ASTON MARTIN

Accelerating. Forward.

ASTON MARTIN LAGONDA

ANNUAL REPORT AND ACCOUNTS 2022

Aston Martin was deeply saddened by the passing of Her Majesty The Queen.

Queen Elizabeth II dedicated her life to public service, and throughout her long reign was a passionate champion for British culture, enterprise and innovation. We were honoured she visited Aston Martin in 1966.

We send our warmest of wishes to King Charles III, a passionate lifelong Aston Martin enthusiast, and continue to offer our service to the Royal Family as a proud Royal Warrant holder.

Our values are: Unity, Openness, Trust, Ownership and Courage. At the core of our values is one single guiding tenet: No one builds an Aston Martin on their own.

Our purpose is to create vehicles with the ultimate technology, precision and craftmanship that deliver thrilling performance and a bespoke, class-leading experience.

Our vision is to be the world's most desirable, ultra-luxury British performance brand, creating the most exquisitely addictive performance cars.

Our strategy is built on our key strengths; brand, product innovation, sustainability and team which are the pillars underpinning our strategy and future growth ambitions.

Contents

Accelerating. Forward.

Highlights

Revenue	Wholesale volumes
£1.4bn	6,412
(2021 £1.1bn)	(2021 6,178)
Adjusted EBITDA	Total average selling price
£190m	£201k
(2021 £138m)	(2021 £162k)
Operating Loss	Net debt
£142m	£766m
(2021 £76m)	(2021 £892m)

Delivering our vision

Aston Martin's vision is to be the world's most desirable, ultra-luxury British performance brand, creating the most exquisitely addictive performance cars.

Who we are

Aston Martin is an iconic, globally recognised brand, with a unique position transcending ultra-luxury and high performance. For more than a century, our brand has symbolised exclusivity, elegance, power, beauty, sophistication, innovation, performance and an exceptional standard of styling and design. Our rich and prestigious heritage of delivering beautiful,awe-inspiring vehicles defines Aston Martin as something truly unique within the automotive industry. Our brand exposure, perception and desirability are strengthened by a strong, passionate and loyal customer base, which has been significantly increased by the return of the Aston Martin brand to the Formula One® grid for the first time since 1960.

What we do

Founded in 1913 by Lionel Martin and Robert Bamford, today Aston Martin fuses the latest technology, time-honoured craftsmanship and beautiful styling to produce a range of critically acclaimed luxury models including the Vantage, DB11, DBS, DBX and our first hypercar, the Aston Martin Valkyrie. Based in Gaydon, England, Aston Martin Lagonda designs, creates and exports cars which are sold in 54 countries around the world. Our sports cars are skilfully crafted in Gaydon with our luxury DBX SUV range proudly hand built in St Athan, Wales.

Why we do it

Aston Martin's vision is to be the world's most desirable, ultra-luxury British brand, creating the most exquisitely addictive performance cars. Our business is focused on delivering shareholder value and continuing our purpose to create vehicles with the ultimate technology, precision and craftsmanship that deliver thrilling performance and a bespoke, class-leading customer experience.

Focused on sustainability

Aston Martin is embracing a new, driving ambition: to be a world-leading sustainable ultra-luxury automotive business. This ambition is the central objective of our new sustainability strategy, *Racing. Green.* Our strategy embeds principles and goals that will continue to power our progress. It makes sustainability more than one part of what we do; it makes sustainability part of everything we do.

Sustainability strategy goals

Tackling climate change

Creating a better environment

Investing in people and opportunity

Exporting success

Delivering the highest standards

p52

Our global presence

UK

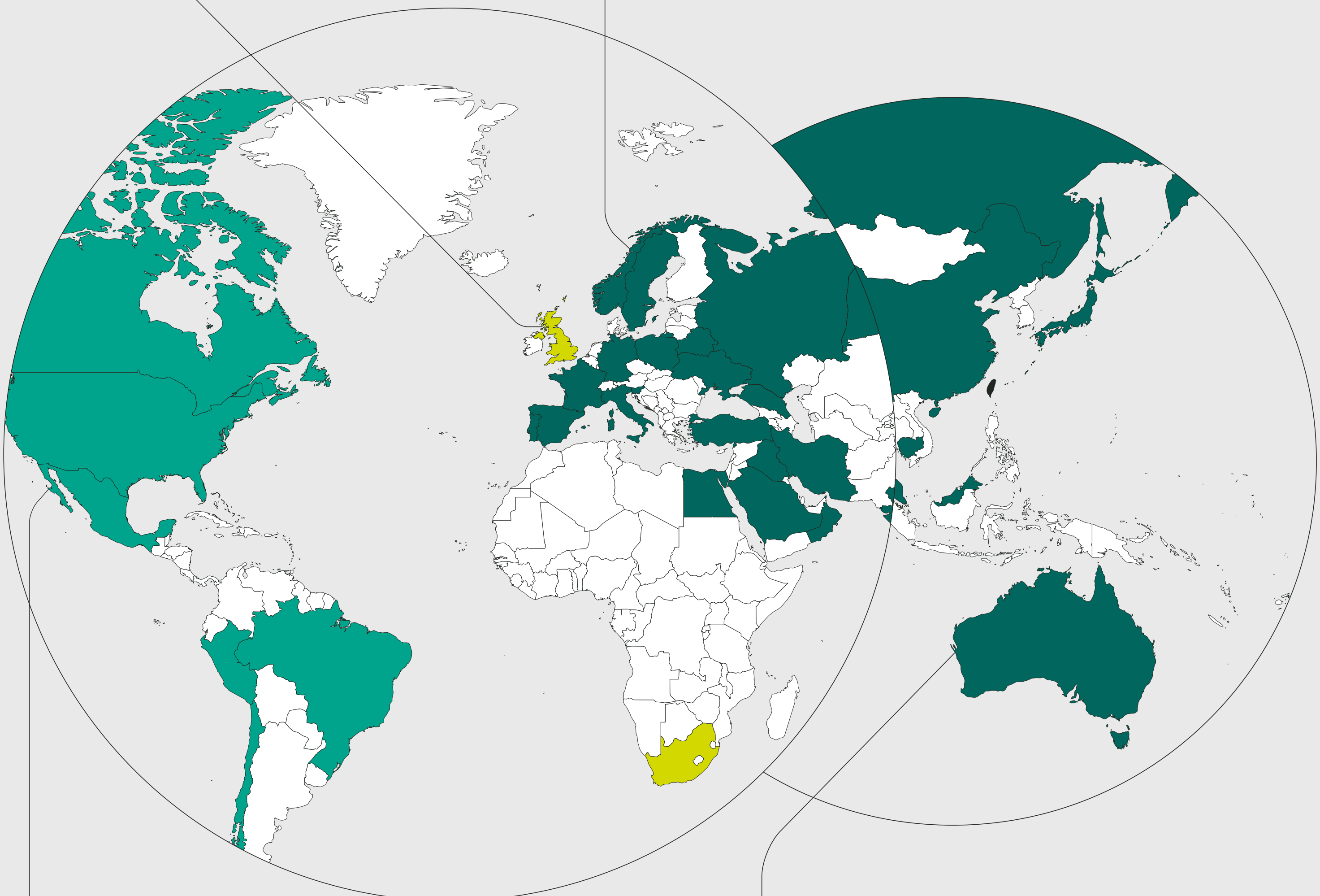
Aston Martin dealers[1]: **21** (2021: 22)

Wholesale volumes: **1,110** (2021: 1,109)

EMEA[2]

Aston Martin dealers*: **52** (2021: 53)

Wholesale volumes: **1,508** (2021: 1,270)



Americas

Aston Martin dealers*: **44** (2021: 44)

Wholesale volumes: **1,980** (2021: 1,984)

Asia Pacific

Aston Martin dealers*: **48** (2021: 49)

Wholesale volumes: **1,814** (2021: 1,815)

1. All dealers are third-party dealers, with the exception of one in the UK
2. EMEA includes Europe, Middle East and Africa (excluding the UK and South Africa)

Our strengths

Strong business model

Aston Martin has a strong business model focused on creating future value and aligned to our clear vision to become the world's most desirable ultra-luxury British performance brand.

Business Model p26

Growth ambitions

We are taking significant steps to de-risk the business, achieve financial stability and sustainability and position Aston Martin for long-term, profitable growth for our stakeholders.

Financial review p48

Innovation: Breathtaking portfolio

We are expanding our breath taking portfolio of ultra-luxury and high-performance products, including the expansion of our DBX SUV range, the upcoming launch of our next generation of sports cars and our entry into the mid-engine sports car segment.

New product line-up p40

World-class talent

A key element of Aston Martin's future growth strategy is investing in our people, with our highly skilled and innovative team being complemented with additional talent to support our success.

People p70

Globally renowned

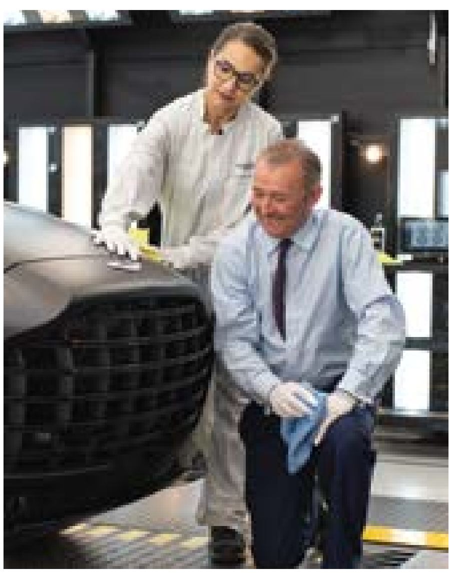
With 110 years of history, Aston Martin is one of the world's most renowned automotive marques, synonymous with inventive design, luxurious craftsmanship, thrilling performance and exclusivity.

Brand p32

Clear sustainability strategy

Through our *Racing. Green.* sustainability strategy we have outlined our ambition to be a leading sustainable ultra-luxury business, taking action to tackle climate change, by outlining a net-zero future for our business.

Racing. Green. p52



Strong partnerships

A keen collaborator, Aston Martin has established formidable strategic technology partnerships and close-knit ties with its suppliers and stakeholders.

The Secretary of State for Wales, Simon Hart MP, visited St Athan in May to see the first DBX707 come off the assembly line.

Stakeholders p22

Executive Chairman's statement
Lawrence Stroll

Clear direction

It has now been three years since I became Executive Chairman and had the privilege of commencing a new chapter for Aston Martin.

Alongside fellow investors, our leadership, and our people, I have been firmly focused on a shared vision: to build the world's most desirable ultra-luxury British performance brand.

Delivering on our purpose

We create vehicles with the ultimate technology, precision and craftmanship that deliver thrilling performance and a bespoke class leading customer experience.

2022 has seen Aston Martin continue to accelerate towards that goal, establishing strong foundations for our future growth and aligning the business with its future direction. With continued development of breath-taking products, I believe we are moving towards the strongest product portfolio across the entire ultra-luxury segment. From our awe-inspiring Valkyrie hypercar to our next generation of sports cars and the world-leading DBX707 performance SUV, we are assembling a stunning line-up of models that are inspiring a new breed of customer and deepening the connection with those who have forever loved our brand. I share their passion. With knowledge of the products to come in our 110th anniversary year in 2023, I could not be more excited.

Of course, the last 12 months have not been without their challenges. The geopolitical, macroeconomic and humanitarian events of 2022 have had an impact on all businesses, with Aston Martin no exception. But in Gaydon, St Athan and our other locations across the world, it has also been a year of positive transformational importance for our business and brand. I look to the future with renewed confidence in both our ability to deliver on our vision and the targets we have set.

Despite the tough operating environment, we ended 2022 with significantly improved growth. We have delivered gross profit margin enhancement, in line with our commitment to achieving a minimum 40% contribution margin on all new Aston Martin products. In Q4 we also demonstrated our ability to be free cash flow positive, highlighting the potential of our business to operate sustainably in the future. We exited 2022 with the strongest order book this Company has seen in many years, with heightened excitement around our brand and growing demand for our products. Whilst we accelerate and continue to invest in our future, I also want to acknowledge the excellent strategic progress we have made.

2022 marked delivery of the first new models to complete the product development cycle since I became Executive Chairman. In February, we launched the critically acclaimed DBX707 – the world's most powerful luxury SUV, combining ultra-luxury with high performance and, crucially, increased profitability. DBX707 was followed by our strictly limited and highly coveted V12 Vantage and V12 Vantage Roadster models, all examples of which were secured by customers before the cars were revealed. This huge customer demand for our most special of products continued with our award-winning DBR22 model, which has been followed in 2023 by the launch of DBS 770 Ultimate – another model already fully allocated.

Across our organisation, 2022 saw us continue to strengthen our teams, led by our CEO Amedeo Felisa, who has instilled a renewed focus on innovation, execution and efficiency to support our longer-term growth. Furthermore, we completed a significant £654m equity capital raise, which has seen the Public Investment Fund welcomed as a new anchor shareholder and enabled us to take action to deleverage our balance sheet. Our target remains to become free cash flow positive from 2024.

We have also taken our first steps towards a new goal of a net zero future for Aston Martin, through the launch of our *Racing. Green.* sustainability strategy. Outlining our target for net-zero manufacturing facilities by 2030 and across the Company's entire supply chain by

2039, the strategy also confirms our shift to electrification, with the first Aston Martin Battery Electric Vehicle (BEV) targeted for launch in 2025.

In the summer, we made the biggest investment in our iconic brand for more than a decade, through the launch of our renewed iconic wings and bold new creative strategy and brand positioning that aligns Aston Martin to our future ambitions. Retaining the elegance and sophistication that our brand and products are revered for worldwide, our more emotionally led creative direction dials up the bolder, edgier and more intense characteristics that have always underscored Aston Martin as a brand born on the racetrack.

Our high performance DNA has been further amplified by our partnership with the Aston Martin Aramco Cognizant Formula One™ team. Our presence at the pinnacle of motorsport is driving growing demand from a new generation of customers, with more than 60% of all customers new to the brand. This is a statistic that rises to 72% for our Vantage F1® Edition model, further demonstrating the potential of this powerful, and rapidly growing, global platform to attract new audiences to Aston Martin.

Our performance credentials have been further endorsed by the achievements of our customers in other motorsport formats. I congratulate the TF Sport team on winning the 2022 FIA World Endurance Championship in the GTE Am class, the 11th world title for the Vantage GTE model since the formation of the championship in 2012, and a testament to our production model from which it is derived.

2023 is poised to be a significant year for Aston Martin. In addition to celebrating our 110th anniversary, which will see the unveiling of a highly-exclusive commemorative Special model, 2023 will also see the start of our next generation of sports cars which will truly reposition Aston Martin for the future.

I remain extremely confident in the delivery of our strategy and the path we are on to deliver our targets.

I thank you for joining us on our journey.

Lawrence Stroll
Executive Chairman

Executive Chairman Lawrence Stroll and other members of the executive team held town halls with employees on the production floor.

Highly tuned

> “The V12 Vantage Roadster possesses the same potency and dynamism that characterises the V12 Vantage Coupe, while surpassing it in terms of raw sensory excitement that you only achieve with roof down driving.”

Roberto Fedeli
Group Chief Technology Officer, Aston Martin

Innovative product
Launched at the Pebble Beach Concours d’Elegance in August, the V12 Vantage Roadster was one of several stand-out new products to expand Aston Martin’s breathtaking product portfolio in 2022. As with its Coupe equivalent, all examples of the strictly limited production run were fully allocated ahead of the car’s reveal, following unprecedented customer demand.

In conversation with our CEO

Amedeo Felisa

Precision focus

In May 2022, Aston Martin announced the appointment of Amedeo Felisa as Chief Executive Officer, with a focus on leading the brand to a new phase of growth and development.

A former CEO of Ferrari, Amedeo is one of the most highly regarded leaders and engineering professionals in the high-performance luxury sports car sector. Formerly a Non-executive Director of Aston Martin, he previously served as Chairman of the Company's Product Strategy Committee.

He reflects on his first year as Chief Executive Officer and how the business has approached the challenges of 2022.

In conversation with our CEO continued

Accelerating forward

> "2022 has positioned us well for the future. Given the health of our iconic brand, the size of the market opportunity, and our renewed focus on consistently executing an ultra-luxury strategy, I have great confidence that we can deliver on our ambitions."

What were your first impressions of Aston Martin?
Through my previous role as a Board member, I was fortunate to have already seen the huge potential of the Aston Martin brand and developed a good knowledge of the business and close relationships across our senior leadership team. My work chairing the Product Strategy Committee allowed me to see first-hand the passion and expertise of our people, but as CEO I have been even more impressed by the highly experienced and impressive pool of talent we have established here at Aston Martin, and the culture of innovation.

When I was appointed, I stood on our factory floor and told all our employees that people would be my greatest focus. I recognised that we needed to create more cohesion, encourage cross-functional collaboration and optimise ways of working to achieve operational efficiencies and work more effectively. I think that throughout the second half of 2022 we have made strong progress in providing more support and resources for colleagues to contribute to our success and growth.

Becoming CEO in May, I was also impressed by DBX707. Everyone involved should take great pride in creating a truly game-changing product like this. We seized the opportunity this outstanding model creates in terms of both ramping up production at St Athan in a challenging supply chain environment and successfully marketing the car globally.

What were your biggest priorities when becoming CEO?
While it was clear that tremendous progress had been made on our journey, we needed to improve execution and our capability to deliver on targets. My immediate priority was to focus the organisation on our 2022 targets, delivering DBX707 volume and embedding higher build rate for the Aston Martin Valkyrie programme.

As CEO, I have also sought to optimise our ways of working to set up the business for its future success, including the introduction of a new organisational structure for engineering with increased cross-functional teams. Throughout the second half of the year we've harnessed this collective engineering firepower to progress our next generation of sports cars, to be launched from 2023.

In addition to providing continued cost management, I have also personally overseen many of the measures to mitigate the supply chain and logistical challenges we've encountered in 2022. This is an area I am particularly passionate about, with a belief that any successful automotive business must work truly collaboratively and make suppliers feel like valued partners.

What challenges has Aston Martin faced in 2022?
Clearly 2022 is a year that will be remembered for macroeconomic, geopolitical and health challenges on a global scale. Whilst all businesses have been impacted by those factors, in Gaydon, St Athan and our other locations across the world, it has also been a year of positive transformational importance for our business and brand. That is largely testament to the collective efforts of our people to show resilience, commitment and passion in their work.

Supply chain issues and logistical disruption have been well documented across the entire automotive industry and we have needed to work incredibly hard to navigate those challenges and meet customer demand, whilst not compromising on the incredibly high standards that our ultra-luxury positioning requires. I think the operational challenges we've seen across the industry have further

Amedeo Felisa presenting at the Leadership Conference in October 2022.

highlighted my long-standing belief that a business such as ours must forge incredibly strong relationships across the supply chain and seek to create strategic partners, not simply suppliers.

How do you summarise the Group's performance in 2022?
Having navigated a challenging operating environment throughout 2022, I am pleased with how we ended the year. We delivered in line with expectations, took actions to address the short-term impacts of supply chain issues, and continued to make progress in several key areas which will support our ability to meet strong customer demand.

2022 has positioned us well for the future. Given the health of our iconic brand, the size of the market opportunity, and our renewed focus on consistently executing an ultra-luxury strategy, I have great confidence that we can deliver on our ambitions.

How is your journey to a 40% contribution margin progressing?
Achieving a minimum 40% contribution margin is a major focus for all our new models. Despite the challenges in 2022 of unexpected supply chain recovery costs and lower year-on-year gross margin within Specials, we have still increased our overall gross margin to 33% and expect to deliver significant growth and higher gross margin in 2023.

What have been your key achievements in 2022 against the goals set out last year?
I think the most significant is the successful launch of our fantastic new products, starting with DBX707 and the final edition V12 Vantage. Both of these cars are a good example of how we are uplifting performance in our product strategy, whilst crucially delivering the 40% minimum contribution margin that our business plan requires. Our continued development of Specials such as Valhalla and the award-winning DBR22 also carries huge importance to the business, enhancing levels of exclusivity and desirability for our brand. Our record total Average Selling Price of £201k is also a positive indicator of strong desirability, demonstrating our brand's ability to justify an ultra-luxury price tag that so few in the automotive sector can command for their products.

I am also pleased with our revenue growth, whilst we have strong demand across the portfolio with around 80% of our production of current sports cars sold out for 2023 and a stronger DBX order book running into Q3 2023.

In 2022 we also injected fresh energy into our iconic brand, with the reveal of our updated Aston Martin wings, *Intensity. Driven.* brand positioning and fresh creative identity. This investment in our brand is already demonstrating results with heightened awareness and salience amongst our target audience.

We have made a renewed commitment to making Aston Martin a great place to work, commencing investment in our facilities, culture and organisation, which I believe will help to drive forward our people and progress in 2023.

Whilst not foreseen as a 2022 objective, led by our Chairman Lawrence Stroll, this year we have also welcomed significant new investment through the successful completion of the £654m equity capital raise that strengthens our financial position and enhances our pathway to becoming sustainably free cash flow positive from 2024.

Extraordinary bloodline

“DBR22 is a hot-blooded, purebred Aston Martin sports car full of speed, agility and spirit, and a machine that we think will be the basis of many of tomorrow’s icons.”

Marek Reichman
Chief Creative Officer

The V12-engined, two-seater coach-built design is the latest in a long line of projects by our in-house bespoke division, Q by Aston Martin, which in 2022 celebrated a decade of building exclusive cars for our most discerning customers. The instantly iconic model was declared Best of Show at the influential Chantilly Arts et Élégance Richard Mille later in the year. With the orderbook closed, deliveries are expected to start in 2023.

