



Gender Pay Report 2022



Introduction

Unipart Group has always acknowledged that a diverse, gender-balanced, healthy, and engaged workforce is essential to our continued success; and that, by ensuring both men and women have equal opportunities for employment and career development, we can tap into a wider pool of talent and skills, and create a more innovative and productive workplace. Employee engagement and organisational capability are central systems of our business culture, as codified by The Unipart Way.

We understand that many of the sectors in which we operate have traditionally had a greater number of male employees than female, and we are fully aware of the obstacles involved in achieving a gender-balanced workforce in such a context.

Over the years, we have been committed to addressing the root causes of the gender pay gap in our organisation. We have taken various measures such as promoting inclusive talent pipelines, encouraging more women to join our businesses, and partnering with community organisations to inspire girls and young women to pursue STEM subjects. Our aim is to reduce the gender pay divide and create a more equitable and diverse workplace.

This approach has led to the formation of senior leadership teams that include several women in critical operational, commercial, and governance positions; examples include our existing Managing Director, Unipart Manufacturing, and more recent appointments of Group HR Director (job share), Group Company Secretary, Group Sustainability Director and Chief Commercial Officer, Unipart Rail UK & Europe. These developments give us confidence that our efforts will result in sustained long-term improvements.

For the 2021-2022 reporting period our median gender pay gap for our reporting business was 9.1% for Unipart Group Ltd and 12.1% for Unipart Rail Ltd, as compared with the national average of 14.9% (Office of National Statistics 2022, Gender pay gap for full and part time workers).

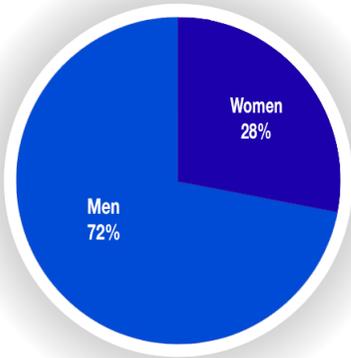


An overview of our pay and bonus gap

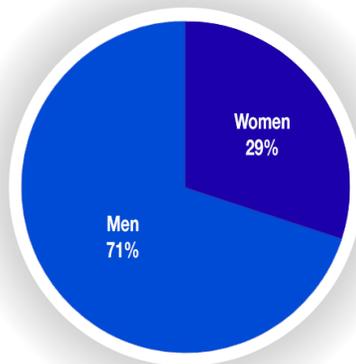
As a group of companies, under the new regulations we are required to report separately on each of our legal entities with at least 250 employers - we currently have two such entities as listed below.

Unipart Group

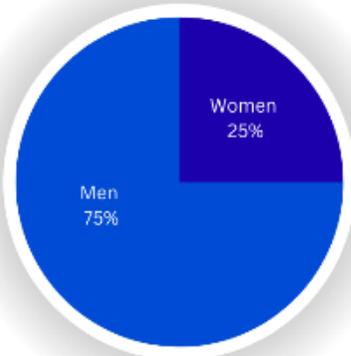
Top Quartile



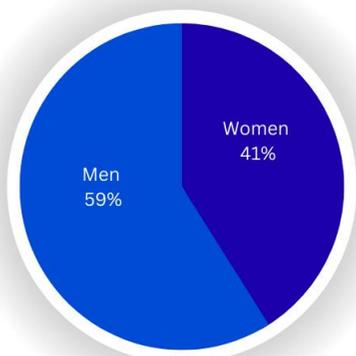
Lower Middle Quartile



Upper Middle Quartile

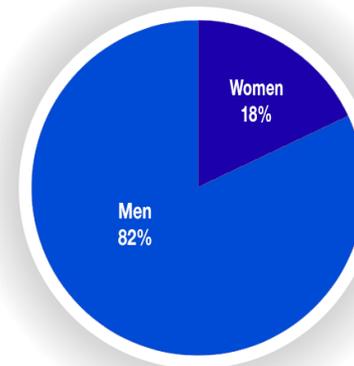


Lower Quartile

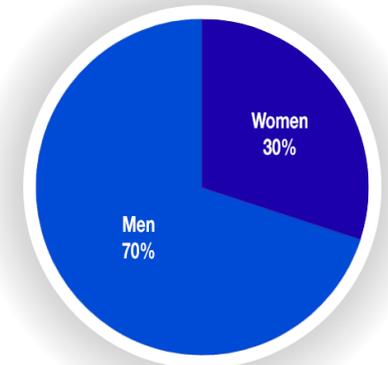


Unipart Rail Ltd

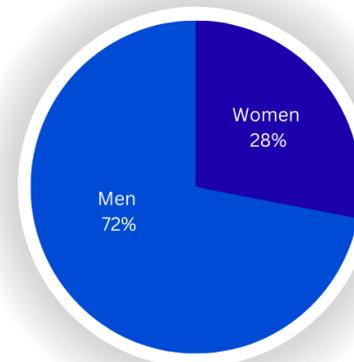
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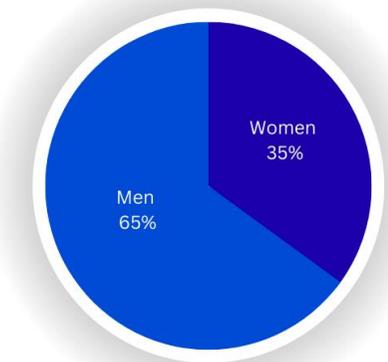
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Upper Middle Quartile



