

ASTON MARTIN LAGONDA

ANNUAL REPORT AND ACCOUNTS 2021



2021 HIGHLIGHTS

FINANCIAL

Revenue
£1.1bn

+79% (2020: £0.6bn)

Adjusted EBITDA
£138m

(2020: £(70)m)

Operating Loss
£77m

(2020: £323m)

NON-FINANCIAL

DEMAND

ahead of supply

>6,000

core vehicles delivered

DBX took an estimated

20%

share of luxury SUV market in first full year

AWE-INSPIRING

Aston Martin Valkyrie programme deliveries commenced

NET-ZERO

committed to the Science Based Targets initiative Net-Zero Standard

BUSINESS AT A GLANCE

DELIVERING STAKEHOLDER VALUE AS AN ULTRA-LUXURY BRITISH PERFORMANCE BRAND

2,207
employees

168
third-party dealer locations

6,178
number of vehicles wholesaled

£1.1bn
total revenue

95%
of vehicles produced are
still on the road today

OUR CORE MODELS

VANTAGE

DB11

DBS

DBX

ABOUT US

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

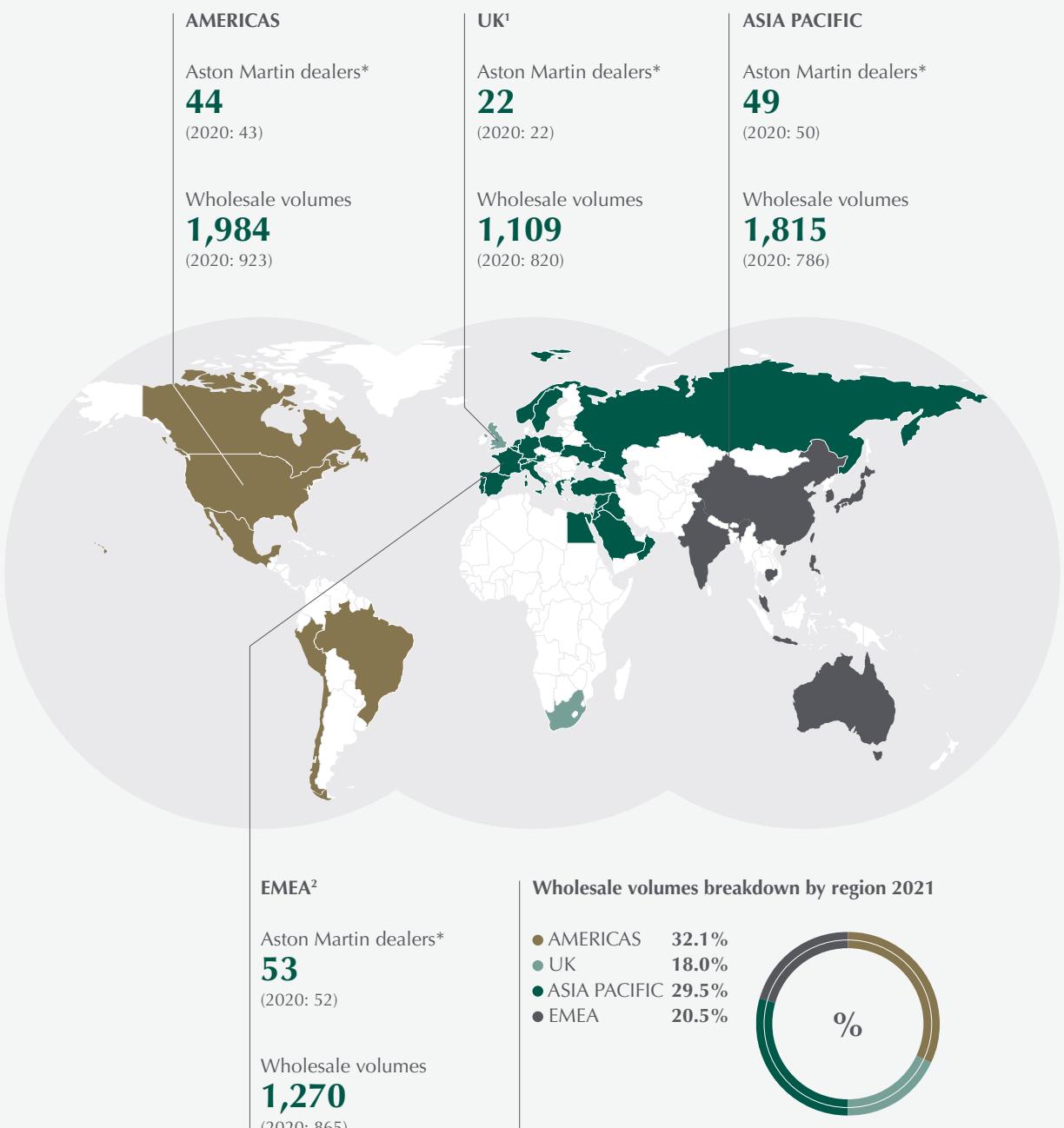
Founded in 1913 by Lionel Martin and Robert Bamford, Aston Martin is acknowledged as an iconic global brand synonymous with style, luxury, performance and exclusivity. Aston Martin fuses the latest technology, time-honoured craftsmanship and beautiful styling to produce a range of critically-acclaimed luxury models including the Vantage, DB11, DBS and DBX and its first hypercar, the Aston Martin Valkyrie.

Based in Gaydon, England, Aston Martin Lagonda designs, creates and exports cars which are sold in 56 countries around the world. Its sports cars are manufactured in Gaydon with its luxury SUV range manufactured in St Athan, Wales.

Lagonda was founded in 1899 and Aston Martin in 1913. The two brands came together in 1947 when both were purchased by the late Sir David Brown, and the Company is now listed on the London Stock Exchange as Aston Martin Lagonda Global Holdings plc.

2020 saw Lawrence Stroll become the Company's Executive Chairman, alongside significant new investment, a move that led to Aston Martin's return to the pinnacle of motorsport through sponsorship of the Aston Martin Cognizant Formula One™ Team and ushered in a new era for the iconic British marque.

OUR GEOGRAPHICAL FOOTPRINT AND NETWORK



- * all dealers are third-party dealers
- 1. UK includes South Africa
- 2. EMEA includes Europe, Middle East and Africa (excluding the UK and South Africa)

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STRATEGIC REPORT

OUR ULTRA-LUXURY JOURNEY

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BUILDING ON OUR WORLD-CLASS BRAND

TRANSCENDING ULTRA-LUXURY

2021 has been a landmark year in the redefinition of Aston Martin as one of the world's most desirable ultra-luxury British performance brands, and the maker of the most exquisitely addictive performance cars.

Helped by our breathtaking product portfolio, new car sales grew by 82% year on year. Retail sales made through our dealers reached their highest level since 2007, a year when Aston Martin posted record sales figures.

The average selling price of £162,000 for new products across our total portfolio highlights the unique strength and sentiment of the Aston Martin brand and its ability to attract consumer demand.

Improvements to the Aston Martin customer journey have also driven significant retail rewards. In a welcome shift, sales from dealers to customers were greater than wholesales for both our Sport/GT cars and luxury SUVs, as the business aligned supply to demand. Operating as a true luxury brand, dealer stock is now at optimum levels.

The introduction of a best-in-class online configurator tool in July has enhanced the enquiry and ordering process for customers and led to dealer leads being trebled, as Aston Martin embraces new audiences and capitalises on the trends of personalisation and digital connectivity so revered by today's luxury consumer.

More than 13,000 users visited the configurator on launch day, with 2,500 sales leads generated within just three months of its launch.

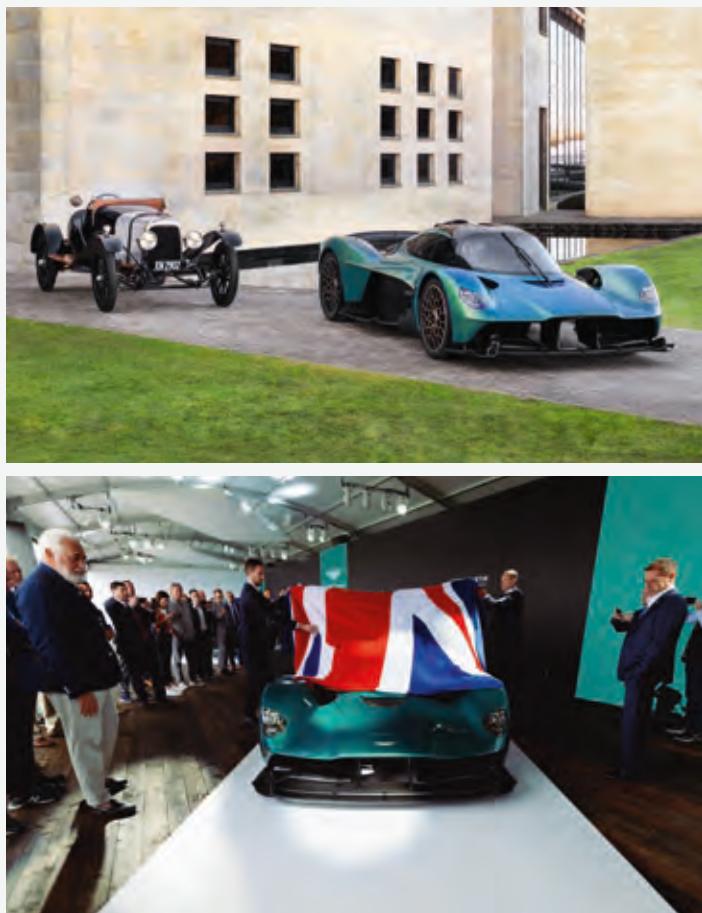


↑ The one-off Aston Martin Victor is an example of the brand's ability to create truly bespoke, individual sports cars through the 'Q by Aston Martin – Commission' offering



"For more than a century, Aston Martin has been defined by peerless performance and sports cars of unparalleled beauty and refinement. My consortium members and I have invested in Aston Martin to ensure that the excellence that has defined our products will now extend to how we run our business."

LAWRENCE STROLL
EXECUTIVE CHAIRMAN OF
ASTON MARTIN LAGONDA



50% of Aston Martin end customers are now newcomers to the brand, and this appetite to expand Aston Martin's fiercely loyal customer base has benefited from a tailored approach to increasing our market share in key international markets.

In 2021, strengthened regional leadership has developed and expanded our network of dealers, while the successful launch of the first DBX derivative, Straight-Six, exclusively in our fastest-growing market of China, demonstrates our understanding of the local desires of customers and our ability to match them with the perfect Aston Martin product. Sales in China grew more than 206% in 2021.

