APPG for Freight and Logistics: Attract, Train, Retain: Call for Evidence

22 July 2025

Summary

- The sector is committed to increasing diversity and fostering inclusive workplaces across all roles and levels
- Progress on diversity is driven by individual employers, not sub-sectors; site-level initiatives are common, but a coordinated approach is needed
- Disability and ethnic diversity remain the most urgent gaps; better guidance, support and government scheme reform are key
- While talent shortages persist, progress has been made in improving gender diversity; however, other diverse talent pools remain underrepresented due to structural barriers and misconceptions
- Raising awareness through paid placements and campaigns can improve entry and retention, especially for non-university pathways
- Government support is needed through Growth and Skills Levy flexibility, Access to Work reform, and extended NIC exemptions for inclusive hiring

About Logistics UK

Logistics UK is one of the country's largest business groups, representing the entire logistics industry and supporting, shaping and standing up for safe and efficient logistics. Our membership of more than 20,000 includes global, national and regional businesses and SMEs spanning road, rail, inland waterways, sea and air as well as the buyers of freight services, such as retailers and manufacturers. As an organisation, we deliver services, representation and thought leadership, helping members and policy makers to seize new opportunities for the sector and the economy as a whole, right across the country.

Response to call for evidence

Which parts of the logistics sector have made the greatest progress in fostering a diverse and inclusive workforce, and why?

Progress in building a more diverse and inclusive workforce has been driven less by specific sub-sectors of logistics and more by the commitment and innovation of individual employers. National and multinational companies with sufficient resources and long-term workforce strategies have made significant headway in embedding belonging and inclusion into their recruitment, training, and progression practices.

Progress has been strongest where employers have clear, measurable commitments to inclusion and where leadership teams recognise the value of lived experience, flexible working arrangements, and structured career progression. In these environments, diversity becomes a strategic priority rather than a compliance exercise. There are strong examples of larger companies leveraging their scale to develop and deliver initiatives that embrace a broad understanding of diversity, including gender, disability, neurodiversity, ethnicity, and career background. For example, some employers have introduced targeted recruitment programmes for ex-offenders and individuals with disabilities, supported by dedicated manager training and partnerships with inclusion-focused charities. Others have launched internal mentorship schemes for women and staff from underrepresented ethnic backgrounds or implemented structured pathways for veterans and reservists to transition into civilian logistics roles. Initiatives to improve accessibility have included flexible working pilots at warehouse sites, outreach into schools and colleges to broaden awareness, and tailored

career development programmes designed to support progression for neurodiverse colleagues. In collaboration with the Department for Work and Pensions, select employers have also trialled sector-specific pre-employment training and placement schemes to help jobseekers gain experience and confidence before entering the workforce.

Such interventions are supported by the wider Generation Logistics campaign, which has worked across the sector to improve visibility of logistics careers and challenge persistent myths such as the idea that logistics is primarily for men, that roles are only suitable for those without academic qualifications, or that progression opportunities are limited. Since its launch in 2022, the campaign has measurably increased awareness of the logistics sector (37%) and positive sentiment toward logistics careers (212%) among young people aged 13-24.

However, these efforts are not always uniform across operations. Many larger employers have initiatives operating at individual site level rather than as a consistent company-wide approach, reflecting operational differences, local leadership, and community context. Similarly, while smaller businesses are also taking action – often in agile, community-focused ways – their contributions can be harder to identify and amplify due to limited capacity or visibility. Given that 99.7% of logistics businesses are SMEs[1], this represents a significant portion of the sector. As a result, the true extent of inclusive activity is difficult to unpick, and a more coordinated approach to sharing best practice and recognising success is needed.

Where does diversity need to be improved most urgently, and why?

Logistics UK's members believe the most pressing gaps remain in disability and ethnic diversity. While the logistics sector prides itself on being accessible to those without academic qualifications, that accessibility does not yet extend consistently to individuals with disabilities or to those from underrepresented ethnic backgrounds.

Disabled individuals face a range of practical barriers to entry and progression, including both physical disabilities and non-visible conditions such as neurodiversity and mental health challenges. While physical adjustments – such as enabling forklift driving – are increasingly possible, many employers still lack the confidence, training, or clarity on responsibilities, for example insurance, to implement them effectively. For non-visible disabilities, challenges often begin with low awareness, followed by limited understanding of how best to provide appropriate support. These issues are not limited to operational settings; across the sector, a shortage of clear guidance and real-world case studies contributes to employer hesitancy.

