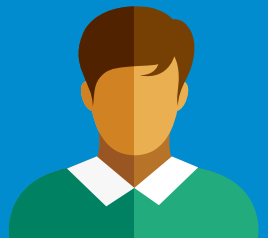


2022 Diversity, Equity & Inclusion Annual Report



 Encompass Health®





Career growth is for **everyone**

In 1993, I joined this Company as CEO of our Vero Beach, Florida, hospital. It was my first time in a CEO role, and I had a lot to learn. Thankfully, I was provided with the tools, resources and support I needed to be successful. I then had the opportunity to move to Nashville, Tennessee, to serve as CEO of our Vanderbilt Stallworth hospital—our first joint venture. Over time, my responsibilities grew to managing the operations of several additional hospitals in the greater Nashville market, then to managing operations of all hospitals in the Southwest region and eventually to serving as the Company’s chief operating officer. More than 30 years later, I write to you as president and CEO. My career at Encompass Health has been both challenging

and rewarding, and it’s important to me that all employees have access and opportunity to grow within the Company.

Encompass Health is committed to creating a culture where career development and professional advancement opportunities are equitable and accessible to everyone at every level. We carry out this commitment by continually ensuring diversity, equity and inclusion (DEI) is engrained into our talent management strategies and our professional development resources. By prioritizing these initiatives, we’re investing in your future with our Company.

In this report, you’ll learn about Encompass Health’s commitment to DEI through workforce data, career development offerings, growth opportunities, experiences of our employees from diverse backgrounds, introductions to our DEI team members and more.

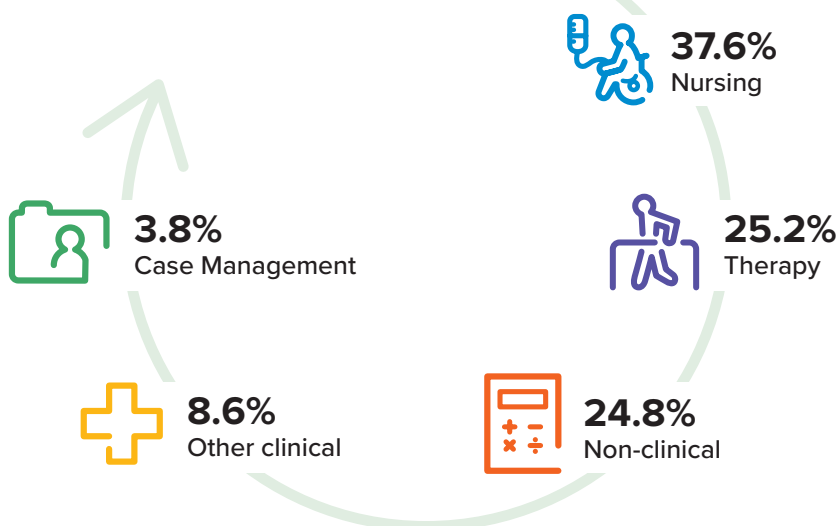
Our employees are the foundation of Encompass Health. We respect, value and appreciate you for your unique contributions to our patients and their families, your colleagues and our communities. We believe the best way to properly thank our workforce is by equipping you to grow in your career, advance at the pace that’s right for you and find professional fulfillment and purpose.

I’m proud of Encompass Health’s culture and the progress we’ve made with our DEI initiatives. I’m excited to build on that progress as we accomplish more together.

Mark Tarr
President
Chief Executive Officer

Empowering 36,000 colleagues and counting...

WORKFORCE BY JOB CATEGORY



Encompass Health's workforce consists of employees who support our patients and each other in roles including, but not limited to:

- Nursing
- Therapy
- Accounting & Finance
- Case Management
- Clinical Marketing
- Environmental Services
- Hospital Administration
- Hospital Support
- Human Resources
- Information Technology
- Nutrition Services
- Pharmacy

Career resources within reach

We're committed to growth opportunities at all levels of the company. For example, our Rehabilitation Nursing Technician (RNT) Career Ladder helps RNTs advance their career by mastering additional roles within the hospital to lead initiatives such as patient safety, fall prevention and more. For nurses, we have programs to help you obtain your CRRN, CCM or ACM and offer exam preparation, fee reimbursements, tuition assistance and more. If you're looking to build skills and accelerate learning, Encompass Health is the ideal place to start or continue your journey.