In our largest market, Aston Martin celebrated the 70th anniversary of trading in the United States by putting the brand centre-stage at the Pebble Beach Concours d'Elegance – one of the most prestigious luxury automotive events in the world. Reconnecting with dealers and customers in the region helped Aston Martin generate unprecedented excitement, with the highest retail sales for more than a decade and the Aston Martin Valkyrie Spider two-times oversubscribed following its successful launch at Pebble Beach.

"In 1913, Lionel Martin and Robert Bamford teamed up with an idea. To race cars and use what they learnt to make exquisite British sports cars. 109 years later, everything has changed. And yet nothing has changed."

TOBIAS MOERS
CEO OF ASTON MARTIN LAGONDA

Our growth in the luxury SUV segment was another global success. In its first full year of sales, the DBX model has already gained an estimated 20% market share and will be further strengthened by new derivatives. The first of these, DBX Straight-Six, was launched on schedule in 2021, whilst development of the second derivative, DBX707, the world's most powerful luxury SUV, culminated in the car's global launch in February 2022.

Aston Martin's renown for creating unique Special models for its VIP customers continued in 2021 through the launch of the Aston Martin Valhalla hybrid supercar, named 'Design of the Year' at the 2021 Automobile Awards for its functionality and beauty. The successful activation of the Valhalla global tour has brought the car to prospective customers through a series of intimate VIP events in each of our largest markets.

November saw the first Aston Martin Valkyrie programme cars completed, with the start of deliveries to customers in December marking the summit of our pioneering hypercar programme, which has pushed new boundaries in British engineering mastery.

The first true Formula One™ car for the road, Aston Martin Valkyrie is an example of Aston Martin's utilisation of cutting-edge F1™ technology, a synergy which has been cemented in 2021 through the brand's return to the pinnacle of motorsport with the Aston Martin Cognizant Formula One™ Team. Increasing brand desirability and relevance, the partnership has brought Aston Martin to a passionate worldwide audience during the most thrilling F1™ season in decades.

LEADING THROUGH INNOVATION

A BREATHTAKING PORTFOLIO





↑ Named 'Design of the Year' at the 2021 Automobile Awards, Valhalla was commended for its functionality and beauty

NEW ADDITIONS

2021 has seen exciting new additions to Aston Martin's breathtaking product portfolio.

We celebrated the brand's return to Formula One™ for the first time in more than 60 years with the new Vantage F1™ Edition, the ultimate expression of performance and first ever Aston Martin road car to don the F1™ badging.

The Aston Martin Valkyrie AMR Pro represents the track evolution of the revolutionary Aston Martin Valkyrie road car, the bloodline of which now also includes the stunning open-top Aston Martin Valkyrie Spider, two-times oversubscribed following its launch at the Pebble Beach Concours d'Elegance.

A glimpse into Aston Martin's future was provided by the reveal of Valhalla, an extraordinary, truly driver-focused mid-engine plug-in hybrid supercar, while the limited-edition V12 Speedster is a nod to our proud past as well as our exciting future.

Our growth in the luxury SUV market continues with the first DBX derivative, Straight-Six, which was launched to acclaim in Shanghai in November and is exclusively marketed in China.



←
Created by bespoke
customisation service
'Q by Aston Martin –
Commission', the Aston
Martin V12 Speedster draws
inspiration from both the
brand's rich racing history
and aeronautical design



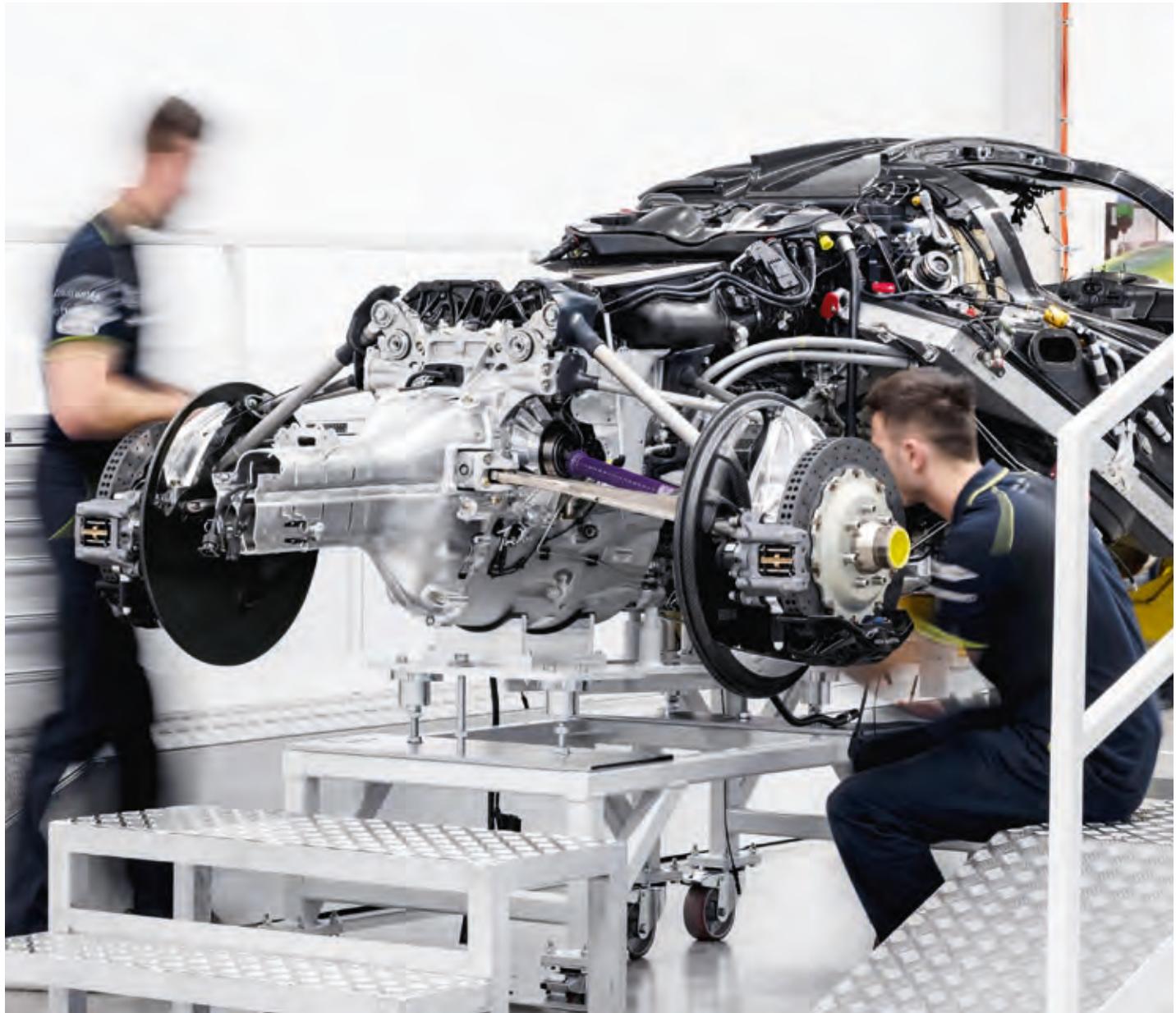
←
Aston Martin Valkyrie made
its highly-anticipated public
debut at the Goodwood
Festival of Speed in July 2021

↓
In its first full year of sales,
DBX claimed an estimated
20% market share of the
luxury SUV segment



HAVING THE RIGHT PEOPLE IN OUR BUSINESS

WORLD-CLASS TALENT



"We have taken huge strides in our transformation to become an engineering-led, technology and performance-oriented ultra-luxury carmaker."



↑ Investing in people has been a major focus of Aston Martin's Project Horizon transformation

A key element of Aston Martin's future growth strategy is investing in our people, with the strength of the brand attracting new talent to complement a world-class team. In the first full year of new leadership from our Executive Chairman and Chief Executive Officer, this focus has been accelerated. Key management hires have been made throughout the entire business, spanning operational to commercial functions.

Leadership in key regions has also been strengthened, including the appointment in November of a new President of Aston Martin The Americas, our largest region by sales.

Diversity and inclusion has been a key focus for the business, with a new ambition to achieve 25% female leadership in our business within the next five years.

We have taken huge strides in our transformation to become an engineering-led, technology and performance-oriented ultra-luxury carmaker. Since Project Horizon began, nearly two hundred engineering vacancies have been filled, while the business has renewed its focus on in-house intellectual property development, including software and skills relating to electric vehicles, thereby fostering engineering excellence within our corporate DNA.

Just as our product performance credibility benefits from our association with Formula One™, so too does our workplace culture – with an F1™-inspired performance mindset being developed at Aston Martin, harnessing agility, speed and a winning culture among employees. The commitment of our dedicated and talented people has never been more evident than during the past two years, with our business adapting to navigate successfully through unprecedented headwinds caused by the COVID-19 pandemic and the subsequent changes in ownership and leadership.

Our 2021 independent employee engagement survey – which saw 80% participation across our entire business – highlighted that 86% of Aston Martin employees are proud to work at the Company, while strong teamwork attributes were ahead of external benchmarks.

Increased efforts have been made in 2021 to engage and reward employees. The return of face-to-face Town Hall events has provided employees with an opportunity to hear from leadership about their vision for the Company and experience our breathtaking product pipeline, while every employee benefited from free cinema tickets to experience the brand's starring role in *No Time To Die*, and the chance to win tickets to the 2021 British Grand Prix.



A blurred background image of a Formula One race car on a track, showing the rear wheel and part of the bodywork.

