



Sustainability

The Unipart Way 2023



Contents

Introduction

Sustainability is deeply embedded in The Unipart Way, driving long-term growth for Unipart, its employees, customers, suppliers, and shareholders. Unipart’s strategy is aligned to the UN Sustainable Development Goals.

Contents

Chief Executive Officer’s Introduction	➔
Chief Sustainability Officer’s Introduction	➔
Unipart Group Profile	➔
UN Sustainable Development Goals Alignment	➔
The Unipart Way	➔

Planet

Unipart has made significant annual reductions in gas, energy and water consumption, emissions and increased recycling and reuse rates through sustainable operations verified and acknowledged by third parties. Delivery roadmaps include milestones through to 2030 and beyond.

Contents

Unipart’s Commitment	➔
Unipart Net Zero 2040	➔
Our Progress	➔
Our Roadmap	➔
Certification and Awards	➔
Sustainable Operations	➔
Sustainable Culture	➔
Green Products and Services	➔

People

Unipart’s people are central to achieving long-term sustainable growth. Engagement, safety, inclusion, and the holistic wellbeing of employees and local communities are of paramount importance to Unipart.

Contents

Employee Engagement	➔
Safety	➔
Wellbeing	➔
Equality, Diversity and Inclusion	➔
Community	➔

Principles

Unipart’s governance framework supports sustainable partnerships with stakeholders, and ensures continuous improvement, effective risk management and environment strategies which contribute to long-term sustainable success.

Contents

Governance at Unipart	➔
The Board	➔
Application of the Wates Principles	➔
Remuneration	➔
Stakeholder Relationships and Engagement	➔
Risk Management	➔
Policies	➔



Introduction

Contents

Chief Executive Officer's Introduction	➔
Chief Sustainability Officer's Introduction	➔
Unipart Group Profile	➔
UN Sustainable Development Goals Alignment	➔
The Unipart Way	➔

About this report

Unipart continually aims to adapt and respond to the evolving environmental, social and governance disclosure landscape, while working to meet long-term commitments.

Developed in collaboration with teams across Unipart Group, supply chain stakeholders from sourcing countries and innovators who have helped bring Unipart's strategy to life, this report sets out our continued commitment to sustainability through the environmental, social, and governance agenda, through a focus on the planet, people and principles, all underpinned by The Unipart Way.

Chief Executive Officer's Introduction

Sustainability The Unipart Way



It is an honour to be writing this introduction as the new Chief Executive Officer for Unipart Group. When I was appointed late in 2022 it gave me an enormous sense of pride to be leading an organisation not only with such a strong potential for long-term sustainable growth, but with responsible business so ingrained in its culture.

I have a position of incredible privilege in Unipart because I work with the widest range of people throughout the Group. In all those interactions I've witnessed first hand the conscientiousness our people bring to the workplace and the enormous value they place on sustainability. They are empowered to do so by The Unipart Way.

The Unipart Way is the beating heart of our culture, demonstrated in the way we think, the way we work, and the way we behave. Through our philosophy of meeting the real and perceived needs of our customers better than anyone else, and serving them better than anyone else, has grown the relentless pursuit of identifying and driving out non-value adding activity to make our business more sustainable.

Climate change has taken centre stage on the corporate agenda and as you'll find in the 'Planet' section of this report, we have put an ambitious goal in place to achieve net-zero greenhouse gas emissions across Scope 1, 2 and 3 emissions by 2040, formalising this commitment through the Science Based Targets initiative. The Unipart Way has put us in this position to make this commitment,

our people are armed with the tools and techniques to continue making our operations more sustainable, identifying process improvements and working together for the benefit of our customers and the communities in which we operate.

In addition to more sustainable operations across the business, collaborative working among Unipart's divisions has led to the development of a suite of innovative, green supply chain products and services to meet marketplace demand. By embracing digital technology to improve our own and our customers' processes, Unipart people are at the cutting edge of this green technology, as evidenced by our Hyperbat facility's contract to produce electric vehicle batteries for the new all-electric Lotus Evija, the world's most powerful production car.

As you'll read in the 'People' section, our annual employee engagement survey found we have three times the amount of actively engaged employees as the average UK company. Much of this engagement comes from positive, inclusive, and collaborative behaviours promoted by The Unipart Way, which sees our people recognised for their contribution at every level. Our flagship recognition programme Mark in Action celebrates its 35th anniversary this year.

The health, safety, and wellbeing of our people has always been of tantamount importance to Unipart, and we consistently strive to be world-class in this area, as further

prestigious recognition from the British Safety Council and Royal Society for the Prevention of Accidents in the last year shows. Since the pandemic, our employee wellbeing support has been considerably enhanced, and we now have more than 200 trained mental health first aider volunteers throughout the business signposting services available to their colleagues. Over the winter we ran a financial wellbeing campaign with support and resources to address the rising cost of living.

Underpinning all our activity at Unipart is a robust governance framework, running from the Group Board right the way through the organisation. This structure supports and encourages long-term sustainable partnerships with employees, customers, suppliers, local communities and other stakeholders, in line with the Wates Corporate Governance Principles for large private companies.

Looking over our sustainability successes in this report brings me tremendous pride in our people and our achievements, but we must always seek to continually improve and strive for excellence through our application of The Unipart Way.

Darren Leigh
Group Chief Executive Officer

Chief Sustainability Officer's Introduction

OUR CARBON PLEDGE RACE TO ZERO



Through our Race To Zero commitment, as a Group, we are focused on initiatives to eliminate carbon from our operations and supply chain. For example, we have already switched Unipart Logistics, NHS Supply Chain, and Unipart Rail to 100% renewable energy, saving over 6,000 tonnes of carbon annually. In the future, we plan to electrify all manual handling equipment, and introduce green fleet technology. Achieving our net-zero target requires contributions from each individual. We will utilise The Unipart Way every day to work towards this.

Unipart has made excellent progress in reducing scope 1 and 2 emissions, earning the British Safety Council Globe of Honour for ten consecutive years. Our green initiatives and the use of The Unipart Way have been instrumental in this achievement. Scope 3 emissions involve challenging suppliers and customers to reduce their scope 1 and 2 emissions. Our aim is to find different approaches to support stakeholders in reducing their carbon impact. We have developed and continue to review and evolve our carbon action plan, including scope 3 emissions, against a 2021 baseline. Our 2040 net-zero target and 2030 near-term target of reaching an at least 90% reduction in Scope 1 and 2 emissions have been validated by the Science Based Targets initiative, we commit to publish progress against this annually.

The five-star environmental sustainability rating for the tenth year running is a superb benchmark and the culmination of much work and determination to drive down Unipart's environmental impact. Unipart Logistics is certified to ISO 14001 standards, and The Unipart Way has empowered our people to improve sustainability and reduce waste. Achieving the UN Race To Zero campaign pledges is a crucial commitment in fighting climate change. Although the climate crisis is challenging, by applying continuous improvement principles and working together, we will fulfil our Race To Zero pledge.

Unipart's prolonged achievement in health, safety, and environmental sustainability demonstrates its ability to adapt and evolve systems to meet increasingly sophisticated Swords and Globes criteria, maintaining a market-leading standard.

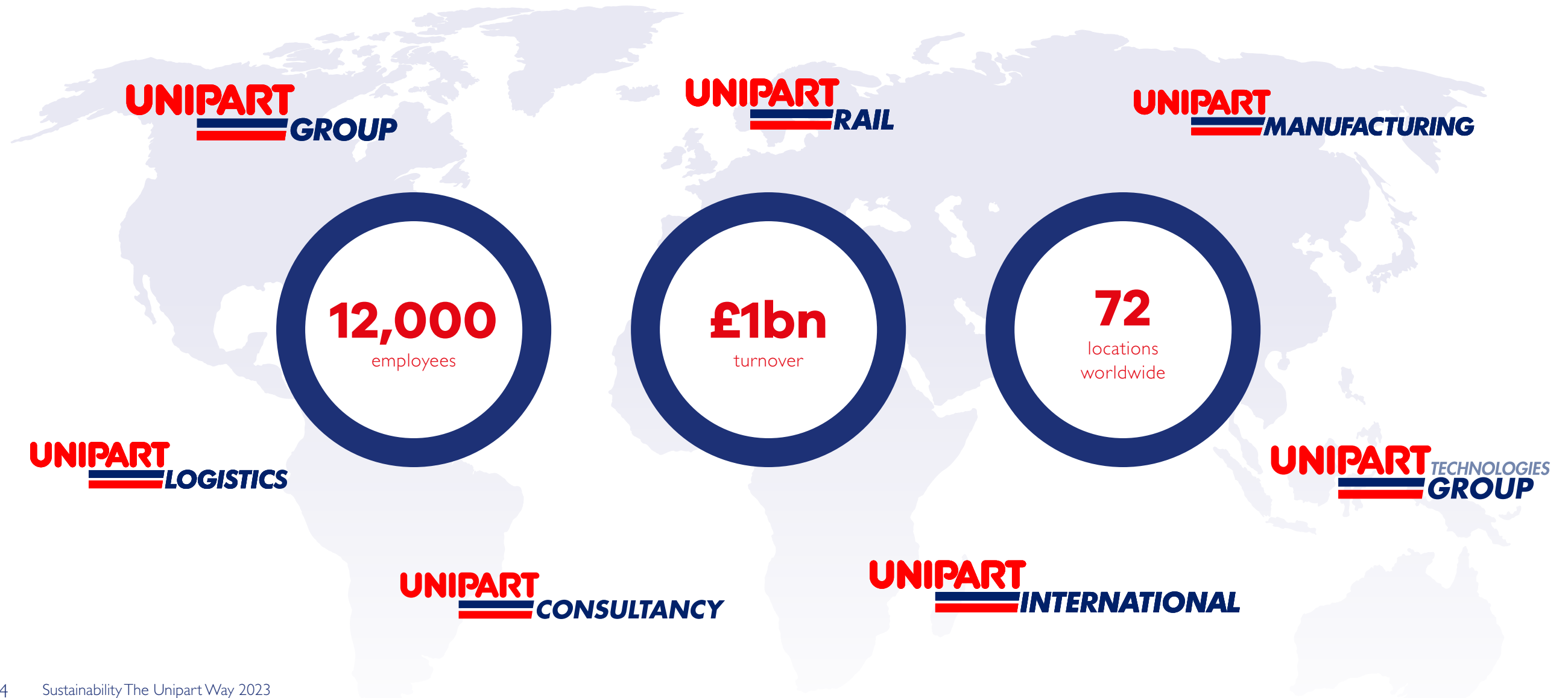
We support our people to reduce our emissions and improve our sustainability performance. It is important that we support our colleagues with the knowledge and capability to both understand their impacts and reduce them at home and work. Our role is to not just make an impact through their time at work, but throughout all they do. We support increased carbon consciousness of our organisation and our people.

