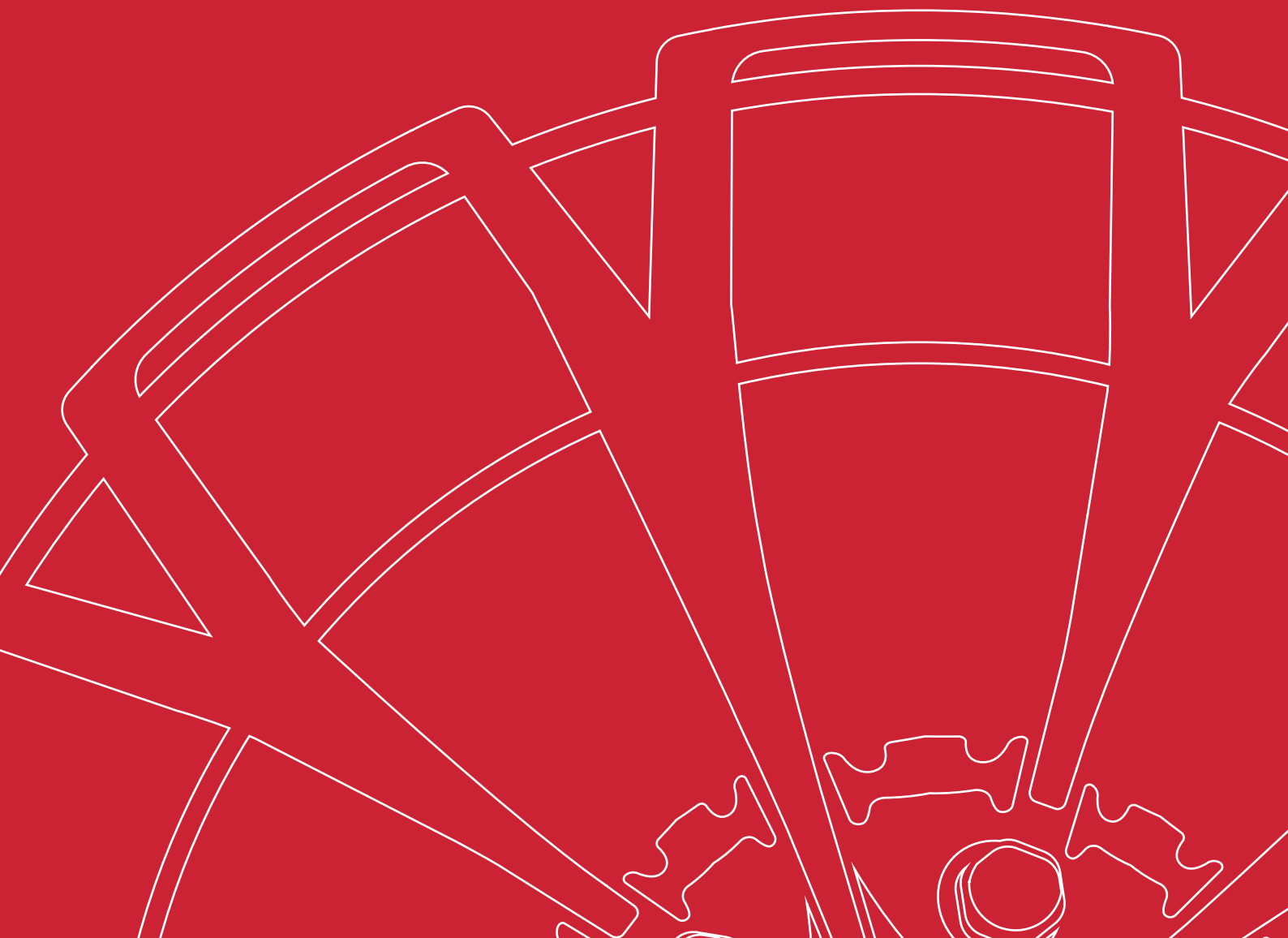




ASTON MARTIN

THE UN GLOBAL COMPACT INITIATIVE

COMMUNICATION ON PROGRESS 2018



INTRODUCTION

I am pleased to reconfirm Aston Martin Lagonda Ltd.'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. Over the past twelve months we have taken significant steps with the implementation of our first Sustainability Strategy, which has these principals at its heart. 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, new sustainability website and our annual sustainability report.

Sincerely yours,



Dr. Andy Palmer CMG

President and Chief Executive Officer



ASTON MARTIN LAGONDA LTD.

Aston Martin, an iconic British marque founded in 1913 by Robert Bamford and Lionel Martin from a humble workshop on Henniker Mews in London, their vision was to develop cars with impeccable design and supreme performance. These cars captivated the public's imagination and still command the same emotive fascination over 100 years later.