Aston Martin and the luxury market

The global luxury market

The issue/opportunity

The growth in the global market for luxury goods as the world's Ultra High Net Worth Individual (UHNWI) population increases

What we're doing

- Operating as an ultra-luxury brand by aligning demand to supply, and embracing a manufacture-to-order model
- Investing in our brand and international marketing to appeal to luxury consumers
- Creating more limited and Special models to cater for our most exclusive of customers

Statistics

28%
Between 2021 and 2026 it is forecast that the global UHNWI population will grow by a further 28%. Over the ten years to 2026 that represents a more than doubling in the number of global UHNWIs

Strategic Objectives

- Balance supply to demand, operating as a true luxury business
- Focussing on building to order, supporting strong pricing

Market expansion

The issue/opportunity

The opportunity to expand Aston Martin's brand presence and market share in established markets of wealth density such as the USA, and rapidly expanding markets for luxury cars such as China and Japan

What we're doing

- Strengthening regional leadership to deliver our strategic growth plans for individual markets, including appointments of new Regional Presidents in the USA, Asia and Europe in 2022
- Launching a new brand strategy and creative identity to further expand Aston Martin's appeal to new audiences globally
- Connecting with dealers and customers in the USA through Aston Martin's significant presence at the iconic Pebble Beach Concours d'Elegance
- Growing our brand awareness and desirability through the global platform of Formula One®

Statistics

>60%
of Aston Martin customers are new to the brand

4.8%
year-on-year increase in Aston Martin exports

By 2026, Asia will surpass Europe as the second largest regional wealth hub behind the USA

Strategic Objectives

- Accelerating growth with our target to achieve approximately 10,000 wholesales
- By 2024/25 seeking to generate c.£2 billion revenue and c.£500 million adjusted EBITDA

Personalisation and customisation

The issue/opportunity

The rising demand for unique and bespoke personalised products amongst luxury consumers

What we're doing

- Expanding our Q by Aston Martin offering – our ultimate bespoke personalisation service, providing the option for customers to personalise their Aston Martin beyond the scope of the core option range, and even commission their own unique model
- Launching special, limited-edition products for our most distinguished customers – introducing the introduction of the final V12 Vantage and ultra-exclusive DBR22 in 2023, plus the recent DBS 770 Ultimate
- Enhancing our award-winning online configurator, allowing customers to personally select their own unique specification for each Aston Martin model
- Showcasing development upgrades to hybrid supercar Valhalla to customer acclaim
- Investing in our ultra-luxury customer journey and retail experience

Statistics

£201k
record Average Selling Price in 2022

>50%
of the planned 999 Valhalla models already sold to customers

>10%
increase in web and configurator sessions year-on-year

Strategic Objectives

- Targeting minimum of 40% contribution margin on all new models

Geopolitical and macroeconomic Issues

The issue/opportunity

The ongoing global impact of the COVID-19 pandemic, war in Ukraine and global macroeconomic challenges

What we're doing

- Maintaining our production and business operations through diligent workplace health and safety practices
- Deleveraging our balance sheet through a successful equity capital raise to strengthen our financial position and reduce our debt
- Expanding our online presence to cater for the changing needs of customers, through new services like our online configurator
- Suspending all product and parts sales to Russia, in line with global trade sanctions
- Working in close partnership with suppliers to identify supply chain risk at the earliest opportunity
- Investing in supply chain recovery tactics to overcome isolated supply chain issues
- Regularly reviewing our pricing to ensure strong gross margin
- Supporting our colleagues with the higher cost of living through pay rises approved by the Remuneration Committee

Statistics

£583m
Cash balance at the end of year

$200m
Successfully completed debt tender in October 2022

Strategic Objectives

- Targeting to become sustainably free cash flow positive from 2024

Vehicle electrification | Sustainability

The issue/opportunity

Vehicle electrification: The transition away from the internal combustion engine (ICE) to a range of technologies that use electricity to propel vehicles, including plug-in hybrid electric vehicles (PHEV) and battery electric vehicles (BEV)

Sustainability: The need for all businesses to act on climate change and limit the global temperature rise to 1.5 degrees.

What we're doing

Vehicle electrification:

- Signed our enhanced technology agreement with Mercedes-Benz AG, providing access to advanced technologies
- Investing in electrification skills across our business
- Recruiting new talent, including a dedicated Group Chief Technology Officer and new team of highly skilled powertrain experts
- Introducing hybrid technology through our products such as Aston Martin Valkyrie and DBX Straight-Six
- Preparing to deliver our first PHEV, Valhalla, in 2024 ahead of the first Aston Martin BEV in 2025

Sustainability:

- Launching *Racing. Green.* our new ESG strategy with ambitious commitments to become a world-leading sustainable luxury automotive business
- Working towards net-zero manufacturing facilities and a 30% reduction in supply chain emissions by 2030
- In our manufacturing facilities in Gaydon and St Athan we continue our commitments to only use renewable electricity
- By 2025 we aim to achieve zero single-use plastic packaging from our Manufacturing facilities and to reduce our water consumption by 15%

Statistics

Vehicle electrification:

Zero-emissions

All new car sales in Europe by 2035 to be zero-emissions at the tail pipe

Sustainability:

Reduce 2.5%

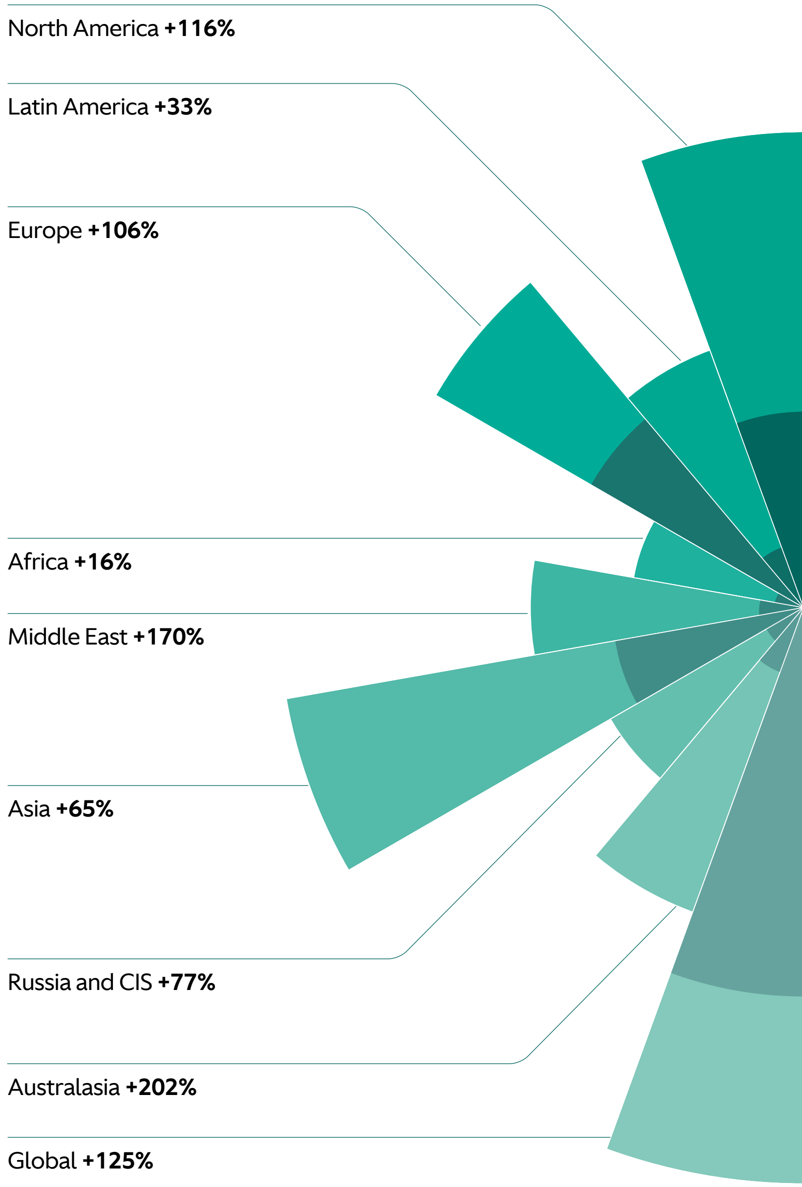
In 2022 new targets were set to drive year-on-year improvements in our sustainability performance including reducing CO_2 emissions and energy intensity per car each year by 2.5%.

Reduced 3.9%

In 2022 Scope 1 CO_2 emissions were reduced by 3.9% per car compared to 2021

The ten-year view

Projected increase in UNHWIs by region 2016–2026



Source: Knight Frank Wealth Report, 2022.

Strategic Objectives

Vehicle electrification:

- Transforming our products, producing emissions-free vehicles. First BEV targeted for launch in 2025
  - Fully electrified sports car and SUV portfolio by 2030

Sustainability:

- Our *Racing. Green.* sustainability strategy outlines our target to achieve:
  - Carbon Neutral manufacturing facilities
  - 100% use of renewable electricity in its manufacturing facilities
  - A new goal to achieve a 2.5% year-on-year reduction in CO_2 emissions from our manufacturing facilities*
  - A new goal to reduce CO_2 emissions intensity and energy consumption per car by 2.5% year on year*
  - Enhancing our gender diversity aspiration with a new target of women in 25% of leadership positions by 2025 and in 30% of leadership positions by 2030
  - A new target to improve biodiversity at our manufacturing facilities

* Scope 1 CO_2 emissions.

Engaging our stakeholders

We believe that stakeholder engagement is a key element of delivering a sustainable business and this activity is undertaken across our business at different levels of the organisation.

Through effective engagement with our stakeholders we can understand what matters to them and what their priorities are. A summary of who our key stakeholders are, what matters to them and how we engage with them is set out on the following pages and is reinforced throughout this Report. Engagement at Board level is highlighted with B.

Our Section 172 statement which sets out how the Board has taken into account the interests of the Company's stakeholders in its decision-making is set out on pages 106-107.

Customers and enthusiasts

Customers and enthusiasts are key to our brand and our business success. Their emotional connection with the brand enables us to build a strong and loyal customer community.

What matters to them?

- Quality and safety of products
- Car design and performance
- Brand strength
- Exclusivity and scarcity
- Ultra-luxury customer experience
- Cost of ownership
- Environmental commitment
- Sense of community

How we engage

- New brand strategy and creative identity
- Launch of new *Intensity. Driven.* brand campaign
- Bespoke customer communications and Customer Relationship Management strategy
- Investment in ultra-luxury customer journey
- Innovative and engaging content across our website and social media channels
- Major brand campaigns, such as the campaign for the DBX707 starring actor Felicity Jones
- Aston Martin luxury customer magazine
- Tailor-made customer events, such as car reveals and the Valhalla global tour
- Dealership events
- Customer rallies and gatherings
- Formula One® hospitality and events programme B
- Executives actively meeting customers at leading luxury automotive events such as Pebble Beach and Goodwood Festival of Speed B
- Global communications strategy, driving coverage across automotive and lifestyle media

Dealer network

Our third-party dealerships are the direct contact point for our brand to our customers. They enable us to maintain control over our brand positioning and luxury customer service in a cost-effective way.

What matters to them?
- Brand awareness and desire
- Brand strength and Company support
- Programmes to identify and generate sales opportunities
- Increased customer satisfaction and retention targeting ultra-luxury segment
- Ultra-luxury product and product refresh
- Return on investment

How we engage
- CEO and Board engagement to strengthen dealer relationships and support demand-driven strategy B
- Attendance (physical or virtual) at local dealer conferences held during the year
- Strengthening of central and regional senior management, supporting closer dealer relationship and communications
- Rollout of dealer network programmes to monitor performance aligned to growth opportunities
- Implementation of standards to drive dealers to consistent ultra-luxury behaviour
- Transfer of Aston Martin Academy training programmes into virtual class delivery, together with upgrade of eLearning courses
- Upgrade within digital platforms, supporting increased engagement and elevated brand representation

Suppliers and other partnerships

Our suppliers are fundamental to our business. Carefully chosen partnerships provide us with an important source of technical expertise and brand enhancement.

What matters to them?
- Responsible procurement, trust, ethics and open dialogue
- Operational improvement
- Competitiveness
- Strong relationships
- Financial performance
- Building capability and expertise
- Design and technical expertise

How we engage
- Forging stronger relationships with suppliers is a key focus, with a desire to create partners, not suppliers
- Strategic Cooperation Agreement with Mercedes-Benz AG securing access to technologies critical to our long-term plans
- Sponsorship of Aston Martin Aramco Cognizant F1™ team to provide a direct global marketing platform targeting key customers and enhancing the brand B
- Dedicated Supplier Quality Development team manages supplier quality and performance
- Rollout of the new Responsible Procurement Policy with our suppliers as part of our sustainability strategy
- Supply Chain Champions working closely with suppliers to resolve ongoing issues
- Commodity team structure established and being used effectively
- Supplier risk meeting cadence working cross-functionally to mitigate potential risks to production
- Collaboration with suppliers to deliver innovation and economic improvement
- Using supplier scorecards to identify areas for performance improvement

Engaging our stakeholders continued

Our people

Our people are the key to our success. Our performance depends on our passionate, knowledgeable, experienced and creative people.

What matters to them?

- Personal development and career opportunities
- Health and safety
- Engagement
- Feeling listened to and valued
- Reward and benefits
- Equity, Diversity and Inclusion
- Environmental and social responsibility

How we engage

- C-Suite roundtables with employees B
- People Forum
- Employee Town Halls B
- Dedicated Independent Non-executive Director to gather views of the workforce and report back to the Board
- Consultation on employee benefits
- Trade Union Business review
- Health and safety review
- Listening sessions supporting our culture and to deep dive engagement topics B
- Aston Martin internal communications platform and AM People newsletter
- Aston Martin's Inclusion Network
- Local Health and Safety Committees
- Local trade union meetings

Investors

Continued access to capital is vital to the long term performance of our business. Our focus is to ensure investors understand our strategy, value drivers, performance, ambition and culture and for us to understand their priorities.

What matters to them?

- Consistent delivery of the Company's strategy
- Financial performance relative to expectations
- Demonstrate that the Company is a responsible and effective steward of capital
- Sustainability
- Governance and transparency
- Confidence in the leadership team
- Stability and predictability, with no surprises

How we engage

- Webcasts, presentations and meetings by the Executive Chair, Chief Executive Officer, Chief Financial Officer and the Investor Relations team B
- Gaydon site visit for equity analysts and large investors held in September, to showcase our strategic progress and priorities B
- Focused investor relations programme delivered both remotely and in person B
- Retail shareholders engaged via direct communications, our website, press activities, Annual Reports and general meetings B
- For more information see our Governance Report on page 86

Local communities and Non-Governmental Organisations

We aim to build positive relationships with local communities and organisations interested in our business.

What matters to them?
- Trust and ethics
- Safety
- Sustainability and non-financial performance including environmental impact of our products
- Career opportunities for members of the local community
- Local operational impact

How we engage
- Outreach programmes with local schools, including initiatives to promote Science, Technology, Engineering and Mathematics and careers in the automotive industry
- Philanthropic activities to contribute social and societal benefits
- Meetings, site visits and dialogue with Non-Governmental Organisations including organisations representing industry, social and environmental interests

Government and regulators

We engage with government and regulators given public policy and regulatory impacts on our business.

What matters to them?
- Compliance with regulations and the law
- Sustainable operations
- Employment and economic impacts
- Contribution to achieving public policy objectives

How we engage
- The Board is committed to proactive engagement with key stakeholders in government at local, regional and national level
- We aim to engage positively, constructively and consistently through various channels, including meetings, site visits, contributing to public policy development and responding to consultations

Creating future value

Our vision
To be the world's most desirable ultra-luxury British performance brand

What we put in

Brand and heritage
Iconic ultra-luxury British brand with over 100 years of heritage, synonymous with style, performance and exclusivity. A new brand positioning and bold creative identity was launched in 2022, highlighting edgier, intense, performance-led characteristics that underscore our brand and product DNA, generating heightened brand awareness and salience. Aston Martin fuses the latest technology, time-honoured craftsmanship and beautiful styling to produce its critically acclaimed luxury models.

People
World-class experienced management team spanning all functions from engineering, operational to commercial, focused on building a truly collaborative and functional way of working that inspires innovation and develops a high-performance culture. Committed to making Aston Martin a great place to work, our highly skilled and flexible manufacturing workforce is trained by Aston Martin's own in-house academy, which is dedicated to training and up-skilling our manufacturing technicians and strengthening workforce skills and capability.

Innovation and technology
Network of carefully chosen strategic technical partners to co-develop leading-edge technology and vehicle systems which will strengthen and enrich product excellence and create products with unmistakable character. The Engineering team has implemented an efficient Product Development process, maximising cross-carline component sharing and driving sustainability.

1.

Product portfolio

- Performance-driven product portfolio, covering a wide segment of the ultra-luxury performance market
- Clear product advantage and individuality, driving up average selling price and margins
- Product portfolio comprises the front-engine sports cars, with assertive styling, dynamics and exhilarating performance, and an SUV range that has the world's fastest, most powerful and best handling luxury SUVs representing the height of design, beauty and style
- In addition to core models, Aston Martin produces and sells exclusive limited volume Special editions, which are typically oversubscribed and are highly sought after amongst the active global community of automotive collectors and enthusiasts. Our Q Personalisation service allows Aston Martin to serve customers with a state-of-the-art offering and a focus on personalisation

Our sustainable approach:
Electrification of our model range is fundamental to our product strategy. We expect to launch our first BEV in 2025 and will have a fully electrified sports car and SUV portfolio by 2030.

2.

Engineering

- In-house engineering expertise with well-established teams for Product Development, Innovation & Advanced Technology, Vehicle Engineering, ICE Powertrain, ePowertrain, Software & Electronics Technology, Value Engineering and Project Management & Planning
- Teams work in a cross-functional structure to encourage a collaborative way of working, greater efficiency and foster cutting-edge innovation
- Development Process optimised to maximise cross-carline component sharing and drive sustainability, thereby reducing complexity, improving quality and delivering engineering efficiencies
- Network of strategic partners to co-develop world-class technology and vehicle systems, enhance quality and deliver technical excellence

Our sustainable approach:
We are investing in EV technology that will be used to electrify our model range. We are also investing in the use of alternative sustainable materials within vehicles.

3.

Operational excellence

- Quality organisation transformed and strengthened with highly experienced management hires.
- New model launch function transformed to lead the overall build strategy and product introduction.
- New practices have been adopted with suppliers to stabilise the supply chain and mitigate disruption to production
- Renewed supply strategy in place to develop strategic and sustainable partnerships to improve supply chain resilience, quality and performance

Our sustainable approach:
We are passionate in moving towards a better future as demonstrated by our *Racing. Green.* sustainability strategy and commitment to the Science Based Targets Initiative (SBTi's) Net-Zero Standard.

4.

Go-to-market

- *Intensity. Driven* brand creative identity repositioned the Aston Martin brand to focus on ultra-luxury positioning and high-performance
- Building on strong retail distribution, and an ultra-luxury blend of physical and digital customer experience
- Ultra-luxury experienced dealer partners in all key growth markets, with new corporate identity aligned to ultra-luxury environment and product portfolio
- Leveraging a demand-driven business model that strengthens the order book, supports stronger pricing dynamics and controls inventory
- Strategic marketing initiatives intended to drive new levels of brand awareness, attract new customers, increase loyalty and exclusivity, and build a stronger community

Our sustainable approach:
Digital customer concierge services and digital touchpoints are fundamental to the environmentally conscious ultra-luxury consumer. Aston Martin's best-in-class online configurator tool enables customers to choose the full exterior and interior specification of their desired car remotely, whilst receiving the full Aston Martin experience.

5.

"No one builds an Aston Martin on their own"

- Building cross functional, multi-project teams and consistent one-team "Ways of Working" across the business that encourage collaboration and innovation across organisational boundaries
- Building a performance driven workforce culture and mindset, harnessing agility, efficiency and speed
- Creating a fulfilling and rewarding experience, including a company-wide performance bonus approach to drive performance, embedding key finance and quality measures and targets reflecting the mindset of a performance driven ultra-luxury brand
- Strengthening workforce skills, knowledge and capability and fostering engineering excellence and passion within our corporate DNA

Our sustainable approach:
We are committed to building a workplace and culture where all our people feel connected to Aston Martin's purpose, where they have a voice and can develop to reach their full potential. A diverse and inclusive workforce enhances our culture and our ability to deliver our business strategy and objectives.

The value we create

Brand
Aston Martin is an iconic brand, that has been repositioned as a high-performance driven ultra-luxury brand. The Aston Martin Aramco Cognizant Formula One Team™, drives greater brand awareness, which generates top of mind preference, desirability and exclusivity.

Customers
By increasing desirability and exclusivity and using a more precise data-driven approach, we are attracting new customers from the ultra-luxury segment to an existing loyal and passionate customer base.

Workforce
Investing in people and opportunity will continue to shape our future. We are committed to building a culture where our workforce feels connected and valued, and thereby enhance our ability to deliver our business strategy and objectives.

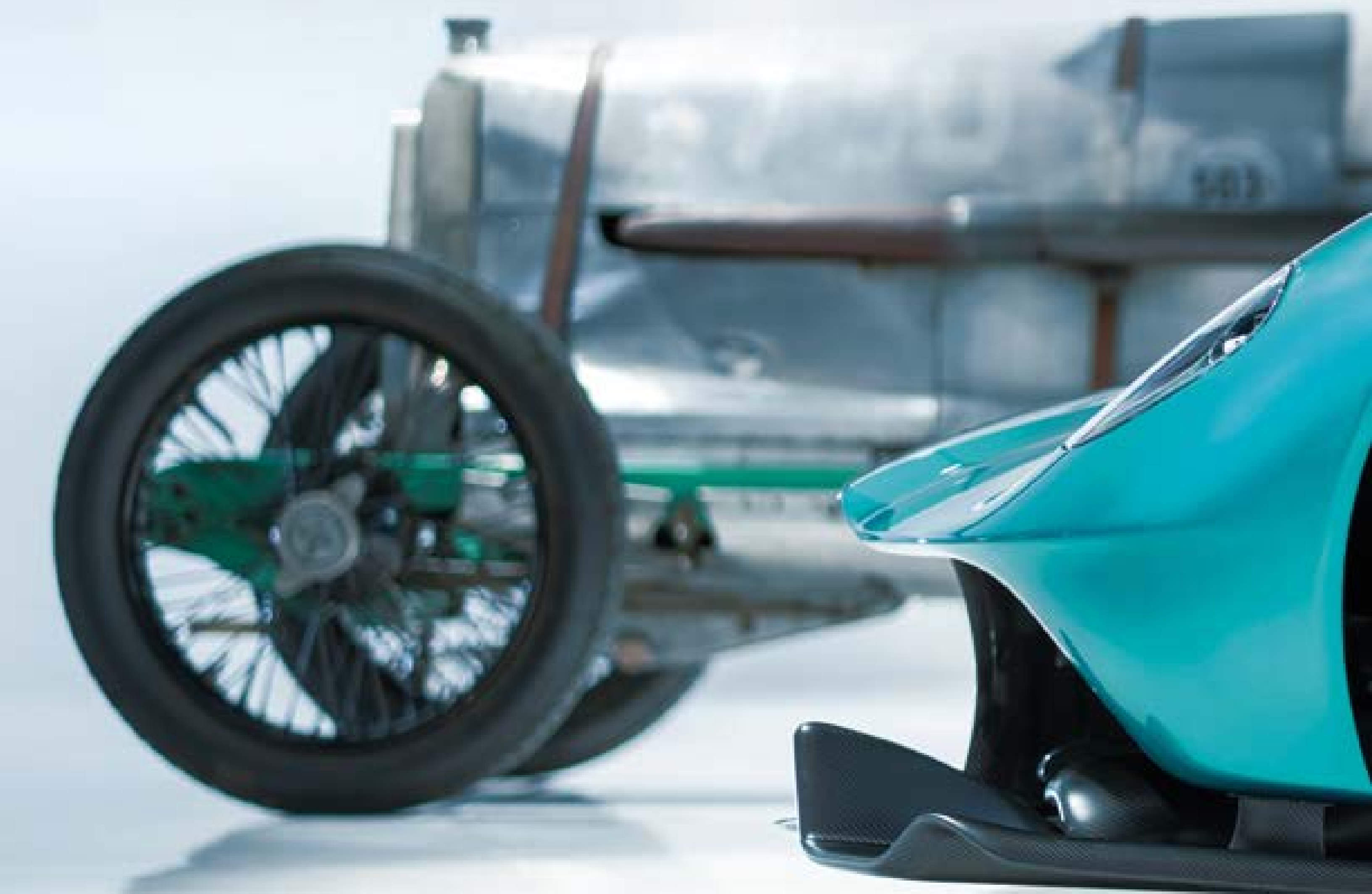
Investors
We have taken significant steps to strengthen the business, increase profitability and position Aston Martin for long-term growth and sustainable free cash flow generation for our investors.

