

ASTON MARTIN LAGONDA

2018 GENDER PAY GAP REPORT

INTRODUCTION

Aston Martin Lagonda is the only independent British luxury automotive manufacturer championing not only breakthroughs in cutting edge design such as the DB11, Vantage and DBS Superleggera, but also new technologies through research, development and deployment of lightweight materials and powertrain solutions.

The company acts as an essential bridge for the migration of technology from the race track to the road, this is emphasised in the Aston Martin Valkyrie hypercar being developed with Red Bull Advanced Technologies. The combination of a strong brand, cutting-edge technology and a unique culture makes Aston Martin Lagonda a truly special and rewarding place to work.

The company continues to grow in line with its midterm business plan (Second Century Plan) and in October 2018 became the only automotive company to be listed on the London Stock Exchange.



THE ASTON MARTIN WAY

Our people define who we are and what we do. Our people are exceptional, unique, creative and tireless in their devotion to excellence, no matter which part of the business they are from or the level of their role. We foster the working principles of passion, excellence, fairness,



collaboration and respect in all that we do, and we are tireless in promoting and living these principles across the business without exception. We work in close collaboration with our partners and suppliers, believing that our performance and successes are shared and celebrated with the talented businesses we work alongside.

Our performance depends on mutual respect, diversity, good working conditions and the professional fulfilment of the people in our company. We recognise that we need a high performing culture, characterised by a diverse and inclusive workforce. To this end we have developed the 'Aston Martin Way'; aimed at building a culture that delivers a sustainable, luxury, self-funding business with world class processes capable of delivering our Second Century Plan.

The Aston Martin Way defines a series of key behaviours we want to instil in our workforce to ensure that we are operating in an ethical and appropriate way, these are:

- Collaboration
- Customer Focus
- Communication
- Commitment
- Continuously Challenge and Improve.

This discipline enabling creative excellence ensures that we operate as 'One Team, One Vision, One Way of Working Together'.

The processes, skills, tools, and templates that will enable us to collaborate effectively, efficiently, and ethically are being rolled out across the business ensuring that our workforce have the appropriate training and guidance on how they should operate as an Aston Martin Lagonda employee. These core tools are set out in the company's Code of Conduct.

Our Gender Pay Gap Report sources data taken as a snapshot on 5 April 2018.

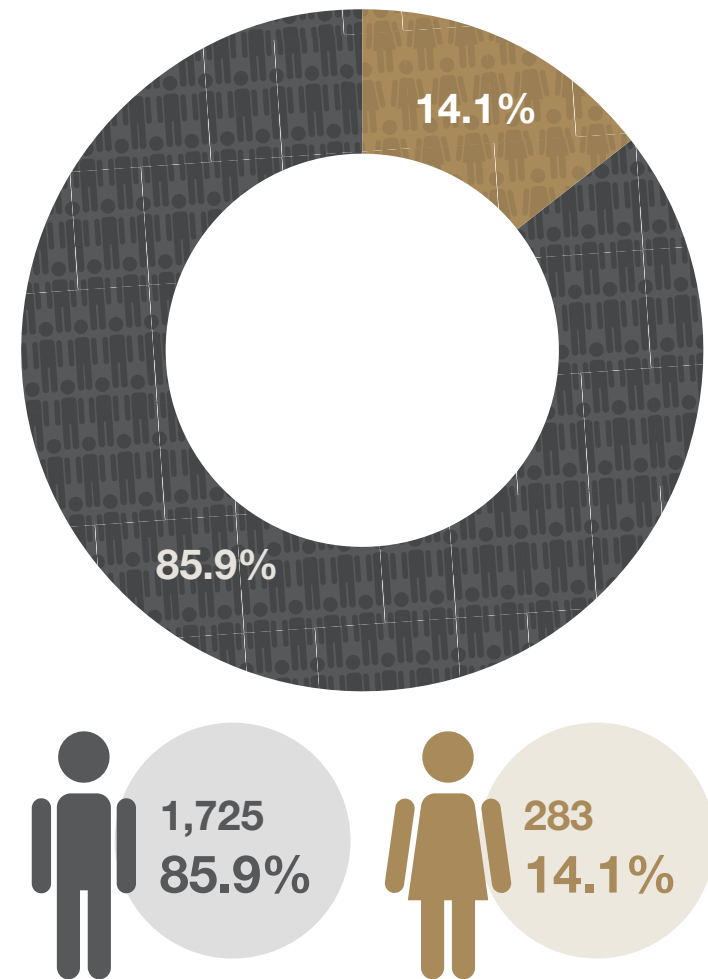
THE ASTON MARTIN WAY *(continued)*

The Manufacturing and Engineering industries have historically had a higher proportion of male employees and Aston Martin Lagonda is not different in that respect. In 2018, 75% of people employed in the Manufacturing industry were male and 25% were female (ONS, 2018). At Aston Martin Lagonda, 14.1% of employees are female and 85.9% are male.