Apply to join our team
careers.encompasshealth.com



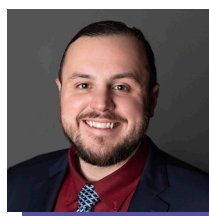
Career advancement is for **everyone**



"I started as a night shift RN. While in that role, I earned my master's in legal studies with a concentration in compliance and risk management. I soon told nursing management that I was interested in a risk management role. With their support, I learned the infection preventionist role, allowing for a beautiful segue into obtaining the role of DQR."

KATHERINE RAMIREZ, DIRECTOR OF QUALITY AND RISK MANAGEMENT, ENCOMPASS HEALTH REHABILITATION HOSPITAL OF EAST VALLEY

"I joined Encompass Health as an RN and quickly took advantage of our company benefits, including the tuition assistance program. I earned my CRRN and then my MBA. I have climbed the career ladder since my hire in 2017, and I am so proud to say that I'm now a chief nursing officer. Encompass Health has provided me with all the tools necessary to succeed and grow my career at an unbelievable rate."



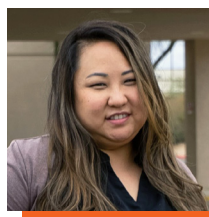
LEVI BIGGERSTAFF, CHIEF NURSING OFFICER, ASCENSION ST. JOHN REHABILITATION HOSPITAL, AN AFFILIATE OF ENCOMPASS HEALTH



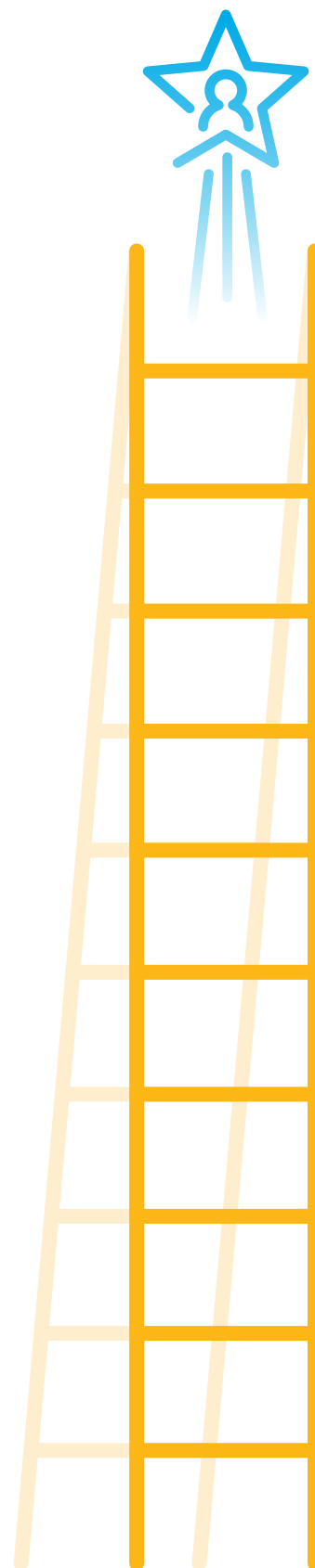
"I joined Encompass Health as a rehab therapy tech. Within one year, I climbed the RTT ladder to the specialist role and began leading an incredible group of therapy techs. My career goals include graduating from PT school, earning a senior leadership position within the hospital and inspiring the next generation. My director and colleagues have been extremely supportive of my desire to become a physical therapist."

CAMERON MEANS, REHAB THERAPY TECH SPECIALIST, ENCOMPASS HEALTH REHABILITATION HOSPITAL OF NORTH TAMPA

"Since joining the company, I've been able to learn the role of an RNT, RN, nurse supervisor, PRN case manager, infection preventionist and hospital educator. I was even given the opportunity to shadow a rehab liaison to learn the admissions process, which has made me a better nurse. I can confidently say I've never been afraid to step into new roles at Encompass Health, because I always knew if I needed help, I would receive it."



JEANNA LIM, INFECTION PREVENTIONIST, ENCOMPASS HEALTH REHABILITATION HOSPITAL OF NORTHWEST TUCSON



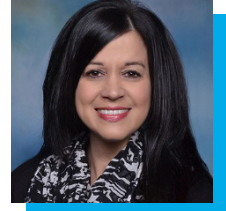


"I'm an LPN who started out as a floor nurse but later applied for a rehab liaison position. Through the TeamWorks program, I learned about the marketing and admissions process. I really enjoy my new position because I still get to have patient contact but have learned a new skill. I look forward to continued growth in my career with Encompass Health!"

