

ASTON MARTIN LAGONDA ESG SUMMARY 2019

ABOUT THIS SUMMARY

This document provides a summary of the initiatives and activities of Aston Martin Lagonda over the course of 2019. It includes key statistics and updates on our core Sustainability Strategy, whilst providing an overview of our future plans in this area. To learn more please visit www.astonmartinlagonda.com or contact us directly at sustainability@astonmartin.com. We look forward to hearing from you.

WELCOME & INTRODUCTION



Sustainability is an increasingly important issue for business and as such, a key focus for Aston Martin Lagonda is to be a sustainable luxury business. This is underpinned by our commitment to responsible and sustainable economic growth. As a signatory of the UN Global Compact, the group is

committed to doing business in an ethical and transparent manner, overseen by good corporate governance.

This commitment resulted in the business developing an integrated Corporate Responsibility Strategy in 2016 based on the United Nations Sustainable Development Goals (SDGs). The strategy aims to deliver stakeholder value through ethical and sustainable excellence, creating a long-term competitive advantage.

WE SUPPORT



We set global sustainability priorities, which are enacted at a local level and incorporated into objectives and programmes for diversity and inclusion, business conduct, safety, and the environment. These are implemented by our Sustainability Committee, which reports directly to the Executive Committee.



OUR FOCUS AREAS



Ensuring we have the correct corporate governance procedures has been integral to rolling out this strategy across the business and ensuring we meet the needs of our various stakeholders both internally and externally. I truly believe that our commitment to Sustainability will drive long-term stakeholder value and ensure Aston Martin Lagonda develops into a Sustainable Luxury Business.

MAREK REICHMAN
EVP & Chief Creative Officer



RESPONSIBILITY STRATEGY

MISSION

DELIVERING STAKEHOLDER VALUE THROUGH
ETHICAL AND SUSTAINABLE EXCELLENCE,
TO CREATE A LONG-TERM COMPETITIVE ADVANTAGE

SUSTAINABLE STRATEGIC GOALS

SUSTAINABLE PRODUCT STRATEGY



2019 AT A GLANCE

2,800+ Employees around the world*

168 Locations across **54** countries


106 Years old


8TH Consecutive Sword of Honour awarded by the British Safety Council (BSC)

94.44% BSC Health and Safety score

100% Of all waste produced was diverted from landfill

2.86 tCO_{2e} Generated per vehicle**

33%  Electricity usage per unit increased by 33% in 2019

34%  Gas usage per unit increased by 33% in 2019

£997m Total revenue

£536m Capital/R&D expenditure

* This includes all staff, permanent, contractors and purchase services. ** Based on combined Scope 1 and Scope 2 GHG emissions.

GOVERNANCE & TRANSPARENCY

As a signatory of the UN Global Compact, the company is committed to doing business in an ethical and transparent way. This approach is essential to ensure the company's growth is sustainable and provides shared values for our stakeholders.

We are committed to comply with the regulatory context of all countries in which the company operates and to ensure our products are compliant with the regulation for the markets in which they are sold. The company's Standards of Corporate Conduct apply to all full and part time employees of Aston Martin Lagonda. It also applies to all temporary, contract and all other individuals and companies that act on behalf of Aston Martin Lagonda.

As we are a manufacturing business at our core, focusing on emissions both in the production process and in our products are key for us as a business in aligning our actions and progress to SDG13. In addition, by ensuring that both we and our supply chain consider our impact, we support SDG 12: Responsible Production & Consumption.

Our people and the communities in which we operate are at the core of everything we do and therefore we actively support both SDG 8: Decent Work and Economic Growth and SDG 4: Quality Education.

DIVERSITY & INCLUSION

Diversity is central to our work principles of fairness and respect and drives creativity, innovation and strategic decision making. Broadening our Diversity & Inclusion agenda is a key priority for the business as we look to raise awareness and foster a culture of inclusion. We know that words and principles are only a part of the promotion of greater diversity and consistent and continuous actions to push a greater balance of diversity are vital. We continue to actively promote our approach to diversity and monitor all aspects to ensure continued improvement.

ENVIRONMENTAL SUSTAINABILITY

Environmental Sustainability is a core component of the company's wider business strategy and we take our environmental obligations seriously. The Company's 2019 Environmental Policy seeks to continue to drive forward our commitment to operating as an environmentally responsible business. This environmental policy aligns with the Company's operations, including the design, engineering, manufacture, servicing or restoration of our products or the distribution of parts.

Our greenhouse gas emissions reported here in accordance with the Greenhouse Gas Protocol Corporate Standard for the year to 31 December 2019 are continually monitored throughout the year to enable us to make continued improvements, wherever possible.

The intensity ratio is measured as tonnes of CO₂ equivalent per car manufactured as it reflects the energy intensive nature of our business and the impact of the growth of the business on our immediate surroundings.

