



# Materiality Assessment Report 2024

ASTON MARTIN LAGONDA

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# Introduction

**This document provides detail regarding the process used in the materiality assessment for Aston Martin Lagonda Group Holdings plc (referred to as Aston Martin or the Company for convenience in this Report) presented in Aston Martin Lagonda's 2024 Sustainability Report.**

A double materiality analysis was undertaken, informed by the European Sustainability Reporting Standards ('ESRS') requirements, to identify Aston Martin's material topics. The approach was adopted in anticipation of some of the provisions of the European Union's Corporate Sustainability Reporting Directive ('CSRD'). Although Aston Martin is not currently required to report under the CSRD, we recognise the importance of moving in line with best practice.

Informed by the ESRS requirements, we moved from our previous process of assessing environmental, social and governance ('ESG') issues based on the perception of 'importance', towards assessing their 'impact' across two dimensions - impact on the business and impact externally.

Understanding the importance of sustainability issues to Aston Martin's stakeholders is important to us. Therefore, we engaged with various stakeholder groups to understand the sustainability topics that were most important and relevant to them and to gain their insights into what they perceived as some of the risks and opportunities associated with those topics. The results of our stakeholder engagement added depth to the process, and the double materiality assessment itself, was based on an assessment of impacts using the ESRS definitions.

## ESRS DEFINITIONS:

### IMPACT MATERIALITY

A sustainability matter is material from an impact perspective when it pertains to the business's material actual or potential, positive or negative impacts on people or the environment over the short-, medium- or long-term.

### FINANCIAL MATERIALITY

A sustainability matter is material from a financial perspective if it triggers or could reasonably be expected to trigger material financial effects on the business. This is the case when a sustainability matter generates risks or opportunities that have a material influence or could reasonably be expected to have a material influence, on the business's development, financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium- or long-term.



# The Materiality Process

## HOW WE IDENTIFIED MATERIAL TOPICS

### 1. DEVELOPMENT OF RELEVANT SUSTAINABILITY MATTERS:

Background research was gathered and analysed to create a long list of sustainability matters that were relevant to Aston Martin.

#### SOURCES INCLUDED:

- Previous years' materiality assessments
- Several ESG investor rating organisations, including their view on material topics for our broader sector, our specific sector, as well as our suppliers
- Sustainability reports of peers and industry (Society of Motor Manufacturers and Traders ('SMMT')), as well as supplier partners
- Global sustainability trend and climate reports
- Sector frameworks, principles and standards including the Automobiles industry sector standards of the SASB standards
- All topics included in the Application Requirements (A11 of ESRS 1) of the CSRD (topics, subtopics and sub-sub- topics)
- Investor perception studies
- Peer research and conversations with suppliers on their approach to materiality
- Relevant third-party reports and research from credible sources such as the International Energy Agency.

Sustainability matters were scored based on how many times they featured in peer materiality assessments, sector frameworks and standards and were narrowed down and grouped into themes, with a description. The Aston Martin Sustainability team reviewed and determined where, across the Company's value chain, each sustainability matter was connected and where potential impact occurred.

The 13 themes and underlying sustainability matters identified were:

1. Emissions and energy-use across the value chain (Scopes 1, 2 and 3)
2. Environmental management - direct operations (waste, water, biodiversity, pollutants)
3. Circular economy and sustainable materials including end-of-life impacts
4. Responsible and transparent supply chains (minimising social risks including labour and human rights, child labour and modern slavery and environmental risks including impacts on biodiversity and ecosystems, deforestation and water scarcity)
5. Workforce management and development and Equity, Diversity and Inclusion ('EDI') (working conditions, fair wages, training, benefits and equal opportunities)
6. Health, safety and wellbeing

7. Philanthropy, charity and local communities
8. Investing in young people (Science, Technology, Engineering and Maths ('STEM'), apprenticeships and graduates)
9. Product quality and safety
10. Connected vehicles and Artificial Intelligence ('AI')
11. Data responsibility
12. Business ethics and integrity (fair and ethical business, corruption and bribery, conflicts of interest and transparency)
13. Corporate governance and risk management (managing corporate risk, transparent and accountable corporate governance practices and ESG risk management)

### 2. STAKEHOLDER ENGAGEMENT:

The ESRS refer to 'affected' stakeholders as individuals or groups whose interests are affected or could be affected - positively or negatively - by the business's activities and its direct and indirect business relationships across its value chain. A list of stakeholder groups based on this ESRS definition was created to substantiate the importance of each of the sustainability themes and underlying matters from a range of different stakeholder perspectives and to get viewpoints on the associated social, environmental and business risks and opportunities. The stakeholder groups engaged were:

- **Employees** from various business functions, covering all of Aston Martin's operations
- **Local community groups** including local councils and business groups
- **Aston Martin customers** - a sample of owners with cars ranging from classic to current models
- **Suppliers** - five top tier suppliers in different commodity sectors

Separate focus groups comprising of employees, local community groups and customers were held where participants were asked to consider which sustainability themes and underlying matters they thought were most important for Aston Martin, and which they thought could present the most significant risks and opportunities - to both Aston Martin and to society and the environment.

