

# ASTON MARTIN LAGONDA ESG SUMMARY 2018

## ABOUT THIS SUMMARY

This document provides a summary of the initiatives and activities of Aston Martin Lagonda over the course of 2018. 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](http://www.astonmartinlagonda.com) or contact us directly at [sustainability@astonmartin.com](mailto: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 of our Second Century Plan is for Aston Martin Lagonda 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 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.

**DR. ANDY PALMER, CMG**

President and Group Chief Executive Officer



# CORPORATE RESPONSIBILITY STRATEGY

A key focus of our Second Century Plan is for the company to be a sustainable luxury automotive business. This is underpinned by our commitment to responsible and sustainable economic growth. As a signatory to the UN Global Compact the group is committed to doing business in an ethical and transparent manner, overseen by good corporate governance.



## 2018 AT A GLANCE

**3,000+** Employees around the world\*

**4%** Of the workforce are apprentices

**7<sup>TH</sup>** Consecutive Sword of Honour awarded by the British Safety Council (BSC)

**95.5%** BSC Health and Safety score

**10** 10 International safety awards achieved over 10 consecutive years

**100%** Of all waste produced was diverted from landfill

**6.6%** Recycling up

**6%** Decrease in electricity usage in 2018 when compared to 2017

**6%** Increase in gas usage per unit in 2018 when compared to 2017

\* This includes all staff, permanent, contractors and purchase services.



## 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 cars 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 AND 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. 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.

## 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 engage a number of charities as set out in our Corporate Social 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 2018 were:

RAF Benevolent Fund



Princes Trust



Duke of Edinburgh Award Scheme



Helping Hands



Myton Hospice



Education and Employers



Goodwood Marshals Club



## PERFORMANCE DATA

ECONOMIC		
<b>Economic Performance</b>	2017	2018
Total revenues (£ m)	£876	£1,097
Capital expenditures (£ m)	£294	£311
Expenditures in Research and Development (£ m)	£11.10	£11.50
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 2018 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		
<b>Energy</b>	<b>2017</b>	<b>2018</b>
Total energy consumption within the organization	22,884.86	25,880.63
Gas (MWh)	26,403.14	33,733.53
Petrol (MWh)	3,197.32	3,237.15
Diesel (MWh)	7,998.49	10,265.65
Total	60,483.81	73,116.96
<b>Water</b>	<b>2017</b>	<b>2018</b>
Annual Water Consumption (m <sup>3</sup> )	35,247	53,565
<b>Emissions</b>	<b>2017</b>	<b>2018</b>
Direct (Scope 1) GHG emissions (metric tonnes of CO <sub>2</sub> )	7,839.33	9,572.62
Energy indirect (Scope 2) GHG emissions (metric tonnes of CO <sub>2</sub> )	8,045.34	7,326.03
Other indirect (Scope 3) GHG emissions (metric tonnes of CO <sub>2</sub> )	12,090.92	13,357.14
GHG emissions intensity (Tonnes of CO <sub>2</sub> e per unit (vehicle))	Scope 1 – 1.47	Scope 1 – 1.49
	Scope 2 – 1.50	Scope 2 – 1.14
	Scope 3 – 2.11	Scope 3 – 2.08
Reduction of GHG emissions (t CO <sub>2</sub> e)	Scope 1 – 0.28	Scope 1 – 0.02 (Increase)
	Scope 2 – 0.63	Scope 2 – 0.36 (Decrease)
Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions (mg/m <sup>3</sup> )	Nox – 63	Nox – 57.1
	Particulate matter (PM) – 1.601	Particulate matter (PM) – 1.6304
<b>Waste – by type and disposal method</b>	<b>2017</b>	<b>2018</b>
Reuse (metric tonnes)	Hazardous 9.52 / Non-Hazardous 36.6	Hazardous 6.03 / Non-Hazardous 21.52
Recycling (metric tonnes)	Hazardous 79.58 / Non-Hazardous 730.08	Hazardous 47.75 / Non-Hazardous 805.18
Recovery, including energy recovery (metric tonnes)	Hazardous 98.06 / Non-Hazardous 320.96	Hazardous 74.98 / Non-Hazardous 223.59
Landfill (metric tonnes)	Hazardous 0 / Non-Hazardous 0	Hazardous 0 / Non-Hazardous 0
Environmental Compliance		
Non-compliance with environmental laws and regulations	AML have 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 suppliers supply in accordance with our Terms & Conditions (AMLPPC2010) which state adherence to the Responsible Procurement Guide 2016.	

## PERFORMANCE DATA

SOCIAL		
<b>Employment – New employee hires</b>	<b>2017</b>	<b>2018</b>
Male	411	644
Female	89	156
<b>Total</b>	<b>490</b>	<b>800</b>
<b>Total permanent employees</b>	<b>2017</b>	<b>2018</b>
Male	1,646	2,129
Female	266	403
<b>Total</b>	<b>1,912</b>	<b>2,532</b>
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	
<b>Training and Education</b>	<b>2017</b>	<b>2018</b>
Employee training (hours)	57,125	23,895
Employee training (training cost as a % of payroll)	0.43	0.24
<b>Occupational Health and Safety</b>	<b>2017</b>	<b>2018</b>
Total number of accidents within AML	52	76
Total number of accidents resulted in lost time	2	8
Accident frequency rate (The Accident Frequency Rate is the number of lost-time injuries within a given accounting period, relative to the total number of hours worked in that period)	0.423	1.27
Workers representation in formal joint management/worker health and safety committees	The Aston Martin Lagonda Health & Safety Team on site comprises five heads including two ergonomists, representing all sites and reports through to the Executive Committee. There are a number of H&S committees across the various sites involving a range of staff from shop floor to senior management.	
<b>Supplier Social Assessment</b>	<b>2017</b>	<b>2018</b>
New suppliers that were screened using social criteria	100% screened, 11% new suppliers	100% screened, 12% new suppliers
Negative social impacts in the supply chain and actions taken	0 risks identified. Aston Martin suppliers supply in accordance with our Terms & Conditions (AMLPPTC2010) 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 suppliers supply in accordance with our Terms & Conditions (AMLPPTC2010) 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 suppliers supply in accordance with our Terms & Conditions (AMLPPTC2010) 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 suppliers supply in accordance with our Terms & Conditions (AMLPPTC2010) 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	
<b>Local Communities</b>		
Operations with local community engagement, impact assessments, and development programs	Company operates engagement programme with all local communities in which we operate	
Operations with significant actual and potential negative impacts on local communities	Manufacturing sites in Gaydon and St Athan	
<b>Public Policy</b>		
Political contributions	It is the company's policy not to make political donations and no such political donations were made during the period since the IPO	



ASTON MARTIN

L A G O N D A



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