

# Conducting Business **The Unipart Way**



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Issue date November 2009

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This 'Conducting Business the Unipart Way' booklet describes the principles that lie at the heart of the way the Unipart Group conducts its business. It captures our beliefs about business ethics, and shows how we motivate and set high standards of conduct and performance for our employees. The content of this document is applicable to everyone who has an interest in the Group: customers, potential customers, suppliers, employees and other stakeholders.

It is important that we are regarded as a responsible, ethical and supportive business to earn, and retain, the trust and confidence of our many stakeholders. This has been the cornerstone of our corporate strategy since the Unipart Group of Companies was formed in 1987.

If you discover that the company's standards and reputation are being put at risk by unethical or even criminal behaviour, you should report the facts. Ignoring bad behaviour is wrong and may damage the reputation not only of the company but everyone else who works for it.

At Unipart we believe that corporate responsibility is not just a job for selected people at Unipart, it defines the way we do business. It is essential that all deliver our business objectives within the framework described, since responsible business is only a reality if it is practised by all employees at all times.

John Neill



# Mission, Philosophy, Values & Principles

## Mission Statement

The Unipart Group aims to be an enduring upper quartile performing company in which stakeholders are keen to participate, performing principally in the logistics market by

- Pursuing our values
- Pursuing well judged entrepreneurial risks
- Ensuring the continuity, relevance and synergy of the divisions' missions
- Creating an environment within which the divisions can and do pursue their missions

## Service Stakeholder Philosophy

Unipart has demonstrated a stakeholder philosophy in a commercial context for many years. It is based on sound business thinking and recognition of the importance of achieving world-class standards of performance to compete in global markets. We see five key stakeholder groups:

- Our Customers
- Our Employees
- Our Investors
- Our Suppliers
- The Communities in which we do business

## Unipart Group Value Set

The Unipart Group is a combination of People, Ideas, and Assets which exist for the benefit of its stakeholders. The Group will strive to be the best in everything it sets out to do, and will only set out to do those things at which it could be the best. The relationships and interdependencies between the stakeholders are key to achieving this position and can be described by a set of codes (values) towards:

- The Employee as an individual.
- The Individual as an employee.
- Employees and potential employees (Unipart as an Employer).
- The Customer.
- The Supplier.
- The Owner.

## Unipart Group Value Set - Employee as an Individual

Among the company's values nothing is more fundamental than its respect for the individual. The Group will create and maintain an environment in which individual employees may contribute to and share in the fortunes of the business in a fair and consistent manner. Our employees are our greatest asset and as such they deserve:

- To be informed of what their role and tasks are.
- To be appropriately trained and developed for the role and tasks required of them.
- To be allowed the opportunity to perform.
- To be regularly counselled on how they are doing and what their career potential is.
- To be recognised and rewarded according to their individual achievements.
- To be managed professionally.
- To be given the willing assistance and support of their colleagues.
- To be given the opportunities to develop their career potential to the extent of their ability.
- To be informed of what their company is doing, and what its objectives are.
- To know that we actively encourage promotion from within the company.
- To have their ideas and opinions properly considered.
- To not be burdened by those not willing to contribute.
- To work in an environment free of discrimination, harassment, victimisation and bullying.
- To have a safe and secure working environment.
- A right to keep matters private that are not relevant to employment.
- To be communicated and consulted with.





# Mission, Philosophy, Values & Principles (continued)

## Unipart Group Value Set - Individual as an Employee

As Unipart respects its employees so we should expect our people to:

- Support the Company, its policies, products, and objectives in the market.
- Appraise errors or faults in policies or practices constructively.
- Maintain within the Company all confidential information, plans, and strategies about the Company and its performance.
- To take a positive attitude towards their jobs and the resolution of problems and keep their managers informed at all times in order that they may manage effectively and avoid problems.
- Take responsibility for all equipment and facilities used by ensuring that they are kept clean and that all faults are rectified or reported for rectification.
- Bring to the company's attention any concerns relating to malpractice (including illegality) at work that has occurred, or may occur.

## Unipart Group Value Set - Unipart as an Employer

- Will promote equal treatment for all employees and potential employees irrespective of race, religion or belief, colour, sexual orientation, nationality, ethnic origin, disability, age, gender, marital or part-time status.
- Will make all reasonable efforts to accommodate the cultural, religious or other needs of employees.
- Will not make, sell, store, or transport anything if we can not do so safely.
- Will consider the social and environmental impacts of all undertakings.

## Unipart Group Value Set - Our Customers

Our future as a Group and as individual employees is determined by our ability to satisfy the needs of our customers who, whether individual, retail, wholesale or corporate, deserve:

- To have their needs understood and fulfilled.
- An outstanding quality of product and service which exceeds the express and implied promise made when business is placed with Unipart.
- To be told clearly about the details of the offer before business is accepted.
- Frankness and integrity from Unipart.
- A positive approach to the resolution of difficulties of all kinds.
- To be listened to carefully at all times.
- Our demonstrable commitment to the continual development of mutually beneficial relationships.