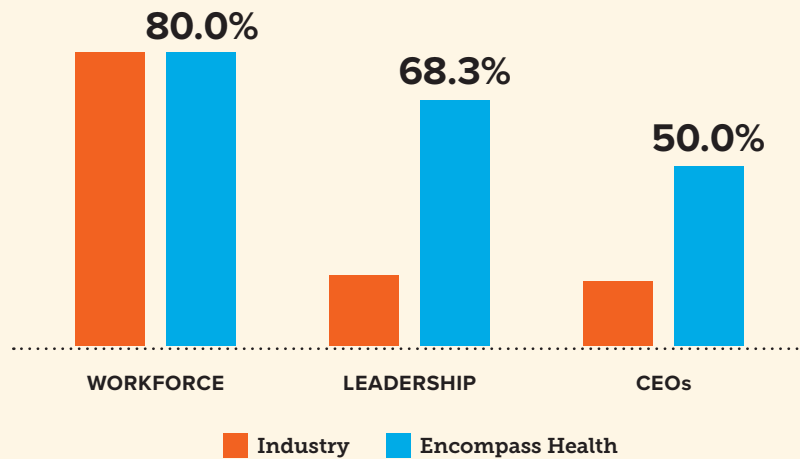
TONIA GRAVES, REHAB LIAISON, ENCOMPASS HEALTH REHABILITATION HOSPITAL OF NORTH ALABAMA

"I've been with Encompass Health since 1996. I started out as a nurse, became our hospital's infection control nurse, then quality and risk director. I then earned my degree using Encompass Health's Chamberlain University discount program. From there, I advanced to CNO. I am very blessed to be where I am in my nursing career!"

THERESA FRIEDENBERGER, CHIEF NURSING OFFICER, ENCOMPASS HEALTH REHABILITATION HOSPITAL OF ALTOONA



A women-led workforce



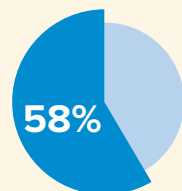
While women make up 80.0% of healthcare industry workers, only 20.0% of leadership roles are held by women and 10.0% of hospitals are led by women. At Encompass Health, women make up 80.0% of our workforce, 68.3% of our senior hospital leadership teams and 50.0% of our hospital CEOs. Of the women in senior leadership roles at Encompass Health, 21.0% are women of color.



75.9% of our physical therapists are women as compared to **70.2%** of all physical therapists nationwide.

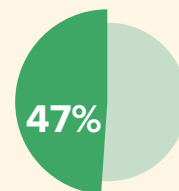


73.0% of our occupational therapists are women as compared to **61.0%** of all occupational therapists nationwide.



Nursing Assistants

Women of Color



Registered Nurses



Your success is a **priority**

In today's social and economic state, employees want more from work. They aren't just pursuing a salary or benefits—they want to feel connected to a greater purpose. The most engaged employees understand how their work impacts their community and the Company's strategic goals. Those employees also know their opportunities for professional growth and are eager to take advantage of resources that can help them excel.

To that end, we remain focused on attracting diverse talent and leveraging our development programs to ensure all employees have a path for advancement. This means promoting diversity in succession planning and ensuring our recruitment practices include HBCUs, rural areas

and international communities. Additionally, we continue to facilitate impactful mentorship and coaching programs throughout the Company.

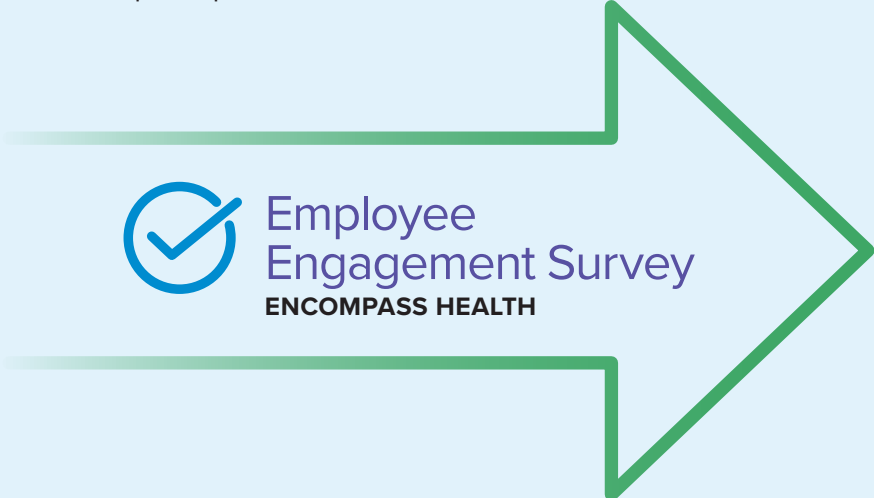
We're also keeping a pulse on staff perceptions. Encompass Health's annual Employee Engagement Survey helps us dissect the issues facing our workforce and identify the things we're doing well. In 2022, Encompass Health beat the healthcare benchmark in all areas of the survey's DEI index. This is something we're proud of and hope to continue.