THE MATERIALITY PROCESS CONTINUED

**OUTCOME - RISKS**

- Customers and employees felt that Emissions and energy-use across the value chain was the biggest risk topic, mainly due to perceiving this as being the highest potential negative environmental impact area for Aston Martin.
- Representatives from local community groups felt that Responsible and transparent supply chains and Product quality and safety were equally the biggest risks that Aston Martin should be considering.
- Environmental management was seen as a potential risk area by all stakeholder groups and perceived as the second highest risk both by customers and employees. This is mainly due to the stakeholders' understanding of regulatory obligations and a perceived risk to reputation and the Company's licence to operate if poor environmental management was to occur.
- Responsible and transparent supply chains was considered a top three risk topic by customers, employees and representatives from community groups. This is mainly due to the increase in legislation related to supply chain reporting transparency and due diligence as well as the perception that a lack of transparency in supply chains could lead to serious reputational damage if materials are linked to poor working conditions and child labour.
- Representatives from local community groups perceived Investing in young people to be a top three risk area due to future skills being a critical issue in their local communities and therefore for the Company.

The table below indicates the percentage of stakeholders in the focus groups who perceived a topic as a top three risk.

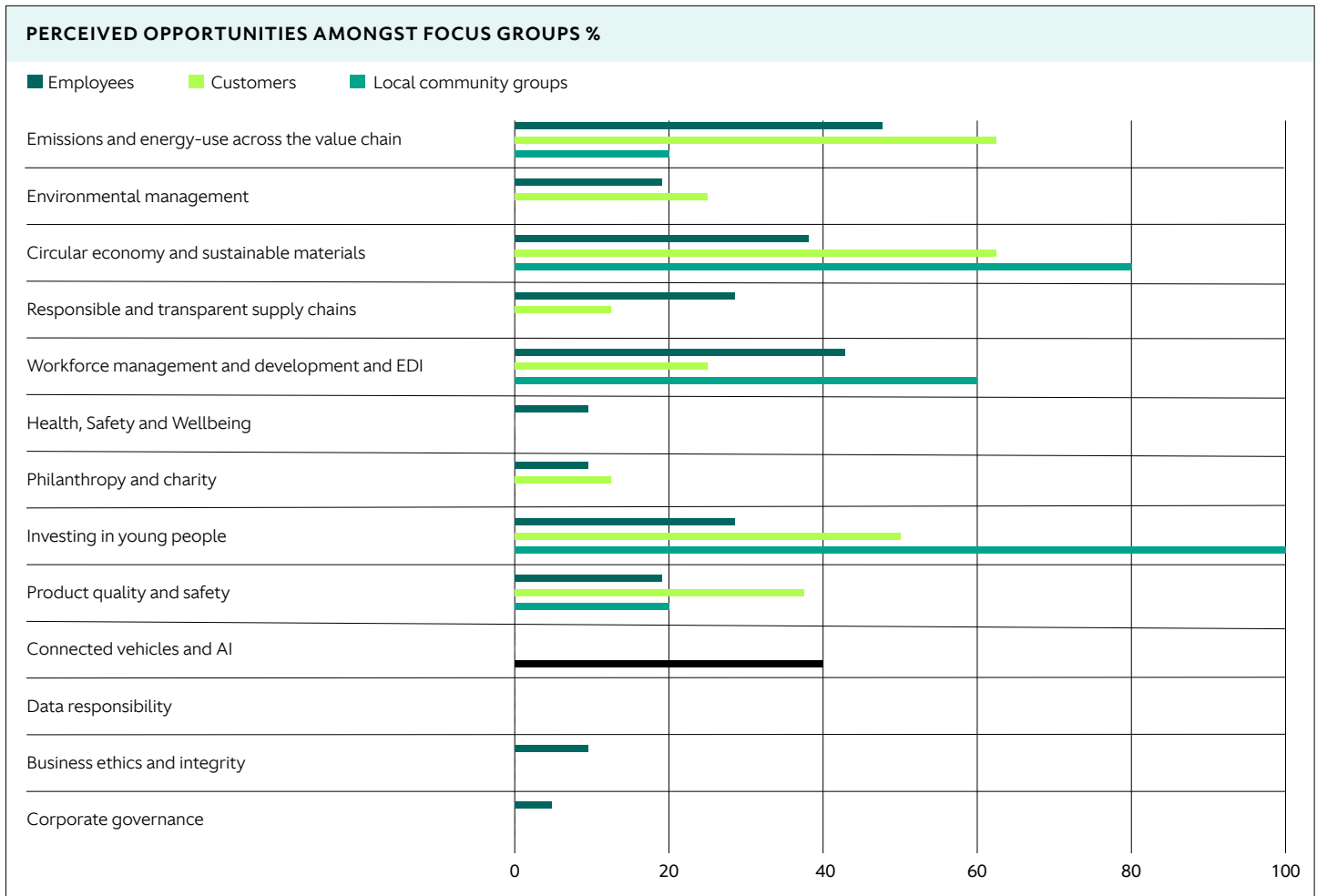


THE MATERIALITY PROCESS CONTINUED

**OUTCOME - OPPORTUNITIES**

- Circular economy and sustainable materials were seen as a top three opportunity by all focus groups. Customers saw it as the top opportunity alongside Emissions and energy-use across the value chain due to the economic benefit that remanufacturing and reuse of parts brings to preserving the value of the car and materials. They also felt there is a strong link to Aston Martin's heritage of hand-built quality and craftsmanship.
- Representatives from local community groups felt that Investing in young people was the biggest opportunity (as well as a top three risk topic), given how much of a priority local job creation, apprenticeships and future skills is across local communities. Customers also felt this was a top three opportunity.
- Overall, the focus groups did not see AI and connectivity as a high opportunity for Aston Martin. Representatives from local community groups highlighted it as something the Company should be looking at whilst employees and customers perceived it more as a potential risk.

The table below indicates the percentage of stakeholders in the focus groups who perceived a topic as a top three opportunity.