LEVERAGING OUR FORMULA ONE™ TEAM

AN AUDIENCE OF MILLIONS

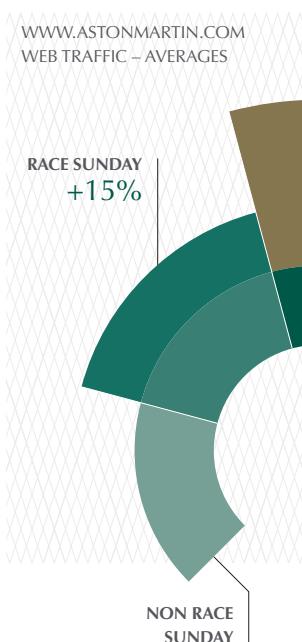
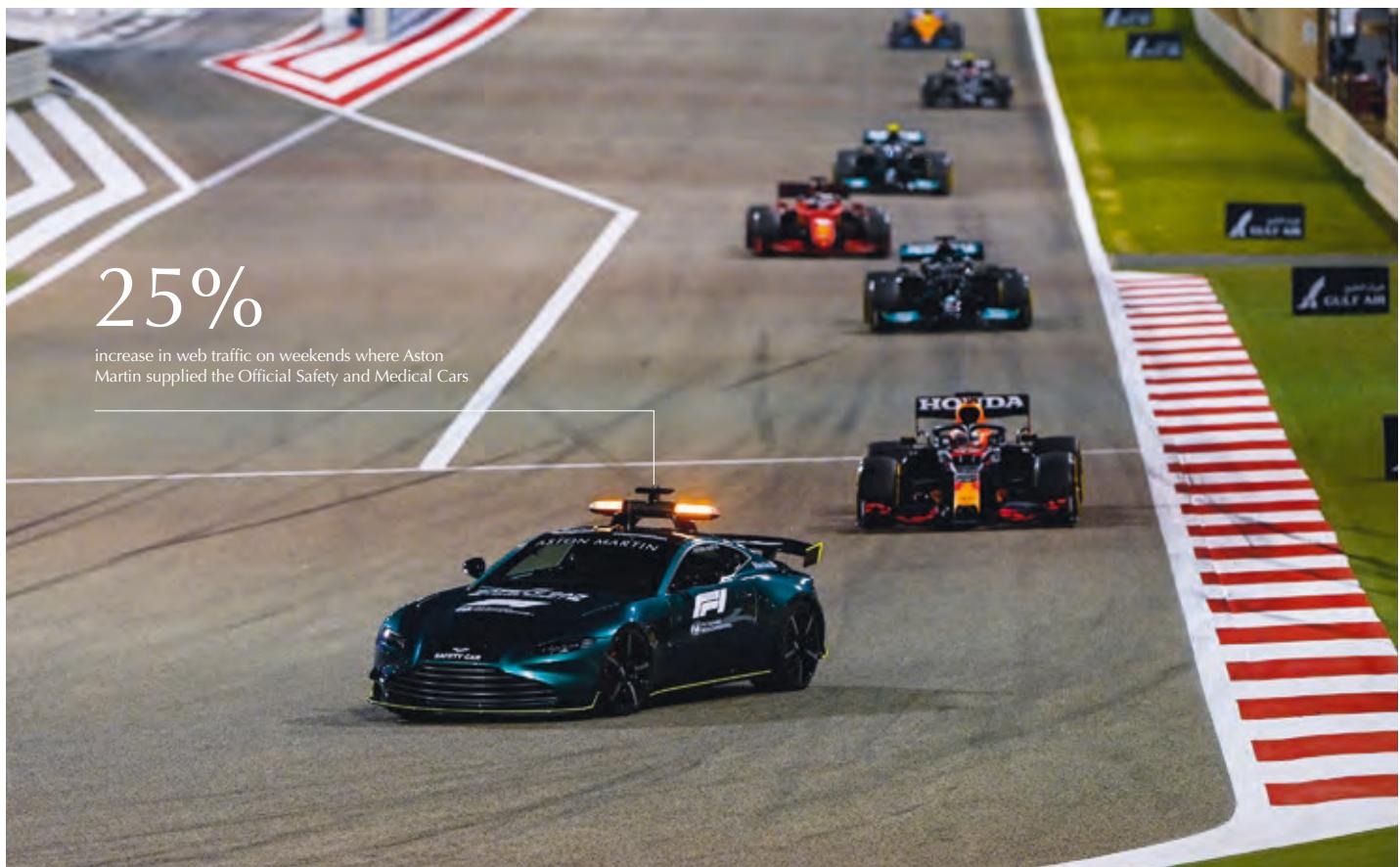
The launch of the Aston Martin Cognizant Formula One™ Team has seen our brand return to the pinnacle of international motorsport for the first time in more than 60 years.

Shining a spotlight on the brand's high performance credentials, F1™ technology has already been harnessed in our flagship Aston Martin Valkyrie hypercar, while the new Vantage F1™ Edition and DBX have enjoyed heightened global exposure through their new roles as Official Safety and Medical Cars of F1™.

c.70,000,000

Average global TV audience per Grand Prix in 2021*

*Source: The Nielsen Company



Aston Martin's return to the starting grid was one of the big talking points ahead of the 2021 F1™ season and has helped generate significant brand awareness, relevance and desirability for Aston Martin at a time when the sport is enjoying rising global popularity, thanks to worldwide broadcasting and the hit Netflix documentary series *Drive to Survive*.

Highlights on the track for the team included four-time F1™ world champion Sebastian Vettel claiming his maiden podium in Aston Martin racing green at the Azerbaijan Grand Prix in June, while off the track, Aston Martin welcomed more than 300 customers and prospects at 11 events throughout the thrilling 2021 season.

The partnership has also created a powerful platform for Aston Martin to connect with its customers and regions globally, with the Aston Martin brand brought to life in top-tier Grand Prix events in some of the world's most iconic cities.



EXECUTIVE CHAIRMAN'S STATEMENT

DELIVERING ON PROMISES

LAWRENCE STROLL
EXECUTIVE CHAIRMAN

When I became Executive Chairman of Aston Martin in 2020, we embarked on a journey to transform the business into one of the greatest ultra-luxury brands in the world. 2021 has been a landmark year in our quest to reach that goal and I am extremely pleased with the progress made and the pathway forged for Aston Martin's future success.

We have already delivered on many of our promises. Our core business has performed to plan in its first full year of new leadership, with our largest number of retail sales made by our dealers since 2007, despite the challenging global backdrop of COVID-19.

The evidence is there that our strategy is working, and it is a very long time since the core business was in such good health as it is today.

"The evidence is there that our strategy is working, and it is a very long time since the core business was in such good health as it is today."

ULTRA-LUXURY MEETS HIGH PERFORMANCE

The transformational changes made over the last two years now firmly position our business between the crosshairs of ultra-luxury and high performance.

In a major shift, retail sales have exceeded wholesales, with supply being aligned to customer demand in the period. Following our successful destocking of the dealer network – in a quicker timeframe than was expected – we now hold optimum stock levels for an ultra-luxury business.

Helped by stronger trading conditions, an enhanced luxury customer experience and heightened brand desirability, 2021 has seen significant growth in the Americas and record sales in China, with these regions identified as a strategic focus for our business as part of our Project Horizon transformation.





NAVIGATING CHALLENGES

I am proud of how we have navigated our way through the two major challenges the business has faced in 2021 – the continued impact of the COVID-19 pandemic and the complexities of the Aston Martin Valkyrie hypercar programme we inherited.

We have continued growing our business through the pandemic, managing to maintain our operations while protecting the health and safety of our employees through diligent working practices.

2021 has also seen us reach the summit of the era-defining Aston Martin Valkyrie engineering programme by delivering the first customer cars and ramping up a quality-focused production. While adjustments made to our production and delivery schedule for Aston Martin Valkyrie in 2021 meant that our Adjusted EBITDA was lower than we originally planned, this is merely a timing issue, and our VIP customers are eagerly awaiting these unique cars.

PRODUCT PIPELINE

Our journey to becoming a leading ultra-luxury brand will be accelerated by the stunning pipeline of product heading to our dealers' showrooms. While 2021 saw the launch of Valhalla, Aston Martin Valkyrie Spider and DBX Straight-Six, it was also a significant year of product development with the recently launched DBX707 derivative and V12 Vantage on sale in 2022, and our next generation of front-engine Sport/GT cars coming in 2023.

ELECTRIFICATION

The fact that three of the most recent models we have launched – DBX Straight-Six, Valhalla, and Aston Martin Valkyrie – all feature hybrid technology also provides an indication to our future direction. These models are key steps in our electrification roadmap, which will see our first plug-in hybrid electric vehicle (PHEV) launched in 2024 and the first battery electric vehicle (BEV) is targeted for launch in 2025.

"Our journey to becoming a leading ultra-luxury manufacturer will be accelerated by the stunning pipeline of product heading to our dealers' showrooms."

LUXURY SUV GROWTH

One of the success stories of 2021 was the performance of DBX in its first full year of sales. Our move into the luxury SUV market is a key strategic growth opportunity for the brand, broadening the demographic of Aston Martin customers and adjusting to the needs of today's luxury consumer.

Our first-ever SUV is already commanding an estimated 20% market share of the luxury SUV segment, a statistic which we expect to increase in the future with the arrival of exciting derivatives. The first of these, DBX Straight-Six, was launched to plan in November 2021, with the car being successfully marketed exclusively to our customers in China. This has since been followed by the global launch of the DBX707, which has generated industry excitement as the world's most powerful luxury SUV.

THE PINNACLE OF MOTORSPORT

On a personal level, one of the proudest moments of 2021 was to see Aston Martin return to international motorsport through our sponsorship of the Aston Martin Cognizant Formula One™ Team.

At a time when the sport is enjoying rising popularity, F1™ is a hugely powerful global platform that is playing a key part in the overall Aston Martin strategy – increasing our brand awareness, relevance and desirability, while accelerating our technological development and digital transformation.

FUTURE CONFIDENCE

Our progress to date underpins my confidence in the future, our continued success, and the potential for the business.



Based on the hard work and achievements of 2021, I am more assured than ever of reaching our medium-term objectives of achieving revenues of circa £2bn and Adjusted EBITDA of circa £500m by 2024/25.

Of course, this future growth will be driven by our people. During 2021 we made valued additions to our Board and Executive, and upskilled our world-class commercial, technical and operational teams with new talent, with almost 20% of employees new to the business.

The transformation of Aston Martin is the most exciting project happening in the automotive industry this decade, and I thank all our people, investors and stakeholders for joining us on the journey.

LAWRENCE STROLL
EXECUTIVE CHAIRMAN

CHIEF EXECUTIVE OFFICER'S STATEMENT

RISING TO THE CHALLENGE

TOBIAS MOERS
CHIEF EXECUTIVE OFFICER

2021 was a pivotal year for Aston Martin, with our team rising to the collective challenge of setting ambitious new standards, elevating our business, our products and our brand.

While there remains hard work ahead of us, the last year has provided proof that Aston Martin can truly unleash its potential to become the world's most desirable ultra-luxury British performance brand.

"While there remains hard work ahead of us, the last year has provided proof that Aston Martin can truly unleash its potential."

FINANCIAL PERFORMANCE

Strong customer demand for our products led to substantial volume growth with retail sales well ahead of wholesales and this, coupled with strong pricing dynamics, meant that revenue increased to £1.1bn. Adjusted EBITDA improved by more than £200m versus 2020 to £138m or a margin of 13%, as we begin to see the benefits of the efficiency actions taken, particularly on manufacturing costs. The EBITDA margin in Q4 of 18% reflected strength of trading, Specials deliveries and Project Horizon efficiencies. Operating losses for the full year were reduced, despite increased investment in brand and marketing activities. Free Cash Flow improved by £416m year on year to an outflow of £123m and liquidity remained strong, with year-end cash of £419m.

BUILDING ON PROJECT HORIZON

Project Horizon work has continued in 2021, consolidating the production lines at Gaydon to deliver a fully flexible and efficient assembly line for our Sport/GT cars. We have successfully implemented similar improvements to the line at St Athan, with a target to be the most efficient assembly line for luxury SUVs.