This year we have made a number of changes in the way we calculate our Scope 1 GHG emissions. We had previously counted our logistics partners diesel consumption under Scope 1, but in line with best practice we have now moved this under Scope 3. We have also calculated our Scope 2 emissions under both a location based and market based approach.

HEALTH & WELLBEING

The health and wellbeing of employees is an important aspect of operating an effective and successful business. The company's approach to this is split into two distinct areas, developing the company as an employer of choice and ensuring that we have the best health and safety management system in the industry.

Health and safety of our work force, our visitors and the local community is of paramount importance to Aston Martin Lagonda and we aim to be the centre of excellence where our health and safety management system is held as an example to the rest of the automotive industry.

Aston Martin Lagonda has an impressive record in health and safety management but we strive for continuous improvement by sharing best practice and awareness across the business.

Our philosophy, which supports the achievement of a world class safety performance, is based on each and every employee or contractor being involved effectively in safety activities on a day to day basis.

CHARITABLE CONTRIBUTIONS

As a business we actively support a number of charities as set out in our Responsibility Strategy. The company has committed to support a number of corporate charities that fit with our company ethos, heritage and brand each year. In addition to this, our employees select a specific site charity every year.

Our selected charities for 2019 were:



PERFORMANCE DATA

ECONOMIC			
Economic Performance	2017	2018	2019
Total revenues (£ m)	£876	£1,097	£997
Capital expenditures (£ m)	£294	£311	£310
Expenditures in R&D (£ m)	£224.4	£213.8	£226
Financial assistance received from government	Aston Martin Lagonda regularly applies for/supports projects in the UK that are eligible for government assistance through one of the various schemes available. In 2019 no new financial assistance was awarded to Aston Martin Lagonda.		
Anti-corruption			
Operations assessed for risks related to corruption	It is the company's policy to conduct all of our business in an honest and ethical manner. A zero tolerance approach is taken to bribery and corruption and the company is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.		
Communication and training about anti-corruption policies and procedures	The company will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. For the majority of our business, we are bound by and must observe the laws of the UK, including the Bribery Act 2010. This is in respect of our conduct both at home and abroad. In order to comply with the relevant law, we are required to assess the risks to our business in the areas of bribery and corruption. We have identified a number of areas of potential risk and mitigation measures for the business, which are set out in the company's Anti Bribery & Corruption Policy.		
ENVIRONMENTAL			
Total energy consumption within the organisation	2017	2018	2019
Electricity (MWh)	22,884.86	26,472.94	33,973.01 [^]
Gas (MWh)	26,402.93	33,733.53	43,574.51 [^]
Diesel (MWh)~	—	—	14.92 [^]
Gasoline (MWh)	3,193.32	3,236.56	2,712.98 [^]
LPG (MWh)	—	—	563.6 [^]
Total (MWh)	52,481.11	63,433.03	80,839.02 [^]
Water	2017	2018	2019
Annual Water Consumption (m ³)	35,247	53,565	59,233.78 [^]
Emissions	2017	2018	2019
GHG Emissions Under Scope 1 (tCO ₂ e) ^{^^}	5,596.87	6,950.92	8,981.40 [^]
GHG Emissions Under Scope 2 (tCO ₂ e) – Location based*	8,045.34	7,493.70	8,683.50 [^]
GHG Emissions Under Scope 2 (tCO ₂ e) – Market based*	—	5,899.90	3,484.61 [^]
GHG Emissions Under Scope 3 (tCO ₂ e) ^{^^#}	11,294.66	13,331.11	8,806.94 [^]
Reduction of GHG emissions (tCO ₂ e)	13,642.01	14,444.61	17,664.90 [^]
Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions (mg/m ³)	Nox – 63 Particulate matter (PM) – 1.601	Nox – 57.1 Particulate matter (PM) – 1.6304	Nox – 55.3 mg/m ³ Particulate matter (PM) – 1.46 mg/m ³
Greenhouse Gas Emissions Per Unit	2017	2018	2019
Manufactured Volume (units)	5,346	6,432	6,176
Total Scope 1 Emissions per unit (tCO ₂ e)	—	1.08	1.45 [^]
Total Scope 2 Emissions per unit (tCO ₂ e)	—	1.17	1.41 [^]
Waste – by type and disposal method	2017	2018	2019
Reuse (metric tonnes)	Hazardous 9.52 Non-Hazardous 36.6	Hazardous 6.03 Non-Hazardous 21.52	Hazardous 5.72 t Non-Hazardous 21.84 t
Recycling (metric tonnes)	Hazardous 79.58 Non-Hazardous 730.08	Hazardous 47.75 Non-Hazardous 805.18	Hazardous 0.8 t Non-Hazardous 609.1 t
Recovery, including energy recovery (metric tonnes)	Hazardous 98.06 Non-Hazardous 320.96	Hazardous 74.98 Non-Hazardous 223.59	Hazardous 66.9 t Non-Hazardous 231.87 t
Landfill (metric tonnes)	Hazardous 0 Non-Hazardous 0	Hazardous 0 Non-Hazardous 0	Hazardous 0 Non-Hazardous 0
Environmental Compliance			
Non-compliance with environmental laws and regulations	The company has had no significant fines and non-monetary sanctions in respect of environmental management.		
Supplier Environmental Assessment			
New suppliers that were screened using environmental criteria	100% of all new suppliers are screened using ISO14001 as a mandatory requirement.		
Negative environmental impacts in the supply chain and actions taken	100% of suppliers are subject to environmental assessment 0% of suppliers identified as having negative environmental impacts. All suppliers are required to provide certification of ISO14001 as a mandatory sourcing requirement. Aston Martin Lagonda suppliers supply in accordance with our Terms & Conditions (AMLPTC2010) which state adherence to the Responsible Procurement Guide 2016.		