THE MATERIALITY PROCESS CONTINUED

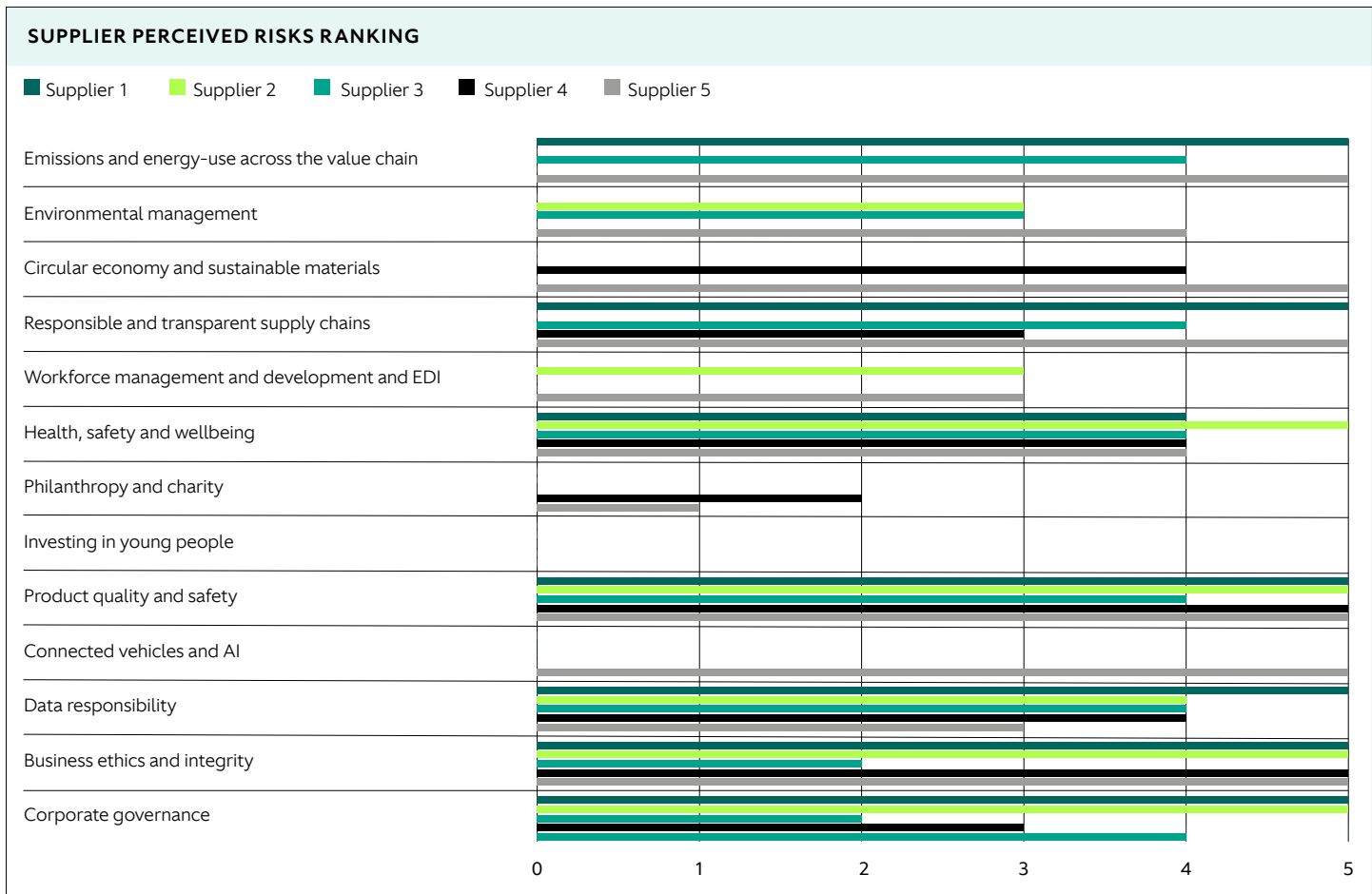
## One-to-one conversations with suppliers

In one-to-one conversations, suppliers were asked to split the themes and underlying matters into perceived risks and opportunities and to score their priority for action by Aston Martin.

### OUTCOME - RISKS

- Overall, suppliers perceived that Product quality and safety was the most significant risk topic for Aston Martin to focus on due to the financial and reputational impact to Aston Martin. This was followed by Business ethics and integrity, due to potential legal, regulatory and reputation risks which could arise from poor corporate governance, as well as the opportunity to build and maintain trust and attract talent from good ethical practices. The third biggest perceived risk topic was Health, safety and wellbeing due to reputational and legal consequences to Aston Martin if a serious incident was to occur.
- Governance topics including Business ethics and integrity and Data responsibility were perceived as high risk topics by suppliers with Data responsibility becoming more of a risk with the advancement of technology and connectivity in the automotive sector. Customers, employees and representatives from local community groups assumed these areas were covered and therefore didn't regard them as particularly high risks.

The table below indicates the ranked perceived risk from 1 - 5 amongst suppliers engaged (with five being the highest risk). Where a topic was not ranked no bar is shown.