Sustainable business
We are committed to our ambition on tackling climate change and to becoming a world-leading sustainable ultra-luxury business.

Our new era

A strategy that drives us forward

2023 is a significant year, as we celebrate the 110th anniversary of Aston Martin and prepare to unleash the first of our highly anticipated next generation of sports cars, further enhancing our focus on ultra-luxury, high-performance and driving intensity.



Achieving our strategy

Our four strategic foundations are our key strengths which underpin our strategy and future growth ambitions.

Brand
Aston Martin is an iconic global brand with a unique position transcending ultra-luxury and high-performance underpinned by a strong and loyal customer base.

Product Innovation
A breathtaking and comprehensive core portfolio across front-engine, SUV and mid-engine, enhanced by a strategically-aligned Specials programme.

Sustainability
Deepening the integration of sustainability into our business and improving our sustainability performance through our *Racing. Green.* strategy.

Team
Talented and skilful team with experience and understanding of the ultra-luxury automotive sector, focused on building a collaborative and cross-functional way of working.

Key tasks to realise our strategic goals and deliver our vision to be the most desirable ultra-luxury British performance brand

Brand

- Utilise the new *Intensity. Driven.* brand creative identity and Formula One® platform to elevate and reposition Aston Martin as an ultra-luxury high-performance brand.
- Create ultra-luxury services and experiences that are seamless, personalised and unique.
- Deliver products that create desire and excitement, clear product advantage and individuality.

Product innovation

- Optimise the product development process to maximise cross-carline component sharing, reduce complexity and drive engineering efficiencies.
- Build a strong network of strategic engineering partners to co-develop world-class technology and vehicle systems, enhance quality and deliver technical excellence.
- Drive innovation to be a technologically advanced performance automotive brand.

Sustainability

- Deliver operational excellence efficiency, sustainability and agility.
- Deliver quality assurance in production and aftersales.
- Maintain a resilient, stable and structured supply chain and logistics framework. Build a strong network of strategic supplier partners to minimise supply chain disruption and achieve cost and resource efficiencies.
- Embed the new ESG strategy to realise our ambition to become a world-leading sustainable ultra-luxury business.

Team

- Increase the culture of inclusion leveraging the Aston Martin values, building awareness through education and measuring through qualitative data.
- Improve colleague engagement and alignment by becoming a “Great Place to Work” by 2025.

Performance targets

Finance

- Medium-term target of wholesale volumes of c.10,000 units
- Grow revenue to c.£2bn by 2024/25
- Achieve c. £500m adjusted EBITDA by 2024/25

Product

- All new products to deliver contribution margins of 40%+
- Next-generation sports cars delivery from 2023
- PHEV commencing delivery from 2024
- First BEV targeted for launch in 2025
- Fully electrified sports car and SUV portfolio by 2030

ESG

- Sustainability targets to be set in line with our commitment to the Science Based Targets initiative
- New goal to achieve a 2.5% year-on-year reduction in CO_2 emissions from our manufacturing facilities
- New goal to reduce CO_2 emissions intensity and energy consumption per car by 2.5% year on year

Achievements to date

We have achieved an enormous amount to de-risk the business and position the Company for long-term, sustainable and profitable growth. We are on track with our transformation into one of the greatest ultra-luxury brands in the world with new leadership, partners and products.

Impactful new brand creative identity *Intensity. Driven.* has heightened brand desirability.

Aston Martin Aramco Cognizant Formula One™ Team continues to connect the brand with engaged audiences and to raise consideration in key markets.

V12 Vantage and DBS 770 Ultimate iconic finale models sold out.

We have the most exciting and compelling product pipeline coming to market, including a new generation of front-engine sports cars from 2023.

We have strong underlying year-on-year core gross margin progression, aligned with our ultra-luxury strategy.

We have accelerated progress towards the *Racing. Green.* goals, embedding sustainability throughout the business.

We have continued our commitment to the SBTi.

We have made changes to our organisational structure and operational improvements focused on enhancing quality and overall efficiencies.

A new brand positioning

This brand's new era takes flight

In July 2022, Aston Martin launched a bold new creative brand strategy and global marketing campaign to further accelerate our growth amongst new audiences. Celebrating the Company's position as makers of the most exquisitely addictive performance cars, the new creative centres on the brand idea *Intensity. Driven.* The radical redesign includes a contemporary update to the iconic wings, created by our world-renowned design function in collaboration with acclaimed British art director and graphic designer Peter Saville.

"Retaining the elegance and sophistication that our brand and products are revered for worldwide, this emotionally-led creative direction dials up the bolder, edgier and more intense characteristics that have always underscored Aston Martin."

Renato Bisignani
Head of Global Marketing and Communications


ASTON MARTIN

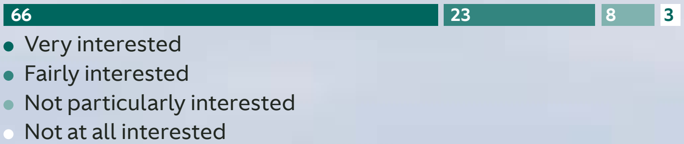
New customer penetration

We make sure that when all eyes are on us there is an immediate connection

The brand's presence at the pinnacle of motorsport with the sponsorship of Aston Martin Aramco Cognizant Formula One™ Team is shining a spotlight on Aston Martin's high-performance credentials and heightening brand desirability and product familiarity, as the sport enjoys growing popularity worldwide.

2022 research shows that more than 95% of US customers feel Aston Martin's presence in F1® made them more likely to consider the brand. More than 70% of Vantage F1® Edition owners are new to the Aston Martin brand, further demonstrating the positive impact that Aston Martin's global presence in the sport is having on its brand image and appeal to new customers.

Interest in F1 is strong and strengthening amongst our US customers (%)



High performance products

Another accolade for world-beating Vantage

Through the incredible performance of our Aston Martin Racing partner team TF Sport, 2022 saw the Aston Martin Vantage GTE claim its 11th FIA World Endurance Championship title, including a thrilling victory for our British-built race car at the 90th running of the 24 Hours of Le Mans, in the GTE-Am class.

The victory further reinforces Aston Martin's performance credentials and is testament to the Vantage production model from which the car is derived.

11th championship trophy win

World Endurance Championship winning driver 'Ben Keating'.


8

Built on an unforgettable legacy

A century on from its racing debut, in July Aston Martin's original Grand Prix car roared back to the French Grand Prix for a thrilling celebratory lap. Four-time F1® world champion Sebastian Vettel had the chance to pilot TT1 – affectionately nicknamed 'Green Pea' – around Circuit Paul Ricard, 100 years on from the storied car taking to the road circuit of Strasbourg for a 60-lap, 800 km race that ignited Aston Martin's passion for top-flight international competition.

"The racing spirit and will to win is something that defines Aston Martin, and it's fantastic to celebrate it."

Sebastian Vettel
Aston Martin Aramco Cognizant Formula One™ Team

A thrilling product line-up

2022 marked the start of an exciting new product line-up

Building on the strong momentum from new introductions in 2021, Aston Martin continues to thrill drivers with breath-taking new products.

2022 saw the launch of the game-changing DBX707, our market-leading and critically-acclaimed high-performance luxury SUV.

This was followed by the highly desirable final edition V12 Vantage. The final edition of an iconic bloodline of outstanding two-door British V12 sportscars, the model enjoyed unprecedented demand with all 333 units fully allocated prior to its global release.

Our continued development of exclusive Specials was also showcased to acclaim at some of the world's most prestigious luxury automotive events.

At the Pebble Beach Concours d'Elegance in August, we introduced two spectacular new models – V12 Vantage Roadster and the ultra-exclusive DBR22, along with showcasing the latest development updates to our hybrid supercar Valhalla.

All 249 examples of the V12 Vantage Roadster, which combines the thrilling performance of the most powerful Aston Martin Vantage ever made with the freedom of roof down driving were secured by customers before the model's reveal.

Similar enthusiasm was generated for the instantly iconic DBR22, which was declared Best of Show at the influential Chantilly Arts et Élégance Richard Mille. Priced at £1.75m and with the orderbook closed, deliveries are expected to start in 2023.

2023, Aston Martin's 110th anniversary, is a significant year as we prepare to unleash the start of our highly-anticipated next generation of sports cars, which will further enhance Aston Martin's focus on ultra-luxury, high-performance and driving intensity.

Supporting charities

An icon for good

An Aston Martin DB5 replica stunt car featured in *No Time To Die* raised £2.75m for good causes in a charity auction at Christie's to celebrate 60 years of the James Bond films.

One of three special Aston Martin models included in the multi-million-pound charity auction, the replica DB5 donated by Aston Martin Lagonda was the star lot on the night, accelerating beyond the auctioneer's estimate.

The proceeds of the DB5 auction benefited The Prince's Trust in its work with young people; The Prince of Wales's Charitable Fund in support of charities assisting serving and former members of the UK Intelligence Agencies; and three charities supporting serving and former members of the UK Special Forces.

£2.75m
raised by AML for charity


CHRISTIE'S
LOT 7
GBP 2,400,000
USD 2,558,400
EUR 2,673,600
CHF 2,539,200
JPY 369,984,000
HKD 19,996,800
CNY 18,309,600
CONVERSIONS APPROXIMATE
007 60
CHRISTIE'S
007 60
CHRISTIE'S

Key performance indicators

Measuring our performance

Financial

Legend

- Brand
- Product Innovation
- Sustainability
- Team

Revenue

(£'m)

Year	
2022	1,381.5
2021	1,095.3
2020	611.8

Description
Revenue measures the appeal of our brands, our ability to build and sustain brand equity and increase market share through product expansion

Definition
Revenue is defined in note 2 of the Financial Statements

Remuneration linkage
None

Target
The Company expects to generate revenue of c. £2bn by 2024/25

Link to strategy

Wholesale volumes

(Units)

Year	
2022	6,412
2021	6,178
2020	3,394

Description
This measures sales from the Company to its dealers and direct customers

Definition
Number of vehicles, including Specials, sold by the Company to its dealers and direct customers

Remuneration linkage
Represents 7.5% of the Group scorecard of performance measures for the annual bonus

Target
The Company expects to generate medium-term wholesale volumes of c.10,000 units

Link to strategy

Operating profit/(loss)

(£'m)

Year	
2022	(141.8)
2021	(76.5)
2020	(322.9)

Description
Operating profit/(loss) measures our actual, reported operating profitability

Definition
Net revenue, less Cost of Sales, less all other operational expenses (See note 4 of the Financial Statements)

Remuneration linkage
None

Target
Not applicable

Link to strategy

Adjusted EBITDA

(£'m)

Year	
2022	190.2
2021	137.9
2020	(70.1)

Description
This measures our underlying operating profitability, stripping out the impact of adjusting items from operating profit/(loss) and interest, tax, depreciation and amortisation

Definition
Adjusted EBITDA is defined in note 33 of the Financial Statements

Remuneration linkage
Represents 50% of the Group scorecard of performance measures for the annual bonus

Target
The Company expects to generate c. £500m adjusted EBITDA by 2024/25

Link to strategy

Non financial

Net debt

(£'m)

2022	765.5
2021	891.6
2020	726.7

Description
Net debt measures the amount of total indebtedness at the Company, net of any cash and cash equivalents

Definition
Total value of all current and non-current borrowings, inventory repurchase arrangements and lease liabilities, less cash and cash equivalents and cash not available for short-term use (See note 33 of the Financial Statements)

Remuneration linkage
None

Target
None

Link to strategy

Net debt to adjusted EBITDA

('adjusted leverage')

2022	4.0
2021	6.5
2020	NM

Description
Adjusted leverage measures our indebtedness compared to one year's worth of profitability

Definition
Net debt divided by adjusted EBITDA over the last 12 months (See note 33 of the Financial Statements)

Remuneration linkage
None

Target
Not applicable

Link to strategy

Free cashflow

(£'m)

2022	(298.8)
2021	(123.2)
2020	(539.3)

Description
This measures the generation and usage of cash, including the impact of all investment and financing decisions

Definition
Cash inflow/(outflow) from operating activities plus the cash used in investing activities (excluding interest received) plus interest paid in the year, less interest received (See note 33 of the Financial Statements)

Remuneration linkage
Represents 20% of the Group scorecard of performance measures in the annual bonus

Target
The Company expects to turn free cashflow positive by 2024

Link to strategy

Quality – customer perception audit

(CPA) quality score

2022	*
2021	NM
2020	NM

* Significant progress made but stretching target level not achieved.

Description
This is an internal measure of the quality of each completed car at the end of the production line

Definition
The CPA score is determined through the audit of each car at the point that it has completed all the production processes and is intercepted as it would be handed over to the outbound transport company

Remuneration linkage
Quality measures, including CPA score, represent 15% of the Group scorecard of measures for the annual bonus

Target
Ambition for continuous year-on-year improvement in CPA scores for GT/sports cars and DBX

Link to strategy

Health & Safety - accident frequency rate

(AFR)

2022	0.53
2021	1.01
2020	1.44

Description
The AFR measures work related recordable injuries or illnesses (as defined by the Occupational Health and Safety Administration)

Definition
The AFR measure is calculated by the work related recordable injuries or illnesses divided by the numbers of hours worked over a 12-month period ending on 31 December each year

Remuneration linkage
None

Target
Ambition for continuous year-on-year reduction

Link to strategy

Making strong progress

"I am pleased with how we ended the year and the progress we have made towards meeting our medium-term targets."

During 2022 the Company continued to make strong progress towards meeting its medium-term financial targets. Despite a challenging operating environment, our full year financial results are in line with expectations, driven by strong demand, record pricing and the launch of new products with enhanced profitability. The equity capital raise completed in September enabled us to deleverage the balance sheet and the thrilling new products we plan to launch in 2023 and 2024 will further enhance our growth.

We enjoyed strong demand across the product portfolio, which resulted in wholesale volumes increasing by 4%, driven by strong volume growth in Q4. Our ultra-luxury strategy is supporting improved pricing power and record high total ASPs of more than £200k in 2022. This was a key driver of revenue growth, which increased by 26% to £1.4bn.

This growth was delivered in a complex operating environment, particularly impacted by supply chain and logistics disruptions, which limited our ability to meet this strong demand. Moreover, we incurred material levels of supply chain recovery costs to mitigate these disruptions and support customer demand, particularly for the DBX707. Including these costs, gross profit improved by 31% year-on-year to £451m and gross margin increased to 33%, driven by a stronger contribution from core models, including the V12 Vantage and DBX707, offset by a weaker contribution from Specials, related to a transitional shift in product mix.

> “The equity capital raise enabled us to strengthen our financial position, reduce our debt and support our target to become sustainably free cash flow positive from 2024.”

Adjusted EBITDA increased by 38% year-on-year to £190m, delivering 120 basis points of margin expansion. Although this included foreign exchange tailwinds, these were more than offset by higher brand and marketing initiatives to support the ongoing elevation of the Aston Martin brand.

Free cash outflow of £299m (2021: £123m) included a significant increase in capital expenditure related to future product launches, as well as adverse movements in working capital, which were impacted by supply chain and logistics disruptions.

In the second half of the year we completed a £654m equity capital raise in order to strengthen our financial position, reduce our debt and support our target to become sustainably free cash flow positive from 2024. We also welcomed PIF as a new anchor shareholder. Using a portion of the proceeds from the capital raise, we completed a tender offer for a total consideration of $200m, for a partial repurchase of our US dollar-denominated Senior Secured Notes and Second Lien Split Coupon Notes.

Supported by the capital raise, our year-end cash balance was much improved at £583m, with reduced net debt of £766m, despite a £156m adverse non-cash revaluation impact resulting from the weaker GBP versus the US dollar.

In summary, I am pleased with how we ended the year and the progress we have made towards meeting our medium-term targets. 2023 is poised to be a year where our transformation accelerates – particularly in the second half of the year – as we start to deliver our next generation of sports cars, all targeting a 40%+ contribution margin.

This is my first letter to you as Chief Financial Officer of Aston Martin Lagonda, having joined the business in May. I have been impressed by the passion and commitment of the teams here, the desire of all our people to ensure the Company’s success and the renewed excitement about the opportunity ahead of us. I will continue to play my part, alongside the rest of the Board, in executing our strategy to help deliver value to all of our stakeholders.

Doug Lafferty
Chief Financial Officer

Financial Review

Financial Highlights

- Continued strong demand across all product lines with c.80% of current range of GT/Sports cars sold out for 2023 ahead of upcoming launches and DBX order book into Q3 2023
- Despite the impact of supply chain and logistics disruptions, most notably in Q2 and Q3, wholesale volumes in 2022 grew in line with revised range:
  - Wholesale volumes increased by 4% year-on-year to 6,412 (2021: 6,178)
    - Volumes included more than 3,200 DBXs, driven by launch of the DBX707 which represented more than 50% of overall DBX volumes
  - Q4 wholesale volumes of 2,352 increased by 22% year-on-year (Q4 2021: 1,928)
- Revenue increased by 26% year-on-year to £1.4bn and Q4 revenue increased by 46% year-on-year to £524m driven by:
  - Strong pricing dynamics and favourable mix in the core portfolio:
    - FY 2022 core ASP of £177k, up 18% from £150k in FY 2021
    - Q4 2022 core ASP of £184k, up 21% from £152k in Q4 2021
  - 80 Aston Martin Valkyrie programme deliveries during 2022, including 36 in Q4
  - Foreign exchange tailwinds for ASPs due to GBP weakness versus major currencies
- Gross profit increased by 31% year-on-year to £451m (2021: £344m) and gross margin increased to 33% (2021: 31%), reflecting improved pricing and gross margin for core models, partially offset by the impact of lower year-on-year gross margin within Specials. In addition, year-on-year gross margin performance was impacted by approximately £20 million of supply chain recovery costs incurred in the second half of the year
- Adjusted EBITDA increased by 38% year-on-year to £190m, primarily driven by higher revenue and gross profit, partially offset by higher operating expenses including reinvestments into brand, marketing and new product launch activities, as well as inflationary impacts on general costs
- Operating loss of £142m included a £96m year-on-year increase in depreciation and amortisation, primarily driven by higher year-on-year Aston Martin Valkyrie programme deliveries and, to a lesser extent, by accelerated amortisation of capitalised development costs ahead of the next generation of sports car launches
- Loss before tax of £495m was materially impacted by a £156m negative non-cash FX revaluation of US dollar-denominated debt as the GBP weakened significantly against the US dollar during the year
- Net cash inflow from operating activities of £127m. Free cash outflow of £299m included:
  - Capital expenditure of £287m, primarily related to new model development including the next generation of sports cars
  - Net cash interest payments of £139m
- Positive free cash flow in Q4 of £37m, driven by strong profitability and cash inflows from working capital following the impact of supply chain and logistics disruptions, earlier in the year
- Successfully completed $200m debt tender in October 2022
- Year-end cash of £583m (2021: £419m); Net debt of £766m (2021: £892m), including a negative £156m impact of non-cash FX revaluation of US dollar-denominated debt as the GBP weakened significantly against the US dollar during the year

Financial Review

Sales and revenue analysis

Number of vehicles	FY-22	FY-21	*% change*	Q4-22	Q4-21	*% change*
Wholesale	6,412	6,178	*4%*	2,352	1,928	*22%*
Core (excluding Specials)	6,323	6,080	*4%*	2,313	1,886	*23%*
By region:						
UK	1,110	1,109	*0%*	416	381	*9%*
Americas	1,980	1,984	*0%*	828	546	*52%*
EMEA (ex. UK)	1,508	1,270	*19%*	723	372	*94%*
APAC	1,814	1,815	*0%*	385	629	*(39%)*
By model:						
Sports	1,833	1,479	*24%*	614	520	*18%*
GT	1,271	1,589	*(20%)*	306	546	*(44%)*
SUV	3,219	3,001	*7%*	1,393	815	*71%*
Other	0	11	*n.m.*	0	5	*n.m.*
Specials	89	98	*(9%)*	39	42	*(7%)*

Note: Sports includes Vantage, GT includes DB11 and DBS, SUV includes DBX and Other includes prior generation models.

Despite a challenging and uncertain operating environment, characterised by the war in Ukraine, supply chain and logistics disruptions, inflationary pressures, as well as intermittent COVID-19 lockdowns in China, total wholesales increased by 4% year-on-year, driven by strong demand across the portfolio.

Total wholesales of 6,412 units included 89 Specials in 2022, comprised of 80 Aston Martin Valkyrie programme vehicles and 9 other vehicles. This compared to 6,178 total wholesales, which included 98 Specials, in 2021.

Given significant supply chain and logistics disruptions, most notably in Q2 and Q3, which delayed the Company's ability to meet customer demand, the fourth quarter represented the peak of volumes for the year, as expected.

Total wholesales of 2,352 units in Q4 increased by 70% compared to Q3 and by 22% year-on-year. The year-on-year growth in Q4 wholesales was primarily driven by significantly higher DBX volumes, supported by strong customer demand and strong operational execution, as the Company actively managed the supply chain and logistics disruptions which had restricted its ability to meet demand earlier in the year. This was partially offset by lower year-on-year wholesales in China, following the strong growth achieved in Q4 2021 and, to a lesser extent, by the COVID-19 lockdowns during the quarter.

Aligned with its ultra-luxury strategy, the Company continues to operate a demand-led operating model. However, given the timing of deliveries towards the end of Q4, total wholesale volumes were temporarily ahead of retail volumes at the end of 2022. Many of those vehicles were retailed in early Q1, and the Company expects to see retails outpace wholesales in 2023.

Geographically, wholesale volumes remained well balanced across all regions, reflecting the broad customer appeal of the Company's product portfolio. In addition, supply chain disruptions throughout the year, most notably in Q2 and Q3, impacted our geographic and product mix, as well as our ability to meet strong customer demand.

The Americas and APAC were the largest regions, collectively representing approximately 60% of total volumes. Despite geopolitical challenges, EMEA wholesales increased by 19% year-on-year, driven by strong customer demand for the DBX707 and higher year-on-year Sports volumes.

Revenue by category

£m	**FY-22**	FY-21	% change
Sale of vehicles	1,291.5	1,005.4	*28%*
Sale of parts	70.8	65.5	*8%*
Servicing of vehicles	9.3	10.6	*(12%)*
Brand and motorsport	9.9	13.8	*(28%)*
Total	**1,381.5**	**1,095.3**	***26%***

Revenues increased by 26% year-on-year to £1.4bn (2021: £1.1bn), primarily due to strong wholesale average selling price (ASP) growth and, to a lesser extent, due to higher wholesale volumes. Total ASP of £201k (2021: £162k) – a record level for Aston Martin – increased by 24% year-on-year, reflecting higher Aston Martin Valkyrie deliveries (80 in 2022, compared to 10 in 2021) and higher core ASPs. Core ASP of £177k (2021: £150k) increased by 18% year-on-year driven by strong pricing and mix dynamics, as well as foreign exchange tailwinds.