Strategic changes to the way we paint cars has also driven huge efficiencies, by fully utilising the capacity of our St Athan paint shop – one of the newest, and most efficient, in Europe. Standard colours on all Aston Martin vehicles are now painted in St Athan, with colleagues at Gaydon painting all special colours and graphics.

These improvements have contributed to a 20% manufacturing cost per unit reduction, with further reductions in operating costs targeted across our entire product range in 2022.

The consolidation of our paint shops will also have a long-term reduction in our carbon emissions, which is an ongoing priority for the business.





OUR TRANSFORMATION PROGRESS

JANUARY

Return to Grand Prix racing for the first time in six decades as the Aston Martin Cognizant Formula One™ Team is announced

MARCH

Successfully completed destocking process to align supply with demand for Sport/GT cars
As Aston Martin returns to F1™, Vantage becomes Official Safety Car and DBX Official Medical Car



JULY

Appointment of four new Non-Executive Directors signals complete rejuvenation of the Board
Launch of new industry-leading online configurator tool, which generated 2,500 sales leads in its first three months

APRIL

Completed consolidation of production to a single line at Gaydon, unlocking operational efficiencies



NOVEMBER

Music video for 'Clash' by Santan Dave and Stormzy filmed at Gaydon and Silverstone featuring Aston Martin Valkyrie, Vantage F1™ Edition, V12 Speedster and DBS, generating over 30m views



SEPTEMBER

James Bond film *No Time To Die* is released featuring four iconic Aston Martins – DB5, V8, DBS and Valhalla



MARCH

The first era-defining Aston Martin Valkyrie customer car was completed

DBX Straight-Six, the first DBX derivative, successfully launched on schedule at the Modern Art Museum in Shanghai

AUGUST

70th anniversary of Aston Martin in North America brought two major product introductions at Pebble Beach Concours d'Elegance – the Valhalla's US debut and global reveal of Aston Martin Valkyrie Spider
Paint shop consolidation completed, with net saving of over £1,000 per vehicle
Operational efficiencies implemented at St Athan



DECEMBER

Valhalla honoured with 'Design of the Year' at the 2021 annual Automobile Awards by a jury of industry experts

First customer deliveries of the Aston Martin Valkyrie





SETTING THE SCENE

The past year has been an opportunity to align Aston Martin for its future direction. Setting the scene for the years ahead, we have developed a clear vision for the business and begun to establish a culture of operational excellence and engineering innovation.

With a focus on accelerating our growth and driving profitability, four strategic pillars have now been identified for the future, as we focus efforts on harnessing the power of our iconic global brand, developing innovative new products, attracting and retaining world-class talent, and driving new standards in sustainability.

STRONG DESIRABILITY

I was pleased that our core business delivered as planned in 2021, achieving over 6,000 core wholesales in a year of industry-wide supply chain challenges.

Our financial results demonstrate that desirability is strong, with new customers being attracted to Aston Martin and retail sales ahead of wholesales as we follow our demand-led business model. We are achieving strong pricing and closed the year with dealer stock at optimum levels aligned to our business approach.

ASTON MARTIN VALKYRIE

Our Aston Martin Valkyrie programme is well underway, having seen adjustments to our delivery schedule in 2021 due to our quality-focused approach to delivering these incredible cars to customers without any compromises, in the face of supply chain challenges throughout the year and enormous production complexity.

Despite these timing adjustments, we have demonstrated a clear focus on quality and execution and customer excitement for this ground-breaking car remains unwaning. It has been fantastic to see this incredible machine, which some sceptics doubted would ever make it beyond the concept stage, on the road with our loyal customers behind the wheel.

PASSION FOR PRODUCTS

One of the most enjoyable aspects of my first full year as Aston Martin's Chief Executive Officer has been meeting our loyal customers and seeing their passion for our brand and products.

This passion is something we have ignited amongst new audiences over the last year through the brand's presence in Formula One™ and unique limited-edition performance products like the two-times oversubscribed Aston Martin Valkyrie

CHIEF EXECUTIVE OFFICER'S STATEMENT CONTINUED

Spider, launched in August, and the plug-in hybrid supercar Valhalla.

Being in Pebble Beach for the high-profile launch of Spider, I was impressed by the tremendous demand for this product, and the sentiment amongst our customers and the automotive industry that Aston Martin has put itself firmly back on the radar.

SUV EXPANSION

Since I became Chief Executive Officer, a key objective has been pivoting our business to capitalise on the global demand for luxury SUVs. This is something we've made significant headway on in 2021, with DBX commanding an estimated 20% share of the luxury segment in its first full year of sales.

Adding to the V8 DBX launch model, we seamlessly launched the Straight-Six mild hybrid exclusively in China in November 2021 and in February 2022 unveiled the world's most powerful luxury SUV, DBX707, the first of a long line of new products I have personally had engineering influence on and overseen through the product development cycle.

Feedback from customers and the industry has been incredibly positive, boosting my belief that we can truly disrupt this segment with benchmark-setting Aston Martin products.

LEADERSHIP CHANGES

A key achievement of the last year has been attracting more world-class talent to complement our team at Aston Martin, with more than 300 new employees welcomed to the Company in 2021.

This has included the arrival of 20 senior directors, with a wealth of expertise spanning research and development, design, procurement and supply chain, manufacturing operations & quality, marketing and communications, global sales, legal, and finance.

I believe we now have a fantastic team in place to accelerate our vision for the Company and execute on our strategic growth plans.

EMBRACING ELECTRIFICATION

A key element of our future innovation strategy is the development of Plug-in Hybrid Electric Vehicles (PHEV) and Battery Electric Vehicles (BEV), with the past year seeing hybrid technology harnessed in Aston Martin products for the first time through delivery of the Aston Martin Valkyrie and DBX Straight-Six.

Led by the addition of talented new powertrain engineers, we have dramatically increased the electrification skills and resources within our business, with our first PHEV to be launched in 2024 and the first fully-electric Aston Martin targeted for launch in 2025.

By 2030, our Sport/GT and SUV portfolio will be fully electrified.

SUSTAINABILITY

Beyond Aston Martin, a key issue of global awareness this year has been climate change, with the UN Climate Change Conference underlining the urgent need for further action to reduce greenhouse gas emissions.

As a responsible business, this is a call we cannot ignore. While electric vehicles have a key role to play, it is important we are thinking even bigger, with a need to embed sustainability principles and practices within not just our product strategy but also our business strategy.

I am therefore incredibly proud that 2021 has seen Aston Martin join the Science-Based Targets initiative (SBTi), making a long term commitment to a net-zero future for the business.

This is one central objective of our new Environmental, Social and Governance (ESG) strategy, which has been developed with the passionate support and input of many employees across the business.

FUTURE GROWTH

As we reflect on 2021, the efficiency and profitability actions taken this year can be seen directly in the growth of our core business and in the results we are reporting. 2022 will see an even greater impact, with further cost savings, plus significant volume growth from new product launches, as core wholesales are expected to increase by c.8%, driving a c.50% improvement in Adjusted EBITDA from the core business in 2022.

With a full calendar year of Aston Martin Valkyrie deliveries to come, along with the impact from our successful marketing of DBX Straight-Six and DBX707, 2022 promises to be a year of growth.

While there will be challenges, our business has never been better prepared to meet them. I thank you for your continued support and trust in our brand.

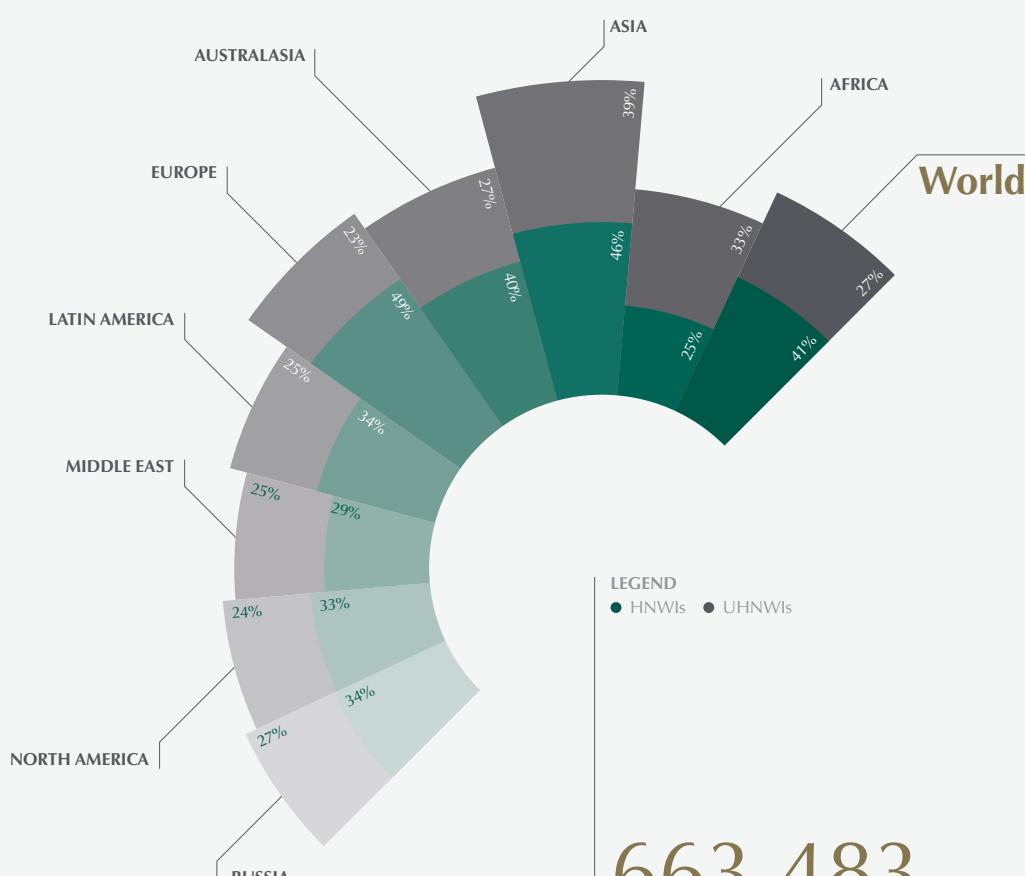
TOBIAS MOERS
CHIEF EXECUTIVE OFFICER

LET'S LIFT THE
BONNET ON OUR
BUSINESS...