The tight labor market of recent years has shown us that employees will no longer passively stay at companies where they do not feel heard and respected. This is a reality we take to heart. Encompass Health continues to strive for a work environment of true inclusion, where people are inspired to contribute, know they belong and are valued and rewarded for their participation.

Tony Hernandez
Chief Human Resources Officer



Employee
Engagement Survey
ENCOMPASS HEALTH



A look at our DEI index questions:

Our top performing survey categories



Ethics & Compliance



Culture of Safety



Diversity, Equity & Inclusion

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

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.

My immediate manager cares about me as a person.

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



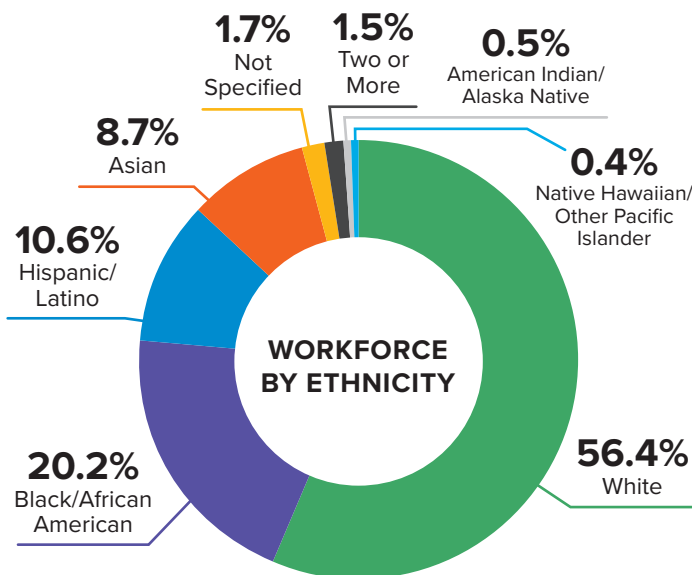
Who we are by the **numbers**

Our workforce by sex

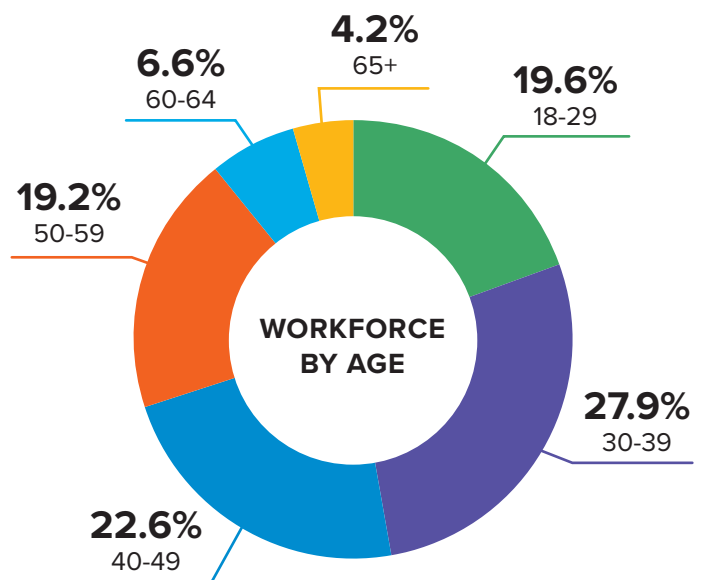
17.8% | Male
80.9% | Female



Our workforce by ethnicity



Our workforce by age

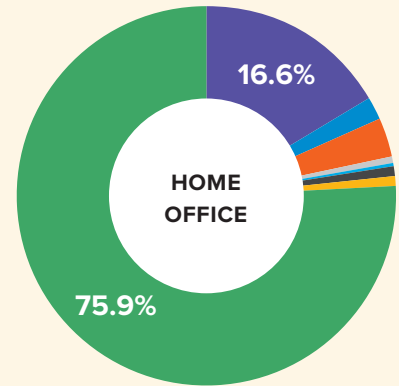
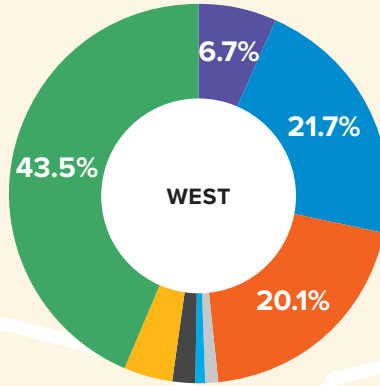
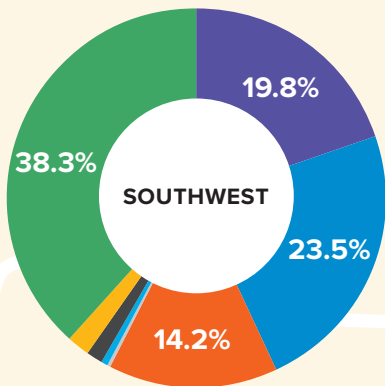
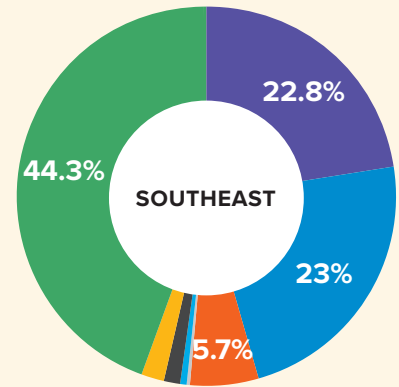
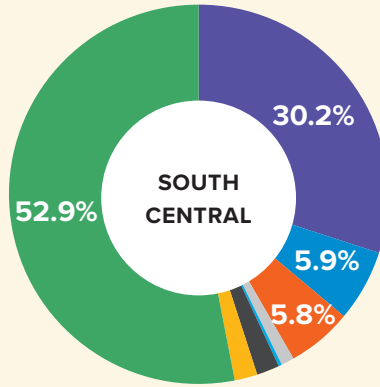
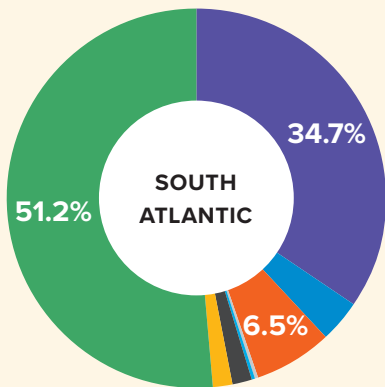
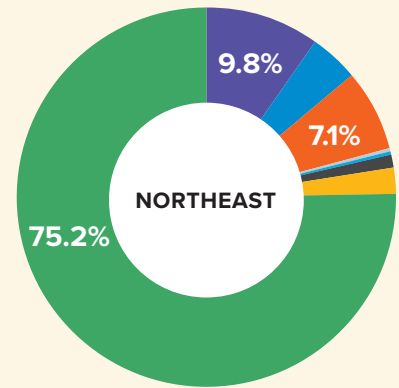
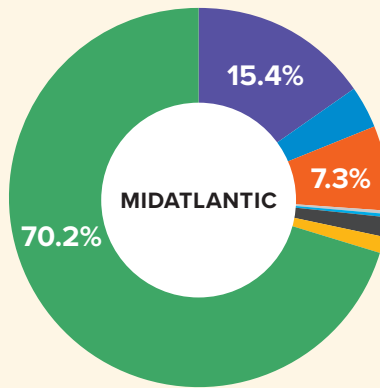
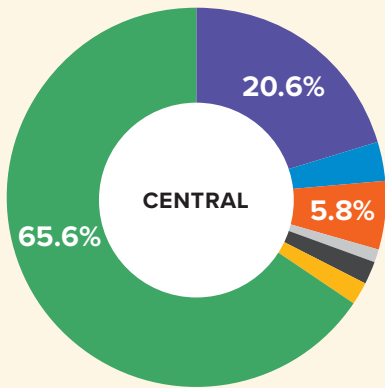


Our veterans

Encompass Health employs more than **775** U.S. Armed Forces veterans.