## Unipart Group Value Set - Our Suppliers

As we respect our customers, we should earn the right to be respected by our suppliers, who deserve a Company which offers:

**Synergy** through the opportunity of a long term business relationship built on mutual aspirations.

**Confidence** by clearly defining our requirements and maintaining a good trading record.

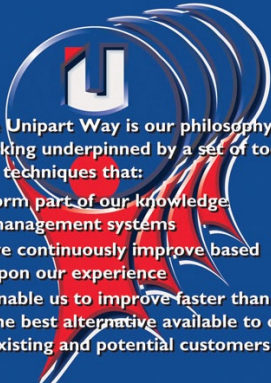
**Trust** by treating our Supplier with integrity and professionalism.

**Ethics** through not using our position to the detriment of our Suppliers.

**Challenge** by setting demanding performance requirements but assisting our suppliers in meeting them.



### The Unipart Way



The Unipart Way is our philosophy of working underpinned by a set of tools and techniques that:

- form part of our knowledge management systems
- we continuously improve based upon our experience
- enable us to improve faster than the best alternative available to our existing and potential customers

**Efficiency with a human face**

#### In turn we expect our Suppliers to:

- Operate in a legally compliant manner.
- Work with us to deliver continuous improvement for mutual benefit.
- Satisfy agreed price, quality, and delivery time criteria.
- Embrace the principles set out in the Universal Declaration of Human Rights.
- Manage the social and environmental impacts of their products or services.

#### Unipart Group Value Set – Our Owner

We have a duty to build and maintain a Company which:

- Provides an acceptable rate of return with a good track record which gives an expectation of continual growth in earnings.
- Provides an investment which due to consistent performance in meeting commitment and forecast will grow in value and prove realisable over time.
- Provides a product or service which the market place sees as a continuing need.
- Does not involve itself in unethical pursuits.
- Gives pride in ownership.

#### Unipart Group Value Set – Our Community Stakeholders

- Reduce so far as is reasonably practicable any negative environmental impact on local communities where that environmental impact is produced directly or indirectly by Unipart Group operations.
- Reduce so far as is reasonably practicable any negative H&S impact on local communities where that H&S impact is produced directly or indirectly by Unipart Group operations.
- Enthuse and develop potential future employees within local communities.
- Encourage employees to engage in community activities.
- Unipart Group invest 1% of UK pre-tax profits in community activities.

#### Unipart Way Philosophy

Is a philosophy of working underpinned by a set of tools and techniques that:

- Form part of our knowledge management system.
- We continuously improve based upon our experience.
- Enable us to improve faster than the best alternative available to our existing and potential customer.

The Unipart Way is "efficiency with a human face"

*Our people are the key to delivering The Unipart Way and The Unipart Way is key to Unipart Group's successful delivery of its business objectives.*



# Mission, Philosophy, Values & Principles (continued)

## Unipart Way Principles

### Customer

- 1 We will expect all our leaders to live the Unipart Way philosophy and coach our employees in the tools and techniques.
- 2 We will always make commitments that have a realistic plan for delivery.

### Company

- 3 All our decisions should be guided by our group philosophy.
- 4 We manage with a long term view.
- 5 We will encourage and expect personal use of the Unipart Way by all our employees.
- 6 We will strive to develop our people and promote from within.
- 7 We are all responsible for recruiting exceptional people into our company.
- 8 We build constructive and challenging long term relationships through Ten(d) to Zero.
- 9 We "go and see" to understand deeply what's happening.

### Quality

- 10 We expect people to solve problems at their own level.
- 11 We build quality into our processes to avoid creating or passing on defects.
- 12 All our key processes are aligned against the principles of pull and smoothing derived from customer based Takt time.

### Continuous Improvement

- 13 We create continuous process flow to bring problems to the surface [if you can't flow it you don't know it].
- 14 We use Standardised work as our foundation for continuous improvement and employee empowerment.
- 15 We spread our best practice and share our ideas inside our Group.
- 16 We are careful to learn from the best, but we reflect on our experiences and find our own way.
- 17 We use visual management to expose problems, inspire improvement and understand situations at a glance.
- 18 The annual Policy Deployment process will set challenging goals and measure progress to improve the business continuously based on our experience.

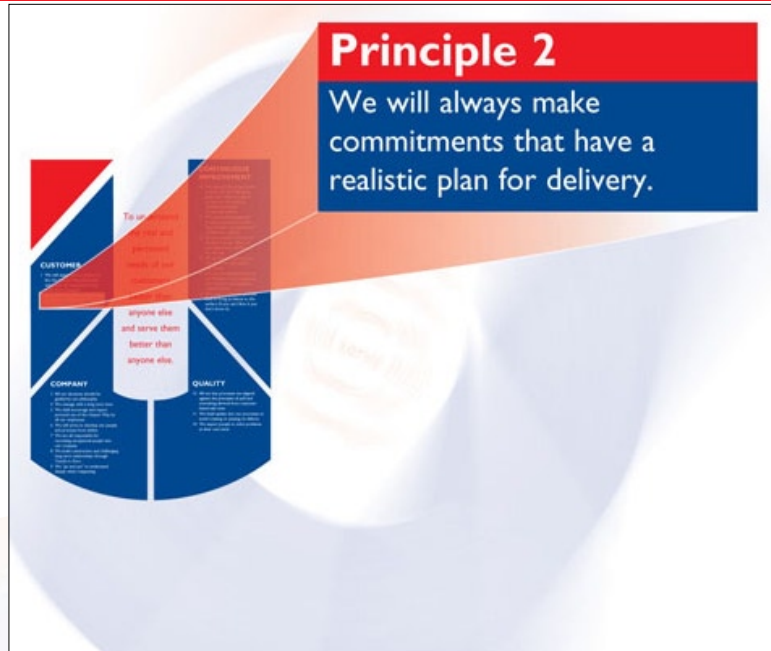
### The Community

The Unipart Group of Companies will encourage and support its employees in participating in activities which benefit the community at large.