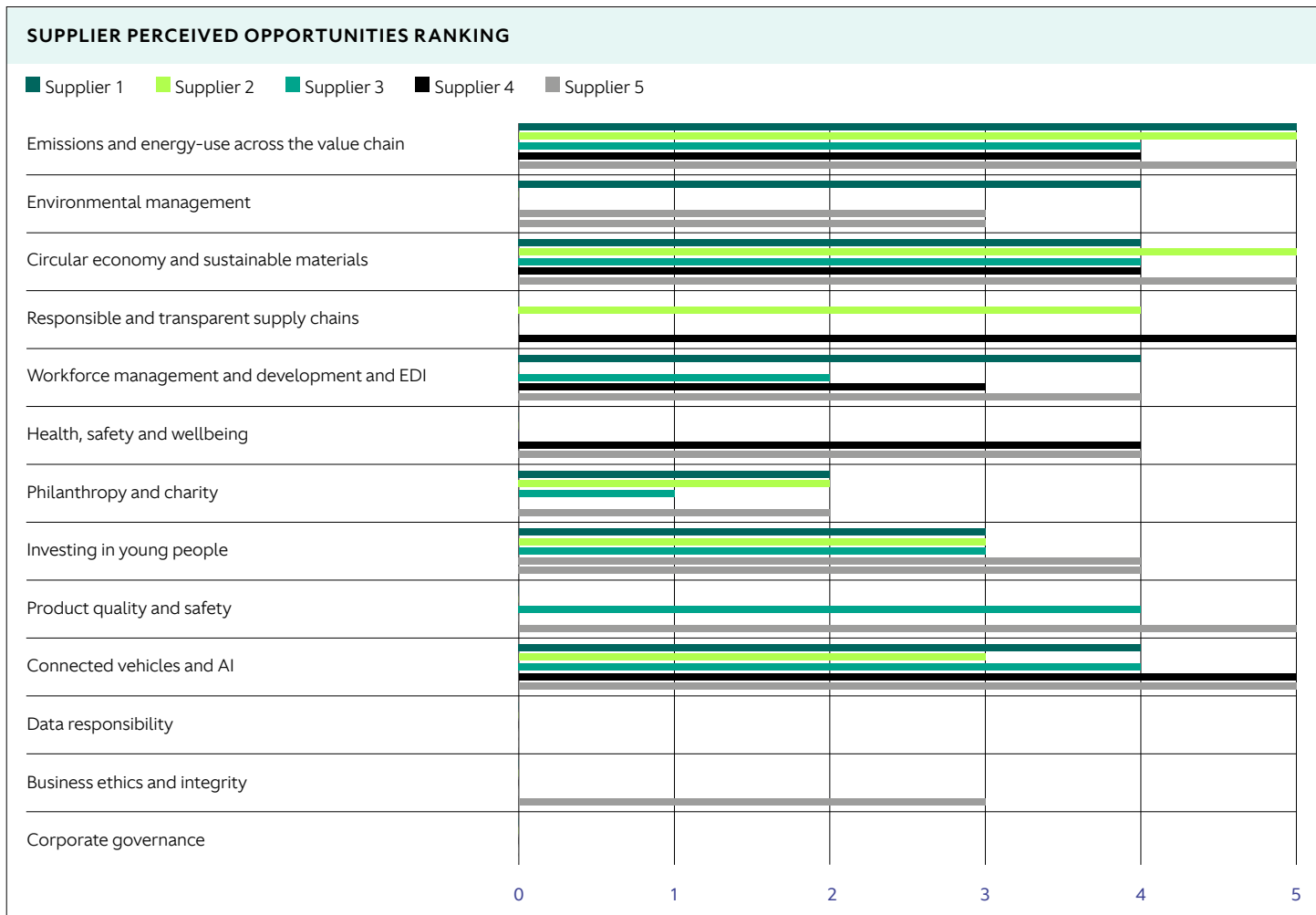


THE MATERIALITY PROCESS CONTINUED  
ONE-TO-ONE CONVERSATIONS WITH SUPPLIERS CONTINUED

**OUTCOME - OPPORTUNITIES**

- Circular economy and sustainable materials was seen as one of the top three areas of opportunity by all suppliers, mainly due to the opportunity to conserve natural resources and critical raw materials whilst also reducing Aston Martin's Scope 3 emissions.
- Three out of five suppliers saw Emissions and energy-use across the value chain as an area of significant opportunity as well as being an area of potential risk. The remaining suppliers saw it as a strong opportunity but not as a risk factor.
- Overall, suppliers felt that AI and connectivity was a top three opportunity area due to the ability to innovate and stay ahead of the curve – both in mobility as well as manufacturing.
- Overall, suppliers felt that Investing in young people was a high opportunity (the fourth highest overall) due to upskilling and developing early years talent being directly linked to the capability of the business as well as talent attraction.

The table below indicates the ranked perceived opportunity from 1 - 5 amongst suppliers engaged (with five being the highest opportunity). Where a topic was not ranked no bar is shown.



**AVERAGED ACROSS ALL STAKEHOLDER GROUPS, THE TOPICS PERCEIVED AS THE BIGGEST SUSTAINABILITY RISKS WERE:**

1. Product quality and safety
2. Responsible and transparent supply chains
3. Emissions and energy-use across the value chain

**AVERAGED ACROSS ALL STAKEHOLDER GROUPS, THE TOPICS PERCEIVED AS EQUALLY OFFERING THE BIGGEST OPPORTUNITIES WERE:**

1. Emissions and energy-use across the value chain and Circular economy and sustainable materials
2. Investing in young people



## THE MATERIALITY PROCESS CONTINUED

### ONE-TO-ONE CONVERSATIONS WITH SUPPLIERS CONTINUED

### 3. LIST OF IMPACTS, RISKS AND OPPORTUNITIES

The 13 sustainability themes and underlying matters and the associated risk and opportunity areas discussed in the stakeholder conversations were incorporated into a list of potential and actual, negative and positive impacts, as well as sustainability-related financial risks and opportunities ('IROs') associated with the sustainability topics and subtopics included in the Application Requirements of the CSRD. These IROs were assessed as part of the double materiality assessment.