Q4 revenues increased by 46% year-on-year to £524m (Q4 2021: £359m), driven by strong ASP growth and higher wholesale volumes, most notably DBX. Total Q4 ASP of £213k (Q4 2021: £175k) increased by 22% year-on-year, reflecting higher Aston Martin Valkyrie deliveries (36 in Q4 2022, compared to 10 in Q4 2021) and higher core ASPs. Core Q4 ASP of £184k (Q4 2021: £152k) increased by 21% year-on-year driven by strong pricing and mix dynamics, as well as foreign exchange tailwinds.

Pricing dynamics were strong throughout 2022, aligned with the Company's ultra-luxury strategy. This included price increases implemented across the range during late 2021 and in the first half of 2022, reflecting the strong pricing power of the Aston Martin brand. ASPs also benefited from favourable mix, as well as lower incentive support.

Summary income statement and analysis

£m	**FY-22**	**FY-21**	Q4-22	Q4-21
Revenue	**1,381.5**	**1,095.3**	**524.3**	**358.9**
Cost of sales	(930.8)	(751.6)	(359.8)	(237.1)
Gross profit	**450.7**	**343.7**	**164.5**	**121.8**
Gross margin %	*32.6%*	*31.4%*	*31.4%*	*33.9%*
Operating expenses[1]	(568.6)	(418.0)	(154.2)	(131.0)
of which depreciation & amortisation	*308.1*	*212.2*	*100.1*	*74.8*
Adjusted operating (loss)/profit[2]	**(117.9)**	**(74.3)**	**10.3**	**(9.2)**
Adjusting operating items	(23.9)	(2.2)	(3.7)	0.9
Operating (loss)/profit	**(141.8)**	**(76.5)**	**6.6**	**(8.3)**
Net financing (expense)/income	(353.2)	(137.3)	9.7	(16.9)
of which adjusting financing items	*(20.1)*	*34.1*	*(39.1)*	*21.2*
(Loss)/profit before tax	**(495.0)**	**(213.8)**	**16.3**	**(25.2)**
Taxation	(32.7)	24.5	(26.0)	(7.5)
(Loss)/profit for the period	**(527.7)**	**(189.3)**	**(9.7)**	**(32.7)**
Adjusted EBITDA[1,2]	**190.2**	**137.9**	**110.4**	**65.6**
Adjusted EBITDA margin	*13.8%*	*12.6%*	*21.1%*	*18.3%*
Adjusted (loss)/profit before tax[1]	**(451.0)**	**(245.7)**	**59.1**	**(47.3)**
EPS (pence)	*(124.5)*	*(58.6)*		
Adjusted EPS (pence)[2]	**(114.1)**	**(70.9)**		

1. Excludes adjusting items.
2. For definition of alternative performance measures please see Appendix.

Financial review continued

Financial review continued

In 2022, gross profit of £451m increased by £107m, or 31%, year-on-year. This translated to a gross margin of 33%, a year-on-year expansion of approximately 120 basis points. The gross margin expansion was primarily due to higher year-on-year gross margin within the core range of vehicles, supported by the introduction of new products – most notably the V12 Vantage and DBX707 – as well as foreign exchange tailwinds.

This was partially offset by lower year-on-year gross margin within Specials driven by higher Aston Martin Valkyrie programme deliveries related to Nebula Project AG during 2022. As disclosed on 22 June 2021, the Company has filed for civil legal proceedings against Nebula Project AG and criminal proceedings against its board members, after it became aware that Nebula had taken deposits from its customers and failed to pass them on to the Company. Aston Martin has continued to work with its affected customers to ensure they receive their Aston Martin Valkyrie vehicles despite Nebula's actions.

In addition, year-on-year gross margin was negatively impacted by higher supply chain and logistics costs, including approximately £20m of incremental supply chain recovery costs in the second half of the year.

Q4 gross profit of £165m increased by £43m, or 35%, year-on-year. This translated to a gross margin of 31%, a decline of approximately 250 basis points year-on-year, as lower gross margin within Specials and higher manufacturing and logistics costs were partially offset by higher year-on-year gross margin from the core range of vehicles and, to a lesser extent, from higher overall core volumes.

The Company continues to target a 40%+ gross margin from its future products.

In 2022, adjusted EBITDA of £190m increased by £52m year-on-year, or by 38%. This translated to an adjusted EBITDA margin of 14%, an increase of approximately 120 basis points compared to the prior year and within the revised guidance range of approximately 100-300 basis points of year-on-year margin expansion.

Q4 adjusted EBITDA of £110m increased by £45m year-on-year, or by 68%. This translated to an adjusted EBITDA margin of 21%, an increase of approximately 280 basis points compared to the prior year period, driven by strong operating leverage.

The operating loss of £142m compared to a £77m loss in the prior year. The £65m year-on-year change was primarily driven by:

- A £96m increase in depreciation and amortisation charges, principally related to Aston Martin Valkyrie deliveries and accelerated depreciation ahead of the next generation of sports cars starting in 2023
- Increased investment in brand and product launches such as the DBX707, V12 Vantage and Valhalla, marketing initiatives at events such as the Goodwood Festival of Speed and Pebble Beach
- Higher general costs, including inflationary pressures, to support the Company's future growth

These factors were partially offset by:

- Higher year-on-year gross profit, as described above, which included a £31m benefit to operating profit from exchange rate movements

Adjusting operating items of £24m (2021: £2m) predominantly related to the closure to future accrual of the pension scheme disclosed at the Full Year 2021 results, ERP implementation costs, as well as one-time expenses related to the change of CEO and appointment of other new executives.

Net adjusted financing costs of £333m increased significantly from £171m in the prior year, reflecting the revaluation of the US dollar-denominated Senior Secured Notes giving a non-cash FX charge of £156m (2021 included a £12m FX charge). The £20m adjusting finance charge related to costs associated with the equity capital raise and debt tender, partially offset by the fair value movements of outstanding warrants (2021: £34m adjusting finance credit).

The loss before tax was £495m (2021: £214m loss) and the loss for the period was £528m (2021: £189m loss), both significantly impacted by the revaluation of the US dollar-denominated Senior Secured Notes.

The tax charge on the adjusted loss before tax was £33m. The effective tax rate at (7.3)% differs from the 19% standard UK tax rate mainly due to movements in unprovided deferred tax and derecognition of deferred tax related to losses, accelerated capital allowances and a restriction on the amount of interest that can be deducted for tax purposes. Tax on adjusting items was nil as a result of the unprovided deferred tax.

The total share count at 31 December 2022 was 699 million following the placing of new ordinary shares to PIF, as well as the 4-for-1 rights issue completed in September 2022. The weighted average number of shares in 2022 was 425 million. 28.8 million shares in relation to the warrants remain outstanding and are exercisable until December 2027.

The Company is embedding the first tranche of technology from Mercedes-Benz AG into its product renewal and expansion pipeline. There are currently no plans to issue additional shares to Mercedes-Benz AG during 2023.

Cash flow and net debt

£m	FY-22	FY-21	Q4-22	Q4-21
Cash generated from operating activities	127.1	178.9	184.0	27.5
Cash used in investing activities (excl. interest)	(286.9)	(185.2)	(73.5)	(49.0)
Net cash interest paid	(139.0)	(116.9)	(73.7)	(62.6)
Free Cash (outflow)/inflow	**(298.8)**	**(123.2)**	**36.8**	**(84.1)**
Cash inflow/(outflow) from financing activities (excl. interest)	456.2	51.5	(210.5)	7.5
Increase/(decrease) in net cash	**157.4**	**(71.7)**	**(173.7)**	**(76.6)**
Effect of exchange rates on cash and cash equivalents	7.0	1.2	(14.8)	0.3
Cash balance	**583.3**	**418.9**	**583.3**	**418.9**

Net cash inflow from operating activities was £127m (2021: £179m). The year-on-year change in cash flow from operating activities was primarily due to adverse movements in working capital. Cash flow from operating activities in 2022 included a £15m outflow related to movements in working capital, compared with a £56m inflow in 2021. The largest movement in 2022 was a £82m increase in trade and other payables, principally associated with higher accruals related to future product rollout plans, which was partially offset by a £78m increase in inventories, which was significantly impacted by supply chain and logistics disruptions, most notably in Q2 and Q3.

Demand for Specials remained strong throughout the year, with deposit intake for Valhalla and the Aston Martin Valkyrie Spider. However, this was offset by higher deliveries of Aston Martin Valkyrie programme vehicles, resulting in a net £18m outflow from deposits during the year.

As expected, the Company generated a significant improvement in cash flow from operating activities in Q4, driven by a combination of strong profitability and cash inflows from working capital. Cash inflow from operating activities was £184m in Q4 (Q4 2021: £28m).

Capital expenditure was £287m in 2022, an increase of £102m year-on-year, with investment focused on the future product pipeline, particularly the next generation of sports cars, as well as development of the Company's electrification programme.

Free cash was a net outflow of £299m, compared to a £123m outflow in 2021. This was primarily due to the year-on-year increase in capital expenditure, as well as the changes in working capital-related cashflows described above.

Cash inflow from financing (excluding interest) of £456m (2021: £52m) included £654m of gross proceeds from the equity capital raise, partially offset by a £187m net cash outflow related to the $200m debt tender, which was completed in Q4.

Net cash inflow of £157m resulted in a closing cash balance of £583m as at 31 December 2022 (31 December 2021: £419m). Net debt of £766m, a £126m reduction from £892m at the end of 2021, included a £156m negative impact of non-cash FX revaluation of US dollar-denominated debt as the pound weakened against the US dollar during the year.

£m	31 Dec-22	31 Dec-21
Loan Notes[1]	(1,104.0)	(1,074.9)
Inventory financing	(38.2)	(19.7)
Bank loans and overdrafts	(107.1)	(114.3)
Lease liabilities (IFRS 16)	(99.8)	(103.4)
Gross debt	**(1,349.1)**	**(1,312.3)**
Cash balance	583.3	418.9
Cash not available for short-term use	0.3	1.8
Net debt	**(765.5)**	**(891.6)**

1. US$ notes of £1.1bn equivalent (First Lien of £935m at 10.5% interest maturing in November 2025; Second Lien of £169m at 15.0% split interest (8.9% cash; 6.1% PIK) with detachable warrants maturing in November 2026). These instruments carry no-call options of two years for the Second Lien and three years for the First Lien.

RACING. GREEN.

We have set ourselves an ambition to be a world-leading sustainable ultra-luxury automotive business. This ambition is a key pillar of our corporate strategy and the central objective of our sustainability strategy *Racing. Green.* Our strategy is built on five core priority areas that reflect Aston Martin's approach to sustainability, aligned with the UN's Sustainable Development Goals, and a deeper understanding of the priorities that our customers, employees and other stakeholders care about. These five areas are: tackling climate change; creating a better environment; investing in people and opportunity; exporting success; and delivering the highest standards.

2022 highlights

3.9%
fall in CO_2 emissions per car manufactured in 2022 compared to 2021 (tCO_2e)*

7.5%
fall in water consumed per car manufactured between 2021 and 2022 (m^3)

100%
renewable electricity powering all our UK operations

79%
increase in apprentices completing Aston Martin's industry-leading apprenticeship programme

12.2%
decrease in electricity used

£2.75 million
raised for charities including The Prince's Trust

10.2%
increase in proportion of waste recycled

*Scope 1 CO_2 emissions

Sustainability strategy

RACING. GREEN.

In 2022, we intensified and accelerated our *Racing. Green.* strategy. Our updated targets now include:

- Carbon Neutral manufacturing facilities;
- 100% use of renewable electricity in our manufacturing facilities;
- a new goal to achieve a 2.5% year-on-year reduction in CO_2 emissions from our manufacturing facilities*;
- a new goal to reduce CO_2 emissions intensity and energy consumption per car by 2.5% year-on-year*;
- zero waste diverted to landfill from our manufacturing facilities;
- enhancing our gender diversity aspiration with a new target of women in 25% of leadership positions by 2025 and in 30% of leadership positions by 2030; and
- a new target to improve biodiversity at our manufacturing facilities.

1 Tackling climate change

Transforming products
- Next generation Plug-In Hybrid Electric Vehicle (PHEV) commencing delivery in 2024
- First Battery Electric Vehicle (BEV) targeted for launch in 2025
- Fully electrified sports and SUV portfolio by 2030

Transforming production
- Carbon Neutral manufacturing facilities
- Net-Zero manufacturing facilities by 2030
- 100% use of renewable electricity in our manufacturing facilities
- Reduce CO_2 emissions from our manufacturing operations by 2.5% year-on-year*
- Reduce CO_2 emissions intensity and energy consumption per car by 2.5% year-on-year*
- Implement ISO 50001 Energy Management Systems at key manufacturing facilities by 2025
- 30% reduction in supply chain CO_2 emissions by 2030 (compared to 2020)
- Net-zero across our supply chain by 2039

* Scope 1 CO_2 emissions.

2 Creating a better environment

Minimising impacts
- Zero single-use plastic packaging waste from our manufacturing facilities by 2025
- Zero waste to landfill from our manufacturing operations
- 15% reduction in water consumption at our manufacturing operations by 2025 (compared with 2019)

Maximising sustainable materials
- Continue to work with supply chain partners to enable the use of more sustainable materials

Boosting biodiversity
- Improve biodiversity at our manufacturing facilities

3

4

5

Investing in people and opportunity

Employee wellbeing
- Target zero accidents
- Continue to deliver industry-leading initiatives to support employee wellbeing

Advancing diversity and inclusion
- Women in 25% of leadership positions by 2025 and in 30% of leadership positions by 2030
- Work with 'Racing Pride' to promote LGBTQ+ inclusion
- Continue commitment to 'Valuable 500' and the UK Disability Confident scheme

Growing talent and raising aspirations
- Sustain new apprenticeship recruitment
- Update skills and training to support transition to electric vehicle production
- Continue commitment to promoting Science, Technology, Engineering and Mathematics (STEM)

Exporting success

Working with government
- Continue to work with the UK Government to showcase the very best in advanced British engineering and design worldwide
- Maintain engagement with government to support sustainable growth across the UK automotive sector, including expansion of the UK-based supply chain
- Help achieve the UK Government's aim to increase UK exports to £1 trillion per year by 2030

Delivering the highest standards

Embracing industry best practice
- Continue commitment to the Science Based Targets initiative
- Continue commitment to the Task Force on Climate-related Financial Disclosures
- Understand and engage in emerging areas of sustainability best practice

Pioneering leadership
- Understand and engage in emerging areas of best practice such as the Science Based Targets Network for Nature and the Taskforce on Nature-related Financial Disclosures

Tackling climate change

UN Sustainable Development Goals

Overview

During the year, we committed to accelerating action on climate change. We remain on course to deliver our planned portfolio of PHEVs and BEVs.

Several initiatives to reduce CO_2 emissions across our manufacturing facilities and supply chain have been completed or are underway. Work to install solar photovoltaic (Solar PV) generation at our manufacturing facilities continues.

We are in the process of establishing a pathway to reduce CO_2 emissions towards our net-zero targets.

A new destination: We are on a journey towards transforming our products.

Highlights

3.9%

fall in CO_2 emissions per car manufactured in 2022 compared to 2021 (tCO_2e)*

100%

renewable electricity powering all our UK operations

12.2%

decrease in electricity used

* Scope 1 CO_2 emissions.

Energy efficiency:
In 2022, we reduced electricity use by 7.5% at our St Athan site.

Our goals

Transforming products:

- First PHEV commences delivery in 2024
- First BEV targeted for launch in 2025
- Fully electrified sports and SUV portfolio by 2030

Transforming production:

- Carbon Neutral manufacturing facilities
- Net-zero manufacturing facilities by 2030
- 100% use of renewable electricity in our manufacturing facilities
- Reduce CO_2 emissions from our manufacturing operations by 2.5% year-on-year*
- Reduce CO_2 emissions intensity and energy consumption per car by 2.5% year-on-year*
- Implement ISO 50001 Energy Management Systems at key manufacturing facilities by 2025
- A 30% reduction in supply chain CO_2 emissions by 2030 (compared to 2020)
- Net-zero across our supply chain by 2039

* Scope 1 CO_2 emissions

Progress in 2022

Actions:

- EV Transformation Programme on track covering all business functions
- Dedicated training facility, Electrification Centre of Excellence, under development and EV Champion network established to support transition to EV production
- 130 colleagues completed 3,344 hours of initial EV-related instructor-led training
- Work to deliver Solar PV on-site electricity generation continues
- On course to deliver ISO 50001 Energy Management Systems at key manufacturing facilities by 2025

Data :

- 3.9% fall in CO_2 emissions per car manufactured in 2022 compared to 2021 (tCO_2e)*
- 12.2% decrease in electricity consumed
- 100% renewable electricity powering all our UK operations

* Scope 1 CO_2 emissions.

Task Force on Climate-related Financial Disclosures

We believe businesses have an important role to play in taking decisive action to fight climate change.

Aston Martin is accelerating on its journey to become a world-leading sustainable ultra-luxury automotive business by transforming our products and the way they are manufactured. We recognise that climate change will continue to impact global weather trends and we acknowledge that we have an important role to play in taking decisive action to reduce our impact on the environment. This focus continues to intensify as the need for more urgent action to limit the average rise in global temperatures to 1.5°C by 2100 becomes clear as highlighted by the United Nations Framework Convention on Climate Change. Our key targets are to achieve:

Net-zero manufacturing facilities by

2030

Net-zero across our supply chain by

2039

Our Task Force on Climate-related Financial Disclosures (TCFD) report has been produced to address the requirements of Listing Rule 9.8.6R(8) and the TCFD Recommendations and Recommended Disclosures set out in *Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures* published in October 2021. The summary compliance table on page 66 provides disclosure of our status of compliance with the 11 Recommended Disclosures as prescribed by the TCFD.

For metrics and targets disclosures (b) and (c) further work is underway to determine appropriate short- and medium-term targets together with the associated plans to achieve them. These plans will ultimately enable us to achieve our stated net-zero targets, and further information on the financial impacts of these plans and associated quantified risk and opportunity sensitivities will be provided as the implementation plans mature. We expect these plans to be developed over the next 12 months. We have structured our reporting in line with the four TCFD pillars:

- Governance
- Strategy
- Risk Management
- Metrics and Targets

In April 2022 we announced our sustainability strategy, *Racing. Green.*, which makes sustainability part of everything we do and informs our overall business strategy and business plan. Our climate-related risk and opportunity assessments are embedded within our enterprise risk management approach with further disclosure included within the Risk Management section of this Annual Report and the Sustainability Report. We continue to assess the physical and transition risks and opportunities that we face which could affect our strategy and business model under three different warming scenarios, being a 1.5°C, 2°C and 4°C average increase in global temperatures by 2100.

We have already commenced several activities to reduce the Company's impact on the environment including:

- sourcing 100% renewable electricity to power all our UK operations;
- exploring the use of sustainable materials;
- initiatives to reduce single-use plastic waste and water consumption within our operations;
- committing to our journey towards electrification with our first PHEV delivery planned for 2024 and BEV targeted for launch in 2025 with a fully electrified sports and SUV portfolio by 2030;
- establishing a year-on-year 2.5% Scope 1 greenhouse gas ("GHG") emissions reduction target; and
- delivering a 3.9% fall in CO_2 emissions per car manufactured in 2022 compared with 2021 (tCO_2e).

Governance

As a signatory to the UN Global Compact, Aston Martin is committed to doing business in an ethical and transparent manner, overseen by good corporate governance. In 2021 the Board established our Board Sustainability Committee to oversee and monitor the delivery of our *Racing. Green.* strategy. The Committee meets at least twice a year and is chaired by Anne Stevens, Independent Non-executive Director. It provides strategic guidance and scrutiny of management's assessment and management of climate-related risks and opportunities and environmental matters with reporting to the Board following each Committee. Significant climate-related risks are also reviewed by the company's Risk Management Committee and managed using our business-wide enterprise risk management procedures. Climate-related risks are incorporated into the corporate risk register where appropriate. The Sustainability Committee is supported by ten dedicated sustainability working groups focused on areas ranging from energy management to development of a sustainable supply chain. These groups harness leading talent within the business and specialist expertise to develop and execute credible action plans to achieve clear targets in their respective areas.

The work of the Committee influences Board strategic decisions in areas such as the development of the future product portfolio with the planned transition to electrified powertrains across the portfolio by 2030, identifying areas to reduce energy and water consumption, promoting the use of sustainable materials and sourcing of 100% renewable electricity to power all our UK operations.

Significant climate-related risks are assigned to functional Risk Champions to develop appropriate risk mitigation plans. Each function maintains a risk register which is reviewed twice a year by the Company's Risk Management Committee. The Audit and Risk Committee then provides oversight of the corporate climate-related and other risks.

To date management remuneration has not been linked to climate-related performance objectives. The Remuneration Report provides further detail as this is being considered for the financial year ending 31 December 2024.

Task Force on Climate-related Financial Disclosures continued

Climate-related strategy
The automotive industry is having to rapidly respond to address the challenges it faces as a result of climate change. Some of the solutions being implemented include shifting to the production of more fuel-efficient vehicles, use of cleaner fuels and a move towards electrified powertrains. Our scenario analysis assesses the potential impact of climate change on our Company, considering qualitative and quantitative factors in three different warming scenarios through to 2050. The results of our assessment show that in the short to medium term (the next five years) the Company is more exposed to transition risks arising from changing policy and regulations, changing consumer preferences and accelerated technology change as the move to electrification and other non-carbon solutions intensifies. Physical risks become more relevant in the longer term (beyond five years) with the potential impact of more severe and frequent weather events on our supply chain and distribution network. The climate-related elements of our *Racing. Green.* strategy are:

Tackling climate change

Transforming products

- First PHEV commences delivery in 2024
- First BEV targeted for launch in 2025
- Fully electrified sports and SUV portfolio by 2030

Transforming production

- Carbon neutral manufacturing facilities from 2023 onwards
- Net-zero manufacturing facilities by 2030
- 100% use of renewable electricity in our manufacturing facilities (from 2019 onwards)
- Reduce Scope 1 CO_2 emissions from our manufacturing operations by 2.5% year-on-year
- Reduce Scope 1 CO_2 emissions intensity and energy consumption per car by 2.5% year-on-year
- Implement ISO 50001 Energy Management Systems at key manufacturing facilities by 2025
- A 30% reduction in supply chain CO_2 emissions by 2030 (compared with 2020)
- Net-zero across our supply chain by 2039

Creating a better environment

Minimising impacts

- Zero single-use plastic packaging waste from our manufacturing facilities by 2025
- Zero waste to landfill from our manufacturing operations
- 15% reduction in water consumption at our manufacturing operations by 2025 (compared with 2019)

Maximising sustainable materials

- Continue to work with supply chain partners to enable the use of more sustainable materials

Boosting biodiversity

- Improve biodiversity at our manufacturing facilities

We are transforming our products and the way they are manufactured to help tackle climate change. In 2024 Aston Martin will commence delivery of Valhalla, our first PHEV, followed by our first BEV targeted for launch in 2025 and a fully electrified sports and SUV portfolio by 2030. Whilst embracing electrification, we also believe our sustainability ambitions must be broader than just producing tailpipe emissions-free vehicles. We want to ensure our manufacturing footprint is sustainable enabling the production of our vehicles with a reduced environmental impact.

