

WHAT DOES DIVERSITY & INCLUSION MEAN TO US?

Equality is ensuring everyone is treated fairly and with dignity and respect. It means challenging discrimination and removing barriers, so that everyone has equal access to opportunities. The Equality Act 2010 legally protects people from discrimination in the workplace and in wider society.

Diversity is about recognising difference. It's acknowledging the benefit of having a range of perspectives in decision-making and It's acknowledging the benefit of having a workforce at Arcus that is representative of our customers and the communities in which we work, so that we have a range of perspectives in our decision-making.

Inclusion is about having fair policies and practices in place that enables a diverse range of people to work together effectively. It is also about valuing and celebrating people's differences. An inclusive working culture at Arcus is one in which everyone feels they belong without having to conform, that their contribution matters, and they can reach their full potential no matter their background, identity or circumstances.





OUR VISION

We understand and will always comply with our statutory obligations which are to eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010. However, we also recognise the value that a flourishing and diverse workforce brings to our customers and our business. We will therefore work beyond the minimum standard set by UK legislation.

OUR VISION IS:

'To create a diverse workforce and an inclusive workplace culture where every Arcus colleague feels included, that they can be themselves and they can achieve their full potential.'

In realising this vision, we need to first understand the challenge at Arcus so we can establish where to place our focus. This will then enable us to implement action areas to drive the changes that we need, which we will monitor and continuously improve as required. We will do this with the support of our Chief Commercial Officer as the executive level sponsor of Arcus' Equality, Diversity and Inclusion strategy.

EQUALITY, DIVERSITY & INCLUSION STRATEGY 2023 - 2028 ACTION AREAS

The four action areas required to help us realise our vision are:

ACTION AREA 1:

UNDERSTAND OUR EDI IMPROVEMENT AREAS

ACTION AREA 2:

REVIEW POLICY & PROCEDURE

ACTION AREA 3:

ENSURE AN INCLUSIVE ENVIRONMENT

ACTION AREA 4:

INCREASE WORKPLACE DIVERSITY











OT ACTION AREA: UNDERSTAND OUR EDI IMPROVEMENT AREAS

To measure progress, we first need to understand the starting point in our EDI journey i.e. establish a set of data points, and use this to inform our priority areas or actions. We will use as our data points the nine characteristics protected by the Equality Act 2010 plus relevant measures from the National Themes, Outcomes, Measures (TOMs) social value measurement framework. We will collect and report on this data in the form of an EDI scorecard. We will also undertake Inclusive Employer's Foundation Assessment, and use the detailed feedback this assessment will provide to also help inform our priority areas.

OUTCOMES / AIMS

- Generate scorecard that is inclusive of the nine protected characteristics and the SFMI requirement and use this to identify our priority action areas
- Measure inclusion and diversity across Arcus and identify areas for improvement

REPORTING METRIC(S)

Scorecard produced periodically from January 2024

- Inclusive Employers foundation assessment completed by Sep 2024
- Priority action areas identified by Oct 2024



2 ACTION AREA 2: REVIEW POLICY AND PROCEDURE

We will continue to meet our statutory responsibilities and ensure we are always mindful of and compliant with UK legislation, primarily the Equality Act 2010. We will ensure that Arcus' policies and procedures support everyone's right to be treated fairly and do not discriminate against any of the protected characteristics. Furthermore, we will apply good practice guidelines to our employment processes and procedures that goes beyond legislative, minimum requirements. This will help us to ensure that our employment processes and procedures are inclusive and enable our colleagues to achieve their full potential, regardless of background or circumstance.

OUTCOMES / AIMS

- Bi-annual review of policies and procedures to ensure ongoing compliance with UK legislation
- Evolve process and procedures to adopt inclusive good practice

REPORTING METRIC(S)

- 100% of Arcus' employment policies reviewed through the lens of EDI by their due date
- Priority processes and procedures identified and updated with good practice by December 2024 and / or in line with review date



ACTION AREA 3: ENSURE AN INCLUSIVE ENVIRONMENT

A diverse workforce needs an inclusive workplace culture in which to flourish. As an inclusive employer we aspire to create a workplace environment which our colleagues describe as open, inclusive and where everyone feels valued, respected and recognised.