### 4. ASSESSMENT OF IMPACTS ON SOCIETY AND THE ENVIRONMENT (IMPACT MATERIALITY)

The assessment of impacts on society and the environment was undertaken according to the ESRS guidelines looking at scope, scale, irremediability and likelihood.

To help with the assessment of the likelihood of each impact, internal subject matter experts ('SMEs') used a third-party tool; the "**Future-Fit Business Benchmark Risk Profiler**." This questionnaire-based tool enables a holistic assessment of the potential for negative impacts (likelihood) across all issue areas covered by the Future-Fit Business Benchmark ('FFBB'). This tool was chosen because it provides a risk rating for all key sustainability topics, based on science-based methodology, as part of a definition and pathway of what it takes for a business to be truly responsible and regenerative.

SMEs answered 'Yes' or 'No' to impact risk characteristics tailored to the Aston Martin business model, which then provided an impact risk level of 'High', 'Moderate', 'Low' or 'Unlikely' to each of the **Future-Fit Break-Even Goals**, mapped to each of the ESRS topics. If the FFBB impact risk level of a topic was high, it was assigned a '1' likelihood rating in the impact materiality assessment. A moderate impact risk level received a '0.5' likelihood rating, a low received a '0.25', and an unlikely received a '0.1'. The likelihood rating was then amended to reflect the actions currently being taken by the business to address the potentially negative impact. All 'actual' negative impacts immediately scored a '1' for likelihood.

For scope, scale and, in the case of negative impacts, irremediability, the Sustainability team assessed each impact as high, medium or low, and consulted external industry experts to seek their views, and validate the assessment using a set of consistent parameters and definitions to help determine the level of each impact. For example, for scale, if it was agreed that a negative impact could lead to non-compliance with laws and regulations or to a violation of human rights, then the impact was rated as a 'high'.

### 5. ASSESSMENT OF RISKS AND OPPORTUNITIES (FINANCIAL MATERIALITY)

The assessment of sustainability-related financial risks and opportunities was also undertaken according to the ESRS guidelines, looking at likelihood of occurrence and potential magnitude.

Climate related risks and opportunities were mapped to those that had already been assessed as part of the climate risk and opportunity assessment and scenario analysis to ensure alignment. The list of sustainability-related financial risks and opportunities was reviewed by the Aston Martin Risk Management team to ensure all ESG related financial risks and opportunities were captured. The Risk Management team rated the risks and opportunities by magnitude and likelihood, aligning the process with the company's Enterprise Risk Management Framework and System ('ERMFS').

### 6. DETERMINATION OF MATERIAL TOPICS

**Impact materiality:** For each impact, the scale, scope and irremediability were multiplied together, then multiplied by the likelihood of the impact occurring. This resulted in an impact index score, if the score crossed the threshold, the topic was deemed material.

**Financial materiality:** For each risk and opportunity, the magnitude and likelihood were multiplied together. This resulted in a risk/opportunity index score, if the score crossed the threshold, the topic was deemed material.

A list was created of all the topics that were identified as:

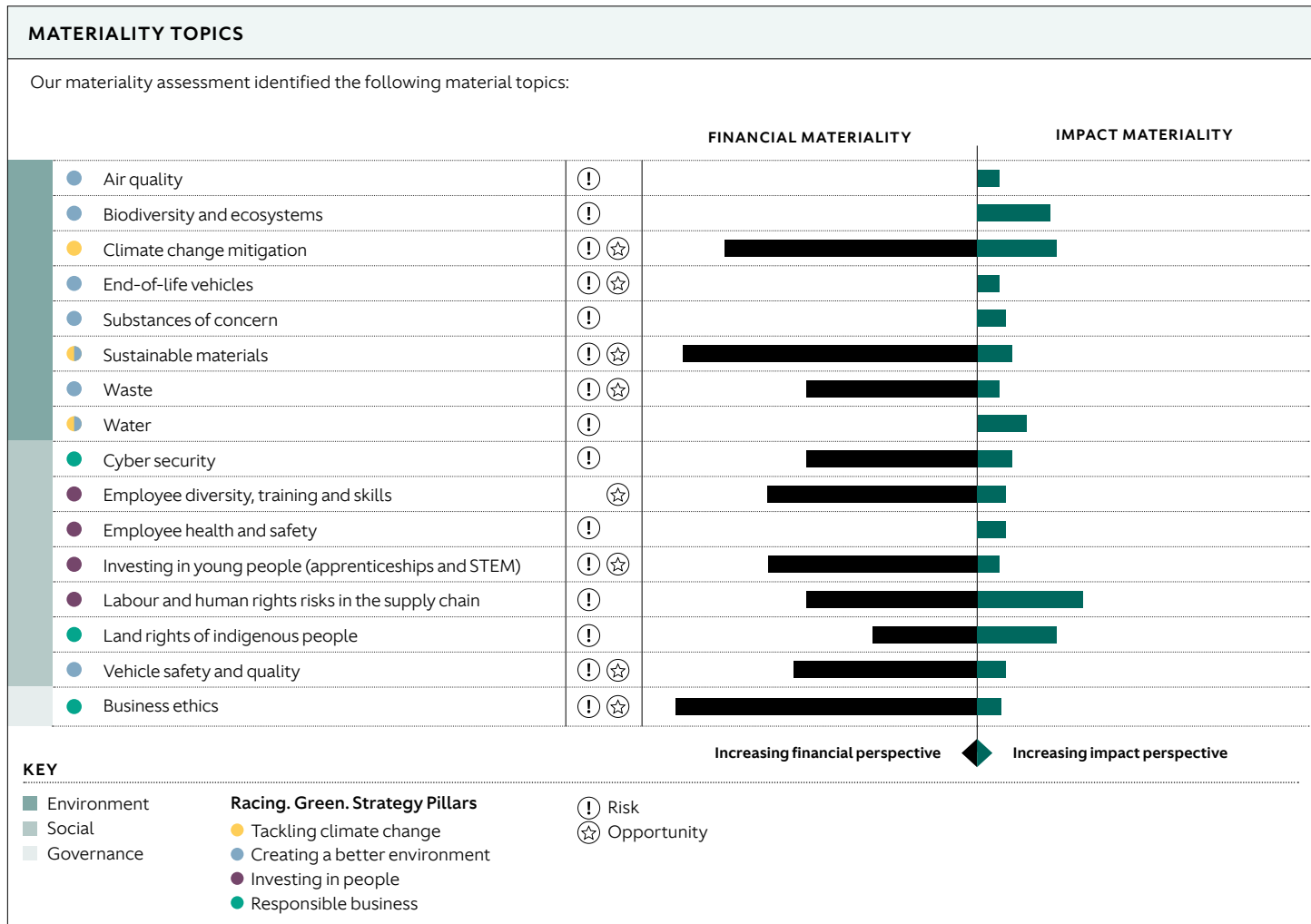
- material from an impact perspective and a financial perspective,
- material from an impact perspective only

