

ASTON MARTIN LAGONDA



UN GLOBAL IMPACT REPORT

INTRODUCTION

I am pleased to reconfirm Aston Martin Lagonda's commitment to the United Nations Global Compact Initiative and our continued support of its 10 Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

This document provides an update on our activities to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. 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. Over the past 12 months we have taken significant steps on our sustainability journey. Our achievements are published in detail on an annual basis in our Sustainability Report.

We continue to commit to sharing this information with our stakeholders, using our primary channels of communication and our annual sustainability report.

Sincerely yours,

A handwritten signature in white ink, appearing to be 'A. Palmer', written over a dark background.

Dr. Andy Palmer CMG

President and Group Chief Executive Officer

ASTON MARTIN LAGONDA GROUP

Lionel Martin and Robert Bamford's coming together – our origins as a company – was an expression of the love of beautiful cars. Both had a passion and a talent for machines, propulsion, engines and racing. They shared a love for the motor car because it provided them with the most exhilarating, memorable experiences. Moments that they craved to recreate, repeat and share. That love of beautiful drove them to hand-build cars that were ever faster, more powerful, thrilling to drive, more comfortable – beautiful – than the previous.

Little wonder then that they named Aston Martin after one singular event. A moment of pure driving beauty, when Lionel Martin took on the Aston Clinton Hill Climb race in their creation... and won.

There was nothing conventional about Wilbur Gunn, the British-American opera-singing engineer who founded Lagonda. He built the fastest steam yacht on the Thames, the motorbike that represented Great Britain in the International Cup and the innovative car that caught the eye of the Tsar in the Moscow to St Petersburg race of 1910.

Aston Martin and Lagonda came together in 1947 when both were purchased by the late Sir David Brown. More recently under the leadership of Dr Andy Palmer and a new management team, the Company launched its Second Century Plan that revived Aston Martin and will reintroduce Lagonda as the world's first luxury brand exclusively driven by zero emission powertrain technologies.



ASTON MARTIN

FOR THE LOVE
OF BEAUTIFUL

- ESTABLISHED IN 1913
- FUSES LATEST TECHNOLOGY, EXCEPTIONAL HAND CRAFTSMANSHIP AND TIMELESS DESIGN
- DRIVEN TO CREATE CARS THAT ARE AS BEAUTIFUL TO DRIVE AND TO OWN AS THEY ARE TO LOOK AT
- ELECTRIFICATION AND HYBRIDISATION FEATURE PROMINENTLY IN LOW- AND ZERO-EMISSION VEHICLE STRATEGY

LAGONDA

FOR THE WONDER
OF TRAVEL

- ESTABLISHED IN 1899
- INTERSECTION OF HAND-CRAFTED LUXURY AND CUTTING EDGE TECHNOLOGY
- REDEFINING LUXURY TRAVEL BY FINDING NEW AND BETTER WAYS TO MOVE
- FULLY ELECTRIC POWERTRAIN

OUR APPROACH TO THE 10 PRINCIPLES

In late 2014 under the leadership of President and Group CEO Dr Andy Palmer, Aston Martin Lagonda signed up to the UN Global Compact program this marked the company's first step on integrating Sustainability at the heart of its operations. At this point we identified five major stakeholders, which could guide the direction of our CSR policy, these being:

- Customers
- Employees
- Shareholders
- Suppliers
- Society (globally and locally)

To ensure a coherent implementation of the 10 principles, the company decided to approach its implementation in three distinct phases.

1. The first phase would analyse the business and develop a sustainability strategy, with the 10 principles and the stakeholders at its core.

2. The second sought to implement this strategy throughout the business, through the company's policy deployment mechanism Plus Alpha.
3. The third stage focused on directed initiatives outside the business, throughout our operations globally. This was supported through greater communication of our Sustainability agenda and the development of our first Sustainability Report published in October 2016.

This commitment resulted in the business developing an integrated Corporate Responsibility Strategy in 2016 based on the United Nations Sustainable Development Goals (SDGs).

This strategy aims to deliver stakeholder value through ethical and sustainable excellence, creating a long-term competitive advantage.



OUR APPROACH TO THE 10 PRINCIPLES

(continued)

To roll out this strategy and ensure that all initiatives were employee borne, we set up a Sustainability Working Group, which is responsible for implementation of the various initiatives across the business. Now in its fourth year, the UN Global Compact 10 principles and the Sustainable Development Goals remain at the core of the company's approach to sustainability and its engagement with its stakeholders.

HUMAN RIGHTS PRINCIPLE



PRINCIPLE 1: BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

PRINCIPLE 2: MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

ASSESSMENT, POLICY AND GOALS

Aston Martin Lagonda supports the Universal Declaration of Human Rights and has implemented policies which support the protection of such rights and avoidance of human rights abuses where they may inter-relate with the company's business activities.

