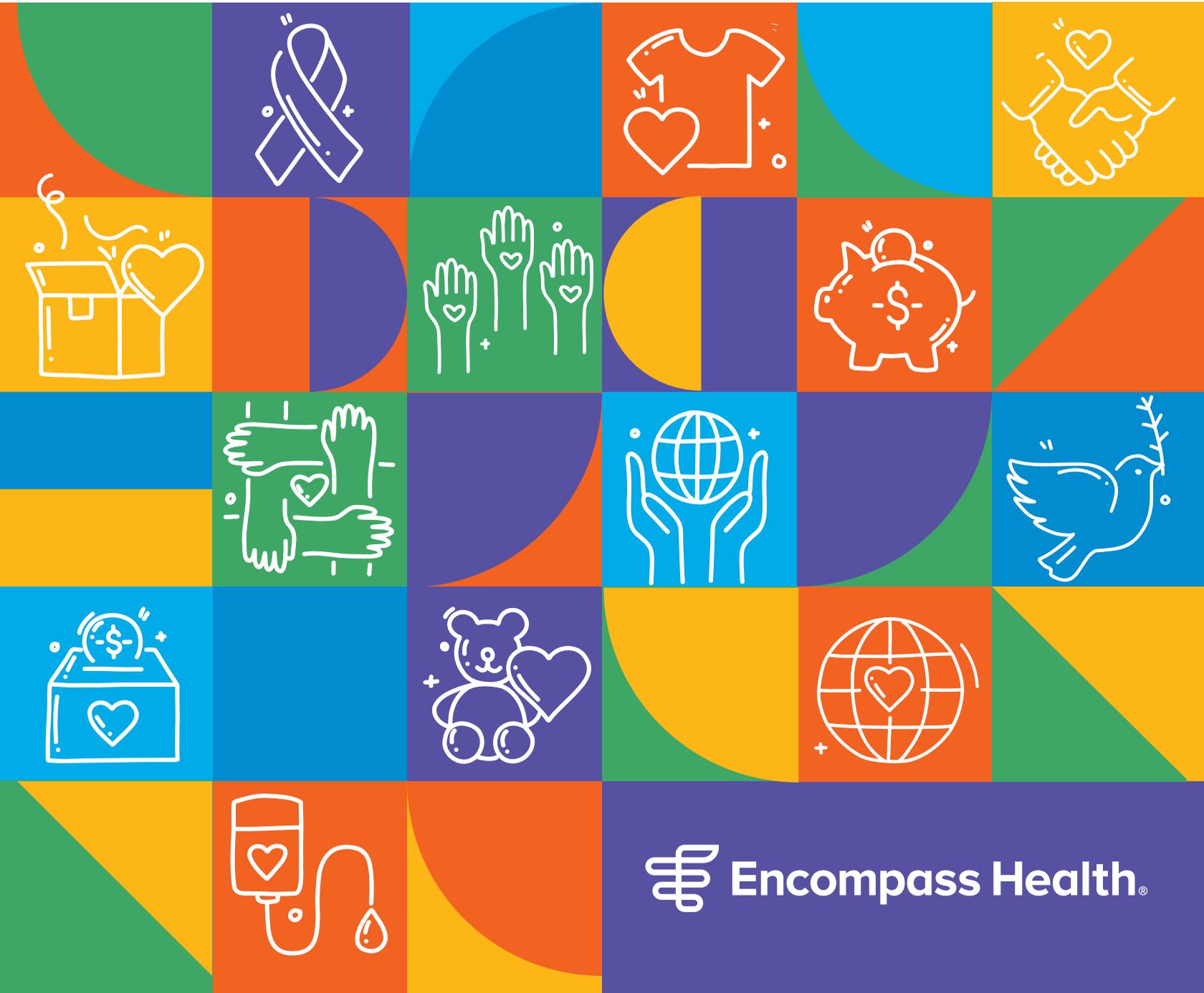


Diversity, Equity & Inclusion

Annual Report 2023





Taking community service to heart

At Encompass Health, serving others is at the heart of what we do. Whether in our hospitals or at the Home Office, our employees serve our patients by helping to deliver high-quality, compassionate rehabilitative care. Our employees also serve their communities through civic involvement, volunteer service projects, fundraisers, direct financial support and more. Our shared values, such as “lead with empathy” and “do what’s right,” help guide us and inspire us to action.