“We must work together with all our stakeholders to lower the carbon of our supply chain operations. This means embedding carbon consciousness into every level of our organisation and fundamentally changing the future shape of our business and our customers' supply chains.”

I am extremely proud to lead this agenda, this is such an important challenge to deliver for the planet and our people. It is vital that we all play our part to deliver our environmental targets and uphold our commitment to reaching net-zero emissions across the Unipart's operations and value chain (Scope 1, 2 and 3) by 2040.

Andy Pyne
Group Chief Sustainability Officer

Unipart is a supply chain and manufacturing company with headquarters in Oxford and operating in 72 locations worldwide. Unipart employs over 12,000 people and has a £1bn turnover.



UN Sustainable Development Goals Alignment

Unipart's commitment to sustainability aligns seamlessly with the UN Sustainable Development Goals. Through meticulous strategy and concerted efforts, Unipart has championed clean energy practices, reduced waste and emissions, fostered inclusive workplaces, and advanced responsible supply chains. This unwavering dedication drives positive impact across diverse communities, fostering a brighter, greener future.



1 No poverty 	Unipart empowers colleagues with financial wellbeing initiatives, offering savings, debt management, and educational programs. By promoting open dialogue, enhancing financial awareness, and fostering planning and saving habits, Unipart supports employees in taking control of their finances.	5 Gender equality 	Unipart remains transparent about its gender pay gap, actively implementing policies to close it gradually. We ensure fair remuneration and support for working carers, enabling their full participation in the workforce.
2 Zero hunger 	We support the Oxford Food Hub, a charity local to Unipart House and our Cowley Distribution Centre. The charity rescues surplus food from going to landfill and redistributes it to charities, schools, and community organisations across Oxfordshire.	6 Clean water and sanitation 	Unipart continues to monitor water consumption and strives to eliminate waste of this vital resource across the business. Water use target setting and introduction of rainwater harvesting contributes to reduced consumption.
3 Good health and wellbeing 	Unipart prioritises employee wellbeing through an extensive support system. With on-site mental health first aiders, wellbeing champions, and a comprehensive assistance program, colleagues are guided towards help and support. Additionally, regular physical health checks and a dedicated wellbeing calendar address key issues throughout their Unipart career.	7 Affordable and clean energy 	Monitoring of CO ₂ emissions from gas and electricity consumption allows Unipart to set reduction targets and use more sustainably-sourced energy in line with global goals. Our Logistics, NHS and Rail operations in the UK use 100% renewable energy, saving over 6,000 tonnes of carbon annually. Unipart was named 'Corporation of the Year' for pioneering solutions in EV battery production in the UK.
4 Quality education 	Unipart's collaboration with Coventry University, the Institute of Advanced Manufacturing and Engineering, offers hands-on experience to aspiring engineers. Unipart actively engages with local schools, and educational institutions, and offers apprenticeships and graduate schemes to nurture the next generation of talent.	8 Decent work and economic growth 	Unipart fosters an inclusive culture, empowering individuals to excel. Robust career development programs cater to employees at all levels, emphasising skills growth. Unipart prioritises early career development through apprenticeships, graduate schemes, and other initiatives. Unipart's comprehensive health and safety programs prioritise employee wellbeing and prevent harm in the workplace.

UN Sustainable Development Goals Alignment

9 Industry, innovation and infrastructure 	<p>Unipart Instrumentel's Eco Insight initiative introduced sensors to Unipart Group sites, enabling colleagues to monitor gas and electricity usage with increased granularity. Improved fabrics used in construction reduce heat loss from our sites, LED lighting replacement programmes across the business have reduced CO₂ emissions by 1,000 tonnes at two of our sites and the roll out of jet systems across the NHS improve temperature control, subsequently reducing energy and gas consumption.</p>	14 Life below water 	<p>The elimination of single-use plastic from the Sky supply chain was introduced as part of the Sky Ocean Rescue. Single-use plastic has been removed from operations, supporting a circular economy. 312 tonnes of single-use plastic has been removed from Unipart supply chains including 400,000 plastic cups, 37,500 plastic bottles and 10,000 single-use cutlery items from our canteens.</p>
10 Reduced inequalities 	<p>Unipart upholds an Equality, Diversity, and Inclusion strategy, reflecting our commitment to its people. Policies affirm Unipart's fundamental duties, celebrate diversity, and promote inclusion. Unipart proactively assesses and enhances recruitment channels to maximise accessibility and reach a diverse audience for vacancies.</p>	15 Life on land 	<p>Unipart has a minimum recycling target of 95% for 2023 and has achieved zero waste to landfill since 2016. Employees are regularly engaged in activities supporting the environment through planting 1,050 trees across Group and engaging in The Big Unipart Clean Up for Earth Day. Biodiversity plans are underway, enabling teams to survey and welcome wildlife on site.</p>
11 Sustainable cities and communities 	<p>Annual commuting surveys sent out across the business enable Unipart to understand behaviours, barriers and opportunities to reduce the environmental impact of business travel. Invitation to contribute to energy saving initiatives and activities celebrating Earth Day mean employees are readily engaged in sustainability efforts.</p>	16 Peace, justice and strong institutions 	<p>Unipart maintains robust policies and agendas to uphold ethical standards. This is supported by a whistleblowing policy, anti-slavery measures, anti-bribery and corruption protocols, an anti-racism policy, a human rights policy, and an Equality, Diversity, and Inclusion agenda.</p>
12 Responsible consumption and production 	<p>Unipart has identified 'easy wins' such as the removal of our black wrap service at NHS sites. Unipart measures all scope 3 emissions relating to purchased goods and services to understand and reduce the carbon footprint of our suppliers and supports customer corporate social responsibility programmes.</p>	17 Partnerships for the goals 	<p>Unipart maintains multiple stakeholder relationships for mutual growth, including with Business in the Community, B4 Oxford business network, Make UK, the Society for Motor Manufacturers and Traders and key customers.</p>
13 Climate action 	<p>Unipart requires all sites to report on gas, electricity and water consumption against targets on a monthly basis and has uniquely calculated emissions reduction targets for all divisions. In August 2023, the Science Based Targets initiative validated Unipart's near-term and net-zero targets.</p>		

The Unipart Way

The Unipart Way is at the heart of everything at Unipart, it is demonstrated in the way Unipart people think, work and behave to deliver the customer promise, resulting in sustainable profitable growth. Every positive impact made in the workplace, marketplace, and in the communities in which Unipart operates will have its origins in how Unipart people have successfully applied The Unipart Way.

Introduced more than three decades ago to enable Unipart to meet the real and perceived needs of customers better than anyone else and serve them better than anyone else, The Unipart Way has always sought to make business more sustainable. This benefits not only customers, but all stakeholders. The key to long-term business success is healthy, happy people who understand implicitly how the work they are doing adds value.

Split in the four systems of employee engagement, customer engagement, operational excellence, and organisational capability, The Unipart Way provides the foundation from which employees can make a positive difference in their processes, workplaces, and wider communities.

Customer Promise

“To understand the real and perceived needs of our customers better than anyone else, and serve them better than anyone else”

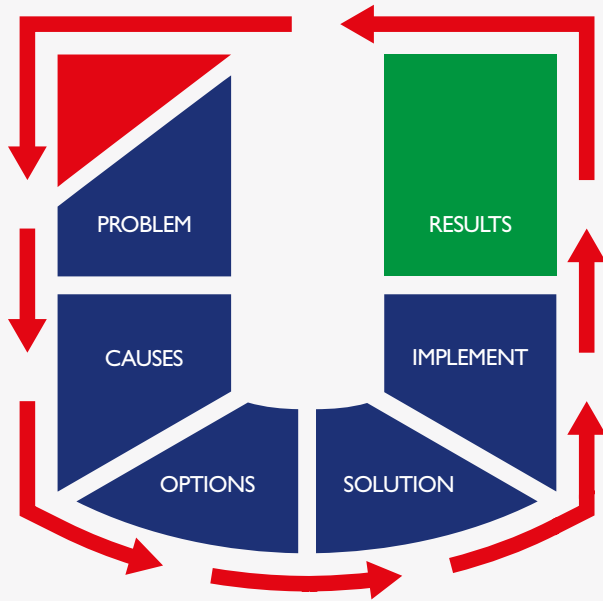


The Unipart Way encourages positive and respectful behaviours through its CARE framework, where employees are recognised for continually improving and innovating, always delivering excellence, respectful ways of work, and being encouraging and inclusive.