To this end we will engage all our colleagues in our EDI strategy and aspirations and provide progress updates. We will issue regular EDI themed communications which educate and celebrate our differences.

New colleagues will continue to undergo EDI training as part of their Onboarding, the content of which will be refreshed every two years. We will work to ensure that our formal communication is inclusive. Our EDI training for managers will build their knowledge and skills as role models of inclusive environments.

We will introduce Arcus colleague networks in support of the improvements identified in Action Area 1. Each network, once coordinated and set up, will be self-managed by its members and will provide summaries of their activities, their impact and their plans.

As well as the above, our EDI Scorecard and Inclusive Employers foundation assessment will likely highlight additional priority actions we will need to address in order that we can achieve Inclusive Employer's Bronze Standard.



ACTION AREA 3: ENSURE AN INCLUSIVE ENVIRONMENT



0	UTCOMES / AIMS	R	REPORTING METRIC(S)
P	Communicate our EDI strategy providing regular updates on progress	P	Quarterly update to all colleagues from March 2023
P	Arcus' Social Value and Diversity calendar issues EDI themed communications	Ŷ	Minimum four comms per year tailored to our diversity journey and / or our identified priority areas commencing March 2023
P	EDI training for new colleagues on the importance of an inclusive environment	P	92% compliance of mandatory EDI training for new starters by March 2024, refreshed every 2 years
		9	95% compliance of mandatory EDI training for new starters by March 2026, refreshed every 2 years
>	All formal communications are inclusive	P	Educate owners of formal communication platforms on good practice by June 2023
		P	100% of formal internal communications are non-discriminatory and inclusive by March 2024
		P	Random audit of formal comms platforms annually

ACTION AREA 3: ENSURE AN INCLUSIVE ENVIRONMENT



OUTCOMES / AIMS		REPORTING METRIC(S)		
P	EDI training for line managers on role modelling an inclusive environment	P	Create managers version of EDI training and implement by March 2024	
		P	92% of compliance of mandatory EDI training for managers by March 2025, refreshed every 2 years	
P	Active and thriving colleague network/s	P	Engage all Arcus colleagues and the Colleague Forum to determine the range of colleague networks and / or subnetworks, with consideration of appropriate allies / advocates for each, and as result of the work in action area 1 by April 2024	
		φ	Implement networks from June 2024	
		P	Monitor impact of networks	
P	Implement priority actions identified through Action Area 1	P	Achieve Inclusive Employers Bronze Standard by March 2025	

ACTION AREA 4: INCREASE WORKPLACE DIVERSITY

As an inclusive employer we will aim to increase diversity within our colleague population by attracting and retaining a diverse workforce. For currently employed colleagues, we will use our EDI scorecard and Inclusive Employers Foundation Assessment feedback (Action Area 1) to identify if / where positive actions are needed so that all colleagues have equal access to all our people opportunities such as talent programmes, sponsorship, apprenticeships, promotions.

OUTCOMES / AIMS

- □ Increase number of job offers made to candidates from diverse backgrounds i.e. against the 9 protected characteristics and SFMI / TOMs)
- Ensure equal access to talent programmes; sponsorship; apprenticeships and promotion opportunities

REPORTING METRIC(S)

- Year on year increase in number of job offers made to candidates from diverse backgrounds
- Monitor diversity data for colleagues who participate in talent programmes; sponsorship; apprenticeship and who are promoted
- Year on year increase of diverse colleagues within targeted populations





REPORT & REVIEW

Overall progress against our Diversity and Inclusion Strategy 2023-2028 will be overseen by Arcus' Chief People Officer.

We will report on the above Outcomes / Aims and Reporting Metrics annually, unless otherwise stated.

By meeting these Aims we expect the following outcomes to also be positively impacted and will therefore include these measures in our annual reporting and analysis:

- \heartsuit Decrease in number of EDI / discrimination related complaints and investigations
- □ Gender pay gap
- ♥ EDI related HYS survey results
- © EDI related leaver's data

We also anticipate enhanced sense of belonging; increased productivity and greater levels of wellbeing and innovation in our colleague population, albeit we recognise it is hard to measure the direct impact of our EDI strategy on these measures.

The Diversity and Inclusion Strategy 2023-2028 is a live plan, it is likely that updates will be required. Arcus will review the Strategy for impact of any internal and external changes, e.g. legislative changes, every two years.



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