Serving others and giving back to our communities also goes hand in hand with our commitment to diversity, equity and inclusion (DEI). We strive to create an inclusive, respectful culture not only within Encompass Health’s hospital and Home Office walls, but also throughout our communities. Valuing each other’s differences doesn’t end when we leave our jobs. It’s part of who we are.

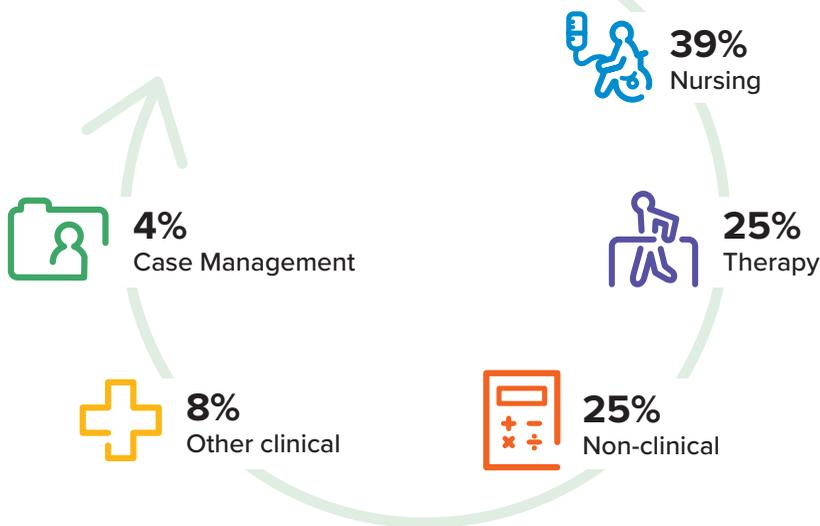
Over the years, I’ve heard countless stories of Encompass Health employees partnering with worthy organizations to make a difference in the lives of food insecure families, veterans reentering society, individuals with disabilities, isolated seniors, under-resourced youth and the list goes on. You’ll read some of those stories in this report, but they are just a sampling of the efforts so many of our employees are making across the Company. This report also outlines our latest workforce demographics and many of our DEI initiatives and successes from the past year.

Thank you for taking community service to heart. I’m incredibly proud of the positive impact we’re making together.

Mark Tarr
President and CEO

Making a difference, no matter the role

WORKFORCE BY JOB CATEGORY



Encompass Health’s workforce consists of more than 38,000 employees who support our patients and each other in clinical roles as well as specialties in finance, human resources, marketing, hospital administration, operations, information technology and more.

Throughout the country, these dedicated individuals live out our shared values and positively impact their communities in many ways. This report highlights those efforts.

Our values: The Encompass Health Way



Set the standard: We are committed to going above and beyond, never settling for anything less than excellence. We pride ourselves on being industry leaders and challenge ourselves to continuously improve.



Do what’s right: We do the right thing the right way, no matter how difficult, even when no one is looking. We’re not afraid to have hard conversations. If we make a mistake, we acknowledge it, proactively find a resolution and make it right going forward.



Lead with empathy: We start with empathy, taking the time to understand the physical, mental and emotional needs of each other and those we support. We listen, make deep connections and engage on a personal level to better serve those we support.



Focus on the positive: We have a positive spirit and find the light even in the most difficult situations. We bring our whole self to work. We celebrate successes and inspire others to create meaningful impact.



Stronger together: We believe our individual strengths make us stronger together. We take accountability for our actions, connect across teams and lean in to get it done – at all levels of the company.