Throughout this report are examples of how The Unipart Way reinforces the organisation's commitment to sustainability and responsible business, from teams using creative problem solving tools to remove carbon emissions from operations to creating a suite of products and services to reduce environmental impact in the marketplace.



Creative problem solving with The Unipart Way



Creative problem solving is central to The Unipart Way. There are various platforms at Unipart to share best practice and learn from each other, including a knowledge management site Unipart Way Online and an internal social collaboration platform Spark. Employees regularly post stories, videos and photos of how they are bringing The Unipart Way to life.

A key tool supporting everyone in the organisation to strive for operational excellence is the Our Contribution Counts (OCC) circle. OCC circles use a six-step process and creative problem solving tools, leveraging team skills and experience to drive out waste and non-value adding activity.

A database of OCC circles is hosted on Unipart Way Online, which employees access to learn from other teams how they identify, tackle, and overcome process issues. This digital ecosystem fosters a virtuous circle of knowledge and continuous improvement by allowing Unipart people to find solutions to sustainability oversights and impacts within the business.

Our Contribution Counts case study

The Art Room team lights the way for carbon reductions.

A team in The Art Room, the Unipart House head office restaurant, used an Our Contribution Counts circle to reduce energy consumption in their operation.

Catering Manager Kathy Head and her team supported Unipart's net-zero target by using creative problem solving to identify that lighting in the facility was inefficient and recommend a green alternative. Their Our Contribution Counts circle is projected to reduce CO₂ emissions by 0.7 tonnes a year and make savings of up to £4,160 annually.

Inspired by this achievement, The Art Room team continues to implement The Unipart Way, striving for cost efficiency, productivity, and environmental sustainability.





Planet

Contents

Unipart's Commitment	➔
Unipart Net Zero 2040	➔
Our Progress	➔
Our Roadmap	➔
Certification and Awards	➔
Sustainable Operations	➔
Sustainable Culture	➔
Green Products and Services	➔

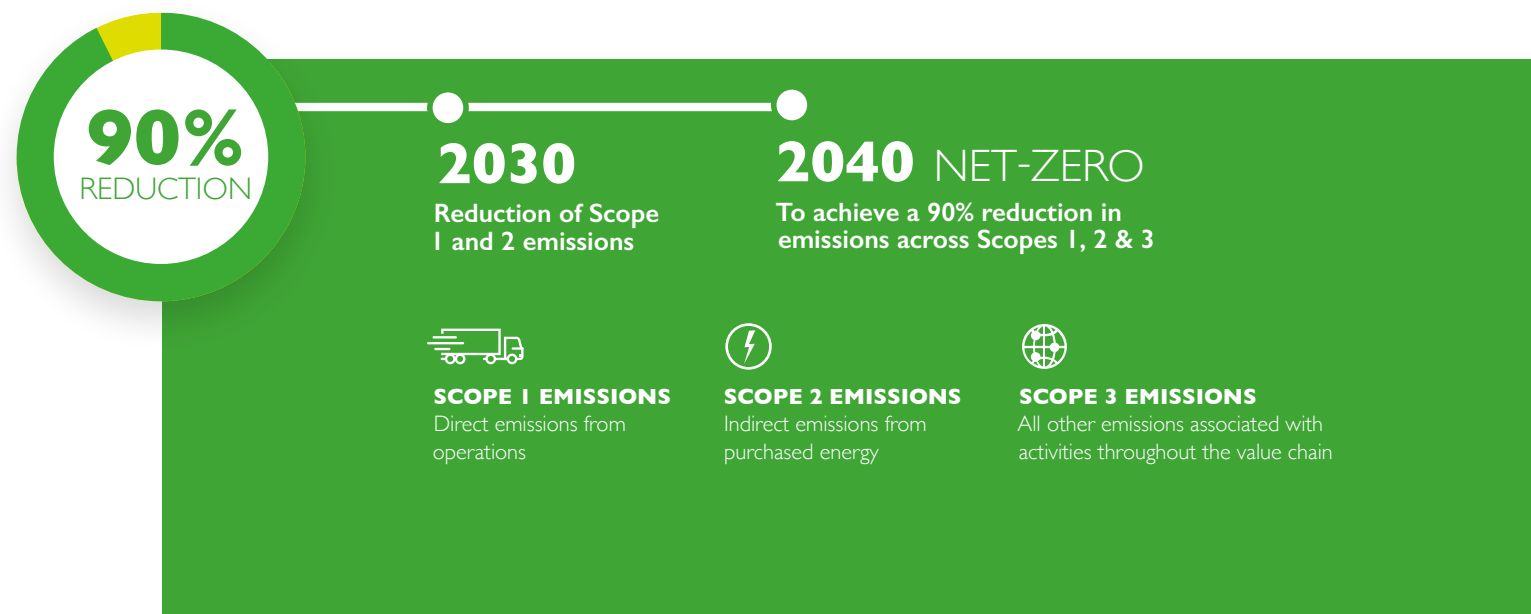
In September 2021 Unipart signed up to the UN's Race to Zero campaign, and has approved near and long-term science-based emissions reduction targets with the Science Based Targets initiative.



Unipart's Commitment

Unipart Group has made significant strides in its sustainability efforts. In just one year, the company has successfully eliminated 140,956 tonnes of carbon dioxide equivalent (tCO₂e) from its operations and value chain related emissions footprint. Unipart is committed to ambitious targets of achieving net-zero, through an at least 90% reduction in emissions, across all scopes by 2040. On the journey to 2040, Unipart is targeting an at least 90% reduction in Scope 1 and 2 emissions by 2030. Unipart's 2040 net-zero target and 2030 near-term target have been validated by the Science Based Targets initiative. This report highlights current achievements and outlines the continued progress in reducing resource consumption and working towards the ultimate goal of achieving net-zero emissions by 2040. The report accounts for all the Group's divisions: Unipart Logistics, Unipart Rail, Unipart Manufacturing, Unipart International, and Unipart Technologies Group.

Unipart's commitment to sustainable operations has yielded remarkable results in reducing emissions and conserving resources. The company has implemented environmental site improvement plans, encouraged employee participation in energy-saving tips, and introduced hydrotreated vegetable oil (HVO) in its transport fleet. These efforts have led to substantial electricity savings for a prominent telecommunications client, engaged 12,000 employees in energy reduction initiatives, and prevented the emission of 343 tonnes of carbon dioxide equivalent (tCO₂e) through the utilisation of HVO. Unipart's dedication to sustainability extends beyond its own operations. Unipart actively contributes to environmental preservation through its range of green products and services, reducing the environmental impact for its customers. Unipart's efforts have been recognised through formal certifications and audits, further validating commitment to sustainability.



Unipart Net Zero 2040

The UN's Intergovernmental Panel on Climate Change's (IPCC) latest reports has deemed the current projected impacts of climate change as a "code red for humanity". We're precariously close to hitting dangerous levels of global warming, driving the urgent need for action. In September 2021, Unipart joined the UN's Race to Zero, uniting with over 4,500 organisations committed to achieving net-zero by 2050. Unipart has measured Scope 1 and 2 emissions from 2019. In 2022, Unipart measured its entire value chain emissions (Scope 3) for the first time, establishing its greenhouse gas emissions baseline. Equipped with this data, Unipart established new targets:

Near-Term Targets:

- 1 Unipart Group commits to reducing absolute scope 1 and 2 greenhouse gas (GHG) emissions by 90% from a 2021 base year by 2030.
- 2 Unipart Group commits that 75% of its suppliers, covering purchased goods and services, and upstream transportation and distribution, will have science-based targets by 2027.
- 3 Unipart Group commits that 75% of its customers, covering use of sold products, will have science-based targets by 2027.

Long-Term Targets:

- 1 Unipart Group commits to maintaining at least 90% absolute scope 1 and 2 emissions reductions from 2030 through 2040 from a 2021 base year.
- 2 Unipart Group commits to reducing absolute scope 3 GHG emissions by 90% from a 2021 base year by 2040.



Jennifer Hunt
Group Sustainability Director

To date (end of 2022)
Unipart has reduced:

23%

of carbon
dioxide
equivalent
(tCO₂e)

3,781 tonnes of carbon dioxide equivalent
(tCO₂e) in Scope 1 and 2 emissions

137,175 tonnes of carbon dioxide
equivalent (tCO₂e) in Scope 3 emissions

BUSINESS
AMBITION FOR **1.5°C**



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

In August 2023, Unipart had its Scope 1 and 2 near-term emissions reduction target approved by the Science Based Targets initiative as consistent with levels required to meet the goals of the Paris Agreement. The **SBTi** also validated Unipart's Scope 1, 2 and 3 long-term target as aligned with SBTi's 1.5°C science-based net-zero pathways by 2050 or sooner. Unipart is committed to updating its carbon reduction plans and progress via the SBTi portal annually and achieving net-zero greenhouse gas emissions across the value chain by 2040.