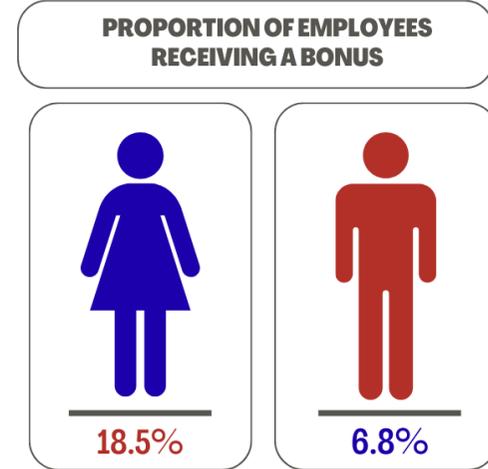
Lower Quartile



Unipart Group Ltd



Unipart Rail Ltd



DIFFERENCE IN PAY AND BONUS BETWEEN MEN AND WOMEN

■ Mean ■ Median



DIFFERENCE IN PAY AND BONUS BETWEEN MEN AND WOMEN

■ Mean ■ Median



Understanding our gender pay gap

- **The gender pay gap has multiple and complex root causes, many of which are ‘societal’ in nature;** including the types of roles that men and women are typically attracted to, the differing levels of pay these roles attract, and the unequal distribution of caring and domestic responsibilities between men and women outside of work where women are typically shouldering a disproportionately higher burden.
- **As an employer it is not within our direct sphere of control to change these societal factors. We can, however, take steps to influence some of these factors,** recognising that it may be many years before change is achieved. The steps that we’re taking in this regard are outlined in section 4 of this report.
- **To gain a comprehensive understanding of the root causes of the gender pay gap within our own organisation it is important to take into account our history and growth** as well as the trends and challenges within the sectors in which we operate.
- **As a privately-owned company with roots in the automotive industry, we have since expanded into rail and manufacturing.** These sectors have traditionally attracted more male employees, resulting in a workforce composition of 7:3 male to female ratio. Despite our efforts to increase the number of women in our organisation, this ratio has remained relatively consistent over the past few years, and we are committed to reviewing our programs and activities in this regard.
- **Furthermore, as a company that invests heavily in training and long-term development, we have generally experienced low levels of turnover at the senior level.** This means that our plans and activities aimed at increasing diversity at a senior level which are based on the growth and development of the women (and men) in our organisation will take time to deliver change.



- **In addition, we frequently face significant changes in the composition of our workforce over which we have limited control,** for example where we have TUPE transfers in and out of our business or where we make resourcing decisions to respond to local or national changes in the labour market.

Encouraging women across generations into STEM careers

It is widely recognised that girls and women are less likely to be attracted into careers in disciplines such as Engineering and IT than their male counterparts and that young people more broadly may not naturally consider Logistics or Manufacturing as career options.

At Unipart we have a long established strategy to 'Encourage young people into adopting careers in Logistics and Manufacturing' based on our realisation that, if we are to secure the resources we need to sustain and grow our businesses, we need to take a proactive role in working with and supporting schools and colleges to develop the industry-ready employees of the future.

Our strategy has evolved over a 10-year period and includes programmes to address students aged 10 upward and covering all abilities and backgrounds. Programmes at the younger end of the spectrum focus on raising awareness of how what they are learning in school can be applied to real jobs in manufacturing and logistics. Levels of engagement in the work carried out in our operational sites increases as the age of the students involved rises, culminating in students using their skills to solve real-life engineering problems in the Institute for Advanced Manufacturing and Engineering, our joint venture with Coventry University.

In addition the Rail division became a signatory to The Railway Industry Association Equality, Diversity and Inclusion Charter. To support this commitment Unipart Rail are participating in the Women in Rail mentor programme. The programme encourages organisations to address and support all levels of diversity.



Recruitment

Enhancing gender diversity in our business is crucial for reducing the gender pay gap in the long run. We have been consistently scrutinising our recruitment practices in recent years to gain insights into the characteristics of our applicants and facilitate the broadening of our applicant pool.