Today, Aston Martin is the only independent British luxury automotive manufacturer, championing not only breakthroughs in cutting edge design such as the new DB11 and Vantage, 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.

Being independent is not without its unique challenges as every other similarly-sized luxury/sport car manufacturer is part of a much larger corporation, enabling them access to 'off-the-shelf' technical solutions from their parent group or to pool their CO₂ emissions against lower emitting vehicles in their group brand portfolio.

The future for Aston Martin is bright under President and CEO Dr Andy Palmer CMG, who took over the helm of the company in late 2014. Dr Palmer's first task upon joining Aston Martin was to set about reinventing the company as a sustainable luxury business.

This new luxury business will have a broader portfolio of products offering cutting-edge technologies, combined with the very best of design and British craftsmanship, a key aspect synonymous with the Aston Martin brand.

These new products are being developed under the largest investment plan in the company's history. By the end of this decade, all sports cars in the current range will be replaced, starting with the DB11, with each of these models having a striking level of design differentiation while still remaining unmistakably an Aston Martin. Added to this will be up to three additional model lines taking the company into new market segments.

These additional products will underpin the company's future growth and sustainability, making it more globally relevant.

OUR APPROACH TO THE 10 PRINCIPLES

In late 2014 under the leadership of new President and CEO Dr Andy Palmer CMG, Aston Martin 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 around the world. This was supported through greater communication of our Sustainability agenda and the development of our first Sustainability Report published in October 2016.

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 third year, the UN Global Compact 10 principles remain at the core of the company's approach to sustainability and its engagement with its stakeholders.

HUMAN RIGHTS PRINCIPLES

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses

Assessment, Policy and Goals

Aston Martin 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 Aston Martin’s business activities.

For example, the Aston Martin 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’s business interests generally. This covers policies on subjects such as discrimination, harassment as well as conflicts of interest and anti-bribery.

In addition, all Aston Martin suppliers are expected to comply with the Aston Martin 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 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.

All Aston Martin suppliers are expected to comply with the Aston Martin Responsible Procurement Guide and to supply goods on standard terms and conditions. Failure to do so could result in the termination of business with Aston Martin.

Measurement

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

Aston Martin measures production first tier supplier compliance to the Aston Martin Responsible Procurement Guide using a ‘Supplier Performance Rating System’.



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: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Assessment, Policy and Goals

Aston Martin supports the International Labour Organisation Core Conventions.

Aston Martin 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.

Aston Martin has issued policies to all employees and other staff regarding the importance of upholding equal opportunities and the prohibition of discrimination and harassment in the workplace on grounds of gender, race, disability, age, sexual orientation and religion.

All Aston Martin suppliers are expected to comply with the Aston Martin 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.

Implementation

All employees of Aston Martin 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 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 suppliers are expected to comply with the Aston Martin Responsible Procurement Guide and to supply goods on standard terms and conditions.

Measurement

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

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

ENVIRONMENTAL PRINCIPLES

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Assessment, Policy and Goals

Aston Martin is committed to on-going reductions in energy and resource consumption in the manufacture and operation of its products as set out in the Aston Martin Environmental Policy 2016. In addition, it is committed to a reduction in its carbon footprint, whilst complying with all relevant legislation and striving to achieve results above and beyond the legal minimum wherever possible. In 2017, the company started working with the Carbon Trust to assess the company's performance and secure Carbon Trust accreditation.

Aston Martin will continue to source and invest in new technologies to improve fuel efficiency and environmental output of its products.

All Aston Martin suppliers are expected to comply with the Aston Martin 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 and plans are put in place to reduce energy and water consumption as well as waste and solvent emissions from the manufacturing facility.

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

All Aston Martin suppliers are expected to comply with the Aston Martin Responsible Procurement Guide.

ENVIRONMENTAL PRINCIPLES

Measurement

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

In 2017 Aston Martin saw a significant increase in production volumes caused by demand for new products. This has had a negative impact on our energy and water consumption as outlined below;