Last year we committed to set near and long term Company-wide emissions reduction targets in line with the SBTi. Our strategy also targets the elimination of single-use plastic waste by 2025, the reduction of water consumption by 15% by the same year and maximising the use of sustainable materials within our vehicles. As part of our ambition we are aiming to achieve net-zero manufacturing facilities by 2030, and across our supply chain by 2039. We will continue to develop a detailed plan to drive further reductions in our GHG emissions through 2023 and beyond, with the SBTi providing an independent assessment to make sure this plan is robust and will achieve our objective.

We engaged a third-party consultancy to build our scenario analysis model which we have used to evaluate the potential impact of both transitional and physical risks and opportunities on Aston Martin, with risks being categorised in accordance with the TCFD Recommendations in three warming pathways, as depicted in the table below.

Key inputs into the model included the physical geographical footprint of the Company; supply chain and global dealer network; historical and predicted sales volumes by market; Scope 1, 2 and 3 GHG emissions data; and vehicle material content. We used the Representative Concentration Pathways (RCPs) as our framework for modelling different emissions pathways and the associated impact on the climate. To explore the associated market and customer trends underpinning our commercial resilience we also considered different socioeconomic futures, known as the Shared Socioeconomic Pathways (SSPs).

We will actively reduce emissions generated from our manufacturing operations and supply chain whilst at the same time developing an electrified product portfolio which will reduce the emissions arising from the sale of our products to customers.

Since 2019 100% of our electricity used in the UK has been sourced from verified renewable sources and we continue to look for further opportunities to reduce water and energy consumption, reduce waste and enhance biodiversity across our facilities. Further details of these activities can be found in our Sustainability Report.

Scenario pathways

Scenario	Steady path to sustainability	Middle of the road	Fossil-fuelled global growth
SSP/RCP*	SSP 1/RCP 2.6	SSP 2/RCP 3.4	SSP 5/RCP 8.5
Description	Globally coordinated efforts to reduce emissions to net-zero by 2050 and avert the worst effects of climate change	Imperfect efforts to reduce emissions lead to moderate progress but exacerbate inequalities	Global collaboration focused on protecting the population from a changing climate (as opposed to reducing human-induced climate change)
Societal response	Proactive	Proactive	Reactive
Global dynamics	Open, collaborative, global	Independent, regional	Open, collaborative, global
Temperature rise	1.5°C	2-2.4°C	4°C
Likelihood	Low	High	Medium

* SSP – Shared Socioeconomic Pathway, RCP – Representative Concentration Pathway

Task Force on Climate-related Financial Disclosures continued

Risk management

The Board is ultimately responsible for ensuring that theCompany has an effective Enterprise Risk Management Framework and System ("ERMFS") implemented across the business to facilitate delivery of its strategic objectives. For further information on this refer to the Risk and Viability Report on pages 80 to 85 and the Audit and Risk Committee Report on pages 114 to 121, where we outline how risks and opportunities, including those specifically related to climate change, are identified, assessed and managed through the deployment of the Aston Martin ERMFS. Climate change has been identified as a risk factor impacting many of the key risks faced by our business. As part of our business as usual annual risk assessment activity we have considered how the impact of climate change affects our existing corporate risks, as well as identified any new and emerging climate-related risks and opportunities.

We also engage with external risk management networks to develop a broader understanding of the global impact of climate change.

<table>
<tr><th>Supply chain</th><th>Manufacturing & distribution</th><th>Customer</th></tr>
<tr><td colspan="3">Physical risks – Related to the physical impacts of climate change over time (e.g., increased rainfall, sea level rise, prolonged drought, increased frequency and severity of extreme weather events)</td></tr>
<tr><td></td><td colspan="2">Potential impact of extreme weather events on distribution chain (e.g. delayed deliveries due to hurricanes preventing ships docking on time at key periods)</td></tr>
<tr><td colspan="2">Supply chain disruption exacerbated by reliance on single-source vendors for certain components</td><td></td></tr>
<tr><td></td><td>Increasing insurance costs due to a hardening Property Damage and Business Interruption market caused by additional climate-related damage claims</td><td></td></tr>
<tr><td colspan="3">Transition risks – Related to the transition to a lower-carbon economy over time (e.g., policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change)</td></tr>
<tr><td colspan="3">Inability to maintain pace with technological advancement and remain competitive (e.g., transition to electrified powertrains and incorporation of sustainable materials in the product)</td></tr>
<tr><td colspan="3">Brand/reputational damage arising from association with unethical supply chain activities (e.g., precious metal sourcing and continued use of leather) and/or delayed inclusion of sustainable materials in production</td></tr>
<tr><td colspan="3">Lack of a globally coordinated transition to EVs may result in increased market segmentation and the need for a more diverse product portfolio</td></tr>
<tr><td colspan="3">Aston Martin EV portfolio may not be price competitive due to its low volume strategy and inability to drive material/ component costs down</td></tr>
<tr><td></td><td></td><td>Not keeping pace with regulations in key markets, in particular potential loss of small volume derogation</td></tr>
<tr><td></td><td colspan="2">Increasing carbon related taxes/import duties designed to limit the use of high-emissions vehicles, particularly within urban areas</td></tr>
<tr><td></td><td>Restricted access to affordable capital due to not meeting ESG criteria for potential investors</td><td></td></tr>
<tr><td></td><td>Inability to attract and retain appropriate talent caused by a more competitive and progressive, ESG-orientated local labour market. Insufficient access to EV skills and capabilities</td><td></td></tr>
<tr><td></td><td></td><td>Inability to convert traditional ICE customer base to an Aston Martin EV vehicle proposition</td></tr>
<tr><td colspan="3">Market disruption from technology-orientated corporates/new entrants developing non-ICE alternative powertrain vehicles</td></tr>
<tr><td></td><td></td><td>Changes in social norms towards environmentally friendly buying decisions may reduce demand for current product portfolio faster than expected</td></tr>
<tr><td></td><td></td><td>Inability to attract new customers who have an alternative perception of luxury to our historical/traditional customer base</td></tr>
<tr><td colspan="2">BEV technology partner inability to deliver in line with AML EV timelines</td><td></td></tr>
<tr><td colspan="3">Inability to create a credible sustainability narrative while continuing to sell ICE vehicles</td></tr>
<tr><td colspan="3">Opportunities – Climate change presents opportunities in several areas including resource efficiency, transition to renewable energy sources, new products and services, new markets and customer groups</td></tr>
<tr><td></td><td></td><td>Potential for strategic partnerships with other organisations, e.g., to provide carbon offset schemes at point of customer purchase</td></tr>
<tr><td></td><td></td><td>Develop a reputation for building a strong, credible ESG narrative and sustainability focus across the value chain</td></tr>
<tr><td></td><td></td><td>Maximise revenue and profit opportunity from the sale of the last generation of core ICE vehicles</td></tr>
<tr><td colspan="2">Secure operational cost efficiencies through waste reduction, more efficient use of water and more efficient energy consumption</td><td></td></tr>
</table>

Potential financial impact	Time horizon	Warming scenarios (● risk/opportunity relevant to this scenario)			TCFD risk classification
		1.5°C	2°C	4°C	
• Increased operating costs • Decreased revenue	Short term	●	●	●	Physical Acute & Chronic
• Increased operating costs • Decreased revenue	Short term	●	●	●	Physical Acute & Chronic
• Increased operating costs	Long term		●	●	Physical Acute
• Increased capex/R&D • Asset write-offs/impairment	Short term	●	●		Technology
• Decreased revenue • Financial Penalties	Short term	●	●		Reputation
• Increased operating costs • Increased capex/R&D • Asset write-offs/impairment	Medium term	●	●	●	Market, Policy & Legal
• Decreased margins • Decreased revenue	Short term	●	●	●	Market
• Increased operating costs	Short term	●	●		Policy & Legal
• Increased operating costs • Decreased revenue	Short term	●	●		Policy & Legal
• Increased financing costs • Decreased capex/R&D	Short term	●	●		Market
• Increased operating costs • Decreased revenue	Short term	●	●		Market
• Decreased revenues	Medium term	●	●		Market
• Decreased revenues • Increased capex/R&D • Asset write-offs/impairment	Medium term	●	●		Market
• Decreased revenues • Increased capex/R&D • Asset write-offs/impairment	Short term	●	●		Market
• Decreased revenues	Short term	●	●		Market
• Decreased revenues	Medium term	●	●		Technology
• Decreased revenues	Short term	●	●		Reputation
• Decreased operating costs • Increased revenues	Short term	●	●	●	
• Increased revenues	Medium term	●	●	●	
• Increased revenues • Increased margins	Short term	●	●	●	
• Decreased operating costs	Short term	●	●	●	

Task Force on Climate-related Financial Disclosures continued

We categorise climate-related risks and opportunities using the TCFD recommended classifications:

- Transition risks – risks arising from economic and regulatory transition toward a low-carbon future, e.g., changing emissions regulations, changing consumer preferences and behaviour:
  - Policy & Legal risk
  - Technology risk
  - Market risk
  - Reputation risk
- Physical risks – risks caused by physical shocks and stressors to infrastructure and natural systems, e.g. extreme temperatures, drought, severe weather events:
  - Acute risk
  - Chronic risk

When considering climate-related risks and opportunities we assess their potential impact over three time horizons, short term (< 2 years), medium term (2-5 years), covering the five year business plan period, and long term (beyond 5 years and up to 2050). All risks included within the corporate risk register are assigned a Risk Owner responsible for performing periodic likelihood and impact risk assessments and developing formal documented risk management plans.

A summary of the key significant risks and opportunities which have been assessed and incorporated within the scenario analysis has been presented on the previous page.

A summary of some of the key mitigating activities that have been taken, or are planned to be taken to manage the significant climate-related risks are disclosed in the adjacent table. This focuses on transition risks as these represent the material risks identified within the short and medium term.

Transition risks	Mitigating actions taken/planned to be taken to address risks
Policy **Managing our exposure to changes in legislation**	• R&D investment to develop lower fleet emissions portfolio • Maintenance of small volume derogation status exemptions where available • Establishment of emissions-pooling agreements with third parties to manage exposure to carbon pricing • Consideration of forward purchasing of carbon offsets to manage exposure to increased pricing and reduced capacity
Technology **Modifying our product offering**	• R&D investment in EV technology • Improving energy efficiency in our manufacturing plants • Selection of a strategic partner to provide access to EV powertrain technology • Investment in use of alternative sustainable materials within vehicles
Market **Adapt to meet customer needs and desires**	• Launch of our *Racing. Green.* sustainability strategy • Continued focus on waste reduction and elimination with zero single-use plastic waste target to be achieved by 2025 • Working with our supply chain to reduce global emissions and waste • Development of electrified powertrain options within the product portfolio and increased use of sustainable materials to meet customers' evolving requirements
Reputation **Positioning Aston Martin as an ultra-luxury sustainable brand**	• Development of our *Racing. Green.* sustainability strategy to respond proactively to climate change • Transparent disclosure of our GHG emissions through publication of our Sustainability Report • Enhanced communication of actions already taken to address climate change • Development of credible plans to achieve net-zero carbon emissions within our plants by 2030 • Deployment of our bold new brand strategy • Clear strategy to electrify our product portfolio and increase use of sustainable materials (including green aluminium)

Metrics and Targets

Racing. Green. incorporates a number of climate-related targets which demonstrate the Company's commitment to tackling climate change in the short-, medium- and longer-term. We are committed to the SBTi Net-Zero Standard and are in the process of setting near and long term Company-wide emissions reduction targets in line with science-based net-zero with the SBTi. We expect these targets to be validated by the SBTi over the next 24 months.

We listen to our stakeholders and monitor developments from regulatory and governance bodies to provide input into our materiality assessment for climate-related disclosure purposes. The targets and metrics disclosed have been identified by the Sustainability Committee as being those that have a material impact on our business due to their nature, size or complexity. In summary, these include:

Tackling climate change

2019

100%

use of renewable electricity to power our manufacturing operations

2022

CO_2

Reduce CO_2 emissions from our manufacturing operations by 2.5% year-on-year*

Reduce CO_2 emissions intensity and energy consumption per car by 2.5% year-on-year*

2024

PHEV

Commence delivery of our first PHEV

2025

BEV

Target for launch of our first BEV

2030

Fully electrified

sports and SUV portfolio

Net-zero

manufacturing facilities

30%

reduction in supply chain CO_2 emissions (from 2020 baseline)

2039

Net-zero

across our supply chain

Creating a better environment

2025

Zero

single-use plastic packaging waste

15%

reduction in water consumption (from 2019 baseline)

We have determined that there is no difference between our Scope 1, 2 and 3 disclosures for TCFD and SECR reporting purposes and refer you to the metrics disclosed in the Environmental, Social and Governance section of this Annual Report.

In preparing our Scope 3 emissions disclosures we have considered the completeness and robustness of our calculations and recognise that the current disclosure is based on the data we have available at this time. During 2023, we will develop plans to broaden the categories of Scope 3 emissions which we measure and report. For this reason we consider ourselves to not be in full compliance with the TCFD requirements at this stage.

We continue to enhance our data collection methods, working across our value chain, and seek to obtain external assurance to validate a number of our reportable metrics as outlined in our Sustainability Report.

Refer to our Sustainability Report for further details relating to the targets we have set and how we monitor them in relation to climate change.

* Scope 1 CO_2 emissions.

Environmental, social and governance continued

Task Force on Climate-related Financial Disclosures continued

Disclosure level	● Full	◉ Partial	○ Omitted

Pillar	Recommended Disclosures and disclosure level		Response	Disclosure location
Governance **Disclose the organisation's governance around climate-related risks and opportunities.**	a) Describe the board's oversight of climate-related risks and opportunities.	●	The Board is responsible for climate ambition, strategy and risk and has established the Sustainability Committee to oversee delivery of the Group's *Racing. Green.* strategy.	Page 62, 80 and 82
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	●	The Executive Committee members are responsible for managing risks and opportunities within their functions by deploying the ERMFS. They are supported by Functional Risk Champions who attend the Risk Management Committee on a quarterly basis. The Head of Government Affairs and Sustainability holds management responsibility for the Sustainability Committee.	Page 62, 80 and 82
Strategy **Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.**	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	●	We face multiple climate-related risks, primarily arising from the transition to a low-carbon economy and the need for us to address technological, legal, market and reputational risks. Physical risks pose a lesser threat to our direct operations, whilst we do recognise their potential impact on our supply chain.	Page 62-63
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	●	We are investing in electrification of our product portfolio to mitigate the technological and regulatory risks associated with transition to a low carbon economy together with investment in sustainable materials. We are also investing in our manufacturing facilities to drive increased energy efficiency and reduced waste.	Page 62-63, 68-78
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	◉	Our business plan takes into account planned investment and capital expenditure to electrify our powertrains, and capital projects to reduce carbon emissions from within our facilities and operations. Disclosures regarding the resilience of our strategy in each of the warming scenarios will be further enhanced in 2023.	Page 58-65
Risk Management **Disclose how the organisation identifies, assesses, and manages climate-related risks.**	a) Describe the organisation's processes for identifying and assessing climate-related risks.	●	Our ERMFS is used to identify, assess and manage all types of risks across the business. This includes specific consideration of both transitional and physical climate-related risks.	Page 62, 80 and 82
	b) Describe the organisation's processes for managing climate-related risks.	●	In 2021 we identified and disclosed a new principal risk relating to climate change and the need for the business to transition its product portfolio to electrified powertrains over the medium term and reduce our carbon footprint. Refer to the Principle Risk summary table within this Annual Report and Accounts.	Page 62 and 80
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	●	Climate-related risks are considered and managed within our ERMFS.	Page 62, 80 and 82
Metrics and Targets **Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.**	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	◉	We have identified and disclosed a wide range of climate-related metrics in order to manage our exposure to climate risks and opportunities (refer the Sustainability Report). Additional interim targets will be developed for our longer-term ambitions during 2023.	Page 65 and 67
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	◉	We have disclosed our Scope 1 and Scope 2 emissions for our own operations and made partial disclosure in relation to our Scope 3 emissions (covering business travel). We recognise that our current Scope 3 disclosures are not sufficient to fully comply with the TCFD Recommendations and will work to broaden the disclosures through 2023.	Page 67
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	●	We are in the process of establishing interim targets, to enable us to track progress towards our stated longer term net-zero targets Current targets are disclosed in the Sustainability section of this Annual Report and Accounts with further detail in the Sustainability Report.	Page 65 and 67

Data

Greenhouse gas emissions

Our greenhouse gas ('GHG') emissions reported are in accordance with the Greenhouse Gas Protocol Corporate Standard for the year to 31 December 2022. The intensity ratio is measured as tonnes of CO_2 equivalent per car manufactured.

Methodology

We calculate our GHG emissions in the following way:

Scope 1 – Includes emissions of gas, petrol on site, diesel used for emergency heating and firing pumps, refrigerant refill, LPG and fuel from Company pool cars. Figures are obtained through utility bills, direct from suppliers and through the Company's internal systems.

Scope 2 – The Location-based Assessment includes emissions from electricity consumption, sourced direct from utility bills, while the Market-based Assessment includes emissions from electricity consumption based on sources of electricity.

Scope 3 – Includes emissions from business air travel, management car miles, personal car mileage, employee commuting, water consumed and supply chain logistics.

The UK Government Department for Environment, Food and Rural Affairs ('Defra')-approved International Energy Agency ('IEA') emissions factor for 2022 are used to calculate the Scope 1, 2 and 3 figures, and the IEA emission factors were used to calculate emissions from scope 2 for rest of the world.

The 3.9% fall in Scope 1 CO_2 emissions per car manufactured in 2022 compared with 2021 (tCO_2e) was mainly driven by increased energy use efficiencies including those arising from the consolidation of our paintshop activities in St Athan.

Total greenhouse gas emissions

	2019	2020^	2021^	2022^^
GHG Emissions Under Scope 1 (tCO_2e)	8,981.40	9,200.67	8,705.35	9,272.50
GHG Emissions Under Scope 2 (tCO_2e) – Location based	8,683.50	7,545.86	7,366.72	5,923.26
GHG Emissions Under Scope 2 (tCO_2e) – Market based	3,484.61	687.28	192.38	118.16
GHG Emissions Under Scope 3 (tCO_2e)	8,806.94	6,620.37	6,446.74	11,187.29
UK Total Gross Scope (Scope 1 & Scope 2 – Location based)	17,664.90	16,642.17	15,984.15	15,014.02
Rest of World Total Gross Scope (Scope 1 & Scope 2 – Location based)	–	104.36	101.82	181.74
Total Gross Scope (Scope 1 & Scope 2 – Location based)	17,664.90	16,746.53	16,085.97	15,195.76

^ Values previously assured by ERM CVS.
^^ Values assured by ERM CVS.

Greenhouse gas emissions per unit

	2019	2020^	2021^	2022^^
Manufactured Volume (units)	6,176	3,343	5,778	6,404
Total Scope 1 Emissions per unit	1.45	2.75	1.51	1.45
Total Scope 2 Emissions per unit	1.41	2.26	1.27	0.92

^ Values previously assured by ERM CVS.
^^ Values assured by ERM CVS.

Total energy consumption within organisation

	2019	2020^	2021^	2022^^
Electricity (MWh)	33,973.01	32,144.15	34,506.66	30,308.19
Gas (MWh)	43,574.51	44,796.00	43,923.02	41,904.94
Diesel (MWh)	14.92	4.34	72.93	77.66*
Gasoline (MWh)	2,712.98	1,779.25	2,450.28	3,029.99*
LPG (MWh)	563.60	43.52	Nil	384.02
UK Total Consumption (MWh)	80,839.02	78,573.14	80,952.90	75,114.65
Rest of World Total Consumption (MWh)	–	194.11	230.96	590.15
Total (MWh)	80,839.02	78,767.26	81,183.86	75,704.80

^ Values previously assured by ERM CVS.
^^ Values assured by ERM CVS.

* Does not include consumption of diesel and gasoline ('petrol') by pool cars.

Creating a better environment

UN Sustainable Development Goals

Overview

Protecting and enhancing the natural environment is central to our efforts to be a responsible business. During 2022, we appointed Environmental Champions to promote environmental awareness across the Company.

In 2022, key initiatives included:

- further measures to reduce water consumption to save around 1 million litres of water every year, from 2023;
- a project to remove surplus on-site waste; and
- a new biodiversity survey and management plan for Gaydon.

Biodiversity: A colleague works under the guidance of our Head Beekeeper, Alan Rodricks, who is also our Head of High Voltage. Our beehives at Gaydon are home to up to 80,000 bees, which are an important part of the UK's ecosystem and are perfectly adapted to pollinate, helping plants to grow.

Highlights

Up to

80,000

bees take up residence in new beehives at Gaydon

7.5%

fall in water consumed per car manufactured between 2021 and 2022 (m^3)

10.2%

increase in proportion of waste recycled (tonnes)

Our goals

Minimising impacts

- Zero single-use plastic packing waste from our manufacturing facilities by 2025
- Zero waste to landfill from our manufacturing operations
- 15% reduction in water consumption by 2025 (compared to 2019)

Maximising sustainable materials

- Continue to work with supply chain partners to enable the use of more sustainable materials

Boosting biodiversity

- Improve biodiversity at our manufacturing facilities

Data

Waste

	2019	2020	2021	2022^
Total waste (tonnes)				2,830.99
Total waste (tonnes)*	1,566.02	394.39	858.62	2,366.23
Reused (tonnes)	40.21	8.72	6.40	-**
Recycled (tonnes)	987.81	243.82	380.60	1,383.19
Recovered (Waste to Energy) (tonnes)	538.01	141.85	471.62	979.69
Incineration (not recovered) (tonnes)	-	-	-	3.35

^ Values ERM CVS assured.
* Data excludes Newport Pagnell. See Sustainability Report for further information.
** No data available due to transition to new waste contractor.

The increase in the total volume of waste compared with 2021 is due to the successful completion of a legacy waste recovery project and an enhanced waste tracking methodology. The increase in the volume of waste recycled, resulting in a 10.2% rise in the Company's recycling rate is due to the implementation of new recycling streams facilitated by a new waste contractor. In 2022, due to a process error some contractor and construction waste resulting from facilities and maintenance activities was discharged to landfill. This process error has now been corrected. Waste accounting does not include contractor and construction-related waste streams from maintenance and facilities.

Water

	2019	2020	2021	2022^
Water consumption (m^3)	59,233.78	34,477.65	64,681.40	66,279.99

^ Values ERM CVS assured.

Enhancements to manufacturing processes enabled the Company to achieve a 7.5% decrease in water consumed per car manufactured between 2021 and 2022.