In doing so Unipart Group subscribes to the principles of the Per Cent Club<sup>1</sup> and will therefore endeavour to contribute 1% or more of its pre-tax profits to the community, such contributions to include cash donations, management and employee time as well as gifts in kind.

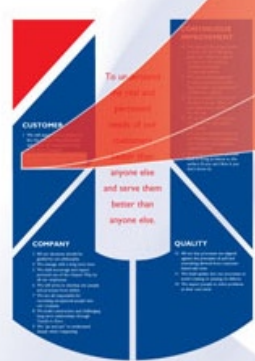
For this purpose the "community" is defined as one or more of the following:

- Charities.
  - Not-for-profit organisations representing economically and socially disadvantaged groups.
  - Schools and youth organisations.
  - Environmental, developmental and cultural organisations which aid economic or social regeneration.
  - Campaigns addressing specific community needs.
- Unipart Group will not support an activity whose purpose is to benefit a political or morally corrupt cause.<sup>2</sup>



## Principle 2

We will always make commitments that have a realistic plan for delivery.



<sup>1</sup> The Per Cent Club was launched in 1986 by HRH the Prince of Wales with a view to encouraging companies to contribute more to the community. The benchmark for being a "member" requires companies to contribute at least 1% of their pre-tax profits through cash donations, staff time and gifts in kind. The benchmark is entirely voluntary  
<sup>2</sup> Group Community Investment Policy



# Mission, Philosophy, Values & Principles (continued)



## The Environment

We acknowledge our responsibility for the environmental impacts of our business decisions and actions. In making this acknowledgement we interpret 'the environment' in a wide sense. We recognise the interests of all Group stakeholders and the wider community.

We will conduct our operations in a manner that recognises these responsibilities, balancing the needs of the environment with the needs of the business.

All levels of management, from directors to team leaders, are responsible for pro-actively assessing and minimising Environmental risks.

All employees are personally responsible for minimising the adverse Environmental impacts of their activities, so far as is reasonably practicable.<sup>3</sup>

## Health and Safety

We are committed to providing a Safe and Healthy environment for all our employees and all those who are affected, directly or indirectly, by our actions and omissions, for now and the future.

The health and safety of our stakeholders is fundamental to our philosophy of working. This produces:

- Vision – that all occupational illness and injury is preventable.
- Strategic Intent – that the Group will not make, handle, use, sell, transport, or dispose of any goods or materials without effective management of the risks involved.
- Operating Policies – that statutory requirements are a minimum, and that the highest reasonably practicable standards should be achieved. Health and Safety operating policies are continuously assessed and improved based on knowledge and experience.
- Workplace Organisation and Management – that all levels of management from directors to team leaders are responsible for ensuring that the Group's and Local Health & Safety policy is applied to all work for which they have responsibility.
- Personal Responsibility – that all employees must take reasonable care of their own health and safety and that of others who may be affected by their acts or omissions by applying Health and Safety Policy and procedures.<sup>4</sup>

## Human rights

As a logistics, manufacturing and consulting group, we recognise our obligations to support human rights, responsibly and with integrity. We are committed to respecting fundamental human rights in all our activities.

We strongly embrace the principles set out in the Universal Declaration of Human Rights. We will take all reasonable steps to ensure that we and our employees uphold and respect these principles:

- The right to freedom from discrimination of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.
- The right to personal safety and security.
- The right not to be held in slavery or servitude.
- The right not to be subjected to torture or to cruel, inhuman, or degrading treatment or punishment.
- The right to religious freedom.
- The right to free participation in political life.
- The right to freedom of opinion and expression.
- The right to freedom of peaceful assembly and association.
- The right to an adequate standard of living.
- The right to education.
- The right to participate freely in the cultural life of the community.<sup>5</sup>

<sup>3</sup>See Unipart Group Environmental Policy

<sup>4</sup>See Unipart Group Health & Safety Policy

<sup>5</sup>See Unipart Group Human Rights Policy





## Mission, Philosophy, Values & Principles (continued)



### Data protection

We comply with our obligations under the Data Protection Act 1998, and we provide employees and all others about whom we retain personal data with assurance that the data will be stored in a secure and appropriate manner. We only store data whilst it is relevant and, except as described in the Data Protection Policy, we do not disclose data to anyone else without the employee's written authority.<sup>6</sup>

### Group security

All our employees are required to conduct themselves ethically and legally and we do not under any circumstances consent to or condone any criminal activity within the Company. We have a dedicated Group Investigative and Advisory service, which works to high standards of efficiency and effectiveness in the field of criminal investigation and commercial loss prevention. Its objective is to ensure that the profitability of the Company is not eroded by criminal practices directed against the Group or its assets, inventory or people.<sup>7</sup>