Our Progress

Carbon Reduction

Unipart has successfully eliminated 140,956 tonnes of carbon dioxide equivalent from its entire value chain (using a market-based approach), 12% of Scope 1 and 2 emissions and 24% of Scope 3 emissions.

Resource Consumption

Unipart has targets to reduce electricity consumption by 3%, gas consumption by 6%, general waste by 5%, water consumption by 5% and maintain a recycling rate of 95%.

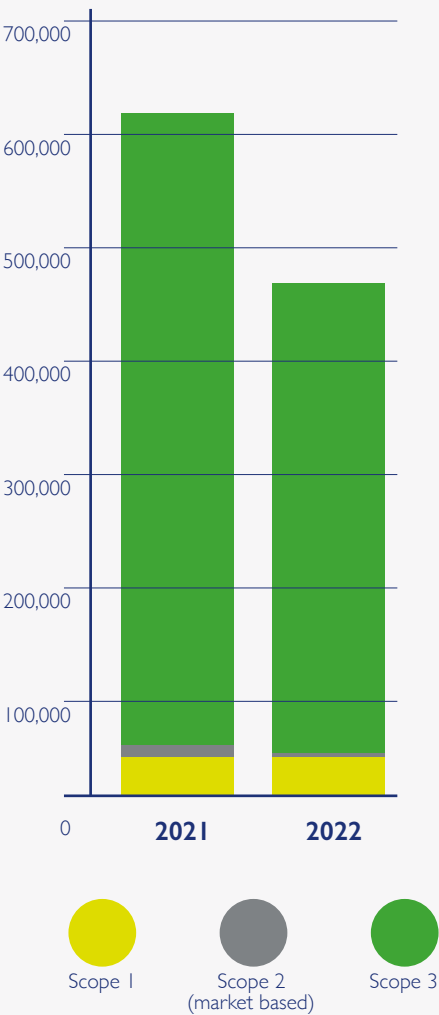
Employee Engagement

Colleagues across Unipart Group are directed to complete the 'Environmental Sustainability' e-learning module, enhancing the carbon literacy of colleagues to empower their ability to make sustainable changes in their day-to-day lives and at work.

Trees Planted

Through a tree planting initiative, 1,050 trees have been planted across Unipart.

Greenhouse Gas Emissions (tCO₂e)



	2021	2022
Carbon Emissions		
Scope 1 and 2 Carbon Emissions (tCO ₂ e)	31,504	27,723
Scope 1 transport	16,490	18,653
Scope 1 non-transport	9,126	5,980
Scope 2 electricity (market-based)	5,621	3,089
Scope 3 Carbon Emissions (tCO ₂ e)	580,926	443,750
1. Purchased Goods and Services Total	83,573	77,871
2. Capital goods	3,836	1,222
3. Fuel-related emissions	8,512	7,671
4. Upstream Transportation and Distribution	90,363	35,592
5. Waste generated in operations	1,020	3,063
6. Business travel	398	1,015
7. Employee commuting	17,016	10,882
8. Upstream leased assets	8,895	2,765
9. Downstream leased assets	159	1,108
10. Processing of sold products	n/a	n/a
11. Use of sold products	355,374	295,470
12. End of life treatment of sold products	449	233
13. Downstream leased assets	n/a	n/a
14. Franchises	n/a	n/a
15. Investments	11,331	6,859
Carbon intensity (tCO ₂ e/£m)	745	515

Our Roadmap

To Date

Unipart is dedicated to implementing sustainable practices across its operations, resulting in significant environmental benefits. The introduction of Smart LED lighting systems at all sites has led to a remarkable 23% reduction in CO₂ emissions. Furthermore, two sites within Unipart Rail have successfully transitioned to fully electric operations, powered by green tariffs.

To conserve water resources, Unipart has installed push taps and sensors throughout its sites, leading to an 11% reduction in water consumption. Rainwater harvesting has also been implemented, resulting in annual savings of 2,600 litres of water at the Nuneaton site.

Unipart Logistics takes pride in achieving zero waste to landfill since 2016. In 2020 alone, the business recycled 97% (13,505 tonnes) of all waste, with the remaining 3% directed to local Refuse Derived Fuel Plants for use as fuel in cement kilns, contributing to a reduction in fossil fuel usage.



In an effort to reduce emissions, vehicles in Unipart's transport fleet are equipped with Euro 6 engines as a minimum. Additionally, the adoption of hydrotreated vegetable oil (HVO) in the transport fleet, including trials within the NHS, further contributes to emission reduction efforts.

Unipart has installed multiple electric vehicle (EV) charging points across its sites to support an EV-focused company car scheme. Through annual commuting surveys, the company encourages low carbon travel and identifies opportunities for electric vehicles, utilisation of public transport and car sharing. Unipart has also introduced eight fully electric trucks into its NHS fleet.

Embracing the principles of the circular economy, Unipart has eliminated over 312 tonnes of single-use plastics across its operations. Packaging products in UK operations are now sourced 100% sustainably with the support of the Forest Stewardship Council.



Road map to 2030

Unipart is actively implementing green travel plans tailored to each site, considering employee behaviours, local geographies and upcoming transportation technology. Initiatives such as car sharing, local site travel plans, and phasing out internal combustion engines are underway.



Unipart prioritises continuous education on sustainability through e-learning modules for its workforce, facilitating the journey to become a net-zero company. In 2023, two new modules, 'Carbon Literacy' and 'Using The Unipart Way to Embed Sustainability', will be launched. These initiatives aim to integrate sustainable practices into employees' personal and professional lives, fostering a culture of environmental responsibility.



Unipart is committed to conducting Life Cycle Analyses for all new products across its manufacturing groups, focusing on identifying carbon savings through material and technology replacements. The company will also collaborate with its top 20 suppliers (by spend) to collect carbon targets and organise supplier sustainability workshops to reduce Scope 3 emissions by 2024.



Unipart commits to carbon sequestration activities, including planting over 11,600 trees across all sites. This step will contribute to removing CO₂ over time, contributing to environmental sustainability.



To drive energy improvements across the Group, Unipart will oversee the roll-out of sub-metering across all operations by 2025. This will provide better granulation of energy data and enable targeted efficiency measures.



According to the regulations outlined in the Companies Act 2006, Unipart will include a report on its adherence to the Task Force for Climate-related Financial Disclosures (TCFD) within annual reporting from next year. This guarantees the company is prepared to address climate-related challenges proactively and with a strong sense of purpose across its governing framework.



Certification and Awards



Globe of Honour (10 Years) - Unipart Logistics

Unipart was awarded a Globe of Honour for sustainability for the 10th consecutive year in 2022. This accomplishment reflects Unipart's continuous efforts to maintain high standards in environmental sustainability. The company's success is attributed to the dedication of subject matter experts and the engagement of all employees. The British Safety Council's Globe of Honour Award is given to organisations who exemplify acknowledgement and management of their environmental impact. To qualify, Unipart needed to pass a safety audit and show excellent environmental management in areas such as energy, waste and pollution. This is a prestigious award that recognises commitment to sustainability.



“

I've witnessed the evolution of the Environmental Five Star audit and Globe of Honour, driving progress annually. Initially focused on environmental impact, they now assess overall sustainability integrated into our culture. The Unipart Way cultivates a strong sustainability ethos, using tools like audits and collaboration within our vast network at Unipart. Our emissions reduction targets are ambitious, requiring ongoing teamwork. Regular process evaluations and gratitude to supporters characterise our sustainability journey.

”



Angela Dobbins
Head of Environment
Unipart Logistics

“Unipart's environmental standards are world leading in many areas. Top management sets the organisation's mission, vision and values, providing excellent commitment and engagement towards environmental sustainability improvements”

British Safety Council Auditor, 2022

Certification and Awards

ISO 14001 (International Organisation for Standardisation)

Unipart has maintained ISO 14001 certification for over 15 years, granted by the British Standards Institution. ISO 14001 is an internationally-recognised standard that guides organisations in effectively managing their environmental responsibilities. It provides a framework for establishing and maintaining an Environmental Management System (EMS) to minimise negative environmental impacts.

By adhering to ISO 14001, Unipart gains practical guidance on identifying environmental aspects, setting objectives, implementing controls, and continuously improving its environmental performance. The standard helps the company find ways to operate in an environmentally-friendly and sustainable manner.

Unipart's commitment to ISO 14001 demonstrates its dedication to environmental management and its ongoing efforts to reduce its ecological footprint.



95%+ in 5* Environmental Audit via British Safety Council, EcoVadis Silver - 2022/2023

The 5* Environmental Audit, conducted by the British Safety Council (BSC), is an assessment process that evaluates an organisation's environmental management practices. The audit assesses various aspects such as energy usage, waste management, pollution prevention, and environmental policies and procedures.

Achieving a 5* rating signifies that an organisation has demonstrated excellence in environmental management according to the BSC's criteria. To achieve a 95%+ rating, Unipart was required to demonstrate strong environmental policies, efficient energy and waste management, pollution prevention measures, stakeholder engagement, and a commitment to continuous improvement.



Sustainable Operations



“

I am really proud of how we have commenced our journey to tackle our Scope 1 emissions in direct relation to Transport. The focus moving forward is expediting that journey through alternative sustainable fuel sources, optimisation of our networks and in working with our outsourced partners to drive down our scope 3 emissions.