Progress in 2022

Actions:

- 36 employees appointed Environmental Champions to drive improvements in environmental performance across the Company
- New pilot recycling centre delivered at Wellesbourne logistics facility
- Further steps towards achieving zero plastic packaging waste by 2025 underway
- Investment in water-saving technologies to save 1 million litres of water every year from 2023
- Ecological Biodiversity Assessment surveys completed at Gaydon and St Athan with new quantitative metrics established to drive biodiversity improvements over time
- New Biodiversity Management Plan completed for Gaydon
- Six beehives installed at Gaydon for up to 80,000 bees

Data:

- 95% of suppliers compliant with ISO 14001: 2015 environmental management standard.
- Responsible Procurement Policy signed by 73% of main suppliers
- 7.5% reduction in water consumed per car manufactured compared to 2021 (m^3)
- 2.5% increase in water consumed compared to 2021 (m^3)

Investing in people and opportunity

UN Sustainable Development Goals

8 DECENT WORK AND ECONOMIC GROWTH

Overview

2022 saw the Company continue to focus on targeting zero accidents, launching a new safety training programme and campaign, *Zero Harm. Zero Tolerance*. We have also delivered further improvements to our safety management systems, enhancing incident monitoring and reporting across all our sites and facilities.

We continue to act on mental health, including delivering training around mental health awareness and stress management.

In 2022, we established a new Employee Inclusion Network to champion all areas of inclusion and, with the support of our Executive Committee, put in place a new Company-wide Equity, Diversity and Inclusion ('EDI') Strategy. Working with Racing Pride, an innovative movement developed to positively promote LGBTQ+ inclusivity within the motorsport industry and among its technological and commercial partners, we have completed a review of our People policies to make sure they are inclusive and support people transitioning at work; we also delivered LGBTQ+ awareness sessions during Pride Month, and educational communications around other key landmarks such as International Non-Binary People's Day.

In 2022, the Company recruited 20 apprentices, 23 graduates and welcomed 13 industrial placements as part of our commitment to nurturing talent that is key to our future success. We also expanded training, with a particular focus on the transition to EV production. As we emerge from the COVID-19 pandemic, we have been able to restart our work on promoting STEM in schools and colleges, as well as boost our wider contribution to communities. In September, a replica stunt car donated by Aston Martin raised £2.75 million at the Sixty Years of James Bond auction at Christie's in London, benefiting The Prince's Trust, The Prince of Wales's Charitable Fund, and charities supporting serving and former members of the UK Special Forces.

Highlights

79%
increase in apprentices completing industry-leading training programme in 2022 compared to 2021

19,646
hours of training delivered to employees in 2022

£2.75million
raised for charities including The Prince's Trust

Early Careers intake: In September, our Early Careers intake of 56 new employees took part in a two-week training course at Ashorne Management College near Gaydon.

Goals

Employee wellbeing
- Target zero accidents
- Continue to deliver industry-leading initiatives to support employee wellbeing

Equity, diversity and inclusion
- Women in 25% of leadership positions by 2025 and in 30% of leadership positions by 2030*
- Increase the culture of inclusion by leveraging the Aston Martin values
- Improve workplace engagement and culture, and secure accreditation as a Great Place to Work® by 2025

Growing talent and inspiring future generations
- Sustain new apprenticeship recruitment
- Update skills and training to support transition to EV production
- Continue commitment to promoting Science, Technology, Engineering and Mathematics (STEM)

* Leadership includes Senior management team, senior leadership team and other management grades.

Progress in 2022

Actions:
- New safety training and campaign, *Zero Harm. Zero Tolerance*
- Mandatory safety leadership training for all senior staff underway
- Transition to new independent safety audit provider, UTAC, with new focus on electric vehicle production
- 130 colleagues completed 3,344 hours of initial EV-related instructor-led training
- Significant apprentice and graduate recruitment
- Increased training for Aston Martin dealer network
- New EDI Strategy signed off by the Board
- Employee Inclusion Network launched. Diversity and Inclusion training underway across the organisation
- Working with Racing Pride to promote LGBTQ+ awareness and update People policies.
- £2.75 million raised for charities, including £1.375 million for The Prince's Trust, from auction of a DB5 James Bond stunt car

Data:
Accident Frequency Rate ('AFR') of 0.53 accidents per 100 workers (1.01 in 2021)*
- 9 Lost Time Accidents ('LTAs') resulting in 185 days lost (5 LTAs with a total of 163 days lost in 2021)
- 9 RIDDOR** incidents (6 RIDDOR incidents in 2021)
- 43 apprentices completed our apprenticeship programme, a 79% increase compared to 2021
- 20 new apprentices recruited
- 23 graduates recruited
- 13 industrial placements
- 19,646 hours of training delivered to Aston Martin employees in 2022
- 253 commercial and technical courses scheduled/offered to dealer employees (214 in 2021)
- Mean Gender Pay Gap favouring men by 9.9% (6.9% in 2021) and a median pay gap favouring men by 4.9% (2.0% in 2021)

* In 2022, we strengthened the scope of our safety data, capturing a wider range of functions and sites in addition to production operations. This figure is calculated on that basis and represents a change in methodology compared to 2021. The AFR now reflects recordable incidents and not just reportables.

** Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.

Strategy goals

Equity, Diversity and Inclusion Pledge

To reinforce our EDI Policy, we have developed our EDI Pledge:

At Aston Martin, we believe in each other and our unique abilities, and understand we are stronger together.

We support everyone to be heard, and cherish diverse perspectives that help us collaboratively thrive.

No one builds an Aston Martin on their own.

I AM Inclusive; I AM, because we are Aston Martin.

Data

Employees by gender (as at 31 December 2022)^

	Male	Female	% Female
Senior management team	8	0	0.0%
Senior leadership team	68	12	15.0%
Other leadership	251	51	16.9%
Other employees	2,018	367	15.4%
Total	2,094	379	15.3%

Employees by region (as at 31 December 2022)^

	Male	Female	% Female
Asia Pacific	22	17	43.6%
EMEA	59	9	13.2%
UK	1,986	345	14.8%
Americas	27	8	22.9%
Total	2,094	379	15.3%

Note: Data by gender and region is shown for 2,473 permanent Company employees only.
^ Values assured by ERM CVS.

Apprentices
- 43 apprentices completed apprenticeship programme
- 20 new apprentices recruited

Graduates
- 23 new graduate trainees recruited
- 13 students joined on industrial placements

Training – Aston Martin employees
- 19,646 hours of training delivered
- 3,344 hours of initial EV-related instructor-led training delivered

Training – Aston Martin dealerships
- 2,477 registered Dealer Training Academy users (2,193 in 2021)
- 187 commercial courses scheduled/offered (142 in 2021)
- 66 technical courses scheduled/offered (72 in 2021)
- 1,689 dealer employees trained in classroom courses (2,089 in 2021)
- Six new e-learning modules developed and published
- Two new technical training courses developed and introduced

STEM
- 20 events, including career days, school and factory visits

Charity
- £2.75 million raised for charities, including The Prince's Trust and The Prince of Wales's Charitable Fund

Gender pay gap

The difference between men and women's average pay (expressed as a percentage of the men's pay) was a mean pay gap of 9.9% and a median pay gap of 4.9% in 2022, favouring men. These have increased compared to 2021 (mean pay gap of 6.9% and median pay gap of 2.0%, also favouring men. Our mean pay gap is largely due to the make-up of the senior team (which includes significantly more men) and working patterns, particularly in Production roles, where shifts (that more men than women choose to work) command shift premium and overtime payments.

The year-on-year increase reflects growth in the senior management and leadership teams, particularly within the engineering area of the business. Our median pay gap has increased due to the roles held by our median man and median woman in 2022, which are (respectively) a Lead Technician in production and a Senior Analyst in Finance. Although the woman has a higher annual salary, the man has also received overtime and shift premium payments due to the requirements of his role. We are working to improve gender equality which will contribute to narrowing the gap, with the ultimate aim to close it completely.

Our values

In 2022, we updated our Company values. At the core of our values is one single guiding tenet: No one builds an Aston Martin on their own.

Our values are: Unity, Openness, Trust, Ownership and Courage. These values set the tone for how we do things and the culture we want to establish.

Exporting success

UN Sustainable Development Goals

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
17 PARTNERSHIPS FOR THE GOALS

Overview

We continue to serve as a flag bearer for British industry and British exporters in particular, selling our world-class products in more than 50 countries worldwide and representing the very best of British advanced engineering and design.

In 2022, we were pleased to welcome numerous politicians to our facilities in both Wales and England, including those representing areas in which our facilities are located. These visits allowed us to engage on a range of matters, including new opportunities for trade and growth, industry challenges, and Aston Martin's essential contribution to local economies and communities.

Platinum Jubilee: Aston Martin was delighted to celebrate Queen Elizabeth II's Platinum Jubilee in 2022. Our commemorations included a parade of iconic Aston Martin models through Central London, led by a Coronation-era DB2 with images celebrating this important national celebration across Aston Martin's global social media platforms.

Highlights

4.4%

increase in cars exported compared with 2021

17.7%

increase in cars exported to EMEA (excluding the UK)

83%

of total wholesale cars exported

Selling worldwide: Our global network of dealerships includes Sao Paulo in Brazil.

Our goals

Working with government

- Continue to work with the UK Government to showcase the very best in advanced British engineering and design worldwide
- Maintain engagement with the UK Government and Welsh Parliament to support sustainable growth across the UK automotive sector, including expansion of the UK-based supply chain
- Help to achieve the UK Government's aim to increase UK exports to £1 trillion per year by 2030

Progress in 2022

Actions:

- Successful global launches of new models, including the ground-breaking DBX707 – the world's fastest and most powerful luxury SUV
- Visits to our world-class manufacturing facilities by the Rt Hon Simon Hart MP, the Secretary of State for Wales, and Trudy Harrison MP, transport minister
- Visit by Tony Danker, the Director General of the Confederation of British Industry (CBI), to our Gaydon headquarters, reinforcing collaboration to foster a positive environment for business and export growth
- Showcasing UK engineering and design excellence by featuring Aston Martin vehicles at the Commonwealth Games and HM Queen's Jubilee Parade

Data:

- 4.4% increase in cars exported
- 17.7% increase in cars exported to EMEA
- 83% of total wholesale cars exported

Delivering the highest standards

UN Sustainable Development Goals

Overview

A commitment to delivering the highest standards forms the bedrock of our business. We operate in a heavily regulated sector and work hard towards ensuring compliance with legal and regulatory obligations in areas ranging from anti-slavery to vehicle safety.

We are striving to meet international best-practice standards in areas such as occupational health and safety (ISO 45001), environmental management systems (ISO 14001:2015) and energy management systems (ISO 50001).

In 2021, we established a dedicated Sustainability Committee to oversee our sustainability programme, *Racing. Green.* The Committee meets every quarter to provide direction and oversight of the Company's sustainability strategy, targets and performance.

Our ten sustainability working groups drive the implementation of our sustainability strategy.

Highlights

More than
30
sustainability working group meetings

95%
of suppliers compliant with ISO 14001: 2015 environmental management standard.

194
employees received Modern Slavery training in 2022

Leadership: Our leadership meets regularly to drive the Company forward.

Delivering the highest standards defines everything we do. That includes strong governance and a rigorous approach to compliance.

Our goals

Embracing industry best practice

- Continue commitment to the Science Based Targets initiative
- Continue commitment to the Task Force on Climate-related Financial Disclosures

Pioneering leadership

- Understand and engage in emerging areas of best practice such as the Science Based Targets Network for Nature and the Taskforce on Nature-related Financial Disclosures

Progress in 2022

Actions:

- Campaign to promote awareness of the '*Speak Up*': confidential reporting system
- Review and update of People policies
- Updated Cyber Security Policy
- ESG data audit
- New governance model to support delivery of EDI objectives

Data

- Four Sustainability Committee meetings
- Over 30 sustainability working group meetings
- Responsible Procurement Policy signed by 73% of main suppliers
- 95% of suppliers compliant with ISO 14001: 2015 environmental management standard
- 12 whistleblowing reports (four in 2021)
- Modern Slavery training delivered to 194 employees in targeted areas of the business

Our people: Aston Martin's success is thanks to the skill and commitment of its people, dedicated to becoming the world's most desirable ultra-luxury British performance brand. In 2022 we celebrated their invaluable contribution by unveiling a new feature at main locations, listing each individual who has worked for and contributed to Aston Martin's success since 1913.

Non financial information statement

This section of the Strategic Report constitutes the Non-Financial Information Statement of the Company, produced to comply with sections 414CA and 414CB of the Companies Act 2006. The information listed in the table below is incorporated by cross references to other areas of the Annual Report, Sustainability Report and the Company website where further information can be found. The majority of policies can be found on our website: www.astonmartinlagonda.com.

The policies mentioned below form part of the Company's Group policies, which act as the strategic link between our Purpose and Values and how we manage our day-to-day business.

Reporting requirements	Policies and standards which govern our approach	Where material information can be found
Environmental Matters	• Environmental Policy	• ESG disclosures, pages 52-78 • Sustainability Report www.astonmartinlagonda.com • Stakeholder engagement, pages 22-25 • TCFD report pages 58-67
Employees	• Diversity and Inclusion Policy • Group Health and Safety Policy • Confidential Reporting and Whistleblowing Policy • Gender Pay Gap Report	• Caring for our people and stakeholder engagement, pages 70-73 • Governance Report, pages 86-145 • Audit and Risk Committee Report, pages 114-121 • Remuneration Report, pages 124-145 • Gender Pay Gap Report, page 73 and www.astonmartinlagonda.com
Anti-Bribery and Corruption	• Anti-Bribery and Corruption Policy • Group Conflicts of Interest Policy • Hospitality and Gifts Policy • Anti-Money Laundering Policy	• ESG disclosures, page 52-78 • Governance Report, pages 86-145 • Audit and Risk Committee Report, pages 114-121
Human Rights	• Anti-Slavery and Human Trafficking Policy • Modern Slavery Statement	• Modern Slavery Statement, www.astonmartinlagonda.com
Stakeholder	• Responsible Procurement Policy • Data Protection Policy	• ESG disclosures, pages 52-78 • Stakeholder engagement, pages 22-25 • s.172 Statement, pages 106-107 • Board activities, pages 100-101
Social	• Environmental Policy	• ESG disclosures, pages 52-78 • Stakeholder engagement, pages 22-25
Non-Financial Key Performance Indicators		• Key performance indicators, pages 44-45 • Strategic Report, pages 4-85
Principal Risks		• Our approach to risk, pages 80-85 • Principal and emerging risks, pages 80-85 • Business model, pages 26-27
Business Model		• Business model, pages 26-27

Risk and viability report

Risk management

Risk governance

We manage risks in the pursuit of our strategic objectives using our ERMFS which provides the Board, the Audit and Risk Committee and the Executive Committee with a robust assessment of our principal and emerging risks. The Board is ultimately responsible for oversight of our risk management and internal control systems and determines our risk appetite.

The Board has delegated its responsibility for monitoring the effectiveness of the Group's risk management and internal control systems to the Audit and Risk Committee. The Committee fulfils this responsibility by directing and reviewing the work of executive management and the key governance functions within the Group, including the Internal Audit & Risk Management team and the Risk Management Committee. The Chair of the Audit and Risk Committee updates the Board on the Committee's activities in this regard as appropriate.

How we manage risk

Our Internal Audit & Risk Management team maintains the ERMFS and coordinates risk management activities across the Group, leveraging a network of functional Risk Champions embedded within management (our first line of defence). Each principal risk has a risk mitigation plan incorporating management's assessment of gross, net and target risk together with an assessment of the effectiveness of mitigating controls and activities. These plans are updated routinely throughout the year with any changes being incorporated into the corporate risk register.

The key elements and activities supporting our ERMFS include:

- annual review and approval of the ERMFS and Risk Management Policy;
- bi-annual review of principal risks to assess the gross, net and target risks for potential impact and likelihood;
- maintenance of corporate and functional risk registers;
- undertaking top-down/ bottom-up risk assessments including horizon scanning to identify emerging risks;
- creating formal risk mitigation plans for all principal risks; and
- provision of independent and objective assurance by the Internal Audit team over the effectiveness of principal risk mitigation plans to the Audit and Risk Committee.

Changes to Aston Martin's risk profile

The most significant changes to the Group's principal and emerging risks in the year were:

- **supply chain disruption** – risk increasing as the Group has been subject to ongoing supply chain issues through the second half of the year which has disrupted production;
- **brand/reputational damage** – risk reducing reflecting the positive impact of successful rebranding and fixed marketing investment which has enhanced the brand proposition;
- **cyber security and IT resilience** – risk reducing reflecting further enhancement in the cyber-security prevention and detection capabilities; and
- **climate change** – risk reducing as the control and governance framework matures to deliver on our *Racing. Green.* strategy, with actions taken to date and plans being developed to deliver on our net-zero ambition.

Risk appetite

The Board determines the amount of risk the Group is willing to accept in pursuit of the Group's strategic objectives. This varies dependent on the type of risk and may change over time. In exploring risks and opportunities, we prioritise the interests and safety of our customers and employees and seek to protect the long term value and reputation of the brand, while maximising commercial benefits to support responsible and sustained growth.

Risk category	Risk appetite
Compliance	Zero tolerance
Financial	Low tolerance
Climate change	Low tolerance
Strategic	Moderate tolerance
Operational	Moderate tolerance

Our principal risks

Our risk management system is designed to identify a broad range of risks and uncertainties which could adversely impact the profitability or prospects of the Group. Our principal and emerging risks are those which could have the most significant effect on the achievement of our strategic objectives, our financial performance and our long term sustainability.

The following pages set out the Group's principal and emerging risks, how they align to our strategy, example risk factors and the primary mitigating actions implemented for each risk during the year ended 31 December 2022. Principal risks change over time as some risks assume greater importance and others may become less significant.

We categorise principal risks within one of the following categories: Strategic, Operational, Compliance, Climate Change and Financial, and link each risk to one or more of the key strategies that underpin our business plan.

Internal Audit & Risk Management

- Coordinates deployment of the ERMFS
- Maintains the corporate risk register
- Presents Board, Audit and Risk Committee and Executive Committee risk status updates
- Provides resources and training to support risk management activities
- Evaluates the design and operating effectiveness of principal risk mitigation plans

Functional risk champions and risk owners

- Responsible for risk management at a functional level
- Maintain functional (bottom-up) risk registers and manage and develop risk mitigation plans
- Champion adherence to ERMFS principles and guidance within their functions
- Consider emerging risks and escalate to the Risk Management Committee as appropriate

Risk Management Committee

- Identifies and assesses new and emerging risks
- Performs deep-dive reviews of risk mitigation plans
- Meets quarterly and reports to the Audit and Risk Committee and Executive Committee
- Representation from all functions across the business
- Ensures risks are managed in accordance with the Board's defined risk appetite
- Champions effective risk management and control across the business

Board and Audit and Risk Committee

- The Board has delegated oversight of the ERMFS to the Audit and Risk Committee
- The Board has ultimate responsibility for establishing a framework of prudent and effective controls which enable risk to be assessed and managed
- Determine risk appetite
- Review effectiveness of risk mitigation plans and assurance activity
- Monitor status of risk management activity and reporting
- Review outputs of principal risk mitigation plan reviews

Principal risk summary

Strategic risks

Macroeconomic and political instability

Exposure to multiple political and economic factors could impact customer demand or affect the markets in which we operate.

Risk movement

Risk appetite
MODERATE

Link to strategy

Potential impact on business
- Global economic slowdown reducing demand for vehicles
- Unfavourable movement in exchange rates
- Adverse economic global conditions could adversely impact our dealer network or supply chain
- Commodity price increases and other inflationary pressure
- Increasing interest rates impacting the affordability of finance for customers

Risk mitigation
- Regular operational and financial reviews of the business
- Capital raise completed in 2022 to provide additional liquidity
- Business plan developed taking account of current macroeconomic environment
- Monitoring global market trends to target areas for future growth
- Routine monitoring of dealer stock levels to support build-to-order strategy

Brand/reputational damage

Our brand and reputation are critical in securing demand for our vehicles and in developing additional revenue streams.

Risk movement

Risk appetite
LOW

Link to strategy

Potential impact on business
- Product recall or quality issues could impact customer confidence and result in reduced demand
- Late delivery of new models/variants could impact customer confidence and loyalty and delay sales
- Failure to adhere to Dealer Operating Standards may result in the dealer network being ineffective in promoting and maintaining brand awareness and interest
- Inadequate dealer training in new products and technologies could impair the customer experience
- Activist action could result in damaged brand perception

Risk mitigation
- Standardised embedded quality procedures (e.g., 300 Call Procedure, Customer Perception Audit, Parts Approval Process) to maintain focus on vehicle quality
- Expanded dealer network and improved training to ensure delivery of a luxury customer experience
- Regional marketing plans developed quarterly to drive sales pipeline
- Fixed marketing investment programme to drive increased brand awareness and salience, including sponsorship of the Aston Martin Aramco Cognizant Formula One™ Team
- Quality-led production ramp up for the Aston Martin Valkyrie programme

Technological advancement

It is essential to maintain pace with technological development to meet evolving customer expectations, remain competitive and stay ahead of regulatory requirements.

Risk movement

Risk appetite
LOW

Link to strategy

Potential impact on business
- The Group is reliant on strategic partnerships with third parties to support development of new and emerging technologies
- Competitors may have better access to funding to develop new technology faster and be first to market
- Changing and more stringent regulations may make current technology obsolete and increase the risk of future non-compliance
- Failure to incorporate new technology into vehicles may affect our ability to remain competitive

Risk mitigation
- Strategic arrangements with key partners, including the Strategic Cooperation Agreement with Mercedes-Benz AG, to provide powertrain and electrical architecture
- Development of commodity strategy plans
- Investment in Electrical Engineering team
- Development of new interiors for new sports cars
- Establishment of Connected Car team to develop stronger customer proposition for in-car technology
- Creation of an Innovation and Advanced Technology group with dedicated budget and process to advance innovative technology in advance of programme requirements

Climate change risks

Climate change

The impact of climate change could significantly impact demand for our vehicles, our ability to sell within certain markets or have financial consequences through increased carbon pricing, taxes and other regulatory restrictions on ICE vehicles.

Risk movement

Risk appetite
LOW

Link to strategy

Potential impact on business

Transition risks
- Policy – new tailpipe emissions reduction targets or loss of small volume derogation status could lead to increased carbon taxes and import tariffs
- Market – customer preferences may move towards non-ICE powertrain options faster than anticipated
- Technology – disruption from new technologies or new market entrants together with increased demand for sustainable products
- Reputation – inability to create a credible sustainability proposition as we manage the transition from ICE to EV powertrains, or brand damage caused by activist activity

Physical risks
- Increased frequency/severity of extreme weather events causing supply chain disruption
- Potential increased insurance costs as more claims are made due to climate-related physical damage/business disruption

Risk mitigation
- *Racing. Green.* strategy launched and the establishment of the Sustainability Committee to oversee its implementation
- Strategic partnerships to develop PHEV and EV powertrains
- Investment in R&D to develop PHEV/BEV powertrain capabilities to enable first delivery of PHEV in 2024 and targeting our first BEV launch in 2025
- Investment in R&D to reduce average fleet GHG emissions
- Forward purchase/pooling of carbon credits to reduce exposure to carbon-related financial penalties and taxes and carbon offsetting
- Sourcing of 100% renewable electricity to power UK operations
- Committing to the SBTi to establish and track GHG reduction targets to establish a credible roadmap to net-zero in our manufacturing facilities by 2030 and our supply chain by 2039
- Setting target to increase biodiversity at our operations.
- Setting annual 2.5% reduction in Scope 1 emissions targets and plans

Legend

Brand | Product innovation | Sustainability | Team

Financial risks

Liquidity

The Group may not be able to generate sufficient cash to fund its capital expenditure, service its debt or sustain its operations.