Our workforce ethnicity by region



Legend

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

Take the **lead** with Encompass Health

Our DFL Program

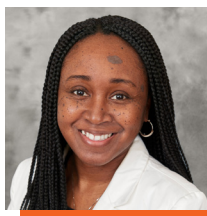
Developing Future Leaders (DFL) is a two-year program designed to accelerate the development of full-time employees in good standing who aspire to grow into management. The program has three levels: Aspire to Supervisor, Aspire to Manager and Aspire to Director. This program provides a developmental road map to follow with your manager's support, giving participants an opportunity to develop their qualifications for management roles.



"The DFL community and coaching sessions have been very

helpful in my development. My coach has helped me recognize the leadership skills I already have. The program encourages people from every culture and background to pursue their career development and become leaders in a company that welcomes diversity."

EXPEDITO KALLOS, THERAPY TEAM LEADER, ENCOMPASS HEALTH REHABILITATION HOSPITAL OF OCALA



"I started my career here as the director of nutrition

services and then was promoted to director of quality and risk management. To come from running a kitchen in 2014 to being on track to run an entire hospital is something I'm very proud of. This experience has been invaluable. It's incredible that Encompass Health is so invested in developing their own employees to be future leaders."

LADALE WALKER, DFCEO PARTICIPANT, ENCOMPASS HEALTH REHABILITATION HOSPITAL OF NEW ENGLAND

Designed to rapidly accelerate the development of candidates who aspire to become a hospital CEO, our two-year **Developing Future CEOs (DFCEO)** program provides hands-on training and mentorship for emerging leaders. Candidates develop the skills needed to lead improvements in the hospital's clinical, financial, employee and patient satisfaction outcomes. Since its inception, 36 individuals have completed the program and been placed in a hospital CEO position. **Of those, 28% are people of color and 40% are women.**

Our DFCEO Program



Scan the QR code or visit <https://careers.encompasshealth.com/careers/leadership/> to see open leadership positions

United in our shared values

The Encompass Health Way is comprised of five core values that guide and inspire our day-to-day work. Our values ensure that all team

members understand how to deliver excellent care, work better together, strengthen our relationships with partners and make a lasting impact on our communities.

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.

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 others.

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.

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.



Our role in health **equity**

Health equity is the state in which everyone has a fair and just opportunity to attain their highest level of health. Across the country, systemic barriers limit opportunities for members of some groups to be as healthy as others. Achieving health equity requires

cooperation from healthcare providers, and Encompass Health is proud to contribute. In addition to recruitment efforts to ensure our workforce represents the communities we serve, there are many other ways Encompass Health is committed to equitable health outcomes.

Distribution of healthcare services according to population need

One area of focus for Encompass Health is the service of rural communities and the employment of clinicians in those geographic areas. While 15% of the U.S. population lives in rural areas, just 5% of nonprimary care clinicians practice in these areas. Studies suggest that students from rural backgrounds are more likely to practice in rural areas, which is why Encompass Health has led focused efforts to engage students in underserved communities.