”

Gareth Uden
Business Unit Director
Unipart Logistics

Unipart's commitment to sustainability and responsible practices is exemplified through its adherence to The Unipart Way. By prioritising renewable energy, supporting suppliers with science-based targets and emphasising local sourcing, Unipart establishes best practice in sustainability. These actions reflect the company's dedication to excellence, continuous improvement and stakeholder relationships, ensuring a greener future and reduced environmental impact.

Hydrotreated vegetable oil

Unipart is trialing a cleaner fuel called hydrotreated vegetable oil (HVO) in freight vehicles, which greatly reduces its carbon footprint.

In 2022, Unipart Transport Services (UTS) utilised HVO to avoid 343 tonnes of carbon dioxide from its commercial fleet. Unipart is actively looking to introduce less carbon intensive fuels and explore hybridisation to reduce carbon output from transport.

Unipart Transport Services (UTS) - 2022



“

I am delighted that we have made some really progressive commitments - we appreciate that this is going to be a real challenge but we are uniquely placed to achieve them using The Unipart Way.

”

Liz Hancock
Head of Safety, Health and Environment
Unipart Rail

Sustainable Operations

Temperature Control in the NHS Supply Chain



To maintain food safety, the sites are kept at temperatures between 15-20 degrees Celsius, with all sites equipped with a jet system initially set to 20 degrees to be adjusted dependent on the weather forecast, utilising gas for heating in winter and electricity for cooling in summer. This results in reduced gas and electricity consumption, with visual management techniques employed on site to closely monitor and proactively adjust temperature settings, aided by plotted temperature data. This approach, in conjunction with complementary measures, has led to a year-to-date decrease of 4.4% in gas consumption, equivalent to a reduction of 93.26 tCO₂e compared to the previous year, and a 6.5% reduction in electricity use from 100% renewable sources compared to the preceding year.

NHS Supply Chain Battery Electric Truck Trial



Unipart Logistics is further underlining its commitment to developing sustainable fleet operations and driving down environmental impact by supporting NHS Supply Chain with the introduction of eight fully electric trucks. The initiative is part of the Department for Transport's £10m Battery Electric Truck Trail (BETT), a 12-month pilot project which is seeing 20 DAF LF Electric trucks using pioneering technology entering service with the NHS and local authorities. In partnership with NHS Supply Chain Unipart Logistics has been using eight 19 tonne LF Electric rigs with refrigerated bodies at four locations across the country: Bury St Edmunds, Normanton, Rugby and Alfreton. It will feed back real time performance data for the zero emission vehicles.

Eco Insight



The **Eco Insight** product, developed by Unipart Technologies Group company Instrumentel, introduced sensors to Unipart Group sites, enabling colleagues to monitor gas and electricity usage. The system provides granular configuration options, allowing measurement by area, equipment type, or even individual appliances. Early deployment of Eco Insight identified an electricity consumption issue outside of working hours. Through collaborative efforts and behavioural/process changes, the business unit achieved an impressive reduction in electricity usage for one of Unipart's key telecommunications customers. The software features an energy monitoring system with real-time data.

Tree Planting



In November 2022, Unipart planted over 250 trees in the grounds of the Unipart Logistics site in Honeybourne as part of the next phase in their biodiversity plan, aiming to enhance the ecological diversity and create a nature walk. Over 250 common beech trees were carefully selected based on a nature and conservation assessment. The trees are expected to remove up to 260 tonnes of carbon over their 100-year lifespan. Unipart collaborated with the Woodland Trust for tree sourcing, and the planting process took just five minutes per tree. This initiative aligns with Unipart's Race to Zero strategy and contributes to improved biodiversity and employee wellbeing.

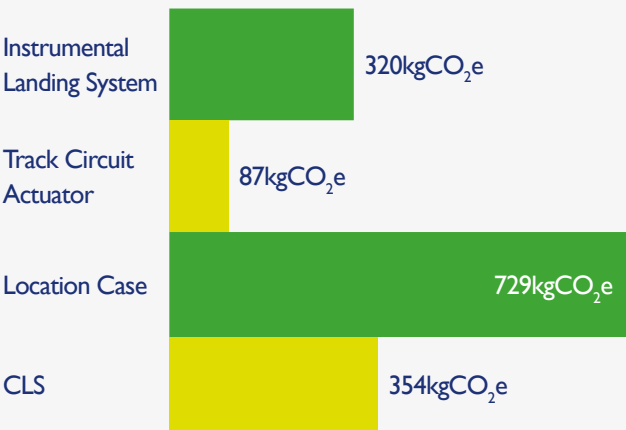
Sustainable Operations

Bees at Unipart Dorman



Unipart Rail has introduced a beehive at their Dorman site. The site was chosen because it offers a suitable location away from the work area with ample forage from domestic gardens, agricultural land, and the surrounding area in Southport. By introducing bees, they aim to enhance biodiversity and align with a Group-wide biodiversity action plan.

Life Cycle Assessments



Unipart Rail has conducted Life Cycle Assessments on crucial products to their operations, enabling the business to understand the direct environmental impact of in-house products and allowing further insight on replacement of parts to make all products greener. This is accomplished through sufficient understanding of input, output and defining system boundaries.

Governance



Unipart is committed to ensuring sustainable operations across its divisions. To achieve this, Unipart has established Sustainability Steering Groups in its rail and logistics divisions, and at Group level. These groups actively review and monitor 16 annual targets to track the progress towards sustainability goals. Additionally, each division appoints dedicated 'Sustainability Champions' who oversee environmental impacts and drive the advancement of sustainability initiatives. By fostering a collaborative approach and dedicated oversight, Unipart ensures that sustainability remains a key focus and that progress is made towards sustainable operations objectives.



“Whether it be in the UK, the US or the Gulf, the Serck teams are now thinking about how we can make our environment greener, better and safer for Future Generations.”

Alex Neill
Managing Director, Serck
Group Innovation Director

Sustainability Culture

Energ-eyes Friday



Unipart promotes waste reduction and sustainability, empowering its 12,000 employees through The Unipart Way. During the winter of 2021/22, with rising energy prices worldwide, Unipart launched Energ-eyes Friday.

The campaign, supported by communication and sustainability teams, engaged employees through branded content and collaboration, resulting in over 100 energy-saving ideas and participation from 140 teams. The impact resonated across Unipart's internal best-practice platform Spark. The North American Customer Service team participated in Energ-eyes Friday by discussing ways to conserve energy both in the office and at home.

Go Green Wednesdays/Spark



Unipart spotlights employees driving sustainability improvements, both at work and in their homes, through the 'Go Green Wednesday' blog. These success stories are featured on Unipart Way Online, an internal platform, and circulated via email.

Notable examples include a team collaborating with a telecommunications client to implement eco-friendly packaging, another team introducing sustainable practices at NHS Coventry, and an employee's appearance on the TV show "Escape to the Country" in search of a more environmentally-conscious property. These inspiring narratives are also showcased on Unipart's internal video news program, Grapevine, and its social collaboration platform, Spark. Employees are encouraged to share their own stories and best practices aligning with Unipart's Race To Zero commitments.

Litter Picking

For Earth Day 2023, colleagues from multiple Unipart Logistics and NHS sites joined The Big Unipart Clean Up, collecting litter to raise sustainability awareness and reduce plastic waste. At Magna Park alone, 100kg of litter was collected, highlighting the positive impact of their efforts. This exemplifies The Unipart Way in action, contributing to Unipart's net-zero goals and creating a better future for all.



Green Products and Services



The future of our planet relies on us all as individuals and as organisations to take collective responsibility for driving change and creating more sustainable ways of working to protect the environment around us.

Unipart has been developing and delivering cleaner, more sustainable service solutions to reduce the environmental impact of our operations and customer supply chains for nearly 50 years.

We operate in a number of sectors responsible for the highest carbon impacts on the environment, which means we bring this experience and capability to support customers to accelerate their focus on lowering energy consumption and reducing environmental impact in industries including; manufacturing, utilities, technology, transport and construction.

It is a complex challenge. While there are principles and solutions that can be applied across all sectors to help businesses make better decisions about environmental performance and sustainability, many require a sector-specific approach to improvement.

Unipart has an established portfolio of products, services and solutions that support Government legislation and the legislative drive towards net-zero targets. We've always had a low-carbon agenda in our organisation, supported by our Go Digital, Go Green, Go Faster approach.

Our Growth in the Green Economy strategy builds on this and supports the faster identification and development of new technologies and solutions, and the wider deployment of existing services across the sectors that we service to reduce and eliminate carbon, and deliver a step change in sustainability performance for Unipart customers.

We operate across the end-to-end product lifecycle, from design to manufacture, from supply to in-service, returns and product lifecycle, we have a set of services and products that enable organisations and industries to make more informed decisions about their resources.

An example of this is the most recent Growth in the Green Economy product Eco Insight that uses real-time data to visualise energy consumption and carbon impact, and helps businesses make sustainable decisions across products, services and facilities to support the delivery of net-zero commitments.

“

Our Growth in the Green Economy strategy ensures Unipart is committed to the ongoing and accelerated identification of new technology.

”

Our Growth in the Green Economy strategy ensures Unipart is committed to the ongoing and accelerated identification of new technology, and the extended deployment of existing services and solutions that support the elimination of carbon from our operations and that generates environmental benefit and sustainable profits for Unipart and our customers.