The list did not include topics that were material from a financial material perspective only.

# The Double Materiality Matrix

To display the material topics visually, the scores for both financial and impact topics were normalised using the formula:  $(Topic\ score - 80\% \text{ threshold}) / maximum\ score$ . For financially material topics, the maximum score was 50, and the threshold was 20, resulting in an 80% threshold of 18. For impact material topics, the maximum score was 27, and the threshold was 1.5, giving an 80% threshold of 1.2.

This adjustment ensures the matrix (see below) accurately represents how much each topic exceeded its respective threshold, with topics just meeting the threshold still being visible on the matrix to avoid misinterpretation. Scores below the threshold, and therefore not material, were excluded. Topics identified as material from a financial perspective only were not displayed.



# Aston Martin's Material Topics

The double materiality assessment identified 16 sustainability topics as material. As noted in Section 2: Step 6, these include topics that are material from a financial and impact perspective and from an impact perspective only. It does not include topics that are material from a financial perspective only.

## MATERIAL FROM BOTH PERSPECTIVES:

The topics identified as material from a financial and impact perspective were:

### ENVIRONMENT:

1. **Climate change mitigation.** Material from an impact perspective due to the emissions generated from the use of sold products and purchased goods and services. Material from a financial perspective due to the transition risks arising from changing policy and regulations, changing consumer preferences and accelerated technology change.
2. **Sustainable materials.** Material from an impact perspective due to the potential opportunity to significantly reduce Scope 3 emissions and the positive environmental impact of conserving natural resources. Material from a financial perspective due to the price volatility and supply chain risks from critical raw material scarcity.
3. **Waste.** Material from an impact perspective due to the potential negative environmental impact from waste generation across the value chain. Material from a financial perspective due to the financial opportunity to save costs through improved processes and efficiencies to reduce waste and by creating end of life opportunities including re-use or take back schemes.

### SOCIAL:

4. **Cyber security.** Material from an impact perspective due to the potential risk of customer data theft or Company IP theft. Material from a financial perspective due to the potential increasing business risks from technological advancements and connectivity, including financial losses, legal fees and regulatory fines, loss of productivity and reputational damage.
5. **Employee diversity, training and skills.** Material from an impact perspective due to the potential positive impact on employee wellbeing and skills development. Material from a financial perspective due to workforce training helping to create the advancement of skills needed for the transition to electrification and the ability to attract talent. It was also identified as material from a financial perspective due to the established link between engagement of diverse teams and an increase in innovation.
6. **Labour and human rights risks in the supply chain.** Material from an impact perspective due to the labour and human rights risks associated with critical raw material and mineral sourcing including modern slavery, forced labour, and child labour. Material from a financial perspective due to potential reputational damage, loss of business partners, legal consequences and fines.
7. **Investing in young people (early careers and STEM).** Material from an impact perspective due to the potential positive impact Aston Martin can have on developing early years talent. Material from a financial perspective due to the potential risk of not being able to recruit employees equipped with the right skills.
8. **Vehicle safety and quality.** Material from an impact perspective due to the potential negative human rights impact from vehicle safety accidents. Material from a financial perspective due to the financial risks, impacting customer confidence and future revenues.

## GOVERNANCE:

9. **Business ethics and compliance.** Material from an impact perspective due to potential negative social and environmental impacts including environmental degradation, labour exploitation and corruption. Material from a financial perspective due to the opportunity to build and maintain trust and attract talent.