A look back at our **2023 community involvement**



Staff at Encompass Health Rehabilitation Hospital of Greenville in South Carolina organized a donation drive for a local women's shelter. More than 700 items were collected, including self-care necessities, bottled water, inspirational materials and more. Pictured are hospital CEO Josh Trout and members of the hospital diversity committee during the donation drop-off.



Staff from Encompass Health Rehabilitation Hospital of San Antonio participated in the 2023 San Antonio Heart and Stroke Walk alongside patients and loved ones. Employees worked together to raise more than \$4,000 for the American Heart Association to improve health education in the local community and raise awareness about stroke prevention and recovery.





Investing in our workforce

In 2023, Encompass Health paid **\$2.8 million** toward student loan repayment for 1,437 qualified employees.

In 2023, Encompass Health contributed **\$895,496** in tuition reimbursement for eligible employees.

127 hospitals organized an employee-driven donation drive or volunteer project.

57 hospitals have leaders serving on non-profit boards.

144 hospitals held in-services for acute care providers.

116 hospitals held in-services at senior living facilities.

136 hospitals presented to physicians, neurosurgeons, orthopedic surgeons, gastroenterologists and more.

89 hospitals attended local Chamber of Commerce events.

137 hospitals represent clinical rotation sites for more than **300** schools.

Figures based on hospital self-reporting between Jan. 1 and Dec. 31, 2023.

Championing disability inclusion

Encompass Health Rehabilitation Institute of Tucson and Encompass Health Rehabilitation Hospital of Northwest Tucson are active in disability inclusion initiatives. In 2023, the hospitals held its 4th Annual Mobility Clinic in partnership with Southern Arizona Adaptive Sports (SAAS), Hanger Clinic, Rise and Thrive Mobility Consultants, and the University of Arizona Adaptive Athletics.

This event brought more than 100 members of the amputee and disability community together alongside Encompass Health's physical therapists to experience interactive mobility exercises. Many participants used running blades for the first time, rode hand tricycles, practiced ball hitting and learned about fall prevention and balance techniques.

In December 2023, staff from Encompass Health Rehabilitation Hospital of San Juan in Puerto Rico showed their support at the 5/10K Disability Pride Walk of the Corporate Source Company. This event supported a nonprofit that advocates for the independence of people with disabilities through inclusive job placement services in several U.S. states and Puerto Rico.



Our Home Office **in action**



In February 2023, Encompass Health employees from our Home Office and Birmingham hospitals raised more than \$20,000 for the American Heart Association/American Stroke Association and showed our support at the Birmingham Heart Walk. Encompass Health ranked fifth place out of 49 Birmingham companies for total dollars raised.

Through corporate giving, Encompass Health gave **\$1,282,837** in 2023 to support our Central Alabama community and beyond.



In May 2023, Home Office employees volunteered to build a home through Habitat for Humanity. This experience gives staff the opportunity to learn new skills such as carpentry and plumbing while helping a new homeowner realize their dream.



In August 2023, Encompass Health Home Office employees participated in a dragon boat race benefiting Mitchell's Place, an inclusive preschool and outpatient clinic that specializes in improving the lives of children affected by autism and developmental disabilities.



Committed to a brighter future

Healthcare is always changing, but our core values anchor our company culture and remind us of what's truly important. Making people feel included and respected is valued by our company leaders, and I take pride in knowing we continue to prioritize this work through DEI initiatives, patient care process improvements, career development opportunities and other strategic objectives.

There are some difficult events happening in our world, and in many ways, people are not talking to one other. There's a lack of understanding and an abundance of division. But having a DEI program gives us the space to explore these

tough topics and address them when they arise in the workplace. To this end, our Home Office DEI team developed a training series in 2023 that gives our people managers the language to diffuse challenging situations related to issues such as race, gender and more. You'll learn more about this training later in the report. I'm very proud of both the facilitators and the participants because initiatives like this are creating measurable change.