A handwritten signature in dark ink, appearing to read 'David McGorman', written in a cursive style.

Dr David McGorman
Managing Director
Unipart Technologies Group

Green Products and Services

Samuel James Engineering
- Solar Power Control Cabinet

**Samuel James
ENGINEERING**
a Unipart Rail Company

Unipart Rail's Solar Power Control Cabinet (SPCC) offers a green alternative to standard trackside power, supporting carbon reduction and reducing infrastructure costs. It provides a local regenerative power solution for low power assets, utilising solar power harvesting and a methanol power cell backup. The SPCC includes remote condition monitoring to ensure reliable power supply in challenging locations.

The SPCC offers a fully customisable architecture for seamless installation. Supplied as a comprehensive kit, it can be easily installed and connected without causing disruptions. Its use of standard components ensures a straightforward installation and setup process. Additionally, it can accommodate higher energy requirements by incorporating larger battery arrays and solar panels.



Sustainability Consultancy

Unipart's extensive experience in measuring and reducing carbon emissions, setting science-based net-zero targets, and deploying digital technologies positions Unipart to embed sustainable principles for long-term partner success.

Unipart specialises in end-to-end supply chain design and operations, understanding the balance between cost, quality, and service delivery to meet sustainability goals. The four-step process includes measuring and verifying emissions, setting science-based targets, designing effective strategies, and implementing change programs. As a proud signatory of the United Nations Race To Zero campaign, the business is committed to sustainability. The hands-on experience and proprietary tools enable teams to deliver enduring results and help organisations embrace sustainable practices.

Green Products and Services

Transport Solutions

UniTrack (Unipart Logistics) tracks carbon emissions across land, sea and air transport, empowering users to make informed decisions for optimal carbon reduction and simplified emissions reporting. It promotes carbon consciousness, enabling users to prioritise environmentally-friendly options while meeting other service objectives. The extent of carbon benefits depends on the decisions made using platform insights, with significant variations in carbon savings across different scenarios. A case study showcased a 35% reduction by choosing sea freight over next day air freight, resulting not only in carbon reduction (as sea freight emits 90 times less carbon), but also generating a cost-saving of £3 million.

Transport Management System (TMS) (Unipart Logistics) implementations optimise transport routes, loads and carrier selection, while monitoring and reducing emissions across the supply chain. Enhanced consolidation leads to reduced travel distances. In the long term, the TMS will consider the CO₂ footprint of equipment, such as comparing large trucks using HVO fuel to small trucks using traditional fuel, and different types of ocean vessels with varying power units. This information will influence vehicle and carrier selection, promoting greener choices.



Hyperbat - Electric Vehicle Battery Production



Hyperbat, a joint venture between Unipart and WAE Technologies, is an electric vehicle (EV) battery facility focused on supporting low volume, high-performance vehicles and mid-volume specialist vehicle applications. Based at the Unipart Manufacturing site in Coventry, Hyperbat aims to contribute to the UK's position at the forefront of automotive innovation. Last year, Hyperbat secured a multi-million-pound contract to supply battery packs for the all-electric Lotus Evija, the world's most powerful production car. The battery packs will support the Evija's target output of 2000 PS and impressive performance targets. Hyperbat employs advanced manufacturing technology and digital solutions to ensure high-quality battery production.



People

Contents

Employee Engagement	➔
Safety	➔
Wellbeing	➔
Equality, Diversity and Inclusion	➔
Community	➔

Unipart cannot operate and achieve its strategic goals without engaged employees who feel appreciated and motivated to deliver for customers.

Employee Engagement



At Unipart people make the difference. This is one of the fundamental principles of The Unipart Way, of which employee engagement is one of the four systems. Unipart cannot operate and achieve its strategic goals without engaged employees who feel appreciated and motivated to deliver for customers and Unipart's long-term success.

Every September the business takes time to understand how colleagues feel about working at Unipart by conducting the annual employee engagement survey. Last year, 79% of colleagues who were invited to participate took the opportunity to have their say, with more than 9,500 comments made in response to the questions asked.

**WE ARE UNIPART, WE MAKE A DIFFERENCE BECAUSE WE CARE
FOR OUR COLLEAGUES, CUSTOMERS, COMMUNITY AND OUR ENVIRONMENT**



Employee Engagement

Overall, Unipart Group results were positive, with both satisfaction and engagement scores increasing by 0.1 from 2021. This is in contrast to the trend that overall UK engagement has declined and global engagement has remained static.

For satisfaction, the score increased to 3.7, with colleagues citing continued opportunities for flexible working after the pandemic, increased opportunities as the business grows, and a great team and leader as reasons for higher satisfaction.

Employee engagement increased to 3.9, and with lower levels of disengaged colleagues than 2021 at only 9%, just half the global average. Unipart also has more than three times the amount of "actively" engaged colleagues than an average UK organisation, up from 27% in 2021 to 31% in 2022.

As research shows, engagement is mainly driven by daily interactions and experiences. Unipart empowers local leaders to work with their teams to resolve any concerns raised in the survey, and to identify and do more of the things that make Unipart a great place to work.

Recognition is crucial to engagement. This year, Unipart celebrates the 35th anniversary of its flagship recognition scheme Mark in Action, which recognises individuals and teams who live up to the goal of making the Unipart brand the mark of outstanding personal customer service.

Last year, Unipart introduced the CARE recognition framework which empowers everyone at Unipart to recognise positive, inclusive, respectful behaviour which delivers excellence for customers, communities, and the environment. These behaviours embody The Unipart Way values.

Case Study

Mark in Action - recognising sustainable behaviours

Operational Excellence Manager Russell Hayes is among the host of employees recognised last year for delivering outstanding customer service with a Mark in Action award.

He showed initiative and leadership in reducing energy consumption across the NHS Supply Chain, a Unipart Logistics customer.

Russell used The Unipart Way tools to reduce energy consumption at NHS Maidstone before engaging his peers in the wider network to apply his methodology, which in the first year led to a £275,000 cost saving.



Safety

Unipart has a strong track record of world-class health and safety, and continued to add to its host of prestigious industry awards last year.



In 2022, Unipart secured yet more British Safety Council Swords of Honour, taking its tally to more than 60 since 2011, more than any other organisation in its sectors. A Sword of Honour is seen as the pinnacle of world-class health and safety, and can only be achieved by scoring five stars in the British Safety Council audit, a feat Unipart registered in 2022 for the 12th consecutive year. The commitment shown by Unipart Logistics and Unipart Rail was further acknowledged by the British Safety Council in the form of the 'Sword of Honour Consistent Achievement Award'.

In addition to Swords of Honour, the British Safety Council awarded Unipart three International Safety Awards in 2022: the Best in Country award, the Transport and Logistics Award, and Chief Adjudicator's Award for the highest-scoring submission.

Unipart was awarded three more gold medals in The Royal Society for the Prevention of Accidents (RoSPA) awards. Unipart Logistics sites Nuneaton and Honeybourne both achieved a fifth consecutive gold against the RoSPA criteria.

These achievements can only be possible with rigorous health and safety management systems in place. Last year saw Unipart obtain ISO 45001 accreditation and retain bronze accreditation in the voluntary Fleet Operator Compliance Scheme for the second consecutive year.

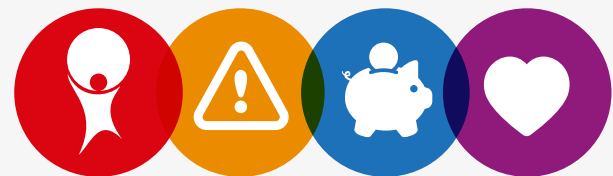


In feedback from auditors and judges there is one consistent theme: The Unipart Way and how it enables Unipart to keep up with the ever-evolving boundaries of safety management. Using creative problem solving and digital technology, Unipart teams introduced a safety app to make reporting and compliance more seamless across sites. Coupled with widespread use of the Unipart Digital Communications Cell, teams can access data from across the business to inform and improve their processes.

Therefore, in sites like the Cowley Distribution Centre, where multiple customers in multiple sectors are served, The Unipart Way, and by extension health and safety standards, remains a constant. By engaging people and customers, everyone in operations understands the part they play in making the workplace as safe as possible.



Wellbeing



Unipart WorkWell

For many organisations, the Covid pandemic sharpened the approach to employee wellbeing. For Unipart, total wellbeing was already embedded into its processes and interactions. This commitment was recognised by the British Safety Council as Unipart was the first company to go through its supplementary wellbeing audit last year, and the company looks forward to taking part in their new ‘Shield of Honour’ wellbeing benchmark in 2023.

LifeWorks

Unipart’s framework of financial, social, physical, and mental wellbeing provides holistic support for employees. Early in 2020, before the pandemic struck, Unipart introduced a new employee assistance provider LifeWorks, which offers a 24/7 confidential, anonymous helpline, a range of counselling and support services, and hundreds of high

street perks and discounts for employees and their families. In the last year, the sign up process to LifeWorks was enhanced to further improve accessibility for employees and remove non value-adding processes from local HR and leadership teams.

Local wellbeing champions signposting support available have long been active in Unipart, and in 2021 this support and engagement was augmented through the introduction of a mental health first aider programme across the business. Mental health first aiders are trained volunteers from among colleagues who proactively raise awareness and breakdown stigma surrounding mental health, and signpost support available. Unipart now has a network of more than 200 mental health first aiders in the business.