At our headquarters in Gaydon, Warwickshire, the proportion of our workforce that is made up by Manufacturing roles decreased slightly from 45.9% in 2017 to 42.9% in 2018, whilst the proportion of head office roles, including Research and Development, Finance, Marketing, Sales, HR and IT, increased by 3.1% [to 57.1%]. This is a result of the increased investment into these functions to drive forward the company's midterm business plan, the Second Century Plan, including the successful delivery of seven new cars in seven years.

We remain committed to offering equal job opportunities for all, irrespective of gender, and continue to drive our initiatives to attract and retain the best possible talent for our organisation.

Number and % of Males and Females in the AML workforce – 2018





UNDERSTANDING OUR DATA



 Proportion of male employees in the business	2018 85.9%	2017 85.3%
 Proportion of female employees in the business	14.1%	14.7%
£ Mean Pay Gap (Hourly paid)	12.1%	9.4%
£ Median Pay Gap (Hourly paid)	6.4%	3.9%
+£ Mean Bonus Gap	50.0%	48.3%
+£ Median Bonus Gap	0%	0%
 Proportion of males receiving a bonus	2018 71.2%	2017 79.5%
 Proportion of females receiving a bonus	70.3%	73.7%

Pay Quartiles based on 2,008 total number of employees



Lower Quartile

 2018 80.6%	2017 81.6%
 19.4%	18.4%



Upper Middle Quartile

 2018 88.4%	2017 85.5%
 11.6%	14.5%

Lower Middle Quartile

 2018 84.6%	2017 89.0%
 15.4%	11.0%

Upper Quartile

 2018 90.6%	2017 85.7%
 9.4%	14.8%



UNDERSTANDING OUR DATA *(continued)*

In 2018, our mean pay gap was 12.1% and our median gap was 6.4%, both of which compare favourably with the national averages of 18.4% and 17.4% respectively. Our 2018 Gender Pay Gap figures show a slight increase to our 2017 figures, this is in large part a result of an increased number of shift patterns being introduced across our manufacturing workforce to meet new model demand.



These shift patterns command premiums to compensate employees for working unsociable hours, including night shifts. The vast majority of employees opting to do these new unsociable shift patterns have been male. Secondly, we continue to have a higher number of males than females occupying senior leadership positions, which attract higher salaries and bonus payments.

The number of females in senior roles in the business has stayed the same since 2017, while the number of senior males has increased by 0.6%.

Mean Pay Gap

The proportion of females in Manufacturing has increased by 1.8% since 2017, however the mean pay gap has increased slightly due to a smaller proportion of female employees choosing to take on the shifts which command the highest premiums.



In 2018, of the employees who volunteered for night shifts and a three-shift rotating pattern, 7% were female compared to 93% who were male. To ensure consistency within Manufacturing job grades, we use spot rates to ensure equality of pay for a given job role, regardless of gender.

Median Pay Gap

Our median pay gap is due to the median male who is in an engineering role commanding a slightly higher salary than the median female who is in a less senior professional office-based role.



UNDERSTANDING OUR DATA *(continued)*

Mean Bonus Gap

In 2018, 71.2% of men and 70.3% of women were eligible for and received a bonus. Whilst these figures have decreased since 2017, the gap between the number of eligible males and females has been closed to less than 1%. The decrease is due mainly to two factors, firstly those employees who joined the business outside of the bonus award period and secondly a greater number of placement students in the business who were not bonus-eligible.

At certain job grades, including management level, bonuses are payable on the basis of individual performance and at other specific job grades a flat rate bonus is payable. Our 50.0% mean bonus pay gap is due to the fact that 13.5% of Senior Leadership positions were held by women in 2018, compared to 86.5% which were held by males (this is a 0.6% increase in the number of males from 2017).

Median Bonus Gap

Our 0% median bonus gap is a result of both our median female and male being at a particular job grade and eligible for a bonus at a fixed rate, regardless of factors such as individual performance. This is unchanged from 2017.

CLOSING THE GAP

To ensure we continue to encourage a diverse workforce, we continue to deliver initiatives to increase the representation of women in the workforce, both in senior positions as well as at entry level.