ASTON MARTIN AND THE LUXURY MARKET

MARKET MOMENTUM

FIVE YEAR GROWTH FORECASTS BY WEALTH BAND BY GEOGRAPHY



Source: Knight Frank Wealth Report 2021

663,483
Forecast global UHNWI population in 2025

27%
Forecast growth in UHNWIs between 2020 and 2025

ASTON MARTIN MEGATRENDS

MEGATREND	THE ISSUE/OPPORTUNITY	WHAT WE'RE DOING	STATISTICS
THE GLOBAL LUXURY MARKET	Growth in the global market for luxury goods as the world's UHNW population increases	<ul style="list-style-type: none"> Operating as an ultra-luxury brand aligning demand to supply, destocking our dealers, and embracing a build-to-order business model Investing in our brand and international marketing to appeal to luxury consumers 	27% expected growth of UHNW households globally 2020-2025
MARKET EXPANSION	Expand Aston Martin's brand presence and market share in established markets with high wealth density such as the USA, and rapidly expanding markets for luxury cars such as China	<ul style="list-style-type: none"> Strengthening regional leadership to deliver our strategic growth plans for key markets Reconnecting with dealers and customers in the USA through Aston Martin's highest-profile presence at the iconic Pebble Beach Concours d'Elegance Expanding our dealer network into new markets Expanding our SUV portfolio to cater for the global desires of customers Launching market-exclusive derivatives like the DBX Straight-Six in China that match the local demands of customers with a bespoke Aston Martin product Growing our brand awareness and desirability through the global platform of Formula One™ 	24% proportion of UHNWIs in Asia by 2025, up from 17% a decade earlier Asia is already home to more billionaires than any other region ¹
PERSONALISATION AND CUSTOMISATION	Rising demand for unique and bespoke personalised products amongst luxury consumers	<ul style="list-style-type: none"> Offering 'Q by Aston Martin – Commission' – our ultimate bespoke personalisation service, providing our customers the ability 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, including our era-defining hypercar Aston Martin Valkyrie, hybrid supercar Valhalla and V12 Vantage, thereby increasing the average selling price of our products Launching our online configurator, enabling customers to personally select their own unique specification for each Aston Martin model 	88% of Aston Martin Valkyrie orders customised through our enhanced 'Q by Aston Martin – Commission' service
COVID-19 PANDEMIC	Ongoing impact of the COVID-19 pandemic on business operations and changes to customer behaviours	<ul style="list-style-type: none"> Maintaining our production and business operations through diligent workplace practices including on-site COVID-19 testing Strengthening our liquidity position to protect the business during times of economic uncertainty Expanding our online presence to cater for the changing needs of customers, through new services like our online configurator 	127,306 COVID-19 tests carried out by the Company in 2021
VEHICLE ELECTRIFICATION	Transition away from the internal combustion engine to a range of technologies that use electricity to propel vehicles, including plug-in hybrid electric vehicles (PHEV) and battery electric vehicles (BEV)	<ul style="list-style-type: none"> Signing 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 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 and targeting the launch of the first Aston Martin BEV in 2025 	2026 all new car lines to have the option of an electrified powertrain by 2026 (PHEV or BEV) 2030 fully electrified Sport/GT and SUV portfolio by 2030
SUSTAINABILITY	Accelerating need for all businesses to act on climate change in an effort to restrict the rise in global average temperatures to 1.5°C by 2100	<ul style="list-style-type: none"> Creating our new ESG strategy with ambitious commitments to become a world-leading sustainable ultra-luxury automotive business Progressing our electrification roadmap with the introduction of electrified powertrains Making a signed commitment to the Science Based Targets initiative (SBTi) Net-Zero Standard Powering our UK manufacturing operations with 100% certified renewable energy Exploring use of recycled and sustainable materials in our products 	44% reduction in emissions intensity to 2.78 tCO2e per unit between 2020 and 2021

1. Source: Knight Frank Wealth Report 2021

BUSINESS MODEL

CREATING FUTURE VALUE

WHAT WE PUT IN

BRAND AND HERITAGE
Iconic ultra-luxury British brand with over 100 years of heritage, synonymous with style, performance and exclusivity. Aston Martin fuses the latest technology, time-honoured craftsmanship and beautiful styling to produce its critically-acclaimed luxury models.

PEOPLE, SKILLS AND INNOVATION
World-class management team complemented with key management hires throughout the entire business, spanning operational to commercial functions, and a highly-skilled and flexible manufacturing workforce. Aston Martin has its own in-house academy dedicated to training and up-skilling our manufacturing technicians, as well as a global online learning and development platform for all employees.

EXTENSIVE DEALER NETWORK
Third-party dealership network of 168 dealers across 56 countries at the year-end, delivering a world-class luxury customer experience and consistent brand presentation.

INNOVATIVE PARTNERSHIPS
Carefully chosen strategic collaborations with partners such as Mercedes-Benz AG, signed in October 2020, and Racing Point F1™ Team Sponsorship Agreement, signed in February 2020, to strengthen and enrich product excellence, while harnessing the latest technology in a unique Aston Martin way to push new boundaries in British engineering mastery.

WORLD-CLASS SUPPLY BASE
High-quality strategic suppliers identified and sourced across multiple platforms.

TRANSFORMATIONAL JOURNEY
Aston Martin is well advanced on its journey to become one of the greatest engineering-led, performance-oriented ultra-luxury brands in the world, having taken significant steps to deliver high-performance vehicles, increase brand and product desirability, and achieve a more efficient operational footprint.

1

PRODUCT PORTFOLIO

- A breathtaking and performance-driven product portfolio that targets the ultra-luxury automotive market, and creates desire, excitement and individuality in our product and brand
- Portfolio includes the most thrilling front-engine Sport/GT cars with assertive styling, dynamics and exhilarating performance, and an SUV range that has one of the world's fastest and most dynamic luxury SUVs, representing the height of design, beauty and style
- Our mid-engine range will define new boundaries within the hypercar and supercar segments, delivering unique design, astonishing levels of performance and cutting-edge dynamic capabilities

OUR SUSTAINABLE APPROACH

Electrification of our model range is fundamental to our product strategy. We expect to launch our first PHEV by 2024, targeting our first BEV in 2025 and will have a fully electrified Sport/GT and SUV portfolio by 2030.

2

PRODUCT DEVELOPMENT

- Cutting-edge innovation and high levels of in-house engineering expertise with established teams for Vehicle Engineering, Procurement, Powertrain and Programme Office, while using a cross functional commodity structure to foster innovation
- Key long term strategic supply partnerships with Tier 1 suppliers to enhance quality and technological capabilities
- Investment in key technologies that will be deployed across the entire model range and Specials
- Focused on delivering engineering efficiencies and material cost reductions to build products with clear unique selling points, outstanding performance and irresistible character

OUR SUSTAINABLE APPROACH

The Aston Martin Valhalla mid-engine supercar will be built with an all-new cutting-edge hybrid powertrain, which utilises a pair of E-Motors – one mounted on the front axle and the other on the rear axle. When driven in EV mode, battery power is directed exclusively to the front axle, and in certain situations, 100% of battery power can be sent to the rear axle, supplementing with the full force of its V8 engine for maximum performance.

3

OPERATIONAL EXCELLENCE

- Optimised manufacturing operations to establish enhanced efficiency levels, including consolidation of paint shops and all Sport/GT manufacturing into one centre of excellence at Gaydon, providing flexibility to support medium-term volume targets
- Transformation projects in advanced stages to deliver agile and efficient systems across Quality, Aftersales, Manufacturing, Logistics and Site Strategy
- Quality structure strengthened with highly-experienced management hires throughout the function, focusing on swift problem resolution and improved customer satisfaction
- Restructuring of supply chain and logistics framework with key strategic partners to stabilise the production line and reduce operational cost
- New Enterprise Resource Planning (ERP)/ Product Lifecycle Management (PLM) and Product Creation systems that underpin delivery with start-up agility and quality that is reliable and durable

OUR SUSTAINABLE APPROACH
We are passionate in moving towards a better future as demonstrated by our commitment to the SBTi's Corporate Net-Zero Standard. Through this framework, we will be setting validated science-based targets that will deeply reduce our emissions and counterbalance the impact of any emissions that remain.



4

GO-TO-MARKET

- Unique products fit for the ultra-luxury customer segment, offering one of the broadest product ranges across the segment
- Alignment of supply to demand of our products, re-establishing a demand-driven business model that strengthens the order book and supports stronger pricing dynamics
- Strong global distribution network in all key growth markets, fit for our brand ambition and product portfolio in the ultra-luxury segment
- Bespoke class-leading customer service, offering an ultra-luxury blend of physical and digital experience
- Strategic marketing initiatives to drive new levels of brand awareness, including Aston Martin Cognizant Formula One™ Team, product launches, key motoring events, product placement and media campaigns

OUR SUSTAINABLE APPROACH

In addition to plans to transform our portfolio over the next decade, digital customer concierge services and digital touchpoints are fundamental to the environmentally conscious ultra-HLS consumer. We have already embarked on this journey by the introduction of Aston Martin's best-in-class online configurator tool, which will help save a trip to the dealership and help reduce carbon footprint.

5

"I AM ASTON MARTIN"

- World-class technically-skilled and highly experienced leadership team with strong automotive, luxury, design and engineering expertise
- Key strategic management hires have been made throughout the entire business, spanning operational to commercial functions
- Fostering engineering excellence and passion within our corporate DNA
- Building an F1™-inspired performance-driven workforce culture and mindset, harnessing agility and speed
- Company-wide performance bonus approach to drive performance and a consistent "One Team" focus across the business, embedding key finance and quality measures and targets reflecting the mindset of a performance-driven ultra-luxury brand
- Our ultimate aim to is become a Best Place to Work

OUR SUSTAINABLE APPROACH
We recognise the importance to our people and our business of a commitment to valuing diversity and creating an inclusive culture for all. We are committed to building a workplace and culture where all our people feel connected to Aston Martin's purpose, that they have a voice and can develop to reach their full potential. A diverse workforce enhances our culture and our ability to deliver our business strategy and objectives.

THE VALUE WE CREATE**BRAND**

Increasing brand awareness, relevance and desirability ultimately increases brand value, which is the key goal of the Go-To-Market and Product pillars that underpin our commercial strategy.

CUSTOMERS

We have a passionate and fiercely-loyal customer base, who experience an emotional connection with the brand, as product design, performance and quality ensure an ultra-luxury, class-leading unique experience.

WORKFORCE

Investing in people and opportunity will continue to shape our future. We rely on the skills and dedication of a brilliant team: a team we must keep safe, a team we must support, and a team we must sustain for the long term. We are committed to building a workplace and culture where our workforce feels connected and valued, and thereby enhancing our ability to deliver our business strategy and objectives.

INVESTORS

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 investors.

SUSTAINABLE BUSINESS

We recognise it is time to accelerate action and escalate our ambition on tackling climate change, and we are committed to becoming a world-leading sustainable ultra-luxury business. Our ESG strategy addresses multiple aspects including a commitment to responsible and sustainable economic growth and conducting business in an ethical and transparent manner.