### Information technology security

We encourage the responsible and effective use of information by ensuring that all users are aware of the security risks, and that no users inadvertently compromise the integrity, confidentiality, or availability of data systems through inappropriate action or negligence. This enables us to:

- Build trusted business partnerships.
- Ensure effective client confidentiality.
- Protect our data and networks from unsolicited access and virus contamination.
- Protect our Company from being legally compromised or receiving adverse publicity through non-compliance with our legal responsibilities.<sup>8</sup>

### Business conduct

We expect the highest standards of integrity and conduct in all business matters from our employees, and all other representatives of our Company. Our employees and representatives are required not to subordinate their duty to their private interests, or place themselves in any position where their responsibilities towards the Company might conflict with their private interests or give grounds for suspicion in this regard.

Our customers are entitled to expect frankness and integrity from us, and this must not be compromised.

Our suppliers deserve our trust and confidence, which can only be maintained if we do not use our position to their detriment.

We look to our employees to exercise scrupulous care at all times in these matters, particularly in relation to the following:

- gifts, loans, benefits, and hospitality.
- share dealing.
- financial and business interests.
- official information.<sup>9</sup>

<sup>6</sup> See Data Protection Policy

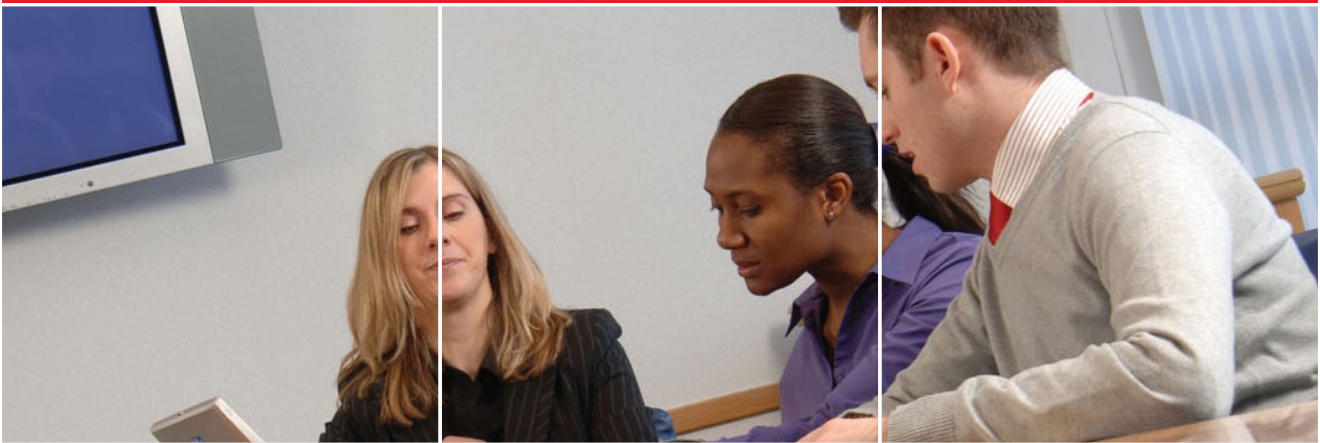
<sup>7</sup> See Group Security Policy

<sup>8</sup> See Information Technology Security Policy

<sup>9</sup> See Business Conduct Policy



## Mission, Philosophy, Values & Principles (continued)



### Equal opportunity and individual dignity

We promote equal treatment for all employees and potential employees irrespective of race, religion or belief, colour, sexual orientation, nationality, ethnic origin, disability, age, gender, marital status, part-time status, or any other protected status. We make all reasonable efforts to accommodate the cultural, religious, or other needs of our employees.<sup>10</sup>

We encourage a safe working environment in which everyone is entitled to work without unlawful harassment, victimisation or bullying. We define the behaviours which are acceptable to us, and we state clearly to our employees that unacceptable and unlawful behaviour will not be tolerated.<sup>11</sup>

We ensure disabled people are provided with opportunities for recruitment and training which are equal to those for people who have no disability. At interview and throughout employment we make any reasonable adjustments which are necessary to help people with disabilities in their work.<sup>12</sup>

Equal opportunity and disability awareness are integrated into training for our line managers, and for those involved in recruitment and selection decisions within our Company.

### Forums

Forum is the name given to an elected group of employees who meet on a regular basis to raise work related issues and put forward the views and opinions of their colleagues. Forum representatives are appointed to relevant forums from all areas in the Company. They discuss a wide range of issues including Company performance, health and safety, the working environment, facilities, and terms and conditions of employment. Impending Company announcements will sometimes be discussed with Forum representatives in advance of general distribution. Our Forums provide an opportunity for employees to play an active part in the continuous development of their division.

### Whistleblowing

We guide our employees on how to bring to our attention any concerns they may have relating to malpractice (including illegality) at work which has occurred, or may occur, and to ensure that they suffer no detriment as a result. We:

- never require, expect or condone malpractice in any area of our business.
- always want to hear from any employee (at any level in the organisation) who believes or suspects that malpractice is taking place or being planned.
- always investigate and, if appropriate, take action if we are told about this.
- always protect individuals who come forward with information of this kind.