Over recent years the importance that attracting and retaining talent plays with regards to organisational success has been amplified as labour markets have tightened. Like many organisations we have evolved our attraction and development agenda to tackle ‘the war for talent’, in relation to ‘emerging talent’ as well as more experienced hires. In recent years we have thoroughly examined our recruitment practices to better understand the applicant profile and enable us to increase the diversity of this profile. We have taken simple steps such as changing the images used in campaigns to reflect our workforce more widely, including some of our senior women, and have adopted the use of social media campaigns via Facebook, Instagram, LinkedIn, and YouTube using our own colleagues as ‘Brand Ambassadors’ to give an authentic insight into what it’s like to work at Unipart.

We are targeting advertising and other methods of attracting applicants that we have identified give us the most diverse range of applicants, including the use of websites such as ‘Find Your Flex’ which promotes businesses who offer flexible working patterns as standard. We continue to use a broad platform of online and offline advertising that has been proven to reach a diverse audience to ensure that we give a fair opportunity for potential candidates to see the opportunities we have on offer at Unipart.

We have looked hard at the criteria for roles in the operational parts of our business and questioned our own assumptions regarding certain requirements, for example to have experience in similar operational environments, which may deter some female applicants. We continue to deploy technology such as gender decoders for our recruitment adverts which highlight gender-biased language so we can amend as appropriate to make them gender neutral and more appealing. We use assessment tools and methods from reputable and British Psychological Society accredited sources and are careful to deploy these tools as required for specific roles – rather than simply across the board.

More recently, we are challenging recruitment partners operating at the most senior levels of our organisation to bring forward diverse shortlists and, where they are unable to do so, to explain the reasons why so we can review the criteria provided to them to ensure we remove any barriers for women to join our organisation at a senior level.

We are very aware of the impact of unconscious bias on individual hiring decisions and require all those who are regularly involved in recruitment decisions (particularly within the HR Function) to undergo Diversity and Inclusion training which aims to remove unconscious bias from our recruitment processes. The next step in this journey is to anonymise applications which are very close to enabling via the technology we deploy as part of our recruitment process.



Inclusive talent pipelines

We understand that in order to reduce our gender pay gap and increase gender diversity in senior positions, we must focus on building inclusive talent pipelines that encourage and include women. Our dedication to employee development extends to all levels of our workforce, and we have developed a philosophy called 'Gate to Great' to support this goal. This approach allows each employee to progress at their own pace based on their experience and abilities, and is rooted in the belief that with intentional practice within a structured system, everyone has the potential to achieve greatness.

All employees within the business have 'Gate to Great' development plans (called their Gate to Great Journey) appropriate to their role and aspirations.



Nowhere is this better demonstrated than through our suite of standard development programmes which include:

- **Developing Team Leader Programme** - operational colleagues developing towards Team Leader roles.
- **Management Gate to Great** - all team Leaders and Operations Managers, functional leaders at junior to middle management level.
- **Leadership Gate to Great** - leadership development programme for more senior leaders.

We have specific programmes aimed at developing our talent and future leaders including career mapping coaching and development to prepare them for their next likely move. We are careful to ensure that the demographic composition of these programmes is a fair and accurate reflection of the individuals who are working at those levels of the organisation (which can often have a higher percentage of women than the wider workforce).

In addition to these programmes we offer apprenticeships across a range of disciplines including finance, human resources, business improvement techniques, leadership and management, digital, business administration and customer services.

Flexible working and family friendly policies

As an employer, we can take steps to help alleviate the imbalance in caring and domestic responsibilities between men and women by facilitating an environment that makes it easier for both women and men to balance their family obligations with work commitments. This includes providing support after the birth or adoption of a child, or when caring for elderly relatives or those with long-term health conditions.

Our range of “family friendly” policies are aimed at empowering both men and women to work in a manner that enables them to meet their home life commitments while fulfilling their roles within our organisation. We also have a ‘Blended/Hybrid’ Working Policy to enable those colleagues who are able to do so to combine working at home with working in a Unipart Workplace, providing additional flexibility to meet both work and family commitments.

These policies are a vital tool in attracting and retaining valuable skills across our company and contribute significantly to improving retention rates.

We will continue to carefully monitor how these policies are adopted and any difference in take-up between our male and female colleagues, with a particular focus on the Blended Working policy to ensure those spending less time at a Unipart Workplace are not adversely impacted.



Conclusion

As a responsible business we recognise we have a critical role to play in eliminating the gender pay gap.

The insights we gain from our pay gap reporting help us to evolve our programmes, albeit we accept that it will take time for the impact of these programmes to reflect in our pay gap numbers, particularly in light of the very variable nature of our workforce composition.

We're clear on the benefits of a gender-balanced workforce and gender-balanced leadership teams, and we remain absolutely focused on encouraging more women to apply for jobs in our businesses at all levels and having inclusive talent development pipelines to help address the gender imbalance at the most senior levels of our organisation.



Darren Leigh
Group Chief Executive
Unipart Group