TALENT DEVELOPMENT

Our talent development programme identifies high performing talent who have the potential to progress into senior positions and provides a development plan tailored to each individual. This could involve a lateral move, sponsorship through an academic qualification or taking on a lead role in a significant company-wide project. In 2018, 14% of this talent pool were female compared to 86% who were male. To encourage and support ambitions to progress to a senior level, we are currently sponsoring 34 employees, including 12 females, to complete Bachelor and Masters degrees and other professional qualifications, including CIPD, CIMA and CIPS.

Two such employees are Laura Schwab and Emily Whitehouse who are profiled here.

CASE STUDY



Laura Schwab, President of Aston Martin the Americas, is a key female role model within the business. Laura started her automotive career at a small digital start-up company selling cars online and then moved to JLR, initially working as a Project Manager for their online configurator before progressing to more senior roles, including Director of Marketing.

In 2016, Laura joined Aston Martin Lagonda as the first female Regional President, a role which embraces sales and service, public relations, brand marketing and communications to Aston Martin customers and dealerships. Laura also regularly represents Aston Martin at leadership conferences focusing on female empowerment and encouraging women into the automotive industry.

CLOSING THE GAP *(continued)*

CASE STUDY



Emily Whitehouse

After completing a BSc (Hons) in Business Administration at the University of Bath, Emily joined Aston Martin in 2014 as a Graduate in Purchasing. As part of our Graduate development programme Emily also spent time in the Human Resources (HR) team working on training and people development initiatives as well as coordination of the apprentice recruitment process.

Following successful completion of the Graduate scheme Emily secured a permanent role in the HR department as a project coordinator working on organisational development projects across the business. In 2019 she was promoted to Technical Assistant to the VP & Chief HR Officer, a role supporting the development of HR strategy and cultural transformation initiatives.

During her time at Aston Martin Lagonda, Emily has been supported in her continued professional development and has completed CMI Level 5 in Leadership and Management and is now currently working towards her Level 7 CIPD accreditation.



ENCOURAGING WOMEN INTO STEM AND THE AUTOMOTIVE INDUSTRY

We engage in a number of outreach events through the year aimed at promoting and inspiring women to take up STEM subjects and to explore careers within engineering. These events involve, employability skills workshops and networking events in schools and universities.

CLOSING THE GAP *(continued)*

EDUCATIONAL OUTREACH ACTIVITIES

We sponsor a number of engineering projects in local schools to promote further education and careers in this area. We believe these initiatives have helped to drive female interest in our apprenticeship schemes – 10% of our 2018 apprentice intake was female, which is our highest proportion yet. As part of their apprenticeship, all these individuals will be sponsored to complete academic qualifications up to degree level, in either an engineering or commercial discipline.



FAMILY-FRIENDLY POLICIES

Aston Martin Lagonda is committed to attracting and retaining female employees through ongoing development of our inclusive family-friendly policies.

These include our generously enhanced maternity leave, job share arrangements and part-time working, all of which aim to provide more flexibility to our employees.



SUMMARY & DECLARATION

The findings from our Gender Pay Gap Report help to enable us to continue to drive and evolve our initiatives to ensure we are able to promote diversity across the business, ensuring we are able to recruit, develop and retain male and female talent. We will continue to monitor our pay gap and recognise that it will take time for the full impact of our initiatives to be evident in these figures. We are committed to focusing on and exploring the best ways to encourage and enable our employees to develop and succeed at Aston Martin Lagonda, including into the most senior positions.

We confirm the information and data reported is accurate as of the snapshot date, 5 April 2018.



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

For the purposes of compliance with the Act, this statement covers the following companies within the Aston Martin Lagonda Holdings Group:

Aston Martin Holdings (UK) Limited • Aston Martin Capital Holdings Limited • Aston Martin Investments Limited • Aston Martin Capital Limited • Aston Martin Lagonda Group Limited • Aston Martin Lagonda of North America Incorporated
Lagonda Properties Limited • Aston Martin Lagonda Pension Trustees Limited • Aston Martin Lagonda Limited • AM Brands Limited • Aston Martin Lagonda of Europe GmbH • AML Overseas Services Limited • Aston Martin Italy S.R.L
AML Italy S.R.L • Aston Martin Lagonda (China) Automobile Distribution Co., Ltd • AM Nurburgring Racing Limited • Aston Martin Japan GK • Aston Martin Lagonda – Asia Pacific PTE Limited • AMWS Limited • Aston Martin Works Limited