In 2023, Encompass Health once again beat the healthcare benchmark in all areas of our Employee Engagement Survey's DEI index. The best part is that our workforce is equally engaged across the company, with very similar engagement rates across race and gender lines. That tells me we're doing something right. We also saw great improvement in our nursing retention rates in 2023, thanks in part to honest employee feedback and an enhanced focus on nursing career development.

There are many more ambitious projects in our future, all with a common goal of making Encompass Health an even better place to work. I'm excited for what's to come.

Tony Hernandez
Chief Human Resources Officer

Our top performing survey categories



Ethics & Compliance 86.1%

Healthcare benchmark: 72.0%



Culture of Safety 85.3%

Healthcare benchmark: 69.2%



Diversity, Equity & Inclusion 84.3%

Healthcare benchmark: 70.6%



Engagement 83.2%

Healthcare benchmark: 73.4%

A look at our DEI index survey questions

Diversity (individual differences, perspectives and experience) is embraced as a strength by this company.

My immediate manager cares about me as a person.

My immediate manager supports diversity, equity and inclusion in the workplace.

There is an equal opportunity for people to have a successful career at the company.

Our company equips staff with the resources to deliver culturally competent care to our patients.

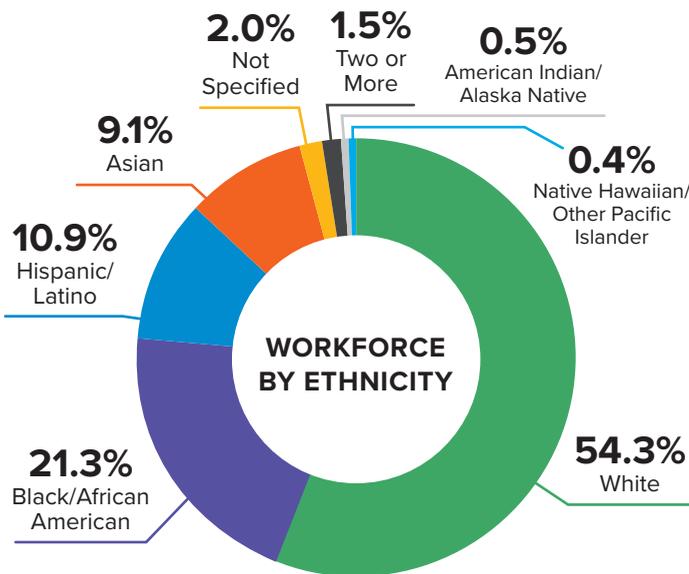


Who we are by the **numbers**

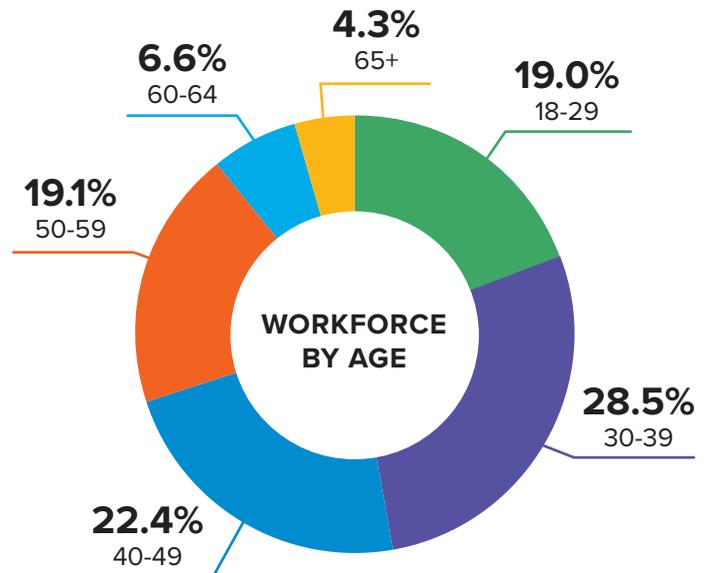
Our workforce by sex

17.7% | Male
80.8% | Female
1.5% | Unknown

Our workforce by ethnicity



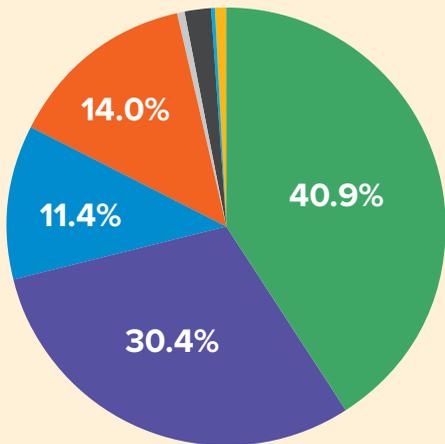
Our workforce by age



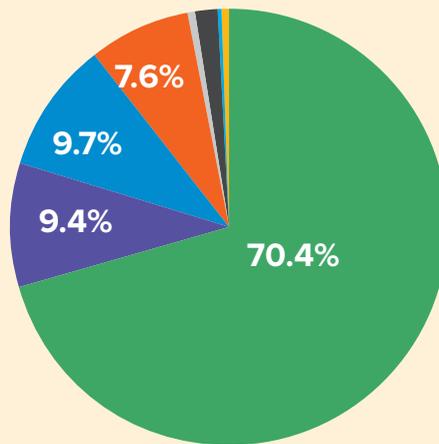
Our veterans

Encompass Health employs more than **800** U.S. Armed Forces veterans.

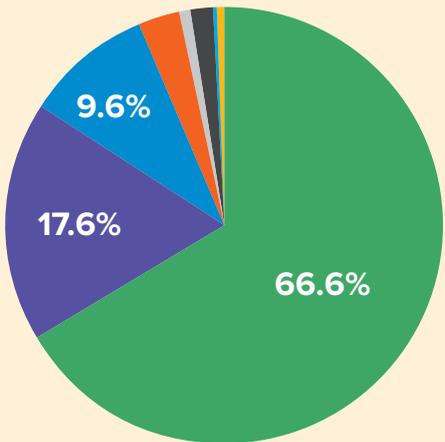
Our workforce ethnicity by job category



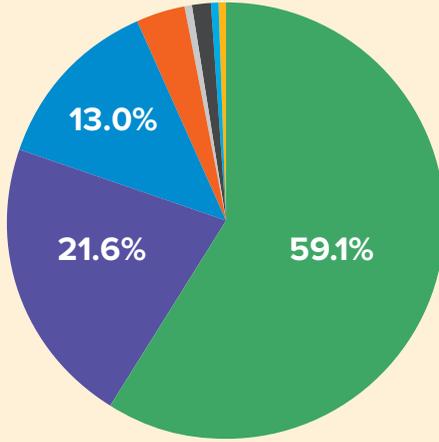
NURSING



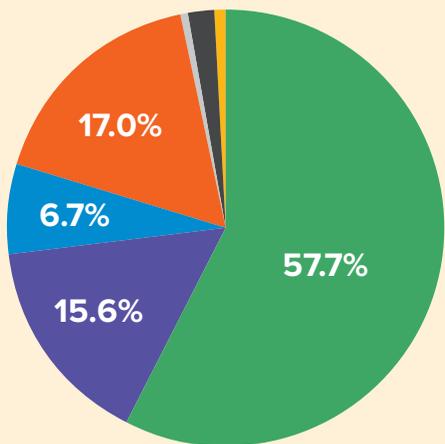
THERAPY



CASE MANAGEMENT



NON-CLINICAL



PHARMACY

Legend

- White
- Black
- Hispanic
- Asian
- American Indian/Alaska Native
- Two or More
- Native Hawaiian/Other Pacific Islander
- Not Specified

Numbers may not add exactly to 100.00% due to rounding error.



