

A high-angle, nighttime photograph of the Los Angeles skyline. The city is densely packed with lights from buildings and streets, creating a vibrant, glowing effect against the dark blue night sky. The downtown skyline is prominent in the background, with several tall skyscrapers illuminated. The foreground shows a mix of residential and commercial buildings, all contributing to the overall urban glow.

GROUP POLICY

Diversity, Equity & Inclusion



Diploma PLC

Diversity, Equity & Inclusion

General Statement of Policy

We believe that every colleague across the Group – regardless of their position, ethnicity, background, religion, sexual orientation or gender identity – should bring their full selves to work and be empowered to fulfil their full potential.

We know that diversity, equity and inclusion (DEI) offers long-term advantages for our business: more inclusive teams consistently perform better because they benefit from diversity of thought, ideas, and ways of working that people with different backgrounds, experiences and identities bring to a workplace.

Our ambition is to create an inclusive, diverse and equitable workplace. We will achieve that through developing our diverse talent, offering fair reward and recognition for work, and giving everyone the opportunity to have a meaningful say on matters that affect them. We will invest time to understand the needs of individuals from diverse backgrounds and take proactive steps to enable them to fulfil their potential.

This policy forms part of Diploma's broader sustainability strategy, Delivering Value Responsibly (DVR), which defines our commitment to responsible growth. As part of this framework, the Group has set clear targets and supports businesses to embed DEI into their local strategies and scaling plans.

We are an equal opportunities employer with zero tolerance of any form of discrimination due to ethnicity, background, religion, sexual orientation, gender identity, pregnancy and maternity, citizenship, nationality, marital status or any other protected characteristic. We comply with all applicable DEI laws, regulations and standards and apply responsible standards where legislation is inadequate. We encourage all members of Diploma to call out discrimination, or discriminatory behaviour, either through their line manager or through our Whistleblowing hotline.

This policy applies to all our businesses and every aspect of how we work. We believe our business leaders play a key role in creating an inclusive, diverse and equitable workplace, and the Group will continue to support our Senior Leadership Team in the actions, initiatives and strategies they put in place, providing guidance and training where appropriate.

A handwritten signature in black ink, appearing to read 'Johnny Thomson'.

Johnny Thomson
Group CEO
May 2025

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1 Culture

A positive DEI culture is essential to performance, innovation and engagement across our decentralised businesses. Each business must take proactive steps to foster an inclusive environment, rooted in shared Group values.

What We Mean by Diversity, Equity and Inclusion

Diversity means recognising and valuing the full range of differences in our people. This includes:

- Protected characteristics such as race, ethnicity, sexual orientation, gender, age, disability, and religion
- Differences in socio-economic status and disability as diversity in background, experiences, and ways of thinking

Equity means removing barriers to ensure everyone has access to opportunities. This requires:

- Understanding that different people may need different support
- Reviewing processes to identify and remove structural disadvantages

Inclusion means creating a culture where everyone feels they belong and can contribute fully. This includes:

- Encouraging people to bring their whole, authentic selves to work.
- Embedding inclusive behaviours into leadership, processes and decision-making

Why Culture Matters

- An inclusive culture is a strategic advantage: it supports engagement, customer focus, and innovation
- DEI must be embedded into how we scale and grow our businesses
- Our Group values – Customer-Centric, Grow Together, Do the Right Thing, Down to Earth, and Accountable – provide the foundation for our DEI culture

What We Expect from Businesses

- All businesses must take ownership for building a positive DEI culture
- Managing Directors are accountable for setting the tone and championing inclusion locally
- Engagement with colleagues on DEI (e.g. through surveys, workshops, listening groups) is required to build culture collaboratively
- Colleagues must be empowered and encouraged to call out exclusion, bias or discrimination
- Every business must:
 - Actively prompt psychological safety and open dialogue
 - Embed DEI principles in their everyday operations
 - Hold teams accountable for inclusive behaviours

2 Minimum Requirements

All Diploma PLC businesses are expected to meet the following minimum standards on DEI. These requirements apply across our decentralised Group and provide the baseline from which each business should build, taking into account local context, legal obligations, and DEI opportunities.

These standards support alignment with Diploma's DVR framework and Group-wide ambitions, including improving gender balance, increasing ethnic diversity, and embedding inclusive practices in how we grow and scale.

2.1 Local DEI Policy

Each business must develop and maintain a DEI policy, framework, or plan that:

- Reflects the businesses size, structure, location, and DEI risks or opportunities
- Is regularly reviewed, updated, and communicated to colleagues, recruiters, and relevant service providers

The policy or plan must also:

- Align with the Group's DVR framework
- Demonstrate how the business is contributing to Group-wide DEI ambitions, including the aspiration to achieve 40%+ female representation in the Senior Management Team (SMT) by 2030 and increasing ethnic diversity in leadership roles
- Be embedded in local business strategies, particularly during periods of growth, integration, or cultural change

2.2 Leadership and Accountability

Each business must clearly assign ownership of DEI at leadership level and embed accountability throughout the business.

- The Managing Director is accountable for the success of DEI in their business
- DEI responsibilities must be defined for senior leaders, HR and relevant managers
- These responsibilities should cover:
 - Implementation of the local DEI plan
 - Monitoring and reporting progress
 - Leading local DEI initiatives
 - Promoting inclusive behaviours across teams

DEI performance should be treated as a strategic priority, alongside financial, operational and people performance. Leaders are expected to model inclusive behaviours and visibly support local DEI efforts.