Our employees are instructed to always bring concerns like this to our attention before raising them with external third parties or organisations in order to give us enough time and opportunity to follow the above policy.<sup>13</sup>

<sup>10</sup> See *Equal Opportunities Policy*

<sup>11</sup> See *Dignity of the Individual Policy*

<sup>12</sup> See *People with Disabilities Policy*

<sup>13</sup> See *Whistleblowing Policy*



# Motivating Employees



Among our Company values nothing is more fundamental than its respect for the individual. We create and maintain an environment in which individual employees may contribute to and share in the fortunes of the business in a fair and consistent manner.<sup>14</sup>

## **Engaging for success: enhancing performance through employees who are truly engaged.**

Unipart believes in the mutual benefit to the individual and the Company which results from real engagement. We believe that engagement is a result of what happens everyday in every employee's work experience. We recognise that people need to clearly understand their roles in the business and that they need to be encouraged to give of their best and to feel proud to be part of the organisation. We seek to offer employees the opportunity to develop as the business develops. We believe that engaged employees reduce costs, improve productivity and create more satisfied customers.

## **Recruitment and pre-employment screening**

We have defined recruitment practices which ensure the efficient and fair resourcing of our employees, and all our recruitment is carried out in accordance with equal opportunity law. All our employees concerned with the recruitment and selection of established employees and the engagement of temporary workers work to these high standards, whether in a management or specialist role or as a provider of administrative support.<sup>15</sup>

To minimise any intrusion into privacy we restrict pre-employment screening to the level appropriate to the needs of the business.<sup>16</sup>

We make offers of employment or contracts for service subject to the receipt of satisfactory references and/or medical reports.<sup>17</sup>

We recognise that in most cases a criminal record does not bar a person from work and that in most circumstances there is no obligation for an applicant to reveal a 'spent' conviction. If a spent conviction is revealed to us, it is disregarded by those responsible for recruitment who retain complete confidentiality over the issue. When convictions are not spent we do not exercise a 'blanket' exclusion policy against applicants who have a criminal record. We will consult with the individual who has declared his or her conviction and will take a decision about the relevance (if any) of the offence, taking into account:

- Whether the nature of the conviction is likely to be incompatible with the job.
- Whether the applicant's abilities, skills, experience and qualifications are suitable for the post.
- Whether there are any risks to the Company, our customers, clients or employees.

## **Personal development and training**

We encourage and support the self-development of employees who wish to further their development through internal and external studies, which are appropriate to both their own and the Company's needs.

We communicate our mission statement and strategic objectives to our employees by cascading of divisional and, where appropriate, business unit business plans. Employee training and development needs are jointly identified and agreed against the strategic aims of the Company and the operational objectives of teams and individuals, as well as being collated from the annual appraisal and performance reviews. Line managers agree personal development plans in collaboration with their employees during the appraisal process, and jointly review the plan and employee performance in the job on a regular basis, identifying further training needs as appropriate.<sup>18</sup>

<sup>14</sup> See *Unipart Group Value Set*

<sup>15</sup> See *Recruitment Policy and Temporary Engagement Policy*

<sup>16</sup> See *Employment Eligibility and Screening Policy*

<sup>17</sup> See *Health Screening Policy*

<sup>18</sup> See *Personal Development and Training Policy*



# Motivating Employees (continued)

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## The Unipart U

The Unipart U Mission is to develop, train and inspire people to achieve World Class performance within Unipart Group and amongst its Stakeholders.

### Unipart U Value set states:

We will strive to create and perpetuate an environment in Unipart Group and the extended enterprise where:

- Our people, by researching and improving upon best practice, strive to create the world's best lean enterprise.
- A continuous state of open-mindedness and preparedness for change exists, developed by constantly extending the boundaries of individual and collective thought.
- Every individual is stimulated to endeavour to reach the uppermost limit of their potential through continuous learning.
- Its leaders are supremely skilled facilitators, coaches, and counsellors.
- People are encouraged to share knowledge and pass on to others their personal experience and skills.
- Learning and personal development are stimulating and enjoyable experiences.
- Sources of knowledge and skills are equally accessible to all employees.
- The development needs of every individual in the enterprise are fulfilled by the best means possible with the utmost care and respect.

### Faculty on the Floor

Unipart's Faculty on the Floor is a radical concept through which employees can work on production-related problems using computer-based problem solving tools and best practice websites from training facilities located on the shop floor. The aim is to improve quality, increase productivity and reduce costs continually.

The Faculty on the Floor concept has been developed as a direct extension of the Unipart U, the company's own corporate university, to bring learning directly onto the shop floor. It enables individual employees to develop the key knowledge and skills that they need to improve quality and productivity in their day-to-day jobs. It also enables teams to tackle production situations using problem solving circles, and then to prove their learning by implementing new ideas or innovations right on the production line.

### Teaching Factory

Our experience is a valuable business commodity, which is why we set up 'The Teaching Factory' in 2006, as part of Unipart Expert Practices (UEP) Manufacturing consultancy. This concept enables us to provide hands-on lean manufacturing experience, then help participants apply learned problem solving techniques within their own organisations. We are a true learning organisation and our factory in Coventry is a Teaching Factory. We invest heavily in the training and development of our people and we look to develop our own pipelines of talent into all levels of the organisation. We have many examples of employees having developed highly successful careers with our company.