STRATEGIC PRIORITIES

TAKE-OFF INTO A NEW ERA FOR ASTON MARTIN

2021 was the first full year under new management chaired by Lawrence Stroll and carefully steered by our Chief Executive Officer, Tobias Moers.

This leadership has developed a new Vision and Strategy, focused on change targeted at every area of the business and building on the foundations put in place in 2020.

Our Vision is to be the world's most desirable ultra-luxury British performance brand, creating vehicles with the ultimate technology, precision and craftsmanship that deliver thrilling performance, and a bespoke, class-leading customer experience.

To fulfil our ambition of becoming the world's most desirable ultra-luxury British performance brand, we are:

- adapting to customer needs and desires;
- responding to rapid market and environmental changes, opportunities and business requirements;
- anticipating and creating market opportunities, not simply seeking market share; and
- creating value for our employees, which will ultimately lead to increased value for the market, investors and other stakeholders.

We are now focused on strengthening our brand and operating at a world-class level through increased capability, state-of-the-art technology and modern processes, delivered to the highest quality.



ASTON MARTIN

FOUR KEY PILLARS UNDERPIN OUR STRATEGY:



BRAND

Aston Martin is an iconic, globally-recognised brand, with a unique position transcending ultra-luxury and high performance. For more than a century, the 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 is strengthened by a strong, passionate and loyal customer base, which has been significantly increased by the return of Aston Martin to the Formula One™ grid for the first time since 1960.



PRODUCT INNOVATION

Our cars sit solely within the ultra-HLS car market segment, which is underpinned by award-winning design and engineering capabilities and access to world-class advanced technology, supported by our strategic relationships with key partners.

We have a breathtaking, distinctive and comprehensive core portfolio of front-engine Sport/GT cars and SUVs, and we will soon be entering the HLS mid-engine market with the launch of a core mid-engine supercar. This model will draw on the learning and technology developed by the era-defining Aston Martin Valkyrie hypercar and will be available with electrified plug-in hybrid technology. Electrification of our model range is fundamental to our product strategy, and we expect our first fully-electric model to be launched in 2025, with our Sport/GT and SUV portfolio to be fully electrified by 2030.



SUSTAINABILITY

The automotive sector is on a journey of radical transformation, and we are committed on that journey to transition Aston Martin to a world-leading sustainable ultra-luxury company. We recognise it is now time to accelerate action and escalate ambition, defining the goals we have established in our new ESG strategy, which addresses multiple aspects, from adapting our production processes to reduce our emissions, to investing in our people and creating a diverse and inclusive workplace that promotes and attracts the best talent.



TEAM

The Group's new leadership team has a wealth of luxury and automotive experience and are focused on turning around performance. The strength of the Aston Martin brand continues to attract new talent to complement the skills of our existing world-class team.

STRATEGIC PRIORITIES CONTINUED

ACHIEVING OUR STRATEGY

To achieve our strategy, we completed an extensive transformation programme, Project Horizon, targeted at every area of the business to drive efficiency and push Aston Martin into a new era.

Create desire, excitement and individuality in the product and brand

Increase brand value through market-generated intelligence, from dealerships, customers, suppliers, events

Expand and strengthen our product portfolio with personalised Specials strategically embedded in our roadmap to becoming an ultra-luxury business

Deliver operational excellence, agility and efficiency

Deliver engineering efficiencies (controlling costs and investment) and implement technologies and electrification strategy

Establish a secure and structured supply chain and logistics framework to stabilise the production line and mitigate disruption

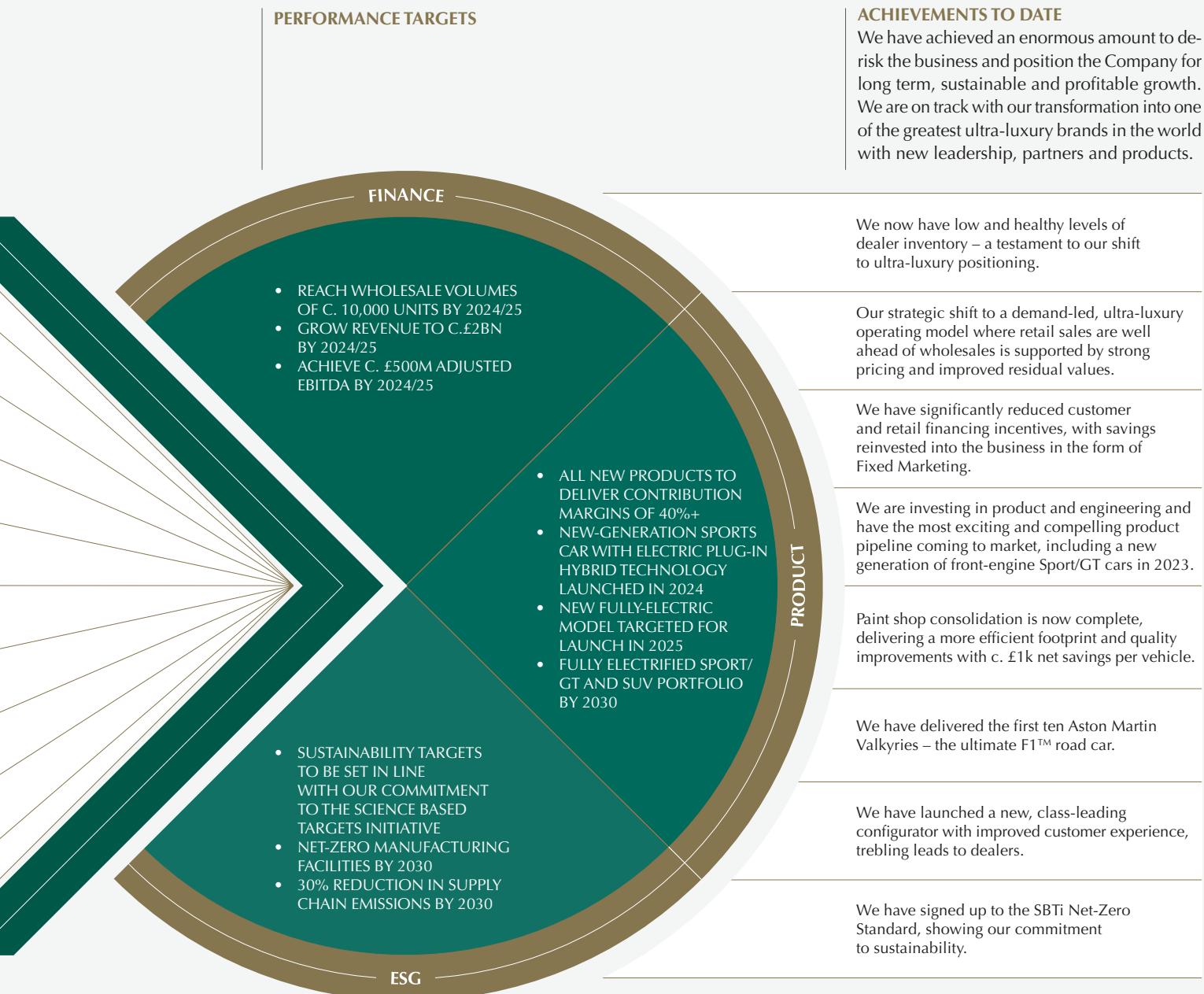
Prepare the dealership network for our future product portfolio in the ultra-luxury segment

Achieve financial stability and sustainability

Integrate the new ESG strategy to realise our ambition to become a world-leading sustainable ultra-luxury business

Become a 'Best Place to Work'

The main tasks for the transformation programme are set out here and will help us realise our strategic goals and reinforce our competitive position



KEY PERFORMANCE INDICATORS

MEASURING OUR PERFORMANCE

FINANCIAL

REVENUE (£'M)	WHOLESALE VOLUMES (UNITS)	OPERATING PROFIT/ (LOSS) (£'M)	ADJUSTED EBITDA (£'M)	NET DEBT (£'M)
2021 1,095.3	2021 6,178	2021 (76.5)	2021 137.9	2021 891.6
2020 611.8	2020 3,394	2020 (322.9)	2020 (70.1)	2020 726.7
2019 980.5	2019 5,862	2019 (52.0)	2019 118.9	2019 987.6
DESCRIPTION Revenue measures the appeal of our brands, our ability to build and sustain brand equity and increase market share through product expansion	DESCRIPTION This measures sales from the Company to its dealers, showing the appeal of our products across different segments, as well as actions taken to right-size dealer and Company inventories	DESCRIPTION Operating profit/(loss) measures our actual, reported operating profitability	DESCRIPTION This measures our underlying operating profitability, stripping out the impact of adjusting items from operating profit/(loss) and non-cash measures	DESCRIPTION Net Debt measures the amount of total indebtedness at the Company, net of any cash and cash equivalents
DEFINITION Revenue is defined in note 2 of the Financial Statements	DEFINITION Number of vehicles, including Specials, sold by the Company to its dealers	DEFINITION Net revenue, less Cost of Sales, less all other operational expenses (See note 33 of the Financial Statements)	DEFINITION Operating profit/(loss) before depreciation, loss on sale of fixed assets, amortisation, and adjusting items (See note 33 of the Financial Statements)	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)
LINK TO STRATEGY  	LINK TO STRATEGY  	LINK TO STRATEGY  	LINK TO STRATEGY  	LINK TO STRATEGY  
REMUNERATION LINKAGE None	REMUNERATION LINKAGE Represents 7.5% of the Group scorecard of performance measures for the annual bonus	REMUNERATION LINKAGE None	REMUNERATION LINKAGE Represents 50% of the Group scorecard of performance measures for the annual bonus Represents 80% of the scorecard of performance measures for LTIP	REMUNERATION LINKAGE None
TARGET The Company expects to generate revenue of c. £2bn by 2024/25	TARGET The Company expects to generate wholesale volumes of c. 10,000 units by 2024/25	TARGET Not applicable	TARGET The Company expects to generate c. £500m Adjusted EBITDA by 2024/25	TARGET Not applicable

LEGEND



PRODUCT INNOVATION



SUSTAINABILITY



TEAM

**NET DEBT TO ADJUSTED EBITDA
(‘ADJUSTED LEVERAGE’)**

2021	6.5
2020	N.M
2019	8.3

DESCRIPTION

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

DEFINITION

Net Debt divided by Adjusted EBITDA over the last twelve months
(See note 33 of the Financial Statements)

LINK TO STRATEGY



REMUNERATION LINKAGE
None

TARGET

Not applicable

**FREE CASHFLOW
(£'M)**

2021	(123.2)
2020	(539.3)
2019	(337.8)

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)

LINK TO STRATEGY



REMUNERATION LINKAGE
Represents 20% of the Group scorecard of performance measures for the annual bonus

TARGET

The Company expects to turn free cashflow positive by 2023

NON FINANCIAL

**HEALTH & SAFETY –
ACCIDENT FREQUENCY
RATE (AFR)**

2021	1.01
2020	1.44
2019	1.04

DESCRIPTION

The AFR measures work related recordable injuries or illnesses (as defined by OSHA)

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

**QUALITY – CUSTOMER
PERCEPTION AUDIT
(CPA) QUALITY SCORE**

Our intention is to report on this KPI from 2022

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 inspected as it would be handed over to the outbound transport company

LINK TO STRATEGY



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

TARGET

The Company aims to improve CPA scores for Sport/GT cars and DBX by c.40% by the end of 2022

RISK MANAGEMENT

RISK AND VIABILITY REPORT

RISK GOVERNANCE

We manage risks in the pursuit of our strategic objectives using our Enterprise Risk Management Framework and System (ERMFS) which provides the Board, 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 maintain the ERMFS and coordinate risk management activities across the Group leveraging a network of functional Risk Champions embedded within the first line of defence (refer to page 114 for an explanation of our three lines of defence assurance model). Each principal risk has a risk mitigation plan incorporating management's assessment of gross, net and target risk and 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;
- twice yearly review of all principal risks to assess the gross, target and net 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; and
- creating formal risk mitigation plans.