Health equity spotlight: Closing healthcare gaps for rural patients

Many health barriers exist for residents in rural America, particularly when it comes to the variety and quality of healthcare options within their reach. On average, rural residents are older and have worse health outcomes than urban residents. One cause is social determinants of health (SDOH), which are the non-clinical factors such as income, education, housing and social support that can affect the likelihood of developing a chronic disease and successfully managing it.

A 2020 National Institute of Health study suggests that rural residents are up to 25% less likely to receive care at an inpatient rehabilitation facility. To help bridge this gap, many Encompass Health hospitals host local health fairs and open-house events, allowing community members to see our technology and therapy practices firsthand. They also educate residents about what rehabilitation options are available if they should experience a stroke, heart attack, brain injury or other life-altering condition.

When a patient in a rural community completes rehabilitation at Encompass Health, there's a lot riding on their success. Hospital readmissions are even more costly in rural areas due to the barrier

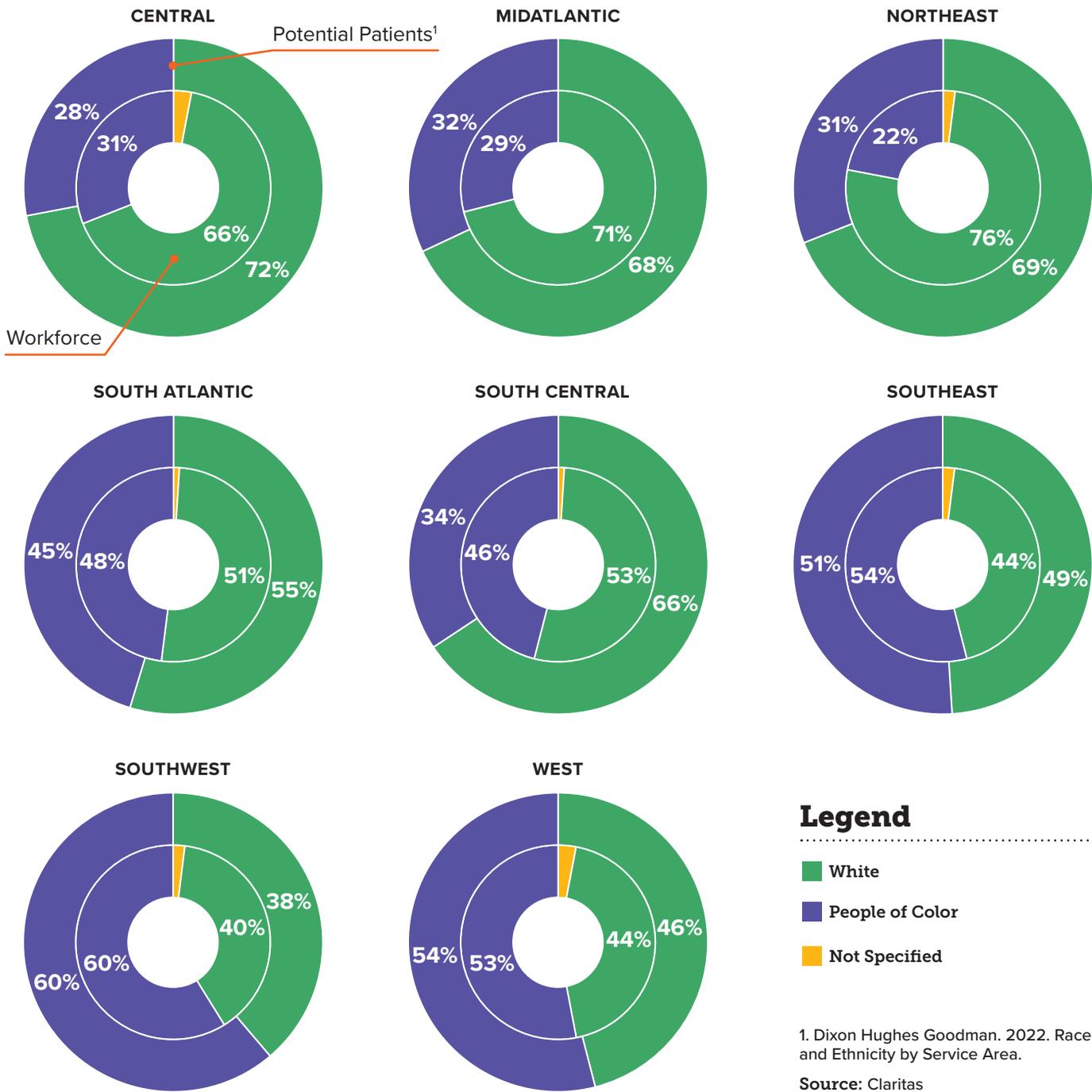
of long-distance travel required for patients and their caregivers, plus a potential waiting list for a hospital bed if there is a local provider shortage. To this end, Encompass Health's discharge program was designed to decrease the likelihood of a patient being readmitted.