## MATERIAL FROM AN IMPACT PERSPECTIVE:

The topics identified as material from an impact perspective only were:

### ENVIRONMENT:

10. **Air quality.** Material from an impact perspective due to the potential negative health impacts that potential pollutants from our manufacturing processes can have on employees and local communities.
11. **Biodiversity and ecosystems (upstream supply chain).** Material from an impact perspective due to potential negative environmental impacts including deforestation and the destruction of habitats from the extraction and processing of raw materials.
12. **End-of-life vehicles.** Material from an impact perspective due to the actual positive impacts that remanufacturing and reassembly of parts can have on our customers including access to cheaper warranted parts and extending the use of vehicles. Also material from an impact perspective due to the potential negative risk of pollution from the end-of-life impact of vehicles and batteries.
13. **Substances of concern.** Material from an impact perspective due to the potential negative risk to human health and the environment from potential hazardous substances during manufacturing and potential negative impact on customers, waste operators and the environment during the vehicle use-phase and at end-of-life.
14. **Water (upstream supply chain).** Material from an impact perspective due to the actual negative impact from water consumption to produce raw materials such as steel, aluminium, glass and batteries needed to build our vehicles.

### SOCIAL:

15. **Employee health and safety.** Material from an impact perspective due to the gravity of a potential employee death or serious injury.
16. **Land rights of indigenous people.** Material from an impact perspective due to the potential negative supply chain impact of the displacement of indigenous communities from raw material extraction, particularly from metals and minerals needed for EV batteries.

The following topics were identified as material from a financial perspective only. As the double materiality assessment focuses on sustainability, these topics are not included in the matrix:

### ENVIRONMENT:

17. Climate change adaptation
18. Energy

### GOVERNANCE:

19. Political engagement
20. Relationships with suppliers

# Example list of considered IROs (Impact, Risks and Opportunities) for each material topic

The following list is not exhaustive but provides examples of the types of impacts, risks and opportunities that were identified in the stakeholder conversations and provided input into the double materiality assessment.

Topic	Examples of potential positive or negative impact on Environment and / or Society	Examples of potential sustainability-related financial risks and / or opportunities
<b>Air quality</b>	<ul style="list-style-type: none"> <li>– Emissions and air pollutants if not controlled could result in direct and indirect health issues for employees and local communities</li> </ul>	<ul style="list-style-type: none"> <li>– Potential fines</li> </ul>
<b>Biodiversity and ecosystems</b>	<ul style="list-style-type: none"> <li>– Extraction and processing of raw materials including steel, aluminium, and plastic can lead to environmental degradation</li> <li>– Materials used which are linked to deforestation</li> <li>– Implementing biodiversity management plans that conserve, restore and enhance biodiversity whilst implementing environmental improvement activities</li> </ul>	<ul style="list-style-type: none"> <li>– The degradation of ecosystems can lead to supply chain disruptions and price increases</li> <li>– Increasing regulation could result in more direct costs</li> <li>– Brand reputation opportunity from strong sustainability approach</li> </ul>
<b>Climate change adaptation</b>	<ul style="list-style-type: none"> <li>– Damage to facilities and surrounding infrastructure/supply chain disruption</li> </ul>	<ul style="list-style-type: none"> <li>– Direct operations - damage to Aston Martin's infrastructure or employees accessing sites</li> <li>– Upstream - disruption to supplier logistics from extreme climate hazards</li> <li>– Potential increased operational expenses due to alternative arrangements and product shortages</li> </ul>
<b>Climate change mitigation</b>	<ul style="list-style-type: none"> <li>– Greenhouse gas ('GHG') emissions from vehicles use</li> <li>– Transition to electrification will reduce use-phase carbon emissions</li> <li>– Managing the social impact of electrification – ensuring a just transition through training and upskilling</li> </ul>	<ul style="list-style-type: none"> <li>– Increased prevalence of anti-ICE policies, carbon tax or emission trading schemes extended and imposed</li> <li>– Policy changes being unpredictable and volatile, leading to inconsistencies with product development</li> </ul>
<b>End-of-life vehicles</b>	<ul style="list-style-type: none"> <li>– End-of-life impact of vehicles and batteries</li> <li>– Remanufacturing parts, recycling and reuse minimises resource consumption</li> </ul>	<ul style="list-style-type: none"> <li>– Increasing regulatory compliance linked to the end-of-life of vehicles could create additional costs</li> <li>– Remanufacturing supports a skilled workforce as more remanufacturing provides a good rationale for upskilling the workforce</li> </ul>
<b>Energy</b>	<ul style="list-style-type: none"> <li>– Associated GHG emissions impacts</li> </ul>	<ul style="list-style-type: none"> <li>– Potential operating expenditure and capital expenditure opportunities and costs linked to efficiencies as well as changing energy markets</li> </ul>
<b>Substances of concern</b>	<ul style="list-style-type: none"> <li>– If not managed correctly, hazardous substances can pose a risk to human health and the environment during manufacturing and at end-of-life</li> </ul>	<ul style="list-style-type: none"> <li>– Banning of certain materials</li> </ul>
<b>Sustainable materials</b>	<ul style="list-style-type: none"> <li>– Using recycled or renewable materials conserves natural resources</li> <li>– Sustainable materials can offer positive vehicle development outcomes such as light weighting</li> </ul>	<ul style="list-style-type: none"> <li>– Smart, circular design that minimises waste, reduces energy usage and improves efficiency</li> <li>– Critical raw material scarcity creates price volatility of essential metals and minerals</li> <li>– Dependence on geopolitically sensitive regions for sourcing materials creates supply risk</li> <li>– Investing in research and development of sustainable materials drives innovation and the development of new products and processes leading to new market opportunities</li> <li>– Regulatory compliance challenges put pressure on prices and availability of sustainable materials</li> </ul>
<b>Waste</b>	<ul style="list-style-type: none"> <li>– Full value chain impacts can lead to waste generation</li> </ul>	<ul style="list-style-type: none"> <li>– Increasing regulatory requirements</li> <li>– Waste disposal costs</li> <li>– Opportunity to save costs through end-of-life opportunities</li> </ul>
<b>Water</b>	<ul style="list-style-type: none"> <li>– If not managed, wastewater from manufacturing and paint residue can contain harmful chemicals</li> <li>– Water stress impacts upstream</li> </ul>	<ul style="list-style-type: none"> <li>– Potential water pollutants from manufacturing processes can result in fines</li> <li>– Operational cost efficiencies from more efficient use of water</li> <li>– The business impact of water scarcity on the availability and rising costs of materials and supply</li> </ul>