Internal Audit provide independent and objective assurance over the effectiveness of principal risk mitigation plans to the Audit and Risk Committee.

CHANGES TO ASTON MARTIN'S RISK PROFILE

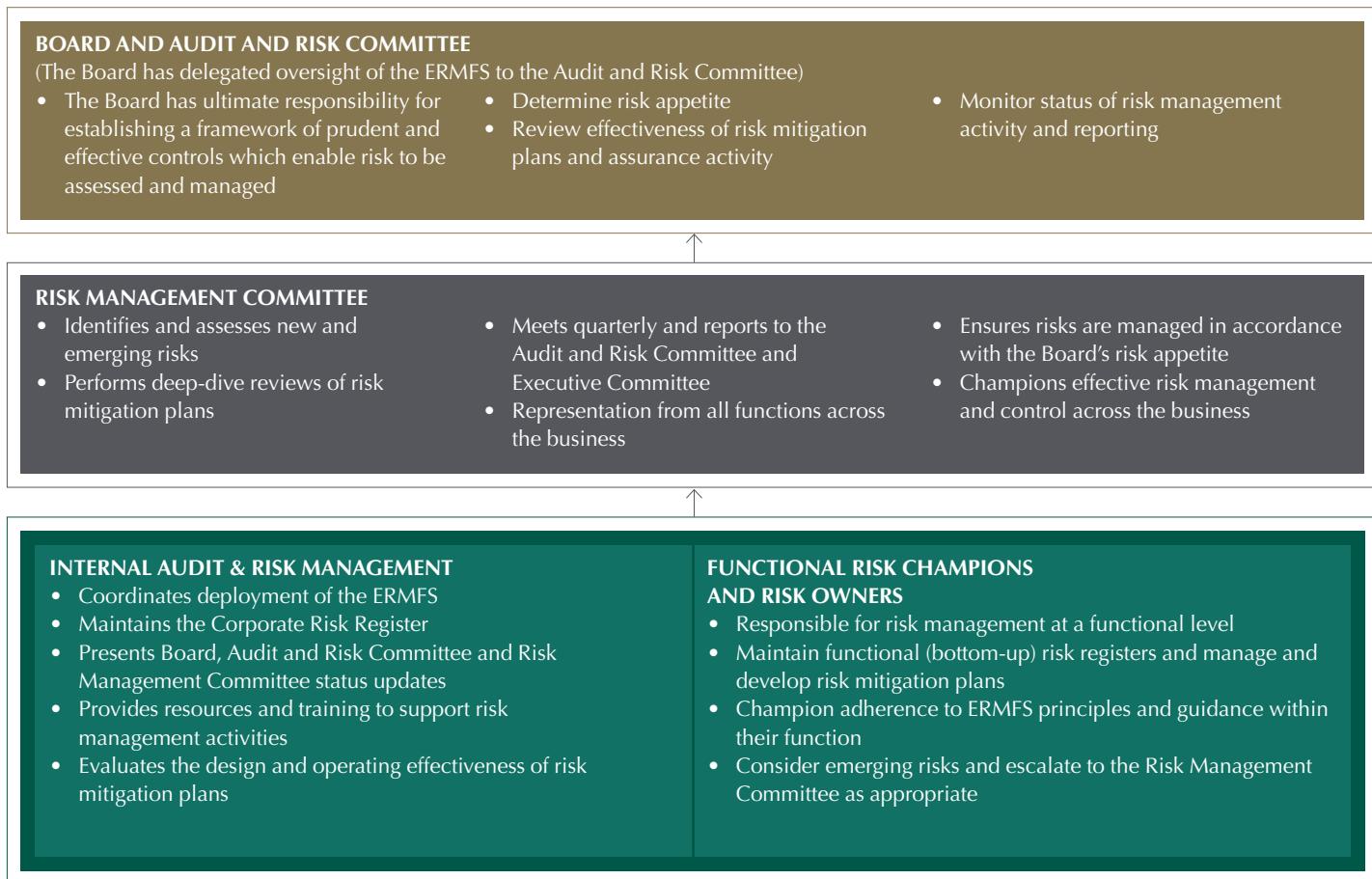
The most significant changes to the Group's principal and emerging risks in the year were:

- SUPPLY CHAIN DISRUPTION – risk increasing due to the ongoing pandemic, continued shortages of semi-conductors and the impacts associated with Brexit
- PROGRAMME DELIVERY – risk reducing due to rephasing of Aston Martin Valkyrie volumes, transition to a phased ERP implementation and good progress on the 2022 vehicle programme
- CYBER-SECURITY AND IT RESILIENCE – risk reducing due to investment in our Information Security team and associated controls, including the ERP implementation project

- CLIMATE CHANGE – new risk with the Taskforce for Climate-Related Financial Disclosures activity identifying significant climate-related risks associated with our planned transition to EV powertrains, managing the brand and reputational impact of continuing to sell Internal Combustion Engine (ICE) powered vehicles in the short to medium term and managing the financial impact of increasing carbon-related costs
- TALENT ACQUISITION AND RETENTION – risk increasing due to a progressively competitive local labour market
- MACROECONOMIC UNCERTAINTY AND POLITICAL INSTABILITY – risk reducing due to the less volatile ongoing impact of COVID-19 on the global dealer network, supply chain and our manufacturing operations

The COVID-19 Task Force established in 2020, comprising senior management from each function, remained in place through the year and continues to prioritise the safeguarding and wellbeing of our employees, contractors, suppliers, customers and their families. Key activities undertaken in the year included updating COVID-19 specific risk assessments, promoting and facilitating safe and secure remote working, creating Return to Work Guidelines including the need to conduct on-site lateral flow testing, and deploying social distancing measures in accordance with government guidelines. We continue to consider the impacts of the pandemic as a risk factor within each principal risk.

RISK MANAGEMENT GOVERNANCE STRUCTURE



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.

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 2021. 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.

RISK CATEGORY	RISK APPETITE
COMPLIANCE	ZERO TOLERANCE
FINANCIAL	LOW TOLERANCE
STRATEGIC	MODERATE TOLERANCE
OPERATIONAL	MODERATE TOLERANCE
CLIMATE CHANGE	LOW TOLERANCE

RISK AND VIABILITY REPORT CONTINUED

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
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LINK TO STRATEGY



IMPACT ON BUSINESS

- Global economic slowdown due to COVID-19
- Unfavourable movement in exchange rates
- Adverse economic global conditions could adversely impact our dealer network or supply chain

RISK MITIGATION

- Regular operational and financial reviews of the business
- Business Plan reset with consideration of current economic climate mid-pandemic
- Monitoring global market trends to target areas for future growth
- Routine monitoring of dealer stock levels to support build-to-demand 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
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LINK TO STRATEGY



IMPACT ON BUSINESS

- Product recall or postponed delivery of previously-communicated and market-expected product delivery could impact customer confidence and loyalty
- Dealer network may not be effective in raising, maintaining and promoting brand awareness
- Inadequate dealer training in new products and technologies could impair the customer experience

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
- 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 and remain competitive.

RISK MOVEMENT ↔	RISK APPETITE LOW
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LINK TO STRATEGY



IMPACT ON BUSINESS

- Reliance on 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

RISK MITIGATION

- Strategic arrangements with key partners, including the Strategic Cooperation Agreement with Mercedes-Benz AG, to provide powertrain and electrical architecture
- Commodity strategy plans developed
- Development of modular architecture “Carry Over – Carry Across” approach for key systems and components

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 and taxes.

RISK MOVEMENT ↑	RISK APPETITE LOW
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LINK TO STRATEGY



IMPACT ON BUSINESS

TRANSITION RISKS

- Policy – loss of small volume derogation status and increased carbon taxes and import tariffs
- Market – changing customer preferences towards non-ICE powertrains and an evolving view of what “luxury” means to different customer segments
- Technology – disruption from new technologies and new entrants and the increased demand for sustainable products
- Reputation – inability to create a credible sustainability proposition as we manage the transition from ICE to EV powertrains

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

- Development of our ESG strategy and the establishment of the Sustainability Committee to oversee its implementation
- Strategic Co-operation Agreement with Mercedes-Benz AG providing access to new powertrain technology
- Investment in R&D to develop PHEV/BEV powertrain capabilities to enable launch of our first PHEV in 2024 and targeting our first BEV launch in 2025
- Investment in R&D to reduce average fleet greenhouse gas (GHG) emissions
- Forward purchase/pooling of carbon credits to reduce exposure to carbon-related financial penalties and taxes
- Sourcing of 100% renewable energy within our 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 targets with plans to source green aluminium, reduce water and energy consumption and reduce waste

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
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LINK TO STRATEGY



IMPACT ON BUSINESS

- Significant leverage levels may inhibit our ability to raise additional capital
- COVID-19 impact could result in reduced demand and a reduction in available cash to support the product development plan
- Significant debt servicing requirements reduces cash available to support other operational needs

RISK MITIGATION

- Raising of additional capital through financing activities
- Daily management review of cash and working capital balances
- Weekly expenditure reviews held with the CEO and CFO and regular liquidity-focused Board reviews
- Ongoing transformation activity to deliver targeted cost savings and efficiencies

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
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LINK TO STRATEGY



IMPACT ON BUSINESS

- Vehicle sales volumes fall below lifecycle plans and targets as a result of the impact of COVID-19 or other macroeconomic factors
- 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

COMPLIANCE RISKS

COMPLIANCE WITH LAWS AND REGULATIONS

Non-compliance with local laws or regulations may damage our corporate reputation and subject the Group to significant financial penalties.