For example, Encompass Health developed a readmission prevention program that uses predictive analytics and risk assessments. If the patient is identified as high-risk, the case manager will engage their primary care physician and connect the patient with community resources to assist with nutrition, transportation and more. Patients are also connected with support groups for their condition.

Understanding the healthcare gaps across the nation, Encompass Health continues to expand its national footprint of rehabilitation hospitals. This growth brings career opportunities to new locations and helps more patients in need. Learn more about rural health on [Connect](#).



How our workforce compares to the communities we serve



Addressing real-life DEI scenarios with professionalism and respect

In 2023, Encompass Health launched a live, virtual training series to equip our hospitals' people managers with the tools to handle real-life DEI situations in the workplace.

Responding to identity-based requests

Managers learned how to respond and what course of action is permissible if a patient objects to working with an employee because of the employee's identity (e.g., race, gender, national origin).

84% of hospitals represented | **567** employees completed this training.

Managing language complaints

This training covered what to do if an employee complains about their colleagues speaking another language in the workplace. After the training, 99% of participants reported they know how to effectively address a language complaint. A primary takeaway was how to communicate more effectively with staff and educate them on diversity of language and culture while still showing respect for both parties.

85% of hospitals represented | **587** people completed this training.

Transgender patient care and employee support

In this training, managers learned about the difference between sex and gender, how to inform staff about transgender patients with professionalism and respect, and how to address workplace concerns regarding transgender patients. The percentage of managers who reported confidence in their ability to appropriately inform staff about transgender patients rose from 36% to 98% after this training.

92% of hospitals represented | **740** people completed this training.

Total percentage of hospitals represented: **99%**

Our strategic **DEI** direction

While it's every employee's responsibility to foster an inclusive environment, Encompass Health understands the importance of investing in a team of DEI professionals to ensure these practices are engrained in every aspect of our business. Our DEI team leads enterprise-wide strategies to develop, integrate and sustain tailored DEI initiatives spanning across four strategic goals:

1

To deliver culturally responsive healthcare to our diverse patient population

3

To work with a broad mix of business partners and suppliers to better serve our patients and communities

2

To attract, develop and retain a uniquely talented workforce which fosters an inclusive work environment

4

To partner with organizations in our communities to advance common goals



Laterrica Shelton, J.D., SHRM-SCP, National Director, DEI

Core focus: Determine the strategic direction for DEI and partner with national, regional and hospital leaders to optimize the patient and employee experience by ensuring diversity, equity and inclusion are leveraged at all levels of the Company



Deidra Dace-Murkey, MSN, RN, Senior Manager, DEI

Core focus: Partner with regional and hospital leaders to develop and implement strategies that align with our goal of delivering excellent and culturally responsive patient care



Allison Kam, MCP, SHRM-CP, Specialist, DEI

Core focus: Conduct data analysis and implement development initiatives to prepare our Home Office and hospital leaders for the ever-changing needs of our diverse workforce