### Appraisal

Through our managers we communicate regularly to our employees the required standards of performance and competence. We achieve this collectively through team briefings and individually through the appraisal and personal development planning process. Each individual's objectives are linked to the overall Company and business unit objectives and personal development plans are created to be appropriate to the requirements of the job, the Company, and the employee's career aspirations.

We believe that employees should have the opportunity for an appraisal interview on at least an annual basis. The aims of our appraisal scheme are:

- to clarify and record current responsibilities and prioritise personal objectives linked to the divisional or business unit business plan.
- to review and record job functions, key qualities and performance outputs.
- to identify and record training and development needs and personal development plans.

Our employees are responsible for:

- instigating their appraisal.
- ensuring its completion to the required standards.

Our line managers are responsible for:

- agreeing personal objectives and personal development plans with employees.
- continuously reviewing employee performance.
- measuring and feeding back on employee achievement against both personal objectives and performance development plans.<sup>19</sup>

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<sup>19</sup>See Appraisal Policy





# Motivating Employees (continued)

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## Performance management

We aim to ensure our employees succeed in maintaining a high standard of work. To achieve this we make our employees aware of our expectations in the form of personal objectives, performance outputs, and required competencies. We also monitor employee performance, and give appropriate training and support.

If it appears that employees are not capable of achieving the required level of performance, our line managers deal with the situation by use of a performance management interview to:

- explain the standards required.
- specify the shortfall in performance.
- identify whether the failure to meet performance levels is due to a basic incapability.
- seek the employee's commitment to reaching the required standards.
- set a reasonable period for the employee to reach the required standard and agree on a monitoring system during that period.
- determine what remedial assistance can be given, which may include further training, closer supervision, counselling, seeking medical advice, or other support.
- revise previously set targets or expectations if appropriate.
- be clear at all times what the next steps are.<sup>20</sup>

## Compensation

We have a progressive approach to compensation, benefits, and bonuses, which we apply in a non-discriminatory manner. We provide a competitive level of compensation to attract, motivate, and retain employees with the background and skills our Company needs. Our employees are rewarded by increases in salary entirely in accordance with job and business performance: we do not award automatic 'cost-of-living' increases.

Annual salary reviews are considered on an individual and a team basis as appropriate, and any increase awarded takes into account factors such as:

- Company, divisional or business unit performance.
- budget constraints.
- inflation.
- cost of living.
- market rate for the occupation.
- personal and team performance.
- minor changes in responsibility.<sup>21</sup>

## Company cars

We may provide Company cars for business use or as a Company benefit and we require all users of Company cars to drive safely and responsibly. Regardless of vehicle type, and whether the vehicle is Company-provided or privately owned or leased, those using cars on Company business are responsible for ensuring the following legal requirements are fulfilled:

- Vehicle roadworthiness.
- Current Road Fund Licence.
- Current MOT certificate (where appropriate).
- Insurance for business use.
- The licensing, insurance, and fitness of the driver to drive.<sup>22</sup>

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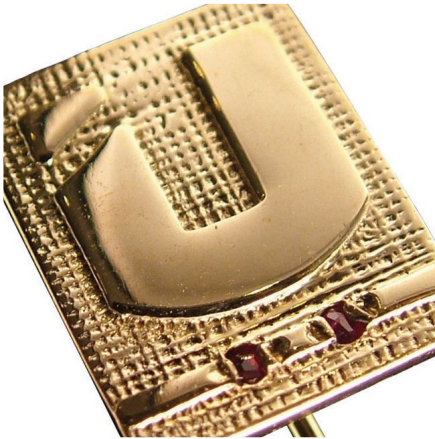
<sup>20</sup> See *Performance Management Policy*

<sup>21</sup> See *Compensation Policy*

<sup>22</sup> See *Car Policy*



## Motivating Employees (continued)



### Secondment, transfer, and redeployment

Temporary secondments and permanent transfers can benefit both the employee and the Company. Where they are arranged we ensure that full consultation takes place between the employee and the original and new line managers.<sup>23</sup>

To help us achieve our Company objectives we encourage employee participation in international assignments by ensuring equal and fair treatment and avoiding any personal loss or gain for assigned employees.<sup>24</sup>

If a post is declared redundant we ensure fairness and consistency in the redeployment of employees within the Company or with an associated employer.

We always seek suitable alternative work opportunities for affected employees and ensure that redeployment opportunities are managed fairly.<sup>25</sup>

### Mark in action

Mark In Action was launched in 1988 to support Unipart's goal of 'Outstanding Customer Service'. The programme serves to recognise, pay tribute to, and highlight our employee's exceptional behaviour. Such behaviour is used as a benchmark and sets an example for other members of the Unipart team and their customers. We, at Unipart, are serious about recognising and celebrating our employee's achievements and thus the value and indeed significance placed on the Mark In Action campaign is still as strong, if not stronger, than when it was first launched.

Mark In Action Objectives are as follows:

- To provide a vehicle to focus on the behaviours that leads to success and deliver our organisational goals.
- To celebrate exceptional performance and encourage others to repeat it.
- To develop portfolio of examples of exceptional performance to enable us to share learning and experience.
- To demonstrate the companies commitment to recognising the contributions of employees to deliver exceptional performance.