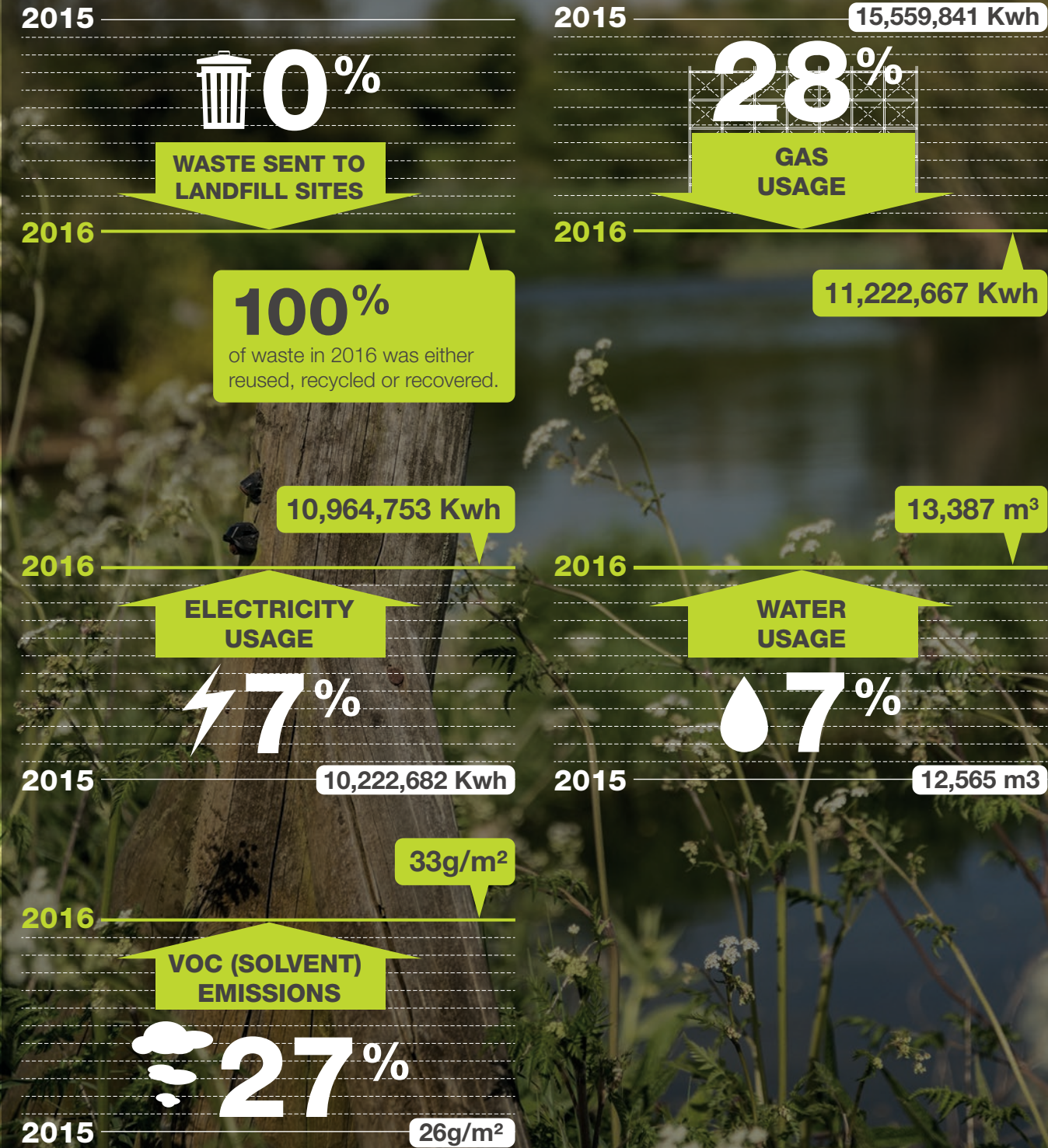
- Reduction 2016 to 2017 – 0% to landfill; therefore 100% of waste in 2017 was either reused, recycled or recovered.
- Increase in electricity consumption within the Gaydon operation by 7% from 2016 (10,222,682 kWh to 10,964,753 kWh)
- Reduced its gas consumption within the Gaydon operation by 28% from 2016. (15,559,841 Kwh to 11,222,667 Kwh)
- Increase in water consumption within the Gaydon operation by 7% from 2016. (12,565 m³ to 13,387 m³).
- Increase in VOC (solvent) emissions from its paint shop operation by 27% from 2015. (26 g/m² to 33 g/m²)

2017 saw a significant increase in production volumes which has had an impact on our environmental figures.

From a product perspective Aston Martin continually invests in new technologies and makes improvements to drive efficiency in its products.

In 2016 Aston Martin launched the all-new DB11, with technologies such as cylinder deactivation and stop start, contributing to class-leading CO₂ emissions, circa 30% lower than its predecessor. This is the first in a range of new products to be rolled out by Aston Martin over the coming years including the relaunch of the Lagonda brand as a Luxury Electric Vehicle brand. This demonstrates our commitment to continuous environmental improvement, a commitment that is illustrated by our fleet CO₂ (Europe) levels today being 38% lower than in 2000.

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



ANTI-CORRUPTION PRINCIPLES

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, Policy and Goals

Aston Martin 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's name or for its benefit. Aston Martin also supports the UN Convention against Corruption.

Aston Martin 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 suppliers are expected to comply with the Aston Martin Responsible Procurement Guide. This policy confirms that Aston Martin 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 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 suppliers are expected to comply with the Aston Martin Responsible Procurement Guide.

Measurement

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

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