**SALARY
FINANCE**

In response to the worldwide rising cost of living issue, Unipart began a financial wellbeing campaign for employees and their families in 2022. In addition to LifeWorks, Unipart has partnered with financial wellness organisation Salary Finance to improve awareness around budgeting and debt management.

Case Study

Wellbeing Wednesday

**Wellbeing
Wednesday**



Raising awareness of issues affecting wellbeing through compelling storytelling is central to Unipart’s approach. In the last year the popular employee blog Wellbeing Wednesday has seen colleagues continue to share incredibly personal and moving stories, so their experience can inform and benefit others.

Alcohol dependency, prostate cancer diagnosis, lupus, and suicide are among the intimate experiences shared by Unipart people, who have shown courage and selflessness in telling their own stories to help others.

Head of Health and Wellbeing Claire Burgess recently shared her story of living with General Anxiety Disorder. Claire said:

‘Knowing yourself well is the key to staying healthy. Seeking support when you recognise the signs. Remembering that it doesn’t define you and shouldn’t limit you.’



Claire Burgess
Group Head of Health and Wellbeing

Equality, Diversity and Inclusion

Unipart is committed to promoting equality, diversity, and inclusion (EDI) throughout our company and across all areas including recruitment, training, development and performance management. We believe that a diverse workforce operating within an inclusive workplace is not only the right thing to do but also essential to building a successful and sustainable business.

Our EDI strategy is based on the following principles:

- **Equality:** We believe in treating everyone equally, regardless of their sex, gender identity, race, religion, age, sexual orientation, disability, or any other characteristic that might make them different.
- **Diversity:** We celebrate diversity and believe that it brings a variety of perspectives and ideas that can drive innovation and success.
- **Inclusion:** We strive to create an inclusive workplace where everyone feels valued, respected and supported and can contribute to Unipart's success.

Unipart has a strong culture which underpins EDI and on which we pride ourselves, encouraging personal growth and development for all. We work hard to ensure our colleagues are treated with dignity and respect, with freedom from discrimination of all types, and we use our Employee Engagement system to deeply understand any barriers to engagement for our colleagues and put in place appropriate interventions.

The recent addition of demographic information on our annual employee engagement survey helped us to identify that our longest-serving employees, whilst still reporting high levels of engagements, had lower levels than other groups. This insight, along with more detailed feedback from focus groups, has enabled us to target interventions to ensure that this group feels valued and respected and want to continue their important contribution to the growth and success of our company.

It is widely acknowledged that attracting and retaining diverse talent is a critical element of organisational success. Across industries, organisations are evolving their attraction and development agenda to tackle 'the war for talent' and ensure they reach the widest possible range of candidates. 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 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 work hard to ensure our colleagues are treated with dignity and respect, with freedom from discrimination of all types.”

Debroah Astels
Group HR Director
- Corporate Responsibility & Policy

Our careers pages have been updated to support that authentic insight and we engaged market-leading specialists to help us develop our external messaging in support of our employee value proposition. This means that we are not only communicating what it's like to work at Unipart, but also communicating the benefits of working here, including our organisation, the rewards, our people, the work and the opportunities on offer.



Community



As a responsible business, Unipart has long strived to bring value to the communities in which it operates.

Unipart Executive Chairman John

Neill was Business in the Community Board of Trustees director from 1992 to 2022, playing a key role in determining the charity's mission and purpose while safeguarding its values. Unipart continues to be an active member of the Business in the Community South East Leadership Board, a team of senior executives providing strategic guidance and support to create more sustainable and prosperous communities across the region.

B4

In the home of Unipart's headquarters in Oxfordshire, the company plays an active role in bringing local private and public organisations together for shared learning and networking through its membership of B4 Business, of which Unipart Director of Corporate Affairs Frank Nigriello is chair. B4 actively connects people in business who value being part of a collaborative, supportive community.



Unipart has a longstanding partnership with the Oxford Food Hub, a charity that redistributes surplus food to the most vulnerable people in the county through a network of more than 200 charities. Earlier this year, experts in The Unipart Way volunteered their creative problem solving skills to the Oxford Food Hub, introducing digital technology to the charity so they could record the volume, weight, and value of the products they redistribute. This invaluable data directly helps the charity to raise money and awareness with stakeholders and donors.

Unipart works extensively with local charities across the UK at both an organisational and local level. Unipart held its first Big Charity Challenge in October 2022, which saw a fortnight of focused fundraising events across all Unipart sites to support Macmillan Cancer Care, The Alzheimer's Society, and a host of local charities. Leading from the top, the divisional managing directors and senior executives took a two-day road trip, visiting a UK site in every division to take part in local events (pictured).

Outside of the Big Charity Challenge, there is no let up in activities to benefit local communities, and every day examples of sites raising money and awareness of local charities are shared on Spark, Unipart's internal social collaboration platform.





Principles

Contents

Governance at Unipart	➔
The Board	➔
Application of the Wates Principles	➔
Remuneration	➔
Stakeholder Relationships and Engagement	➔
Risk Management	➔
Policies	➔

Unipart always aims to act fairly across all stakeholders groups and to create an enduring reputation as a company where people want to work, and customers and suppliers want to build long-term partnerships.

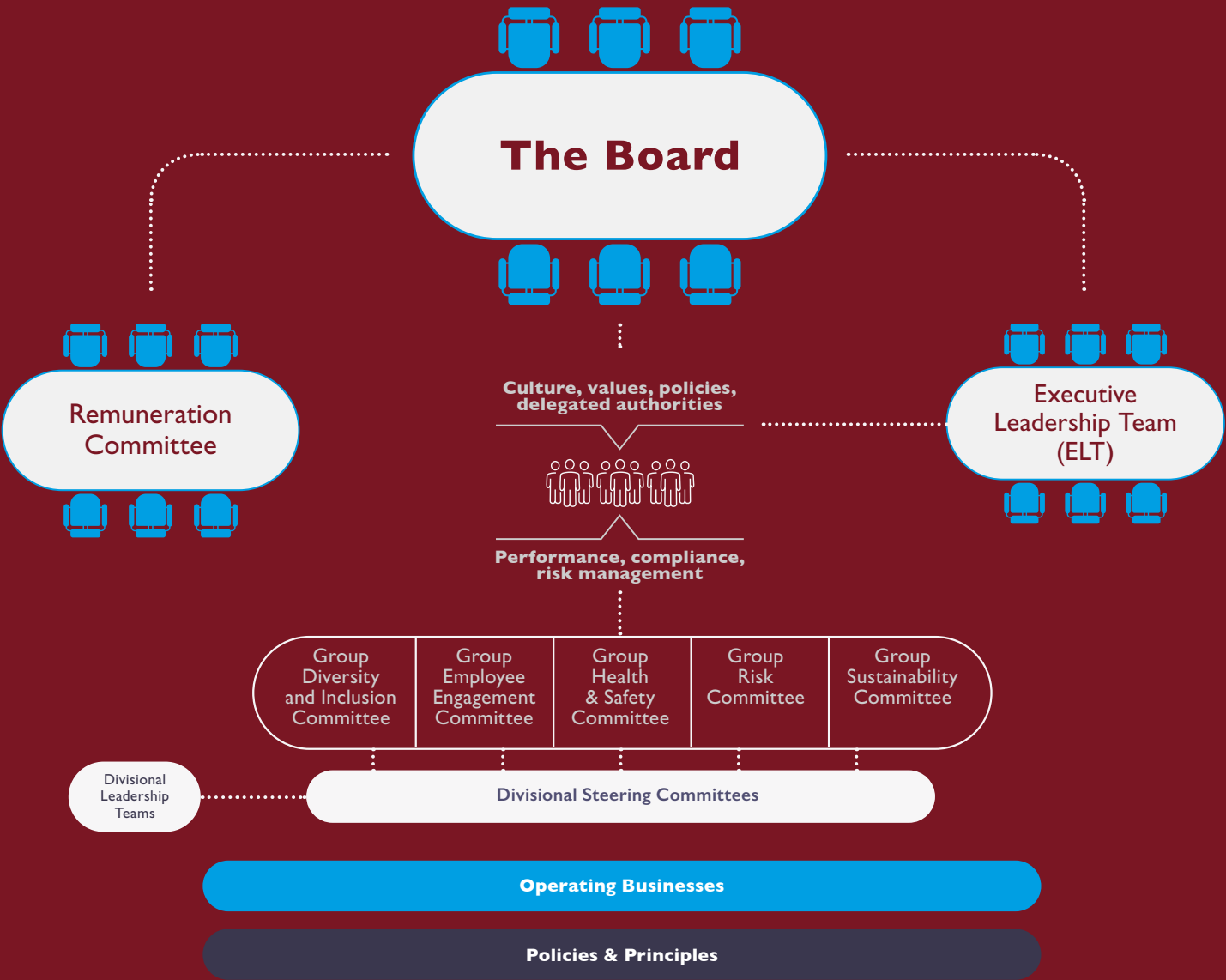
Governance at Unipart

Supporting Sustainable Partnerships with Stakeholders

The governance framework of a company plays a critical role in enabling sustainable partnerships with stakeholders. In the case of Unipart, the Board and governance framework are designed to support and encourage long-term sustainable partnerships with customers, employees, suppliers, local communities, and other stakeholders. This section provides an overview of Unipart's governance structure, the role of the Board, how it enables the company to consider stakeholders in key business decisions, and additionally, it outlines Unipart's application of the Wates Corporate Governance Principles for Large Private Companies, and its commitment to fostering effective relationships with stakeholders.