Aston Martin Lagonda's Standards of Corporate Conduct sets out expected standards of conduct and behaviour for employees to adopt in relations with one another and in pursuing Aston Martin Lagonda's business interests generally. Our guiding principle is, "integrity is never compromised". We expect this commitment from all our employees and our Business Partners. Aston Martin Lagonda's Code of Conduct includes, but is not limited to, all the following policies related to Human Rights:

- Confidential Reporting & Whistle blowing
- Conflicts of interest
- Anti-Bribery & Corruption
- Equality, Diversity & Inclusion
- Data protection
- Intellectual Property Rights.

In addition, all our suppliers are expected to comply with the company's Responsible Procurement Guide. The guide expects that our suppliers treat their employees fairly and do not tolerate bullying and harassment or discrimination of workers or others. The company's standard terms and conditions for the purchase of parts also require suppliers to prohibit child labour in their own business and supply chains and to comply with all laws relevant to their businesses.

IMPLEMENTATION

All employees of Aston Martin Lagonda are expected to adhere to these policies. A system has been established to solicit employees' annual confirmation that they are aware of and adhere to the code of conduct

We recognise that the company is exposed to greater risk when dealing with its suppliers, particularly those who have operations/suppliers outside of the UK and Europe. In order to mitigate this risk, we have implemented the following measures:

- Rolling out the Responsible Procurement Guide to all our suppliers, aimed at ensuring our values are adhered to and respected
- A commitment to work with our suppliers to support them to understand and work towards their own obligations under the Modern Slavery Act
- Undertake an examination of our supply chain, to determine where potential risks may be
- Review the performance and commitment of our top suppliers (in terms of spend), to the Modern Slavery Act requirements, through their own modern slavery statements.

HUMAN RIGHTS PRINCIPLE

(continued)

MEASUREMENT

In the past year Aston Martin Lagonda has not been the subject of any investigations, legal claims or other action relating to human rights.

The company measures production first tier supplier compliance to the Responsible Procurement Guide using a 'Supplier Performance Rating System'.

KEY FACTS

2018 SUPPLIERS BASE BY REGION

Africa	1%
Asia Pacific	7%
America	11%
Eastern Europe	12%
Western Europe	69%



LABOUR PRINCIPLES



PRINCIPLE 3: BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING;

PRINCIPLE 4: THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR;

PRINCIPLE 5: EFFECTIVE ABOLITION OF CHILD LABOUR;

PRINCIPLE 6: ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

ASSESSMENT, POLICY AND GOALS

Passionate, motivated and professional people are central to everything we do at Aston Martin Lagonda. As the company continues to grow, we are focused on developing One Way of working together as One Team with One Vision to be the great British car company that creates the most beautiful and accomplished automotive art in the world. We recognise that to deliver this, we need a high performing culture, characterised by a diverse and inclusive workforce.

Aston Martin Lagonda aims to create an inclusive culture and promote a working environment in which all individuals are treated with respect and dignity. We have committed to promoting equality, diversity and inclusivity in our policies and practices to provide an equal opportunity working environment for all our people. We also believe that decisions in relation to individuals should be based on merit and objective criteria to enable people to maximise their potential and make best use of their talents.

Aston Martin Lagonda acknowledges every employee's right to be a member of a trade union and voluntarily recognises the independent trade union 'Unite' for collective bargaining and employee representation purposes.

All Aston Martin Lagonda suppliers are expected to comply with the company's Responsible Procurement Guide. This guide expects that our suppliers do not use child labour or forced labour, are committed to equal opportunities and ensure that employees have the right to freedom of association and collective bargaining.

LABOUR PRINCIPLES

(continued)

THE ASTON MARTIN WAY

To build a sustainable culture we have introduced the Aston Martin Way (AM Way, a set of tools, processes and procedures which enable our workforce to work as one team, with one vision and one way of working together. This involves developing a clear understanding of the AM Way among all employees, encouraging a culture that fosters

discipline through creativity and role modelling, and embedding the AM Way behaviours through our HR processes. The AM Way defines a series of key behaviours we want to instil in our workforce to ensure that we are operating in an appropriate way.

THE ASTON MARTIN WAY BEHAVIOURS



CUSTOMER FOCUS

We put the customer at the heart of our decision making and align our individual and team objectives to satisfy and retain our customers, remembering that the internal customer service we provide impacts the external.



COMMITMENT

We take ownership of our objectives and activities. We are accountable for the delivery of them on time, on budget, with world-class quality whilst demonstrating the Aston Martin Way behaviours.