Given these structural and cultural barriers, we believe efforts should prioritise improving employer capability and practical inclusion strategies, rather than imposing mandatory disability pay gap reporting. Without a consistent framework for disclosure and greater support for inclusive practices, such reporting risks being premature, burdensome, and potentially misleading.

Similarly, people from ethnic minority backgrounds remain underrepresented. For example, 94% of the workforce in the SIC category 'Freight Transport by Road' identify as white[2], underscoring the lack of visible role models for underrepresented groups. The lack of visibility in the workplace perpetuates the belief that such roles are inaccessible, creating a cycle that is difficult to break. Members also note that intersectionality – such as being both disabled and from an ethnic minority background – further magnifies disadvantage and is rarely addressed directly in either recruitment or training strategies.

To address these gaps, collectively we must raise awareness, improve the confidence and capability of colleagues such as instructors and hiring managers, and derisk inclusion for employers through clearer insurance guidance, simplified government schemes, and targeted financial support. In addition, it is essential to expand awareness of successful models. Sharing what works, whether it is inclusive recruitment practices, partnerships with local education providers, or targeted placement schemes, for example, enables other employers to adopt proven approaches, reducing duplication of effort and accelerating progress. This is particularly important for smaller businesses, which may benefit from practical examples and sector-backed toolkits rather than developing solutions in isolation.

Employers, particularly smaller businesses, would benefit from clearer access to proven approaches to inclusive recruitment, disability adjustments, and community outreach. Government could play a key role by endorsing and promoting a national platform that showcases trusted frameworks, toolkits, and real-life case studies. This would reduce duplication of effort, build employer confidence, and accelerate the adoption of

[1] The Logistics Report, Logistics UK, June 2025
[2] Workforce Assessment: Freight and Logistics Sector, Department for Transport, September 2023

inclusive practices across the sector. The DfT's Freight Workforce Group is a promising example of emerging cross-sector collaboration in this space. However, government programmes such as Access to Work are widely seen as overly bureaucratic, slow, and difficult for businesses to navigate, further deterring employer participation in inclusive initiatives.

Are there examples where the logistics industry has suffered from being unable to attract a diverse workforce?

Ongoing labour shortages, combined with underrepresentation of diverse talent pools, suggest the sector could benefit from more inclusive recruitment to strengthen resilience. Employers frequently report ongoing difficulties in recruiting for roles such as HGV drivers, warehouse operatives, and vehicle technicians. For example, compared to Q4 2023, technician vacancies had grown by 22.6% in Q4 2024[3]. At the same time, large potential talent pools – including disabled individuals, neurodiverse candidates, and women – remain largely untapped due to barriers in recruitment processes, workplace design, and public perception.

These labour gaps are exacerbated by a long-standing myth that logistics is a fallback sector, suitable only for those who are not academic. As a result, many young people, their parents and their educators, are unaware of the wide range of roles available or the progression opportunities on offer. This not only reduces the size and diversity of the talent pipeline but also weakens the sector's ability to innovate and adapt to future challenges, including automation and decarbonisation.

Efforts to shift this perception through campaigns like Generation Logistics have shown positive results, but continued investment in awareness, visibility, and inclusion is required if the sector is to meet current and future workforce needs.

What are the barriers to entry into the workforce, and how can they be reduced?

Key barriers to entry include limited visibility of the sector and a lack of structured support for those from non-traditional backgrounds. Many young people, particularly those in schools and colleges, remain unaware of the breadth of roles available in logistics or how these contribute to the wider economy. Benchmarking research undertaken by Generation Logistics in 2022 found that only 13% of young people said they would consider a career in logistics, the lowest of all 25 sectors tested. A lack of knowledge and awareness was cited as a key reason[4].

One of the most effective ways to address this challenge is by enabling potential candidates to gain a realistic understanding of what a logistics career involves before entering the workforce. Initiatives such as short paid placements, flexible rotation schemes, or "try before you commit" experiences can provide valuable early insight into the sector. These interventions help individuals make informed career decisions, support stronger early engagement, and reduce attrition. The Department for Work and Pensions' 'Launch into Logistics' pilot was trialled with selected employers in the North East Midlands area to support jobseekers into logistics roles through pre-employment training, short work placements, and guaranteed interviews. Feedback from participants and employers was positive, highlighting the value of structured, supportive entry routes that build both confidence and sector awareness.