EXAMPLE LIST OF CONSIDERED IROS (IMPACT, RISKS AND OPPORTUNITIES)  
FOR EACH MATERIAL TOPIC CONTINUED

Topic	Examples of potential positive or negative impact on Environment and / or Society	Examples of potential sustainability-related financial risks and / or opportunities
<b>SOCIAL</b>		
<b>Cyber security</b>	<ul style="list-style-type: none"> <li>– The potential risk of customer privacy breaches, theft and fraud and Company IP data loss</li> </ul>	<ul style="list-style-type: none"> <li>– Financial and brand impacts</li> </ul>
<b>Connected vehicles and AI</b>	<ul style="list-style-type: none"> <li>– Positive people and economic impacts due to improved vehicle safety from AI systems that can help improve road safety</li> <li>– Opportunity to innovate in sustainable design and circularity including sustainable materials</li> </ul>	<ul style="list-style-type: none"> <li>– Potential risk of not meeting customer expectations</li> <li>– Operational efficiencies particularly in manufacturing</li> <li>– Opportunity to innovate and stay ahead of the curve</li> </ul>
<b>Employee, diversity, training and skills</b>	<ul style="list-style-type: none"> <li>– Diverse and inclusive workplace strengthens company culture and innovation</li> <li>– Investing in workforce training helps employees enhance and improve their skills whilst leading to higher job satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>– Increased talent retention and attraction</li> <li>– Positive impacts on employees' motivation and sense of belonging</li> </ul>
<b>Employee health and safety and wellbeing</b>	<ul style="list-style-type: none"> <li>– The risk to employees from workplace accidents</li> </ul>	<ul style="list-style-type: none"> <li>– Financial impacts including fines, lawsuits and loss of productivity, as well as significant reputational damage and loss of trust</li> </ul>
<b>Investing in young people (apprenticeships and STEM)</b>	<ul style="list-style-type: none"> <li>– Inspiring young people about careers in manufacturing and STEM subjects, and providing apprenticeship and graduate programmes helps raise the prospect for British talent through upskilling and developing early years talent</li> </ul>	<ul style="list-style-type: none"> <li>– Investing in young people, directly linked to the capability of the business as well as talent attraction</li> </ul>
<b>Labour and human rights in the supply chain</b>	<ul style="list-style-type: none"> <li>– Sourcing of raw materials including steel and aluminium can be associated with labour and human rights violations including modern slavery, forced labour, and child labour</li> <li>– Other human rights impacts associated with mining of metals and minerals</li> </ul>	<ul style="list-style-type: none"> <li>– Risk of non-compliance brings legal penalties and fines as well as reputational damage</li> <li>– Good supply chain due diligence provides an opportunity to create more resilient supply chains</li> </ul>
<b>Land rights of indigenous people</b>	<ul style="list-style-type: none"> <li>– Mining can lead to displacement of indigenous communities</li> </ul>	<ul style="list-style-type: none"> <li>– Legal consequences, fines and reputational damage</li> </ul>
<b>Vehicle safety and quality</b>	<ul style="list-style-type: none"> <li>– Customer and wider societal implications</li> </ul>	<ul style="list-style-type: none"> <li>– Financial and reputation risks</li> </ul>
<b>Working conditions – own workforce</b>	<ul style="list-style-type: none"> <li>– Labour rights impacts of discrimination and not achieving equal opportunities or upholding legal rights and labour principles</li> </ul>	<ul style="list-style-type: none"> <li>– Reputational damage, loss of business partners, legal consequences and fines</li> </ul>
<b>GOVERNANCE</b>		
<b>Animal welfare</b>	<ul style="list-style-type: none"> <li>– Negative animal welfare impact from sourcing</li> </ul>	<ul style="list-style-type: none"> <li>– Reputation damage, legal penalties</li> </ul>
<b>Business ethics and compliance</b>	<ul style="list-style-type: none"> <li>– Unethical business practices can have negative societal and environmental consequences</li> </ul>	<ul style="list-style-type: none"> <li>– Good ethical practices enable and build trust in the Company and attract talent</li> <li>– Poor corporate governance and not operating responsibly could lead to negative publicity and reputation damage</li> </ul>
<b>Corruption and bribery</b>		<ul style="list-style-type: none"> <li>– Legal penalties, reputation damage, increased business costs, lower employee morale and productivity</li> </ul>
<b>Political engagement</b>	<ul style="list-style-type: none"> <li>– Unethical business activity and non-compliance with law</li> </ul>	<ul style="list-style-type: none"> <li>– Reputational damage</li> <li>– Commenting on public consultations, provides an opportunity to respond to policy relevant to the business</li> </ul>
<b>Relationships with suppliers</b>	<ul style="list-style-type: none"> <li>– Building supportive and transparent relationships</li> </ul>	<ul style="list-style-type: none"> <li>– Poor relationships with suppliers can lead to supply chain disruptions</li> </ul>