Risk movement	Risk appetite
●	LOW

Link to strategy

Potential impact on business
- Significant leverage levels may inhibit our ability to raise additional capital
- Significant debt servicing requirements reduce cash available to support other operational needs
- Liquidity restrictions could impact planned R&D investment
- Delays in payment to suppliers to manage short term cash requirements could result in supply chain disruption

Risk mitigation
- £654m equity capital raise completed in July 2022
- Renewed wholesale financing facilities implemented to facilitate faster cash collection
- Successful completion of $200m debt tender in October 2022
- New products targeting minimum contribution levels of 40% to drive profit and cash generation
- Regular management review of cash and working capital balances
- Regular expenditure reviews held with the CEO and CFO and regular liquidity-focused Board reviews
- Monthly Treasury Committee
- Ongoing transformation activity to deliver targeted cost savings and efficiencies
- Cash pooling and repatriation of cash to ensure funds are available for Group priorities

Impairment of capitalised development costs

The value of capitalised development costs continues to grow as we invest in and expand our product portfolio.

Risk movement	Risk appetite
●	LOW

Link to strategy

Potential impact on business
- Vehicle sales volumes fall below lifecycle plans and targets as a result of the impact of macroeconomic factors such as the current cost of living crisis and continuing global economic uncertainty and inflationary pressure or rising interest costs
- Vehicle pricing and contribution reduce to levels which no longer support the carrying value of the attributable capitalised costs
- Uncertainty of 'Carry Over – Carry Across' utilisation on future vehicle models and derivatives

Risk mitigation
- Capitalisation policy and procedures reviewed annually
- Impairment reviews performed where triggering events have been identified
- Regular vehicle line reviews undertaken to monitor sales volume and contribution performance for all car lines with any concerns communicated to Finance for consideration of potential impairment
- New product set entry level investment targets of 40% minimum contribution levels

Compliance risks

Compliance with laws and regulations

Non-compliance with local laws or regulations could damage our corporate reputation and subject the Group to significant financial penalties and/or trading sanctions/restrictions.

Risk movement	Risk appetite
●	ZERO

Link to strategy

Potential impact on business
- Non-compliance with product regulations (including emissions, noise, connected car security etc.) could inhibit the Group's ability to sell in certain markets
- Non-compliance with corporate conduct laws and regulations (including labour laws, human rights laws etc.) could result in financial penalties and/or brand/reputational damage
- Failure to keep pace with increasing stakeholder expectations to go beyond evolving ESG reporting requirements could result in brand/reputational damage which could ultimately affect our sales pipeline and planned growth

Risk mitigation
- Procedures are in place to obtain Vehicle Type Approval and homologation for all new production vehicles from the appropriate vehicle certification agencies to ensure that vehicles meet the required performance standards for the markets they are sold in
- Processes in place to track and monitor compliance with emissions reduction targets and other regulatory standards
- Corporate policies define our standards of behaviour in relation to key compliance areas (including anti-bribery and corruption, responsible procurement, health and safety, anti-slavery and human trafficking, environmental). We have a confidential reporting system, overseen by the Audit and Risk Committee, which enables the reporting of any suspected breach of policy or misconduct.
- Sustainability Committee provides oversight of the implementation of the Group's *Racing. Green.* strategy, supported by ten working groups.

Operational risks

Talent acquisition and retention

We may fail to retain, engage and develop a productive workforce and to develop key talent.

Risk movement	Risk appetite
●	MODERATE

Link to strategy

Potential impact on business
- Failure to build the right capabilities and behaviours in our leadership team
- Failure to engage or equip our teams to deliver our strategy or address key capability gaps
- Inability to fill key open positions may inhibit our ability to electrify our product portfolio in line with published timeframes

Risk mitigation
- Remuneration Committee oversight of senior leadership remuneration to ensure it is aligned to the strategy and appropriate for staff retention
- Regular review of talent and resource risks leveraging succession plans and employee engagement survey results
- Benchmarking of bonus and remuneration packages to drive employee performance and behaviours and remain attractive to external candidates in a buoyant UK job market
- Launch of Company values; Unity, Openness, Trust, Ownership and Courage, based around the concept that 'no-one builds an Aston Martin on their own'
- Talent review exercise undertaken for senior management and above population
- Company-wide performance bonus scheme to drive performance, embedding key finance and quality measures and targets

Principal risk summary continued

Operational risks

Programme delivery

Failure to implement major programmes on time, within budget and to the right technical specification could jeopardise delivery of our strategy and have significant adverse financial and reputational consequences.

Risk movement	Risk appetite
●	MODERATE

Link to strategy

Product innovation, Sustainability, Team

Potential impact on business
- Insufficient funds to support current programme investment requirements
- Inability to manage third-party delivery in line with programme timelines and milestones
- Failure to adhere to the 'Mission' programme delivery governance framework could result in delayed launch of vehicles or unforeseen quality issues
- Delays in new Enterprise Resource Planning ("ERP") system go-live dates could expose the Group to increased risk of IT failure and resultant disruption to production and engineering activities

Risk mitigation
- Deployment of an established programme delivery methodology and regular Product Committee status reporting and oversight
- Restructure of business to Project Team focus with a Team Leader responsible for financials / quality / timing
- Enhanced focus on R&D financial forecasting for all capital expenditure
- Addition of innovation team to create new technologies to an appropriate Technology / Manufacturing Readiness Level
- New model pilot production line established in Gaydon to facilitate new product development
- Establishment of New Model Quality and Quality Business Planning teams to improve quality management activity

Achieving financial and cost-reduction targets

The Group's size and low-volume demand-led strategy may inhibit its ability to deliver targeted cost reductions or work within budget constraints while delivering the planned vehicle programme.

Risk movement	Risk appetite
●	LOW

Link to strategy

Product innovation, Sustainability, Team

Potential impact on business
- High levels of complexity across car lines can drive increased engineering requirements with associated increased resource and cash requirements
- Inflationary pressure on key input costs (e.g., raw materials, commodities, energy, labour) makes achievement of targeted reductions more challenging
- Instability in the supply base due to economic volatility may reduce opportunities to identify cost savings
- Ultra-luxury positioning demands the necessary marketing spend to generate brand and product awareness to build desirability and create future demand

Risk mitigation
- Cross functional team transformation activity with agreed cost target process and regular CEO-led cost reviews
- Development of commodity strategy with strategic suppliers to drive resilience and cost efficiency
- Synergies from leveraging common commodity strategies across platforms
- Increased focus on supply chain risk analysis
- Targeted marketing activity with support from key external agencies to ensure the necessary return on investment is obtained from marketing spend
- Budget and business planning activity reassessed in consideration of current inflationary headwinds

Cyber security and IT resilience

Breach of cyber security could result in a system outage, impacting core operations and/or result in a major data loss leading to reputational damage and financial loss.

Risk movement	Risk appetite
▼	LOW

Link to strategy

Brand

Potential impact on business
- Cyber attack resulting in disruption to operational services, possible data loss and related business outages
- Legacy systems reaching end of life may no longer be supported and become more susceptible to breach
- Insufficient investment in systems and resource leads to limited protection with critical vulnerabilities not being addressed in a timely manner

Risk mitigation
- Project continuing to deliver a new ERP system through 2023 to transition away from end-of-life legacy systems and drive efficiency within the IT infrastructure
- Enhanced IT general controls for access management, network access controls, remote access (e.g., multi-factor authentication) and password management
- 24/7 vulnerability monitoring using security tools including Darktrace, SentinelOne and cyber incident response procedures
- Significant investment in in-house Information Security team to mature cyber security control framework
- Benchmarking of cyber security controls against the National Institute of Standards & Technology ("NIST") governance framework

Supply chain disruption

Supply chain disruption could result in production stoppages, delays, quality issues and increased costs.

Risk movement	Risk appetite
▲	LOW

Link to strategy

Sustainability

Potential impact on business
- Suppliers may be unable to meet delivery schedules due to being in financial distress
- Unforeseen supplier failures, or disruption, can lead to production stoppages caused by delays in sourcing parts
- Raw material shortages (including semi-conductors) due to increased demand and global supply chain issues could impact Aston Martin's ability to meet planned production volumes

Risk mitigation
- Cross functional weekly risk reviews with key departments to identify current supply issues and actions to resolve
- Supplier scorecards and performance metrics developed to drive improvement and encourage best practice
- Internal Customs team established to manage and mitigate procedural/policy changes post Brexit
- Periodic due diligence performed on key suppliers including Dun & Bradstreet financial health checks
- Supplier strategy implemented to develop strategic and sustainable partnerships to improve supply chain resilience
- Supply chain and logistics transformation project commenced

Legend

Brand | Product innovation | Sustainability | Team

Risk management activities in 2022 and plans for 2023

Identification of risks

We identify and manage risk using a top-down bottom-up approach.

- Top-down – Identification, assessment, prioritisation, mitigation, monitoring and reporting of risk at a corporate level. Overseen by the Audit and Risk Committee and the Risk Management Committee.
- Bottom-up – Identification, assessment, prioritisation, mitigation and monitoring of risk across all operational and functional areas.

The corporate and functional risk registers have been maintained and updated to reflect changes in the business and the external environment. These continue to be periodically reviewed by the Risk Management Committee. The updated corporate risk register is reviewed and formally re-evaluated at the half and full year to identify any changes required to the disclosed principal risks. These changes and the summary of principal and emerging risks are then presented to the Audit and Risk Committee for review and approval.

Risk management system

The Aston Martin ERMFS continues to be deployed across the Group. This was subject to an annual review and approved by the Executive Committee and the Audit and Risk Committee in July 2022. The Risk Management Committee met three times during 2022.

Management actions and deep dives

The Internal Audit & Risk Management team incorporates independent validation reviews of the principal risk mitigation plans within its annual Audit Plan, the purpose being to provide independent assurance to management, the Audit and Risk Committee and the Board on the effectiveness of management actions to mitigate risks.

The team works with functional Risk Champions to maintain formal risk mitigation plans to articulate clearly the nature and extent of the principal risks and their associated mitigating actions. These are used to provide the Board and Audit and Risk Committee with management self-assessments on the effectiveness of risk mitigation plans and activities.

During 2022 the following key risk management activities have been undertaken:

- Three Risk Management Committee meetings with deep-dive risk reviews covering:
  - political instability and supply chain risks associated with the war in Ukraine
  - climate change transitional and physical risks; and
  - fraud risk assessment.
- Workshops held to formalise Group response to climate-related transition risks.
- Independent cyber security risk and control maturity assessment and benchmarking against the NIST global framework.
- Twice-yearly formal validation and approval of corporate and functional risk registers.
- Executive Committee review and agreement of the Group's principal and emerging risks.
- Annual review of ERMFS and Risk Management Policy.

The following principal risk mitigation plan reviews have been included within the 2023 Internal Audit plan:

- Programme delivery
- Ability to recruit and retain required talent.

Viability Statement

The Directors have carried out a robust review of the principal risks of the Group, which are set out on pages 82-84, identifying the nature and potential impact of those risks on the viability of the Group, together with the likelihood of them materialising.

This analysis has then been used to carry out an assessment of the ability of the Group to continue in operation and meet its obligations. The assessment covers the five-year period from January 2022 to December 2027. This was considered appropriate by the Directors because it aligns with the business plan and the Group's normal planning horizon and is indicative of the investment and development cycle of new products in the luxury car market. The assessment includes the costs anticipated in relation to our strategy and our views of the impact of climate change (see note 1 to the Financial Statements). Inevitably, the degree of certainty decreases over this period.

The assessment process consisted of stress testing the base case in the business plan for scenarios designed to reflect the potential impact of the principal risks materialising in a compound scenario, including the following:

- A severe but plausible reduction in sales volumes as a result of factors such as a material reduction in the size of the luxury market due to external factors (such as a decrease in demand from High Net Worth Individuals, increased direct and indirect taxation and changes in consumer habits away from luxury vehicles)
- Incremental fixed and variable costs
- Incremental working capital requirements such as reduced deposit inflows or increased deposit outflows
- The impact of strengthening sterling:dollar exchange rates

In the event of one or more risks occurring which has a particularly severe effect on the Group, the assessment assumed that all appropriate actions would be taken in a timely manner by management to mitigate as far as possible the impact of the risks. Potential mitigating actions include constraining capital spending, seeking additional funding and/or a number of other adjustments to operations in the normal course of business.

In all scenarios it is assumed that any borrowings that mature in the review period will be renewed or replaced with facilities of similar size. The projections show that, even in stressed conditions, the Group should be able to refinance these facilities on commercially acceptable terms, assuming that debt markets continue to operate as currently.

In addition, we have assumed that no additional legislative action will be taken that impacts the sale of our products within the Viability Statement timeframe.

The Directors have assessed the viability of the Group over the five-year period to 31 December 2027 and, based on this assessment and the assumptions stated above, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2027.

The Strategic Report was approved by the Board and signed on its behalf by:

Amedeo Felisa
Chief Executive Officer
28 February 2023

Corporate Governance

"Strong leadership and governance provide us with the foundations for our long-term growth."

An overview of governance

Governance is essential to building a successful business that is sustainable for the longer term. Aston Martin is committed to ensuring and maintaining high standards of corporate governance to enhance performance and strengthen stakeholder confidence.

Board nationality statistics

British	5
American	5
Canadian	1
Italian	3
Saudi Arabian	1

Natalie Massenet has dual British and American nationality and Antony Sheriff has dual Italian and American nationality

Our Board composition

Shareholder Representative Directors (including the Executive Chairman)	5
Executive Directors	2
Independent Non-executive Directors	6

Board sector experience

Engineering	3
Automotive	3
Luxury brand	4
Finance/banking	4
Marketing/commercial	3
Legal	1

Some members of the Board have sector experience in more than one category

Board gender statistics

38%
of Board positions which are not shareholder nominated are held by women

50%
of our Independent Non-executive Directors are women

Our major shareholders

	%
Yew Tree Consortium*	28.4
Public Investment Fund*	18.7
Invesco	10.2
Mercedes*	9.8
Geely	7.6

* Denotes a major shareholder with Board representation in accordance with the respective Relationship Agreement entered into between the Company and that shareholder.

Executive Chairman's introduction to governance

Dear shareholder

I am pleased to introduce the Governance section of this year's Annual Report. In this section we provide detail on our corporate governance at Aston Martin, how we make decisions and how we comply with the UK Corporate Governance Code. Effective governance, together with the strength of leadership of our Board, provides us with the foundations to execute and deliver our strategic objectives.

Good governance also provides a platform for us to achieve cultural change. It creates an environment of accountability and empowerment, in line with our values.

The Board has closely monitored culture within the business throughout the year as we continue to navigate times of macro uncertainty and challenges specific to our business. The Board is confident that we have the right leadership and talent throughout the business to *Accelerate. Forward.*

Board changes

The composition of the Board has continued to evolve this year. Amedeo Felisa became our Chief Executive Officer in May, having been a Non-executive Director of the Company since July 2021. Amedeo is one of the most highly regarded leaders and engineering professionals in the high-performance luxury sports car sector having spent his entire career in automotive and engineering with over 26 years in leadership roles at Ferrari, including eight as Chief Executive Officer. We are very fortunate to benefit from his engineering and product development expertise as we work towards our roadmap to electrification.

Also in May, Doug Lafferty became Chief Financial Officer. Doug's experience as a FTSE 250 Chief Financial Officer and his work for the Williams racing team is incredibly valuable to the Board as we continue to focus on delivering our strategic objectives and financial targets.

In October we announced the appointment of Sir Nigel Boardman as an Independent Non-executive Director. Sir Nigel has also been appointed to the Audit and Risk Committee and the Nomination Committee. Sir Nigel was a partner at the law firm Slaughter and May from 1992–2019 and his extensive corporate experience makes him a great addition to our independent Non-executive Directors.

Following the completion of our capital raise, in November we announced the appointment of the two Shareholder Representative Directors for the Public Investment Fund, Ahmed Al-Subaey and Scott Robertson. Their appointments to the Board are an important part of our relationship with the Public Investment Fund, our second largest shareholder.

Board diversity

We have amended our Board Diversity Policy to reflect the spirit of the FTSE Women Leaders Review and the Financial Conduct Authority's new diversity targets, so that the Board seeks to achieve and maintain 40% of Board positions which are not subject to shareholder appointments to be held by women. That percentage is currently 38%. The Board is committed to achieving and maintaining diversity at Board level and throughout the business in line with the FTSE Women Leaders Review and the Financial Conduct Authority's new diversity targets and will continue to monitor the progress being made.

The Board has already met one of the Financial Conduct Authority's new targets, which will be effective for financial accounting periods commencing 1 April 2022 onwards, that at least one Director on the Board is from an ethnic minority background.

Listening to our employees

Success is through our people and our culture is as important as strategy. As a Board we need to understand the culture at Aston Martin, how it is changing and how it impacts the delivery of our strategy. Anne Stevens and Marigay McKee both took the opportunity to spend time with members of the workforce during the year, sharing their experience and listening to employee feedback. You can read more about this on pages 102-103.

Board evaluation

Due to the Board composition significantly changing again this year, rather than an external Board evaluation, we decided to undertake an internal evaluation but with the assistance of a third-party provider which assisted with the questionnaires and the analysis of the results and provided external benchmark data. More information on our Board evaluation is set out on pages 108-109.

I would like to thank all the members of the Board for their significant efforts and valuable contributions during the year. I would also like to take this opportunity to thank our employees, our customers, our shareholders and all our other stakeholders for your continued support.

Yours sincerely,

Lawrence Stroll
Executive Chairman

Board of Directors

Executive Directors

Key

- Chair
- Observer
- A Audit and Risk Committee
- N Nomination Committee
- R Remuneration Committee
- S Sustainability Committee
- W Warrant Share Committee

Lawrence Stroll N R W
Executive Chairman
20.04.20

Skills and relevant experience
Lawrence joined the Company as Executive Chairman after leading the Yew Tree Consortium investment in the Company in April 2020. Lawrence has a long career of acquiring and building luxury brands including Polo Ralph Lauren, Tommy Hilfiger and Michael Kors and brings his wealth of leadership and executive experience to the Board. He has also been an active investor in the automotive and motorsport sectors, leading a consortium to acquire the Force One India racing F1® team in 2018, which was subsequently rebranded as the Aston Martin Aramco Cognizant F1® team in 2021.

External appointments
Member of Yew Tree Consortium
Co-owner Aston Martin Aramco Cognizant F1™ team
AMR GP Services Limited
AMR GP Limited

Amedeo Felisa W
Chief Executive Officer since May 2022
04.05.22

Skills and relevant experience
Amedeo was appointed Chief Executive Officer in May 2022 having previously served on the Board as a Non-executive Director since July 2021. Amedeo brings to the Board his extensive automotive industry and technical and commercial experience. Amedeo spent 26 years of his career with Ferrari S.p.A in senior management roles, the last eight years of which as the Chief Executive Officer.

Prior to joining Ferrari, Amedeo was a product development team leader at Alfa Romeo S.p.A. Amedeo was awarded a degree in mechanical engineering from the Milan Polytechnic University.

External appointments
Atop S.p.A (Chairman)
IMA Group (Senior Advisor to the Chairman)

Doug Lafferty W
Chief Financial Officer since May 2022
01.05.22

Skills and relevant experience
Doug Lafferty was appointed Chief Financial Officer in May 2022. Prior to joining Aston Martin, Doug was the Chief Financial Officer of FTSE 250-listed fuel retailer Vivo Energy plc. He previously spent three years as Chief Financial Officer for Williams Grand Prix Holdings plc and 16 years in a wide range of senior finance and leadership roles at British American Tobacco.

Doug is a member of CIMA and holds a BSc Hons in Management Studies from Royal Holloway, University of London

External appointments
None

Other Directors serving during the year

Tobias Moers
Stepped down as Chief Executive Officer on 4 May 2022.

Kenneth Gregor
Stepped down as Chief Financial Officer on 1 May 2022.

Independent Non-executive Directors

Antony Sheriff A N R S
Senior Independent Non-executive Director 01.02.21

Skills and relevant experience
Antony is an experienced automotive and luxury sector executive whose experience and skillset span product development, marketing and business strategy. Antony is currently the Executive Chairman and Chief Executive Officer of Princess Yachts Limited. Antony started his career at McKinsey & Company in 1988 and then held a number of executive positions at Fiat Auto S.p.A. from 1995 to 2003. From 2003 to 2013 Antony was the Chief Executive Officer and Managing Director of McLaren Automotive Ltd, where he created and built the sports car business. Since 2014, Antony has also held several Non-executive and advisory positions with innovative start-ups in the automotive and aerospace businesses.

Antony holds a BS Engineering and BA Economics from Swarthmore College and a MS Management from the Massachusetts Institute of Technology, Sloan School of Management.

External appointments
Princess Yachts Limited
(Chief Executive Officer)
Pininfarina S.p.A.
(Independent Non-executive Director)
Bugatti Rimac d.o.o.
(Independent Non-executive Director)

Robin Freestone A N R
Independent Non-executive Director 01.02.21

Skills and relevant experience
Robin is a qualified chartered accountant, with significant financial, management, business transformation and diversification experience within leading UK-listed global businesses. Previously, Robin held a number of senior executive finance roles in the industrial sector (1985-2004) with ICI plc, Amersham International plc and Henkel Ltd where he was the Chief Financial Officer. He subsequently joined the publishing company Pearson plc in 2004, the last nine years of which he served as its Chief Financial Officer.

Robin has wide Non-executive Director experience and was previously a Non-executive Director at eChem Limited, Chair of the 100 Group and Senior Independent Director and Chair of the Audit Committee of Cable & Wireless Communications plc.

Robin holds a BA in Economics from Manchester University.

External appointments
Moneysupermarket.com
(Chair and Nomination Committee Chair)
Capri Holdings Ltd (Lead Director)

Dame Natalie Massenet, DBE R
Independent Non-executive Director 08.07.21

Skills and relevant experience
Natalie brings her wealth of luxury retail sales, marketing and commercial experience to the Board. Natalie is the co-founder and managing partner of Imaginary Ventures, a capital firm focusing on innovations at the intersection of retail and technology. Previously, Natalie revolutionised luxury retail when she founded Net-a-Porter in 1999, and subsequently, the Outnet and Mr Porter growing the group of brands into one of the world's most influential fashion businesses. Natalie has also held several non-executive and advisory positions as a Director of NuOrder Inc (2021), a Director and Co-Chairman of Farfetch Inc (2017-2020) and the Chairman of British Fashion Council (2012-2017).