To make these models viable at scale, employers need appropriate support. Logistics UK members have discussed opportunities for Growth and Skills Levy funds to be made available for careers awareness campaigns and paid placements for non-university pathways. Such flexibility would have a transformational effect on workforce diversity and retention. Targeted campaigns could significantly raise awareness of logistics careers among underrepresented groups, while funded placements would reduce financial barriers for those unable to take up unpaid opportunities.

Incentivising inclusive hiring is also essential. Government should consider extending National Insurance Contribution (NIC) exemptions for employers participating in long-term development programmes or supported recruitment schemes. Recent proposals from UK Hospitality[5] include introducing reduced employer NIC rates or expanding existing youth exemptions up to age 30 – an approach that would also benefit logistics employers seeking to engage underrepresented and entry-level talent in sustained development pathways. Together with simplifying and better publicising national employment initiatives, enabling redirection of unused Levy funds, and improving collaboration between DfE, DWP and DfT, these actions would support a more

[3] Q4 2024: Skills and Employment Update, Logistics UK, March 2025
[4] Generation Logistics Benchmarking Research, RDSi, July 2022
[5] #TaxedOut – Budget 2025, UK Hospitality, July 2025

coordinated and inclusive approach to talent development across the sector. These measures would be especially impactful for smaller employers, who often face resource constraints but are well placed to engage talent locally with the right support.

What challenges is the industry facing in retaining younger talent?

Retention of younger talent is a growing concern across the logistics sector. While the sector can offer strong career progression, the working environment is not always aligned with the expectations and values of the next generation. Young people are looking for flexibility, purpose, and meaningful progression, but may find themselves in roles that offer few of these in the early stages. A survey of 1,300 HGV drivers aged 18-30 found that 83% wanted to progress in their career, yet only 30% felt their employer was a good place to develop professionally, indicating disappointment soon after entry[6].

A lack of job visibility is also contributing to attrition. Many young recruits enter the workforce without a clear understanding of what the role entails. Once they experience the reality – often involving shift work, demanding environments, or limited early responsibility – members highlight they may choose to leave. Short placements and similar opportunities can help address this by giving prospective employees a realistic view before starting.

To improve retention, employers must adapt their workplace culture, offer clearer and more flexible career pathways, and make logistical roles more accessible and appealing to younger generations. One example, which is crucial for the logistics sector to be considered a sector of choice, is the growing expectation among younger workers that employers demonstrate genuine commitments to sustainability. According to Deloitte[7], more than two-thirds of employees aged 18 to 34 consider sustainability a key factor when choosing an employer, and one in six have already left a job because their employer's values did not align with their own on environmental and social issues. For logistics employers, this means that sustainability must be more than a corporate statement; it should be clearly reflected in recruitment messaging, embedded in day-to-day culture, and integrated into long-term business strategy.

Conclusion

The logistics sector is committed to building a more diverse, inclusive, and sustainable workforce – one that reflects the full breadth of UK talent and is equipped to meet future challenges. While progress is underway, particularly through employer-led initiatives, significant barriers remain. Addressing these requires coordinated action between government, industry, and the education and training system.

We urge policymakers to support this transformation through a set of practical, targeted measures. These include allowing greater flexibility in the use of Growth and Skills Levy funds, improving coordination between DfE, DWP and DfT, and simplifying national schemes. Together, these actions would reduce duplication, increase employer engagement, and ensure more consistent support across regions.

Expanding financial support for inclusive hiring, through reforms to Access to Work and extended NIC exemptions younger or underrepresented candidates, would help unlock wider talent pools. Recognising and scaling proven programmes and endorsing trusted, inclusive recruitment models for wider sector adoption, would further empower employers of all sizes, particularly SMEs.

These are not abstract ambitions; they are actionable steps with real potential to open the sector to more people, from more backgrounds, in more places. Logistics UK and its members stand ready to work in partnership with policymakers to deliver them.

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[6] HGV Driver Recruitment and Retention: Rapid Evidence Assessment, National Centre for Social Research, May 2023
[7] Engaged employees are asking their leaders to take climate action, Deloitte, November 2023