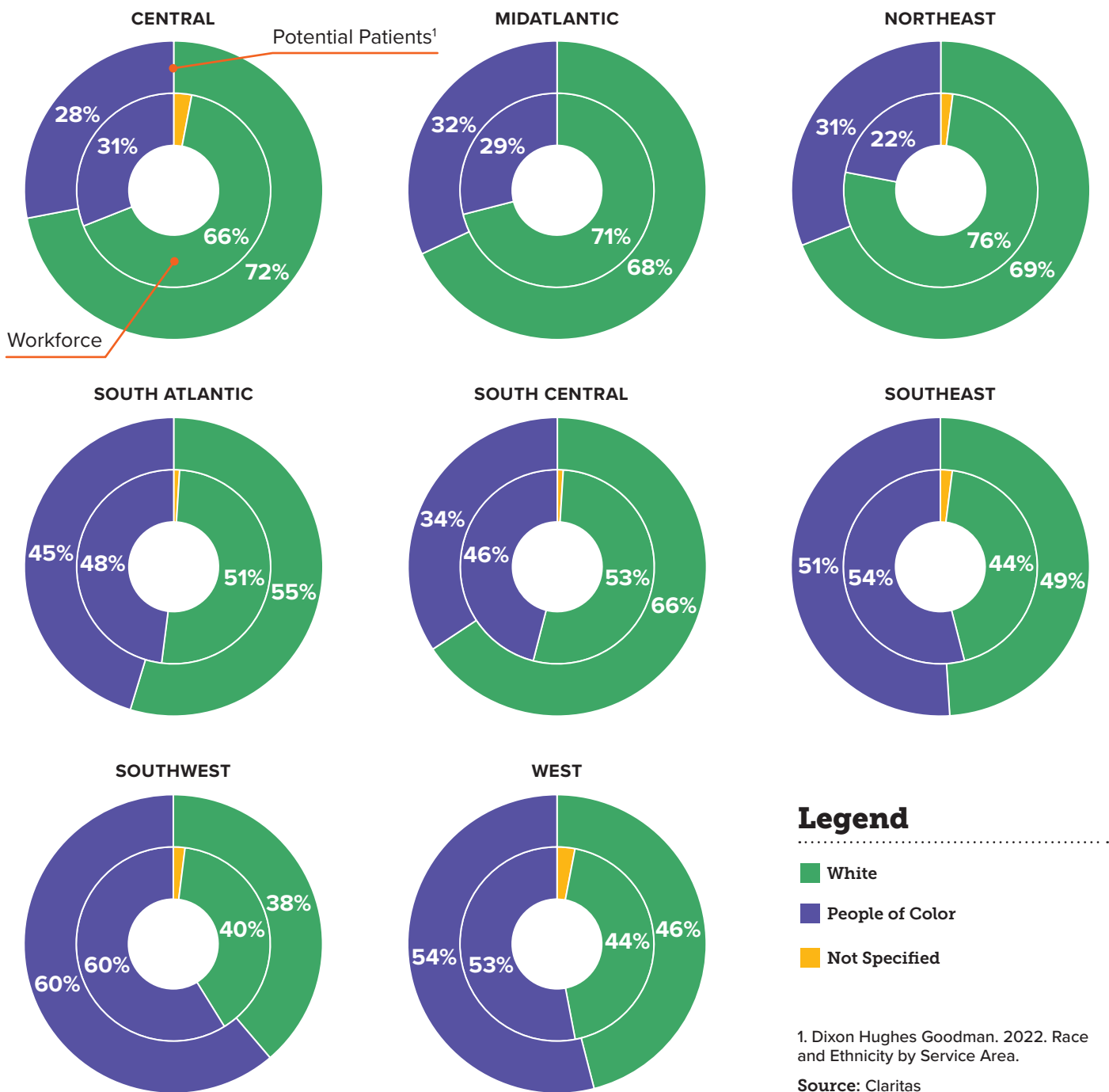
Addressing root causes of health disparities

Social determinants of health (SDOH) are the non-medical factors that influence a person's overall health. Differences in SDOH contribute to chronic disease disparities and hospitalization rates among racial, ethnic and socioeconomic groups. To reduce hospital readmissions, Encompass Health developed a SDOH risk assessment. If the patient has a high-risk score, the case manager will communicate with the patient's primary care physician and/or home health provider and connect the patient with community resources to help prevent a readmission.

A willingness to serve high-need patients

Many of our hospitals hold Disease-Specific Care Certifications from The Joint Commission. These certifications allow our clinicians to treat complex conditions such as diabetes, stroke and pulmonary disease more effectively. This process standardization creates sustainable improvements in both patient outcomes and health literacy. When clinicians are well-versed in these conditions, they can provide health education conducive to a patient's education level or cognitive ability. This underscores the fundamental right for patients to receive digestible information about their care to ensure they can make informed treatment decisions.

How our workforce compares to the communities we serve





Encompass Health Rehabilitation Hospital of Altoona in Pennsylvania welcomed international registered nurses from the Philippines. Colleagues provided a warm reception to make the group feel comfortable in both the hospital and local community.

Spotlighting our staff initiatives



Yuma Rehabilitation Hospital, an affiliation of Encompass Health and Yuma Regional Medical Center in Arizona, celebrated Dia de los Muertos with an altar containing pictures of employees and family members who have passed away.



Encompass Health Rehabilitation Hospital, a partner of Washington Regional in Fayetteville, Arkansas, educated staff about providing compassionate care for LGBTQ+ patients by sharing thoughtful tips to improve the patient experience and bridge knowledge gaps.

For Mental Health Awareness Month, **Encompass Health Rehabilitation Hospital of Morgantown and Bridgeport** in West Virginia treated staff to a day of relaxation, bringing awareness to the importance of mental wellbeing. The event featured techniques from cultures around the world including hot teas, essential oils, tai-chi, reflexology foot massages and guided meditation.