COMMUNICATION

We communicate in a clear, timely and fact-based manner, ensuring that important messages are delivered and understood throughout the business. We have an open and honest culture in which two-way feedback and suggestions are encouraged.



CONTINUOUSLY CHALLENGE AND IMPROVE

We strive for excellence in everything we do. We challenge traditional thinking and use data to continuously improve in a creative yet disciplined manner. We constantly ask ourselves “what did we learn?” and “what could I do better?”.



COLLABORATION

We collaborate with people across functions and levels, working in cross-functional teams towards a common goal. We are one team playing to win.

LABOUR PRINCIPLES

(continued)

IMPLEMENTATION

All employees of Aston Martin Lagonda are expected to adhere to anti-discrimination and equal opportunities policies and confirm annually that they are aware of and adhere to these policies. In addition, an employee training programme regarding equal opportunities has been implemented.

All Aston Martin Lagonda employees are able to join a trade union of their choice. The company participates in regular collective bargaining with one recognised Union, 'Unite' in the UK and also recognises such union for the purposes of representation of employees in the workplace.

All Aston Martin Lagonda suppliers are expected to comply with the company's Responsible Procurement Guide and to supply goods on standard terms and conditions. We observe the following principles and expect that all existing and future suppliers and sub suppliers of Aston Martin Lagonda will also take steps to observe these principles and to comply with the relevant laws in these areas:

- Slavery and Human Trafficking
- Child Labour
- Forced Labour
- Compensation
- Discrimination
- Health and Safety
- Work Hours, Wages and Benefits
- Bullying and Harassment
- Freedom of Association and Collective Bargaining

MEASUREMENT

In the past year Aston Martin Lagonda has not been the subject of any investigations, legal claims or other action relating to these labour principles.

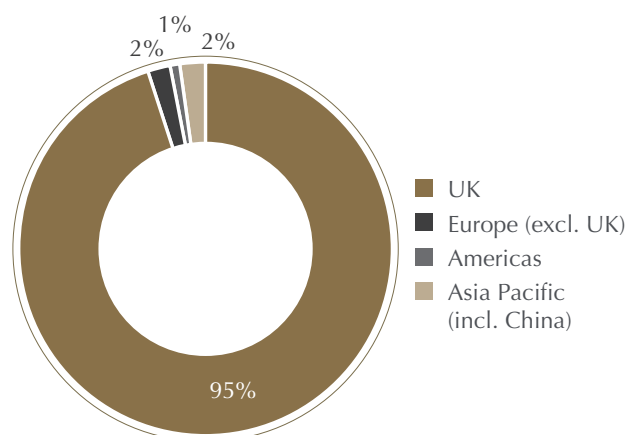
The company measures production first tier supplier compliance to the Responsible Procurement Guide using the 'Supplier Performance Rating System'.

GENDER DIVERSITY AS AT 31 DECEMBER 2018

	Male	Female
Senior Management Team	11	1
Senior Leadership Team	53	12
Other employees	2,065	390
Total	2,129	404

KEY FACTS

EMPLOYMENT BY REGION (31 DECEMBER 2018)



APPRENTICES
AS % OF
WORKFORCE

6%

ENVIRONMENTAL PRINCIPLES

▼
PRINCIPLE 7: BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES;

PRINCIPLE 8: UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY;

PRINCIPLE 9: ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

ASSESSMENT, POLICY AND GOALS

Environmental sustainability is a core component of the Company's wider business strategy and we take our environmental obligations seriously. We have developed an environmental policy in order to drive forward our commitment to operating as a responsible business. This environmental policy covers every aspect of the Company's operations, whether they are directly or indirectly involved in the design, engineering, manufacture, servicing or restoration of our products or the distribution of parts.

ENVIRONMENTAL POLICY

We aim for continuous improvement in our environmental performance and are dedicated to our goal to eliminate pollution and waste at source in line with our business objectives, using recognised environmental best practices wherever possible. Our objectives and commitments to the environment and the community are to:

- Comply as a minimum with all relevant environmental legislation and regulation as well as other environmental requirements, whilst striving to over-achieve on that ambition wherever possible.
- Commit to ongoing reductions in energy and resource consumption in the manufacture and operation of our vehicles, and an ongoing reduction in our carbon footprint.
- Set, monitor and attain all objectives and targets for managing our environmental performance, to ensure control over the environmental impact of all products, processes and facilities.
- Minimise the impact of our activities, products and services through effective waste management.
- Give due consideration to environmental issues and energy performance in the acquisition, design, refurbishment, location and use of buildings.
- Promote sustainable product design and construction, using low carbon energy resources wherever possible.
- Operate and maintain an environmental system in line with ISO 14001: 2004.
- Pro-actively communicate internally and externally our environmental policy, working with our employees, suppliers and partners to promote improved environmental performance and encourage feedback.