~ Values in this table have been restated as we do not have any direct diesel usage within the organisation

[^] Values assured by ERM CVS

^{^^} Values in this table have been restated for Scope 1 GHG emissions due to exclusion of some GHG emissions from diesel now being considered as Scope 3

* Market-based and Location-based approach adopted to quantify Scope 2 GHG emissions from 2018

Scope 3 data includes emissions from business air travel, management car miles, personal car mileage and employee commuting

PERFORMANCE DATA

SOCIAL			
Total permanent employees	2017	2018	2019
Male	1,646	2,129	2,070 [^]
Female	266	403	380 [^]
Total	1,912	2,532	2,450[^]
Minimum notice periods regarding operational changes	Notice Periods: Staff – 4 weeks, Management – 12 weeks		
Benefits provided to full-time employees that are not provided to temporary or part-time employees	A range of benefits are available to full time employees such as: Health Care; Dental Care; Parental Leave; Company Vehicle Schemes		
Training and Education	2017	2018	2019
Employee training (hours)	57,125	23,895	35,119
Employee training (training cost as % of payroll)	0.43	0.24	0.34
Occupational Health and Safety	2017	2018	2019
Accident frequency rate*	0.423	1.27	61.46
Total number of accidents resulted in lost time	2	8	4
Workers representation in formal joint management/worker health and safety committees	Our H&S team on site comprises five heads including 2 ergonomists covering all sites. H&S Manager is DipNEBOSH. H&S committee representation from VP/Director – Shop Floor. 7 H&S committees across our sites, a joint works forum & Internal ISR H&S Review committee at our Gaydon HQ made up of all operational areas.		
Supplier Social Assessment	2017	2018	2019
New suppliers that were screened using social criteria	100% screened, 11% new suppliers	100% screened, 12% new suppliers	100% of all new suppliers are screened using ISO14001 as a mandatory requirement
Negative social impacts in the supply chain and actions taken	0 risks identified. Aston Martin Lagonda suppliers supply in accordance with our Terms & Conditions (AMLPTC2010) which state adherence to the Responsible Procurement Guide 2016.		
Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	0% delinquencies identified. Aston Martin Lagonda suppliers supply in accordance with our Terms & Conditions (AMLPTC2010) which state adherence to the Responsible Procurement Guide 2016.		
Operations and suppliers at significant risk for incidents of child labour	0 risks identified. Aston Martin Lagonda suppliers supply in accordance with our Terms & Conditions (AMLPTC2010) which state adherence to the Responsible Procurement Guide 2016. Contractually, we expect that our supply chain partners: to fully comply with the Modern Slavery Act 2015; and are transparent, accountable and auditable; and are free from ethical ambiguities.		
Operations and suppliers at significant risk for incidents of forced or compulsory labour	0 risks identified. Aston Martin Lagonda suppliers supply in accordance with our Terms & Conditions (AMLPTC2010) which state adherence to the Responsible Procurement Guide 2016. Contractually, we expect that our supply chain partners to: Fully comply with the Modern Slavery Act 2015; and are transparent, accountable and auditable; and are free from ethical ambiguities.		
Local Communities			
Operations with local community engagement, impact assessments, and development programs	The company operates a number of engagement programmes in the communities in which we operate.		
Operations with significant actual and potential negative impacts on local communities	Manufacturing sites in Gaydon and St Athan.		
Public Policy			
Political contributions	It is the Company's policy not to make political donations and no such political donations were made during the period.		

* Accident Frequency Rate (AFR) – number of accidents/total hours worked)*1000000

Note: The AFR rate has changed following the inclusion of data from all AML sites and adjusting the calculation in line with the Health & Safety Executive (HSE) recommendations



ASTON MARTIN



By Appointment to
His Royal Highness the Prince of Wales
Motor Car Manufacturer and Repairer