### Share ownership

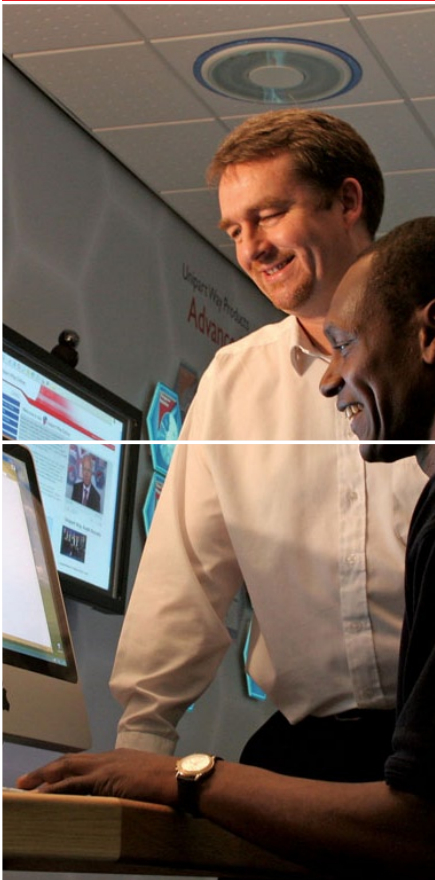
We believe that Employees should have the opportunity to become investors in their Company and share in its fortunes. Employees have regular opportunities to buy shares during annual share dealing periods when current shareholders have the opportunity to offer their shares for sale. An employee benefit trust facilitates these share transactions and from time to time also makes shares available for other employee share, and share option, schemes.

<sup>23</sup> See *Secondment Policy and Transfer Policy*

<sup>24</sup> See *International Assignments Policy*

<sup>25</sup> See *Redeployment Policy*

# Setting Employee Standards



## Code of conduct

We clearly define our rules concerning the personal conduct of individual employees and all others acting in the name of the Company.

All those representing our Company are informed that our code of conduct applies whilst they are working on Company or client premises or off-site, and whilst they are representing the Company at any time during or outside working hours.

The Code provides important examples which reflect our required standards of behaviour. It is communicated to all our employees when they join the Company, and all are instructed that if they have any doubt about the meaning of a rule they must ask for clarification during induction training or from your line manager.

Any actions inconsistent with the Code of Conduct rules and standards of behaviour are thoroughly investigated and corrective action is taken where appropriate.<sup>26</sup>

## Maximising attendance

We manage our employees' hours of work fairly and consistently.<sup>27</sup>

We recognise that there may be times when employees are unable to attend work through ill-health but all employees are expected to present themselves for work whenever practicable. Our management of sickness absence from work ensures fairness to employees and minimal disruption at work.

All our employees know they have a responsibility to keep absence from work to a minimum and to raise with their line managers any issues which may affect their attendance.

Our line managers have overall responsibility for attendance management, monitoring absenteeism, and providing appropriate support.

The Human Resources department provides procedural guidance and advice for managers. General and medical practitioners and/or the Company doctor offer expert medical guidance and provide objective support to employees with health problems.<sup>28</sup>

If an employee or his or her close relative or partner suffers from a critical illness, we provide support for our affected employee whilst being mindful of our business needs and our duty to protect and support all other employees.<sup>29</sup>

## Using email, the Internet, and telecommunications

We require responsible use of e-mail, the Internet, and telecommunications so as to avoid:

- legal liability for our Company or our users.
- breaches of any security practices or regulations that could jeopardise the business and commercial reputation of the Company, our clients, or our users.
- damage to the Company's goodwill or reputation.

We set standards for use of e-mail, the Internet, and telecommunications for all our users. While being mindful of the general right of users to privacy at work, we inform our employees that we may monitor and record e-mails and telephone calls to safeguard the Company's interests and for training purposes; and that we automatically monitor users' access to the Internet by screening our Internet gateway for:

- managing user access.
- management reporting.
- measuring usage.
- blocking access to websites that contain offensive material.<sup>30</sup>

<sup>26</sup> See Code of Conduct

<sup>27</sup> See Hours of Work Policy

<sup>28</sup> See Maximising Attendance (Sickness Absence) Policy

<sup>29</sup> See Critical Illness Policy

<sup>30</sup> See Email, Internet and Telecommunications Usage Policy

## Setting Employee Standards (continued)



### Using mobile phones

We provide mobile telephones for those employees whose job role involves frequent travel and the need to be contacted at short notice or in an emergency, particularly by a customer or client. Standards are set for their use, and for the process of Company reimbursement of any personal calls.<sup>31</sup> Drivers must not drive whilst using a hand held mobile phone or interactive communications device.

There are numerous hazards inherent to a Warehousing and Manufacturing Environment including warehouse transport, machinery, heavy items, and background noise. The use of Mobile Phones (hand held or hands free) in such areas is likely to distract attention and increases the risk of these hazards causing harm. Therefore the use of Mobile Phones whilst on the move (driving or walking) is explicitly forbidden within Warehouse and Manufacturing environments.