In 2016 Natalie was made Dame Commander of the British Empire in recognition of her contributions to the UK fashion and retail industry.

External appointments
Imaginary Ventures
(Managing Partner)
Everlane Inc (Director)

Marigay McKee MBE S
Independent Non-executive Director 08.07.21

Skills and relevant experience
Marigay has extensive retail sales, marketing and luxury brand experience. In 2018, Marigay co-founded Fernbrook Capital LLC, a venture fund based in New York and Los Angeles, specialising in consumer tech. Marigay started her career at Estée Lauder in Europe, and then joined Harrods in 1999 as Head of its beauty department. In her 14 years at Harrods, she spent the last six years as Chief Merchant Officer where she developed and executed a strategic vision to make Harrods the gold standard for the exclusive launch of luxury and premium brands. In 2013, Marigay joined Saks Fifth Avenue in New York as its President rebuilding Saks' luxury launch platform for new and emerging and international brands.

In the 2022 Queen's New Year Honours List, Marigay was awarded an MBE in recognition of her services to British retail overseas.

External appointments
Fernbrook Capital LLC (Director)
EShopWorld
(Advisory Council Member)
The Webster (Board Member)
The Shed (Board Member)

Board of Directors continued

Key
- Chair
- Observer
- A Audit and Risk Committee
- N Nomination Committee
- R Remuneration Committee
- S Sustainability Committee
- W Warrant Share Committee

Independent Non-executive Directors continued

Dr. Anne Stevens A N R S
Independent Non-executive Director 🇺🇸 01.02.21
Workforce engagement Director

Skills and relevant experience

Anne brings to the Board significant operational, commercial and transformational experience in global businesses. Anne is an engineer and started her career in the chemical industry with Exxon Corporation before moving to automotive with the Ford Motor Company (1990-2006). During her 16-year tenure at Ford, Anne held a number of senior positions, culminating in her being the Chief Operating Officer for the Americas. On retiring from Ford, Anne joined Carpenter Technology Corporation (2006-2009) as its Chairman, President and Chief Executive Officer. Anne has extensive Non-executive Director experience and has previously served as Chairman, CEO and Principal of SA IT (2011-2014), as a Non-executive Director on the board of XL Group and Lockheed Martin before joining GKN plc as a Non-executive Director where she was briefly CEO during the hostile takeover by Melrose plc in 2018. Anne received a BS in Materials and Mechanical Engineering from Drexel University in 1980 and was elected to the National Academy of Engineering in 2004.

External appointments

Harbour Energy plc
(Non-executive Director and Remuneration Committee Chair)

Sir Nigel Boardman A N
Independent Non-executive Director 🇬🇧 01.10.22

Skills and relevant experience

Sir Nigel joined the Board in October 2022. He was partner at the law firm Slaughter and May from 1982 until 2019 specialising in mergers and acquisitions and corporate advisory and remained a consultant at the firm until early 2022. Sir Nigel was awarded a Knighthood in the Queen's Birthday Honours List in June 2022 for services to the legal profession. Sir Nigel is Chair of Help for Heroes, a military veterans charity, is Trustee and Chair designate of The Medical College of Saint Bartholomew's Hospital Trust, a charity funding medical research and is Trustee Emeritus and member of the audit committee for the British Museum. He was previously a Non-executive board member of the Department for Business, Energy & Industrial Strategy and chaired its audit committee.

External appointments

Arbuthnot Latham (Chair)
Arbuthnot Banking Group (Non-executive Director)
Mile Group Unlimited (Chair)
Glyde Group Unlimited (Chair)

Shareholder representative Directors

Lawrence Stroll Executive Chairman, Representative of the Yew Tree Consortium (see page 90)

Michael de Picciotto A W
Non-executive Director, Representative of the Yew Tree Consortium 🇮🇹 24.04.20

Skills and relevant experience

Michael is a prominent investor and businessman who has extensive experience in asset management, private banking and trading.

Michael started his career at RBC Dominion Securities, a global Canadian investment bank before joining Union Bancaire Privée (UBP), a family-owned Swiss private bank in London and Geneva where he worked for 27 years until 2015. During his tenure at UBP, Michael held a number of senior leadership positions including responsibility for UBP's global financial activities. He also served as a long-standing member of the Executive Board of UBP From March 2016 to September 2021. Michael was the Vice-Chairman of the Supervisory Board of Engel & Volkërs AG, a Hamburg-based real estate group founded in 1977, which was sold in August 2021 to the investment fund Permira.

Michael studied at the Ecole des Hautes Etudes Commerciales at the University of Lausanne.

External appointments

Member of the Yew Tree Consortium

Shareholder representative Directors

Franz Reiner A N R
Non-executive Director, Representative of Mercedes-Benz AG 08.07.21

Skills and relevant experience

Franz is an industrial engineer who holds a wealth of executive experience and a deep understanding of the global automotive industry. He joined the Mercedes-Benz Group in 1992 and in his 29 years with Mercedes-Benz he has held various senior and management board positions within sales, product management, banking and financial services. In his current role as Chairman and CEO of Mercedes-Benz Mobility AG, he promotes Mercedes-Benz's transformation into an integrated, digitised financial services provider through strategic partnerships and investments in start-ups by providing financial, mobility and transport services as well as developing mobility and transport service concepts.

External appointments

Mercedes-Benz Mobility AG (CEO and Chairman of the Board)
VfB Stuttgart 1983 AG (Supervisory Board Member)
Mercedes-Benz Leasing Deutschland GmbH (Supervisory Board member)
Allianz Global Corporate and Speciality SE (Advisory Council)

Ahmed Al-Subaey
Non-executive Director Representative of the Public Investment Fund 01.11.22

Skills and relevant experience

Ahmed Al-Subaey joined the Board as Representative Non-executive Director of the Public Investment Fund in November 2022.

Ahmed is Chief Executive Officer of Bahri, the National Shipping Company of Saudi Arabia, which is listed on the Saudi Stock Exchange. He was previously the CEO of S-Oil in South Korea and has held various leading roles in Saudi Aramco, most recently Vice President for Marketing, Sales and Supply Planning. Ahmed holds a BSC and Masters degree in electrical engineering from the University of Arizona and an executive MBA from Stanford University.

External appointments

Bahri (CEO)

Scott Robertson A N R
Non-executive Director: Representative of the Public Investment Fund 01.11.22

Skills and relevant experience

Scott Robertson joined the Board as Representative Non-executive Director of the Public Investment Fund in November 2022.

He is a Senior Director and the Head of Public Investments in the International Investments Division at the Public Investment Fund (PIF) of the Kingdom of Saudi Arabia.

Prior to joining the Public Investment Fund in 2018, Scott worked in various investment positions at Soros Fund Management, Paulson & Co. and Stonepeak Partners. Scott holds a Bachelor of Arts in Economics from Cornell University, where he graduated Phi Beta Kappa.

External appointments

Public Investment Fund (Senior Director)

Company Secretary

Liz Miles
Company Secretary
20.06.22

Skills and relevant experience

Liz joined Aston Martin as Company Secretary in June 2022. Liz is a solicitor and company secretary with significant experience of listed company governance and compliance.

Prior to joining Aston Martin, Liz was Company Secretary at Landsec, a FTSE 100 property investment and development company, having previously worked at Vodafone Group Plc in a variety of legal and company secretariat roles and prior to that in private practice at Linklaters. Liz is a Fellow of the Chartered Governance Institute.

The Company Secretary provides advice and support to the Board, its Committees and the Chairman, and is responsible for corporate governance across the Group. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

Executive Committee

Our Executive Committee is made up of our Executive Chairman, Chief Executive Officer, Chief Financial Officer (details of whom are set out on page 90) and the Chief roles set out below.

Michael Straughan
Chief Operating Officer
07.12.20

Michael joined the business in December 2020 and is the Chief Operating Officer of Aston Martin Lagonda, responsible for all manufacturing operations for the Company.

Michael has over 30 years of automotive experience, holding senior positions in Nissan, Volvo Cars, LDV and Jaguar Land Rover, then joining the Board of Bentley Motors before becoming the Chief Operating Officer of luxury yacht manufacturer Sunseeker in 2017.

Michael has a proven track record of delivery, turnaround and restructuring, creating shareholder value.

Marek Reichman
Chief Creative Officer
01.05.05

Marek joined Aston Martin Lagonda in 2005 and is the Chief Creative Officer responsible for all design developments for the Company. During his professional career he has held design roles at Ford, BMW, Land Rover, Rover Cars and Nissan and Chief Designer for the reinvention of Rolls-Royce Motor Cars. Prior to joining Aston Martin Lagonda, he was Design Director at Ford North America.

Marek holds a BA in Industrial Design from Teesside University and an MDes in Vehicle Design from the Royal College of Art, London. In 2011, Marek received an honorary doctorate from Teesside University.

Marco Mattiacci
Chief Global Brand and Commercial Officer
01.10.21

Marco joined the business in October 2021 and is the Chief Global Brand and Commercial Officer of Aston Martin Lagonda, responsible for all sales and marketing and communications for the Company.

Marco has over 30 years of automotive experience gained all over the world. Marco spent the first ten years of his career at Jaguar Cars in the UK and then moved to Ferrari, where he spent over 15 years in the roles of CEO of Ferrari North America, CEO of Ferrari Asia Pacific and Managing Director and Team Principal of the Scuderia Ferrari Formula One™ racing team. In 2016, Marco joined Faraday Future in the USA, as its Global Chief Brand Officer and Chief Commercial Officer. Upon leaving Faraday in 2017, Marco advised automotive clients with McKinsey & Company.

Roberto Fedeli
Group Chief Technology Officer
01.06.22

Roberto is Group Chief Technology Officer at Aston Martin Lagonda, leading the engineering team, having joined the Company in June 2022.

Roberto is a proven leader in the luxury high-performance sports cars sector. He is considered the creator of Ferrari LaFerrari, the Italian company's first hybrid supercar as well as some of its most iconic models during his 26 year tenure.

Roberto brings his extensive knowledge, passion for innovation and his most recent experiences in the implementation of electrification technologies during his time at BMW.

Roberto holds a Master's degree in Aerospace.

Giorgio Lasagni
Chief Procurement Officer
01.01.23

Giorgio joined Aston Martin in January 2023 to lead the procurement function. Giorgio has extensive experience of procurement and supply chain management and strategy.

Giorgio joined Aston Martin from Zoppas Industries S.p.A, an Italian heating element company where he was Global Purchasing and Supplier Development Director and redesigned the purchasing and supplier development functions. Prior to that Giorgio was at Robur S.p.A, and Candy Hoover Group S.p.A, holding a number of Business Unit Director and procurement positions.

Giorgio spent just under eight years of his career at Ferrari S.p.A, holding a variety of roles including Purchasing and Supplier Development Director and Ferrari & Maserati Engine Manufacturing Director.

Giorgio holds a Master's degree in Architecture from the Politecnico of Milan.

Michael Marecki
General Counsel
02.07.07

Michael joined Aston Martin Lagonda in July 2007 and is the General Counsel. Michael is responsible for all legal and regulatory matters for the Company.

Prior to his current position, Michael worked for the Ford Motor Company Inc (1988-2007), latterly as the Assistant General Counsel, Environment and Safety.

Michael holds a Juris Doctor from Georgetown University Law Center and a Bachelor of Arts from Fordham University.

Simon Smith
Chief People officer
11.04.22

Simon joined Aston Martin Lagonda in April 2022 as Chief People Officer.

Simon has extensive HR experience across the engineering and manufacturing sector, starting his career with Peugeot and spending a significant part of his career at both Alstom and Rolls-Royce. More recently Simon has held transformation and strategy leading HR roles at Johnson Matthey and Legal and General Modular Homes.

Simon is a fellow of the CIPD, is a qualified Executive Coach and holds a BA Hons in Politics and International Relations from Lancaster University.

Leadership and governance

Overview

This Report sets out the Board's corporate governance structures and work from 1 January 2022 to 31 December 2022. Together with the Directors' Remuneration Report on pages 125-145, it includes details of how the Company has applied and complied with the principles and provisions of the 2018 UK Corporate Governance Code (the "Code"). The Code is published by the Financial Reporting Council ("FRC") and further information can be found on its website (www.frc.org.uk). The Code is supported by the FRC's Guidance on Board Effectiveness, which the Board uses to support its approach to governance and decision-making.

Compliance with the UK Corporate Governance Code

The Code requires companies to describe in their annual report how they have applied the main principles of the Code and also any areas where companies do not comply with the Code provisions. The Directors consider that the Company has been compliant with the Code provisions as applied during the year ended 31 December 2022, other than the exceptions as set out below. It is noted that the composition of the Board is impacted by the rights of the significant shareholders under their respective Relationship Agreements (see the Directors' Report, page 149).

Code provision 9 recommends that the chair should be independent on appointment.

Lawrence Stroll assumed the position of Executive Chairman on 20 April 2020 and was not independent on appointment as he is a member of the Yew Tree Consortium, a major shareholder. As disclosed in February 2020, his appointment was a condition of the Yew Tree Consortium's investment in the Company and was in accordance with the Relationship Agreement entered into between the Company and the Yew Tree Consortium. The Nomination Committee and the Board consider that Lawrence Stroll has demonstrated objective judgement throughout his tenure and him continuing in the role of Executive Chairman for the foreseeable future is in the best interests of the Group and its stakeholders in order to utilise his proven leadership qualities and his significant experience in building luxury brands. He has offered himself for re-election every year since his appointment and shareholders have overwhelmingly voted in favour of his re-election. In the Board's opinion, the Company's governance checks and balances are strong and effective:

- the Executive Chairman is subject to challenge from the Company's Senior Independent Director, the Executive Directors and the Independent Non-executive Directors;
- the Independent Non-executive Directors make up 50% of the Board (excluding the Executive Chair) and play an important role in ensuring that no individual or group dominates the Board's decision-making process; and
- there is a clear division between the responsibilities of the Executive Chairman, the Senior Independent Director, the Executive Directors and the Independent Non-executive Directors, which ensures accountability and oversight.

Code provision 21 states that the chair should consider having a regular externally facilitated board evaluation. In FTSE 350 companies this should happen at least every three years. The Board evaluation was due to be externally facilitated in 2021 but with the extensive number of Board changes in the year it was considered that there would be little benefit from such an evaluation and a decision was taken to postpone the external evaluation. Due to the continuing Board changes in 2022, with a new Chief Executive Officer, a new Chief Financial Officer, a new Independent Non-executive Director and two new Shareholder Representative Directors joining the Board, the Board concluded that once again there would be little value in an externally facilitated evaluation. Therefore it was agreed that a more rigorous internal evaluation would be carried out for 2022, with the assistance of a third-party survey which provided a platform for more meaningful analysis of results. Further details can be found on pages 108-109.

Effective Board and its role

The Board is composed of highly skilled professionals who bring a range of skills, perspectives and corporate experience to the Board. The Directors and their biographies and skills and experience are set out on pages 90-93. Details of the changes to the Board during 2022 are set out on page 89. At the date of this Report the Board comprised 13 members: the Executive Chairman, the Chief Executive Officer, the Chief Financial Officer and ten Non-executive Directors, of whom six are considered independent for the purposes of the Code.

The Directors are appointed by the Board and are subject to annual re-election by shareholders. The Company's significant shareholder groups, in line with the respective Relationship Agreements, have nominated Directors who have been appointed to the Board; further details of these arrangements are set out on page 149 of the Directors' Report. The Board is satisfied that there is a sufficient balance between Executive and Non-executive Directors on the Board to ensure that no one individual has unfettered decision-making powers and that Directors are able to discharge their duties and responsibilities.

Governance framework

The Company has a clear corporate governance framework which was established to provide clear lines of accountability and responsibility. The governance framework is set out on pages 98-99 and provides an overview of the roles of the Board, its Committees and members of the Executive Committee.

The Board has established terms of reference that set out the matters that it must approve and the specific responsibilities that it has delegated to its principal Committees: the Audit and Risk Committee, Remuneration Committee, Nomination Committee and Sustainability Committee. Each of the Committees' roles and responsibilities are set out in formal terms of reference, which are determined by the Board. The term of reference are available for review on the Company's website at www.astonmartinlagonda.com. Reports from each of these Committees are provided on the following pages.

A total of 14 Board meetings were held during the year: seven scheduled and seven unscheduled. Attendance is set out below.

Lawrence Stroll	14/14
Amedeo Felisa	14/14
Doug Lafferty[1]	9/9
Antony Sheriff	14/14
Robin Freestone[2]	11/14
Natalie Massenet[3]	12/14
Marigay McKee[4]	13/14
Anne Stevens	14/14
Michael de Picciotto	14/14
Franz Reiner[5]	12/14

New Directors

Sir Nigel Boardman[6]	2/2
Ahmed Al-Subaey[7]	1/1
Scott Robertson[8]	1/1

Former Directors

Tobias Moers[9]	5/6
Ken Gregor[10]	5/6

1 Doug Lafferty joined the Board on 1 May 2022.
2 Robin Freestone missed three unscheduled Board meetings due to the meetings being called at very short notice.
3 Natalie Massenet missed three unscheduled Board meetings due to the meetings being called at very short notice.
4 Marigay McKee missed one unscheduled Board meeting due to the meeting being called at very short notice
5 Franz Reiner missed a scheduled Board meeting in September due to unavoidable business commitments.
6 Sir Nigel Boardman joined the Board on 1 October 2022.
7 Ahmed Al-Subaey joined the Board on 1 November 2022.
8 Scott Robertson joined the Board on 1 November 2022.
9 Tobias Moers stepped down from the Board on 4 May 2022.
10 Ken Gregor stepped down from the Board on 1 May 2022.

In instances where unscheduled Board meetings were called upon very short notice and certain Board members were unable to attend, the Company Secretary updated the Board members following the meeting and the Directors were invited to provide any comments or observations to the Executive Chairman.

An agenda and accompanying pack of detailed papers are circulated to the Board in advance of each Board meeting. Currently these include reports from the Executive Directors, other members of senior management and external advisors. Members of senior management may be invited to present relevant matters to the Board. All Directors are able to request additional information on any of the items to be discussed. Additionally, Directors have access to the advice and services

The Board's terms of reference state that it must consider and approve the following:

- The Group's strategic aims, objectives and commercial strategy
- Major changes to the Group's corporate structure, including acquisitions and disposals
- Major changes to the capital structure including tax and treasury management
- Financial statements and the Group dividend policy including any recommendation of a final dividend
- Review of performance relative to the Group's business plans and budgets
- The system of internal controls and Risk Management Policy
- Major changes to accounting policies or practices
- The Group's corporate governance and compliance arrangements
- The Group's risk appetite

of the Company Secretary and independent and professional advice at the Company's expense should they determine that this is necessary to discharge their duties.

All Board and Committee meetings are minuted and formally approved at the next meeting. Board minutes contain details of the Directors' decision-making processes and any follow-up actions or concerns raised by the Directors. The Executive Chairman works closely with the Company Secretary to plan and schedule Board and Committee meetings and to make quality information available in a timely fashion.

Disclosure Committee

The Board delegates responsibility for the final approval of its financial results disclosures and Annual Report to the Disclosure Committee. The Disclosure Committee is also responsible for the identification and disclosure of inside information. The Disclosure Committee is chaired by the Chief Financial Officer with the Chief Executive Officer, General Counsel, Company Secretary, Director of Investor Relations, Director of Internal Audit & Risk, Director of Accounting, Banking & Tax and the Director of Finance, Financial Planning & Analysis as members of the Committee.

Product Strategy Committee

Between January and April 2022, the Product Strategy Committee operated as a Committee of the Board to provide a clear focus and support to the Company's product strategy and product planning activities, in particular in relation to its technology and engineering activities. The members of the Committee were Antony Sheriff and Amedeo Felisa as Independent Non-Executive Directors, the Executive Chairman, Chief Executive Officer, Chief Creative Officer and Global Chief Brand and Commercial Officer. This Committee was disbanded as a Board Committee in May 2022 upon the new Executive Committee team being established and continues to now operate as a management committee.

Leadership and governance continued

The Board

The role of the Board is to promote the long-term success of the Company, generating value for shareholders and contributing to wider society by providing effective leadership and direction to the business as a whole. It sets the Group's strategy and ESG strategy, having regard to stakeholders, while maintaining a balanced approach to risk within a framework of effective controls. It has also established the Company's purpose and values and monitors culture to ensure alignment. It sets the tone and approach to corporate governance and is responsible for the overall financial performance of the Group.

Board Committees

Nomination Committee
Reviews Board composition and diversity, proposes new Board appointments and reviews succession planning and talent development.

Audit and Risk Committee
Oversees the Group's financial reporting and reviews the integrity of the Group's Financial Statements, the adequacy and effectiveness of the Group's systems of internal control and risk management, and maintains the relationship with the External Auditor.

Warrant Share Committee
Responsible for approval of the allotment and the issue of Warrant Shares in accordance with the terms of the Warrant Instrument.

Remuneration Committee
Determines the Directors' Remuneration Policy and sets remuneration for the Executive Chairman, Executive Directors and Group Executive Committee taking into account wider Group remuneration policies. Approves performance-linked pay schemes and share incentive plans.

Sustainability Committee
Oversees the Company's ESG strategy and broader stakeholder engagement on behalf of the Board.

Executive Committee

The Board delegate the execution of the Company strategy and the day-to-day running of the business to the Executive Committee.

The Executive Committee meets twice a month. One meeting is focused on operations and the other meeting is focused on performance.

Independence of the Board

The Board has identified which Directors are considered to be independent on page 112. As at 31 December 2022, 50% of the Board (excluding the Chair) are Independent Non-executive Directors. The Independent Non-executive Directors play an important role in ensuring that no individual or group dominates the Board's decision-making and therefore it is of paramount importance that their independence is maintained. The Board has reconfirmed that the Independent Non-executive Directors remain independent from executive management and free from any business or other relationship which could materially interfere with the exercise of their judgement. For further information on independence of the Board please refer to pages 110-113 in the Nomination Committee Report.

Relationship Agreements

At the start of the financial year, the Company had two groups of significant shareholders, namely, the Yew Tree Consortium and Mercedes-Benz AG ("MBAG"). Following the capital raise in 2022, at the end of the year, the Company had three groups of significant shareholders namely the Yew Tree Consortium, MBAG and PIF.

The relationships between the Company and each of these significant shareholder groups are governed by separate Relationship Agreements. The purpose of these Relationship Agreements is to ensure that the Company can carry on its business independently and for the benefit of shareholders as a whole.

Each of the Relationship Agreements provides that each significant shareholder group is entitled to nominate Director(s) to the Board and the Nomination Committee and an observer to each of the Remuneration and Audit and Risk Committees subject to the size of its interest in the voting rights of the Company. The Relationship Agreements also provide that the Company will not take any action in relation to certain significant matters without the prior approval of at least two-thirds of members of the Board present and entitled to vote. Further information on the Relationship Agreements is set out in the Directors' Report on page 149.