2.3 Legal and Ethical Compliance

Each business must comply with all relevant laws, regulations and industry standards related to diversity, equity and inclusion.

In addition:

- Businesses must ensure compliance with local legislation on equal opportunity, anti-discrimination and data protection
- Where local law is limited or absent, businesses are expected to uphold responsible standards aligned with Diploma's values and Group policies
- Any DEI-related data collection (e.g. on gender, ethnicity or other characteristics) must follow applicable privacy laws and good data governance practices
- Businesses must cooperate with Group HR or Group Legal where regulatory changes or risks are identified

Compliance is the minimum. Businesses are encouraged to go beyond legal requirements where it supports a fair, inclusive and high-performing culture.

2.4 Communication and Engagement

Each business must actively communicate its DEI commitments and engage colleagues in a meaningful, inclusive way. This includes:

- Clearly communicating your local DEI policy or plan to all colleagues
- Ensuring HR policies and employee handbooks explicitly state zero tolerance for discrimination, bullying and harassment
- Building awareness of DEI using formats appropriate to your business, such as:
 - Town halls, internal campaigns, or leadership communications
 - Listening groups, employee feedback channels or local DEI committees
- Providing visible support for key DEI moments or awareness days where appropriate
- Reinforcing inclusive language and behaviour in everyday communication and leadership

Businesses are expected to create space for open dialogue and feedback. DEI should not be seen as a compliance exercise, but as a shared responsibility that shapes business culture.

2.5 Training and Capability Building

Each business must ensure colleagues and leaders are equipped to understand and apply inclusive practices. At a minimum:

- Managers, HR teams and anyone involved in hiring must receive training on diversity, bias and inclusive recruitment
- Individuals responsible for collecting or managing DEI-related data must be trained in relevant privacy laws and good data practices
- DEI training should be incorporated into onboarding and refresher learning where appropriate
- Businesses are encouraged to use Group-provided resources such as inclusive leadership workshops or hiring toolkits

Training should be practical, relevant and proportionate to your business. It should enable confident, inclusive decision-making across recruitment, people management and culture.

2.6 Inclusive Recruitment and Progression

Each business must take active steps to ensure fair and inclusive hiring, development and reward processes. This includes:

- Setting clear expectations with recruiters and agencies that diverse candidate shortlists are required
- Reviewing job adverts and recruitment materials for biased or exclusive language
- Ensuring interview panels and decision-making processes support fair evaluation
- Tracking internal promotion and progression outcomes to identify any barriers to equity
- Ensuring compensation, bonus and promotion processes are equitable and evidence-based

Where gaps or barriers are identified, businesses must take action to address them. Inclusive recruitment and progression are key to attracting and retaining diverse talent and building strong leadership pipelines.

2.7 Reporting and Incident Management

Each business must have a clear and trusted process for reporting, investigating and resolving incidents of discrimination, harassment or unfair treatment. This includes:

- Providing confidential channels for colleagues to raise concerns, including a grievance process and access to the Group's Whistleblowing hotline
- Communicating these channels clearly and regularly, including how to access them anonymously
- Ensuring all reported incidents are investigated promptly, fairly and with appropriate confidentiality
- Keeping accurate records of reported incidents, investigations and outcomes
- Escalating serious DEI-related concerns to Group HR where appropriate

Every colleague must feel safe and supported to speak up. Businesses are expected to foster a culture where concerns are addressed respectfully and without fear of retaliation.

3 Governance

Diploma's decentralised model gives our businesses the freedom to implement DEI in ways that reflect their local context. However, the Group provides structure, guidance and oversight to ensure consistency with our values and strategic commitments.

3.1 Group Role

The Group HR Director is responsible for:

- Setting Group-wide DEI expectations and minimum standards
- Providing tools, templates and resources to support implementation
- Offering advice and subject matter expertise where needed
- Monitoring overall progress on DEI metrics and risk
- Sharing best practice across the Group

Group HR reports regularly to the Executive Team and Board on DEI progress, risks and opportunities, and helps ensure alignment with the DVR strategy.

3.2 Business Role

Each business is responsible for:

- Implementing this policy and meeting the minimum requirements
- Developing and owning their local DEI plan
- Assigning clear accountability for DEI to the Managing Director and senior team
- Embedding DEI into local strategy, talent planning and culture
- Reporting DEI progress to Group HR as required

Businesses are expected to work in partnership with Group HR where support, alignment or escalation is needed.

4 Key Performance Indicators

At a minimum, all businesses will report the following key performance indicators biannually:

- Gender of Total Employees (% women)
- Gender of Senior Management Team (% women)
- Ethnicity of Senior Management Team (% of ethnic minority)

5 Contacts

For questions about this policy, or support with implementing DEI in your business, please contact:

- **Group HR Director:** Donna.Catley@diplomapl.com
- **Group HR Team:** HR@diplomapl.com

Group HR can provide:

- Advice on meeting the minimum requirements
- Support on local DEI strategy, data, training and engagement
- Access to toolkits, templates and learning resources
- Guidance on handling complex issues or escalating concerns

For confidential reporting, use the Diploma Confidential Hotline managed by Safecall, an independent third-party service. Safecall provides a 24/7 confidential service. Reports may be made anonymously. Calls are not recorded, and all information is treated in the strictest confidence.

- **Freephone:** check the Safecall [website](#) for local numbers
- **Online Reporting:** safecall.co.uk/file-a-report
- **Email:** diploma@safecall.co.uk