### Restricted smoking at work

To meet health and safety requirements we provide a smoke-free environment for employees in the course of their work whilst specifying designated areas for those who smoke. We assist employees who wish to stop smoking by making literature available, providing counselling, and offering facilities for self-help, stop-smoking groups.<sup>32</sup>

### Substance abuse

We prohibit attendance at work under the influence of any substance which impairs performance or affects health and safety at work.

We promote awareness and provide procedures for the management of substance abuse in the workplace and offer additional guidance and information from the Occupational Health Department. We provide guidelines for managers on recognising the early signs of employee substance abuse. We distinguish between substance dependency and substance intoxication, and their management. As part of our health and safety communications we provide periodic information campaigns and our induction courses for new employees provide substance abuse awareness. We offer instruction information and training to all employees to enable them to recognise the dangers of substance abuse. We encourage employees who believe they have or may be developing a substance dependency to seek confidential advice and support voluntarily from their line manager, Occupational Health, or the Human Resources department.<sup>33</sup>

<sup>31</sup> See *Mobile Communications Policy*

<sup>32</sup> See *Restricted Smoking Policy*

<sup>33</sup> See *Substance Abuse Policy*



# Promoting the Work-life Balance



## Annual leave

We encourage our employees to take their full annual leave entitlement so that they enjoy a healthy balance between their home life and their working life with us.<sup>34</sup>

## Flexible working

We believe that flexible working can support a better work-life balance for those with parental responsibilities and can also support efficient business operation. We give full consideration to all applications to work flexibly, and we consult carefully over the issues raised for the individual and the business before deciding whether the request can be given a positive response.<sup>35</sup> Unipart encourages all employees to adopt a responsible approach to their hours of work.<sup>36</sup>

## Home-based working

We facilitate home-based working where appropriate for our employees and our business and we ensure that the issues of health and safety, communication, and training and performance appraisal are actively managed as successfully for our home-based workers as for all our other employees.<sup>37</sup>

## Parental leave

We support our employees in exercising their right to take parental leave and wherever possible we accommodate such requests without requesting a postponement.<sup>38</sup>

## Exceptional leave

We understand that our employees have family and personal responsibilities outside work and we offer a reasonable amount of paid leave to deal with unexpected incidents involving a dependant. We understand that bereavement affects everyone differently, and that personal circumstances differ in each case. Our line managers are provided with guidelines for the sensitive management of bereavement leave.<sup>39</sup>

## Maternity, paternity and adoption leave

We respect the rights of parents to take leave in connection with the birth or adoption of their children.<sup>40</sup>

## Career breaks

We are sympathetic to employees who wish to apply for unpaid career breaks to help them benefit from developmental opportunities outside the Company. We give careful consideration to all such applications and respond positively where the business can accommodate the request.<sup>41</sup>

## Over 65

Unipart encourages applications from potential employees of all ages. The company has a common retirement age of 65, however careful consideration will be given to current and potential employees wishing to work beyond this date.

<sup>34</sup> See Annual Leave Policy

<sup>35</sup> See Flexible Working for Parents Policy

<sup>36</sup> See Hours of Work Policy

<sup>37</sup> See Home-based Workers Policy

<sup>38</sup> See Parental Leave Policy

<sup>39</sup> See Exceptional Leave Policy

<sup>40</sup> See Maternity Policy, Paternity Policy and Adoption Policy

<sup>41</sup> See Career Break Policy

# Dealing with Disappointing Situations

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We will communicate clear, current, and legally compliant employment policies to ensure fairness and transparency in our management of our employees and their contribution to the Company, and we provide training for those responsible for policy implementation.

## Probationary and disciplinary action

We believe that all employees are motivated more by their responsibilities and involvement than by any fear of formal action. We also believe that the majority of employees fully accept the need for our standards and Code of Conduct and do not find any difficulty in abiding by them.

Our employees have a right to know and understand from us the required standards of conduct and behaviour, and we believe that the maintenance of discipline and good working practices does not necessarily require the use of formal procedures – our managers often use counselling or informal warnings to achieve a satisfactory resolution of problems.

However, there are some employees who fail to achieve the required standards of work or conduct. For those whose employment still falls within their probationary period with the Company, under-performance or misconduct is addressed through the Probation Policy.<sup>42</sup> For those who have successfully completed their probationary period, the matter is addressed through the Disciplinary Policy.<sup>43</sup>

At formal hearings our employee is:

- Told why the hearing has been arranged, and given details of the allegations.
- Given the opportunity to respond to the allegations, and allowed to ask for witnesses to attend.
- Offered the opportunity to be accompanied.
- Informed, after adjournment, of any action to be taken.

## Employee Concerns

We expect most issues to be dealt with satisfactorily within the course of normal working relationships, where an employee's concerns and opinions can be discussed frankly and freely with his or her line manager.

If an employee has a concern which cannot be resolved in this way we have a grievance framework for dealing promptly and fairly with the matter, ensuring that our employees:

- have a fair hearing of any grievance.
- have the right to take the issue to higher management where appropriate.
- have the right to appeal.

We settle employee grievances as quickly as reasonably practicable and as near to their source as possible.<sup>44</sup>

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<sup>42</sup> See *Probation Policy*

<sup>43</sup> See *Disciplinary Policy*

<sup>44</sup> See *Grievance Policy*



# Notes

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