ENVIRONMENTAL PRINCIPLES

(continued)

All Aston Martin Lagonda suppliers are expected to comply with the company's Responsible Procurement Guide. This policy requires that our suppliers, where possible, are certified to ISO14001:2004 (and the transition to ISO14001:2015); and minimise resource consumption, waste and emissions.

IMPLEMENTATION

Annual targets are set by Aston Martin Lagonda and plans are put in place to reduce energy and water consumption as well as waste and solvent emissions from the manufacturing facility.

In 2018 we started on the journey towards carbon neutrality for our business. The first step was a decision to purchase 100 per cent Renewable Energy Guarantees of Origin (REGO) backed electricity for our UK operations. This excluded our St Athan manufacturing site which is not yet operational and consequently, we are not yet in control of the provision of electricity to this site.

Aston Martin Lagonda operates and maintains an environmental system in line with ISO14001:2004 and are actively working through the transition to ISO14001:2015.

All Aston Martin Lagonda suppliers are expected to comply with the company's Responsible Procurement Guide.

MEASUREMENT

Environmental targets are regularly assessed and results reported to the board of Aston Martin Lagonda and published annually through our Sustainability Report.

Our production volume in 2018 saw a significant uplift on the previous year (from 5,346 to 6,432 units), leading to an increase in our total energy consumption (see below). The increase was partially mitigated by a number of energy-efficiency measures enacted across the business such as the installation of LED lighting in our manufacturing facility, the increased use of building management systems and employee awareness programmes.

TOTAL ENERGY CONSUMPTION WITHIN ORGANISATION

	2017	2018
Electricity (MWh)	22,884.86 [^]	25,880.63 [^]
Gas (MWh)	26,403.14	33,733.53
Diesel (MWh)	7,998.49	10,265.65
Gasoline (MWh)	3,197.32	3,237.15
Total (MWh)	60,483.81	73,116.96

ENVIRONMENTAL PRINCIPLES

(continued)

We continually measure and monitor our greenhouse gas emissions, which are reported in our Annual Sustainability Report in accordance with the Greenhouse Gas Protocol Corporate Standard for the year to 31 December 2018.

TOTAL GREENHOUSE GAS EMISSIONS

	2017	2018
GHG Emissions Under Scope 1 (tCO ₂ e)	7,839.33	9,572.62 ^{1^}
GHG Emissions Under Scope 2 (tCO ₂ e)	8,045.34	7,326.03 [^]
GHG Emissions Under Scope 3 (tCO ₂ e)	12,090.92	13,353.15 ^{2^}
Total Gross Scope (Scope 1 & Scope 2)	15,884.67	16,898.65
Manufactured Volume (units)	5,346	6,432
Intensity Ratio (tCO ₂ e)	2.97 ³	2.6 ³

1 Increase in Scope 1 due to significant increase in production and increase in number of sites

2 Increase in Scope 3 due to continued improvements made in data gathering and analysis

KEY FACTS

ELECTRICITY
USAGE PER UNIT
DECREASED BY 6%

6%  DECREASE

GAS USAGE PER
UNIT INCREASED
BY 6%

6%  INCREASE

100% OF ALL
WASTE PRODUCED
WAS DIVERTED
FROM LANDFILL

100%
DIVERTED



ANTI-CORRUPTION PRINCIPLES

PRINCIPLE 10: BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY.

ASSESSMENT, POLICY AND GOALS

Aston Martin Lagonda recognises the terms of the UK Bribery Act and has issued policies prohibiting employees from participating in any activity amounting to bribery, or permitting a business partner to undertake such activity in Aston Martin Lagonda's name or for its benefit. Aston Martin Lagonda also supports the UN Convention against Corruption.

Aston Martin Lagonda has also issued policies and procedures regarding standards expected of employees in terms of acceptance of gifts and hospitality from third parties.

All Aston Martin Lagonda suppliers are expected to comply with the company's Responsible Procurement Guide. This policy confirms that the company has a zero-tolerance approach to all forms of bribery and corruption and expects that our suppliers adopt the same stance.

IMPLEMENTATION

All employees of Aston Martin Lagonda are expected to adhere to these policies; and confirm annually that they are aware of and adhere to the code of conduct. All Aston Martin Lagonda suppliers are expected to comply with the company's Responsible Procurement Guide.

MEASUREMENT

In the past year Aston Martin Lagonda has not been the subject of any investigations, legal claims or other action relating to the matters covered by these principles. The company measures production first tier supplier compliance to the Aston Martin Lagonda Responsible Procurement Guide using the 'Supplier Performance Rating System'.



ASTON MARTIN

L A G O N D A



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