A strong DEI culture doesn't happen by coincidence

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

2

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

3

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

4

To partner with diverse 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



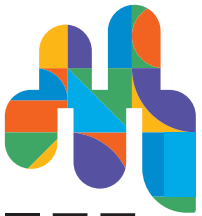
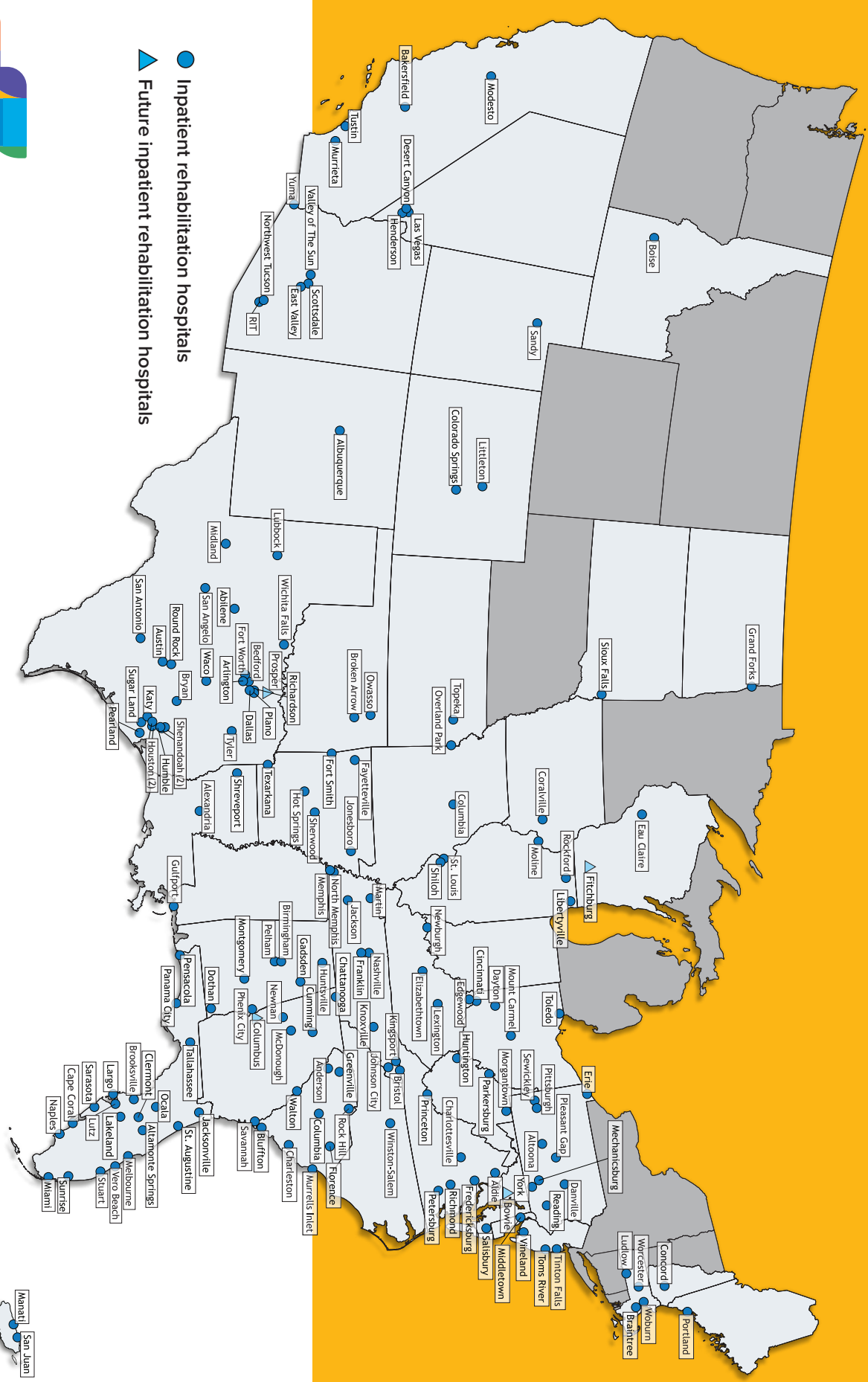
Deidra Dace-Murkey, MSN, RN, Senior Manager, DEI

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, 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



DIVERSITY, EQUITY & INCLUSION

Valuing our unique differences



Careers close to home and heart
Scan the QR code or visit ehc.rehab/3KhxpSX
to find a job near you and join us on the heart-
warming journey to recovery for our patients
and their families.