities

The HR Leadership Team has decided the following priorities for 2023/24

Living our values

- Run workshops to define and embed Values across the Group
- Define and implement a Leadership model at senior levels (as a basis for assessment when either hiring or promoting into senior levels)

Building capability

- Standardise performance appraisal systems and processes at the senior levels
- Standardise talent attraction, identification, succession planning and career management at the senior levels
- Review remuneration and benefits arrangements at the senior levels, implementing a 'one team' approach to accelerate growth.

Enhancing colleague experience

- Define a compelling CVP as a basis for attracting and hiring talent at all levels
- Implement a Group wide approach to employee listening/employee engagement, across the Group, to embed the CVP
- Establish a equality, Diversity and Inclusion strategy

13. APPENDIX 2 – DEI progress and next steps

DEI progress in 2024

- Reconomy values and behaviours updated to include 'Inclusive' as a core behaviour. A culture playbook and implementation guide put in place to support the roll out, this details the behaviours that do and do not have a place in our business.

- New Engagement survey supplier procured, and global process implemented. DEI questions expanded in the survey to track and measure progress and externally benchmark.
- Colleague value proposition defined for Reconomy. This sets out the deal for working at Reconomy, including DEI. This has been tested with colleagues and will be rolled out in the New Year.
- DEI strategy drafted.
- Gender pay gap reporting.
- LGBTQ+, menopause and mental health networks in place.
- Guidance on transitioning for managers drafted.
- Signed the Race a Work charter (making a public commitment to improving equality of opportunity in the workplace). Supporting women in Reconomy programme launched this year. This began with a new maternity and adoption leave policy and enhanced offering, and a menopause policy with supporting guidance for managers. A new leadership development programme piloted this year with 50% female attendees from talent pools.
- Communications forum established to ensure representation and dialogue with each business entity.

Next steps

- Finalise DEI strategy.
- Enhance paternity leave.
- Obtain the Disability Confident status (UK Government).
- Review people policies - identify any gaps or required updates.
- Appoint an external provider to help us evaluate where we are as a business, review our data and identify any required support or actions.
- Set up a DEI steering committee.
- Develop and deploy a DEI masterclass for people managers.
- LinkedIn Learning to support DEI learning and development.