Governance Framework at Unipart

Unipart's governance framework serves as a structure for managing the Group, facilitating responsive and effective decision-making. It involves collaboration among the Board, its committees, the Executive Leadership Team, and senior management. The framework is continuously monitored and evolved to meet the needs of the business and fulfil stakeholder responsibilities.



The Board

Role of the Board

The Board promotes the long-term sustainable success of Unipart, generating value for shareholders, while having regard to its other stakeholders and the impact of its operations on the environment and the communities in which Unipart operate.

The Board agrees Unipart's purpose, values and standards of behaviour expected of all employees, satisfying itself that these and the culture of the business are aligned. The Board also approves the Group's strategy, reviews performance, and oversees and monitors internal controls, risk management and the company's governance framework. Unipart's robust governance framework sets out how it does business.

Execution of Unipart's strategy and day-to-day management is delegated to the Group Chief Executive, the Executive Leadership Team and subsequently to other senior leadership forums where relevant, with the Board retaining responsibility for overseeing, guiding and holding management to account.

In considering and engaging with stakeholders, the directors act in accordance with section 172(1) of the Companies Act 2006.

Board Committees

The Board is supported by the Remuneration Committee, which is responsible for reviewing and making recommendations on executive director remuneration.

Board composition

The Board consists of executive and independent non-executive directors, plus the Executive Chairman. There is a clear division in the roles and responsibilities between the Executive Chairman and Group Chief Executive.

Executive Chairman

Leads the Board and is responsible for its overall effectiveness in directing the company. Also facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.

Senior Independent Director

Acts as a sounding board for the Executive Chairman and as an intermediary for the other directors as necessary. Leading the evaluation of the Executive Chairman's performance, and providing feedback. Ensuring appropriate intervention at times of conflict or failure of process at Board level.

Group Chief Executive

Responsible for the development and delivery of the strategy agreed by the Board. Developing for the Board's approval, appropriate values and standards to drive the required behaviours and leading by personal example with regards to culture.

Group Company Secretary

Ensuring that Board procedures are complied with and advising the Board on all governance matters. Also supports the Board by ensuring that it has the policies, processes, information, time and resources it needs in order to function effectively.

The Executive Leadership Team

The Executive Leadership Team (ELT), chaired by the Group Chief Executive, is responsible for developing and executing strategy. It manages, monitors and provides the executive input underlying Unipart's strategic and operational decisions, ensuring strong executive alignment on business priorities, investments and actions.



Application of the Wates Principles

Unipart applies the Wates Corporate Governance Principles for Large Private Companies, published by the Financial Reporting Council. These principles provide a framework for the Board to reflect on Unipart’s corporate governance arrangements and continuously improve its standards. Unipart is committed to the six principles: Purpose and leadership, Board Composition, Director Responsibilities, Opportunity and Risk, Remuneration, and Stakeholder Relationships and Engagement.



Remuneration

Unipart’s Remuneration Committee is responsible for reviewing and making recommendations on executive director remuneration and terms of employment. The committee ensures that the remuneration structure aligns with the company’s long-term sustainable success and considers pay and conditions elsewhere in the company. It benchmarks remuneration against market best practices and legislative requirements. Unipart aims to reward executive directors fairly and align their remuneration with the pay trends and conditions of the wider workforce.



Stakeholder Relationships and Engagement

Unipart recognises the importance of fostering effective stakeholder relationships aligned with the company’s purpose. The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and considering their views when making decisions. Unipart’s strategic framework emphasises high-level aspirations for the future and values that encompass all.



Risk Management

Identifying, understanding, and managing risk is crucial to the delivery of Unipart's strategic objectives and the long-term sustainability of the company. Unipart has implemented a robust risk management framework that enables the company to mitigate risks while leveraging potential opportunities in an informed and considered manner.

The Board has overall responsibility for risk management and establishes the Group's risk appetite. It monitors the risk environment and reviews the relevance and appropriateness of the principal risks to the business. The Executive Leadership Team (ELT) supports the Board in setting risk appetite and ensuring processes are in place to identify, manage and mitigate the Group's principal risks. The ELT is supported in the day-to-day management of risk by the Group Risk Committee, which provides risk management direction across Unipart.

Each area of the business maintains comprehensive risk registers to identify, evaluate, and monitor exposure to and management of risk. Risks are evaluated based on likelihood, financial and reputational impact, and the effectiveness of mitigating controls. A target risk rating system has been introduced to assess the desired level of control for each risk, and named risk owners are responsible for implementing adequate controls.

Unipart's risk profile is influenced by various factors such as the evolving consequences of the Covid-19 pandemic,

geopolitical instability, cybercrime, rising inflation, and changing stakeholder attitudes towards climate and the environment. The emphasis is on the importance of horizon scanning to identify emerging risk and incorporate them into the decision-making processes in a timely manner.

The company has identified several principal risks that could threaten its performance, solvency, liquidity, strategic objectives, financial targets, and reputation. Examples of these risks include pension funding, talent and capability, IT security and stability, customer retention, and international market operations. For each risk, Unipart has implemented mitigations, such as maintaining a strong relationship with pension scheme trustees, investing in talent development and retention, employing robust IT security controls, and fostering customer engagement.

Unipart recognises the increasing pressure from customers and government bodies to operate in an environmentally-conscious manner. The need to reduce its impact on the environment is more than acknowledged as Unipart progresses towards its carbon net-zero 2040 targets. The Group Chief Sustainability Officer leads the environmental strategy, and achieving carbon reduction targets is a key focus for the ELT. Unipart aims to achieve net-zero greenhouse gas emissions across its operations by 2040 and carbon net-zero across its entire value chain.

Unipart's robust risk management framework and proactive approach to identifying and mitigating risks contributes to

the sustainability of the company. By effectively managing risks, including those related to talent retention, IT security, customer relationships, and environmental impact, Unipart can protect its financial performance, reputation, and stakeholder expectations while positioning itself for long-term success in a changing business landscape.



Policies



As a company dedicated to conducting business in a sustainable and responsible manner, Unipart has implemented several policies to uphold high ethical standards and act with integrity in all aspects of operations. These policies include a Human Rights Policy, an Anti-Bribery and Corruption Policy, and a Prevention of the Criminal Facilitation of Tax Evasion Policy.

The Human Rights Policy at Unipart emphasises the commitment to respecting fundamental human rights. It endorses the principles outlined in the Universal Declaration

of Human Rights and ensures employees uphold and respect these rights. The policy highlights various rights, such as freedom from discrimination, personal safety and security, religious freedom, freedom of opinion and expression, and the right to education and an adequate standard of living. Unipart expects all individuals associated with the company to adhere to this policy, and managers are responsible for ensuring its implementation. The policy is reviewed annually to ensure its effectiveness.

Unipart's Anti-Bribery and Corruption Policy reflects the commitment to conducting business fairly, transparently, honestly, and openly. The company expects all directors, officers, and employees to comply with applicable UK laws and local laws in overseas countries regarding anti-corruption. Effective compliance procedures are established and enforced, and any breaches of these procedures are treated as serious disciplinary offences. Agents and consultants working on behalf of Unipart are informed of the policy and required to comply with its terms. The responsibility for compliance with anti-corruption laws lies with divisional managing directors, senior management teams, and heads of functional departments.

Additionally, Unipart has implemented a Prevention of the Criminal Facilitation of Tax Evasion Policy to prevent tax evasion in all its forms. The policy complies with the Criminal Finances Act 2017 and aims to ensure that the company and its associated individuals do not facilitate tax evasion. Unipart recognises the legal consequences of failing to prevent tax

evasion and takes a zero-tolerance approach towards all its forms. The policy establishes the responsibilities of individuals working for Unipart and provides guidance on recognising and avoiding tax evasion. Employees are required to report any suspected breaches of the policy, and the company conducts regular reviews to identify and address risks related to tax evasion.

Unipart's policies enable the company to be more sustainable and responsible in business by setting clear standards and expectations for ethical conduct. The Human Rights Policy ensures the company respects and upholds fundamental human rights, both within the organisation and across its supply chain. The Anti-Bribery and Corruption Policy helps prevent bribery and corruption, promoting fair and transparent business practices. The Prevention of the Criminal Facilitation of Tax Policy demonstrates Unipart's commitment to complying with tax laws and preventing tax evasion.

By implementing these policies and communicating them to employees, subsidiaries, and business partners, Unipart establishes a culture of responsibility, integrity, and compliance throughout its operations. These policies contribute to Unipart's overall sustainability efforts and help build trust with stakeholders by demonstrating its commitment to ethical business practices.

Human Rights Policy

**Anti-Bribery and
Corruption Policy**

**Modern Slavery Transparency
Statement**

Tax Evasion Policy



Unipart is committed to long-term sustainable growth. Verified science-based targets put Unipart in a strong position to work collaboratively with customers, suppliers, and external stakeholders to reduce greenhouse gas emissions throughout the supply chain. The Unipart Way engages Unipart people to continually reexamine and continuously improve processes to make operations more sustainable through a culture that reinforces and celebrates positive behaviours. Unipart looks forward to sharing annual updates of progress in sustainability.

To find out more about the content of this report or about Unipart email contactus@unipart.com or phone +44 1865 778966



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