RISK MOVEMENT ↔	RISK APPETITE ZERO
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LINK TO STRATEGY



IMPACT ON BUSINESS

- Non-compliance with emissions regulations could inhibit our ability to trade in certain markets
- Non-compliance with labour, human rights and environmental standards could result in financial penalty and/or brand reputational damage
- Rapidly-evolving climate and environmental regulations could result in areas of non-compliance where not addressed in a timely manner

RISK MITIGATION

- Vehicle safety certification achieved for all markets and small volume derogation status for EU emissions compliance
- Standards of Corporate Conduct define our activities in relation to key compliance areas (e.g., anti-bribery and corruption, whistleblowing, data protection, equality and diversity, business ethics)
- In-house legal and compliance team that manages ongoing investigations.
- Enhanced GDPR and IT general controls

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
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LINK TO STRATEGY



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

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

RISK AND VIABILITY REPORT 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 LOW
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LINK TO STRATEGY



IMPACT ON BUSINESS

- Insufficient funds to support current programme investment requirements
- Inability to manage third-party delivery in line with programme timelines and milestones
- COVID-19 related issues may impact our ability to conduct testing or engineering development within required timescales

RISK MITIGATION

- Deployment of an established programme delivery methodology and regular Executive Committee status reporting and oversight
- Restructure of the business including engineering and project management functions
- Focus on increased levels of "Carry Over – Carry Across" to leverage existing core architecture across multiple applications to expedite delivery

ACHIEVING FINANCIAL AND COST-REDUCTION TARGETS

The Group's size and low volume 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
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LINK TO STRATEGY



IMPACT ON BUSINESS

- High levels of complexity across car lines can drive increased engineering requirements with associated increased resource and cash requirements
- Increasing raw material costs
- Instability in the supply base due to economic volatility
- Ultra-luxury positioning demands the necessary marketing spend to generate brand and product awareness to build desirability and create future demand

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
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LINK TO STRATEGY



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

SUPPLY CHAIN DISRUPTION

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

RISK MOVEMENT ↑	RISK APPETITE LOW
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LINK TO STRATEGY



IMPACT ON BUSINESS

- Suppliers may be unable to meet delivery schedules due to being in financial distress
- COVID-19 enforced closures continue to occur across the supply base
- Raw material shortages (including semiconductors) due to increased demand and global supply chain issues could impact Aston Martin's ability to meet planned production volumes

LEGEND



BRAND



PRODUCT INNOVATION



SUSTAINABILITY



TEAM

RISK MANAGEMENT ACTIVITIES IN 2021 AND PLANS FOR 2022 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. The Risk Management Committee met four times during 2021.

MANAGEMENT ACTIONS AND DEEP DIVES

The Internal Audit & Risk Management (IA&RM) 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 IA&RM 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 2021 the following key risk management activities have been undertaken:

- Four Risk Management Committee meetings with deep-dive risk reviews covering:
 - talent acquisition and retention principal risk;
 - supply chain disruption principal risk;
 - fraud risk assessment; and
 - climate change emerging risks and opportunities (refer to the TCFD Report on pages 54-59).
- Climate risk and opportunity workshop undertaken to develop a qualitative assessment of the impact of climate change on the business in a 1.5°C, 2°C and 4°C warming scenario.
- Cyber Security Management System implementation project commenced.
- 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.

The following principal risk reviews have been included within the 2022 Internal Audit plan:

- Cyber security and IT resilience; and
- Programme delivery.

VIABILITY STATEMENT

The Directors have carried out a robust review of the principal risks of the Group, which are set out on pages 40 to 42, 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 2021 to December 2026. This was considered appropriate by the Directors because it aligns with the business plan, 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 of 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 2026 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 2026.

STAKEHOLDER ENGAGEMENT

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. During the year much of our stakeholder engagement was driven by COVID-19 impacts as well as the significant steps the Company was taking to strengthen our leadership and capital structure. Information on our key stakeholders, their priorities and how we engaged with them during the year, is provided in the adjacent table and throughout this Report.

CUSTOMERS AND ENTHUSIASTS	OUR PEOPLE		
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 base.	Our people are the key to our success. Our performance depends on our passionate, knowledgeable, experienced and creative people.		
WHAT MATTERS TO THEM?	HOW WE ENGAGE AT BOARD LEVEL	HOW WE ENGAGE ACROSS THE GROUP	OUTCOMES OF ENGAGEMENT
<ul style="list-style-type: none"> Quality and safety of products Car design and performance Environmental commitment Brand strength After-sales service Cost of ownership 	<ul style="list-style-type: none"> Job Security, personal development and career opportunities Health and Safety Engagement Feeling valued Reward and benefits Diversity and inclusion Environment and social responsibility 	<ul style="list-style-type: none"> Executive Chairman and Chief Executive Officer at promotional events for VIP customers such as Pebble Beach and Goodwood Festival of Speed Ongoing engagement by senior management with key members of press 	<ul style="list-style-type: none"> Roundtables between CEO, CFO and COO and employees People Forum Employee Townhalls Skip Level Sessions Consultation on employee benefits Trade Union Business Review Health and Safety Review COVID-19 Task Force
<ul style="list-style-type: none"> Events, such as Valhalla global tour Launch of market-leading configurator Product-led campaigns such as DBX film Talent-led campaigns such as Dave/Stormzy F1™ customer hospitality Global premiere of James Bond film <i>No Time to Die</i>, featuring four different Aston Martin cars Engagement with automotive and lifestyle press Leveraging Aston Martin content across social media channels 	<ul style="list-style-type: none"> Global I AM Engaged employee survey Focus groups supporting the co-creation of our I AM culture and to deep dive engagement topics Aston Martin internal communications platform and AM People newsletter Aston Martin's Diversity and Inclusion Working Group Local Health and Safety Committees Online hub for topics important to employees: e.g. COVID-19, Wellbeing, Working from Home Local Trade Union Meetings 	<ul style="list-style-type: none"> 50% of customers new to brand Double digit uplift in traffic to Aston Martin website over F1™ race weekends Aston Martin Cognizant F1™ team connecting the brand with a highly engaged audience, with c. 2.8 billion impressions since March 2021 Reduced need for variable marketing support to dealers, with 4x reduction in variable marketing spend over prior year Brand equity research shows increasing brand perception and buying intent among luxury car buyers, particularly in China and USA Increased sales 	<ul style="list-style-type: none"> Employee feedback from the I AM Engaged survey has shaped both our Company level engagement priorities and driven action planning globally to improve the employee experience Development of our core values and behaviours Development of our 5-year D&I priorities and plan Implementation of the all-employee bonus scheme Embedding safety at every level of our operations team Employees connected to our Showroom of the Future

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.	SUPPLIERS AND OTHER PARTNERSHIPS Our suppliers are fundamental to our business, particularly ensuring their quality and efficiency. Carefully chosen partnerships provide us with an important source of technical expertise and brand enhancement.	LOCAL COMMUNITIES Building positive relationships with those we impact enables us to maintain trust and to support our communities.	INVESTORS Continued access to capital is vital to the long-term performance of our business. Our focus is to ensure investors understand our strategy, performance, ambition and culture and for us to understand their priorities.
<ul style="list-style-type: none"> Brand strength & Company support Programs to identify & support increased sales opportunities Increased customer satisfaction & retention targeting ultra-luxury segment Dealer profitability 	<ul style="list-style-type: none"> Responsible procurement, trust, ethics and open dialogue Operational improvement Competitiveness Strong relationships Financial performance Building capability and expertise Design and technical expertise 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Delivery of the Company's strategy Financial performance Sustainability Governance and transparency Confidence in the leadership Stability and predictability, with no surprises
<ul style="list-style-type: none"> CEO and Board engagement to strengthen dealer relationships and support demand driven strategy Attendance (physical or virtual) at local dealer conferences held during the year Strengthening of central and regional senior management, supporting closer dealer relationship 	<ul style="list-style-type: none"> Strategic Cooperation Agreement with Mercedes-Benz AG securing access to technologies critical to our long-term plans Sponsorship of Aston Martin Cognizant F1™ team to provide direct global marketing platform targeting key customers and enhancing the brand Ongoing partnership with Red Bull Advanced Technologies to create the Aston Martin Valkyrie and Aston Martin Valkyrie Spider Dedicated Supplier Quality Development team manages supplier quality and performance 	<ul style="list-style-type: none"> The Board is very supportive of our projects with local communities, however face-to-face engagement opportunities have been limited during the pandemic 	<ul style="list-style-type: none"> Webcasts, presentations and meetings by the Executive Chair, CEO, CFO and Director of Investor Relations Gaydon site visit for analysts and large investors held in November, to showcase the efficiency work undertaken
<ul style="list-style-type: none"> Roll out of dealer network programmes to monitor performance aligned to increased brand standards and sales growth opportunities 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 	<ul style="list-style-type: none"> Roll out of the new Responsible Procurement Policy with our suppliers as part of our ESG 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 	<ul style="list-style-type: none"> Outreach programmes with local schools near our Gaydon and St Athan factories, delivered remotely during the pandemic, whereby Aston Martin apprentices promote STEM career choices for young people 	<ul style="list-style-type: none"> Focussed investor relations programme delivered both remotely and in person Retail shareholders engaged via direct communications, our website, press activities, Annual Reports and Annual General Meetings (AGM) For more information see our Governance Report on page 88
<ul style="list-style-type: none"> Positive dealer sentiment with increased new and pre-owned sales, leading to a significant reduction in year-end inventory Increased dealer profitability, with over 81% of reporting dealers recording positive return-on-sales Higher rate of online enquiries 	<ul style="list-style-type: none"> Improved supplier relationships that promote a culture of collaboration and innovation Better understanding of Aston Martin supply chain issues and how to resolve and learn from previous issues Commodity teams now incorporate the required departments to aid the effective progression of design and sourcing Supplier Risk Meetings working at identifying issues and implementing mitigation plans before it affects production Supplier scorecards continue to engage suppliers in how they are performing to our standards 	<ul style="list-style-type: none"> Whilst outcomes in this area are not easy to measure, Aston Martin takes a long term approach and will be looking to increase our engagement in 2022, as pandemic restrictions are eased, including an Early Careers recruitment drive launching in H1 	<ul style="list-style-type: none"> Shareholders have provided valuable feedback in relation to the trading of the Company's shares and bonds Long term shareholders remain supportive of the Company's strategy Key shareholders have increased their positions in recent months

SECTION 172 STATEMENT

Section 172 statement: The Directors have a duty under s.172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members. In doing so, they must have regard to the interests of the employees, the business relationships with our suppliers and customers, the impact of the Company's operations on the community and the environment and the desirability of the Company maintaining a reputation for high standards of business conduct.

To be able to fulfil their s.172 duty when making decisions, it is essential that the Directors understand what matters to our stakeholders. Details of our key stakeholder groups and how the business and the Board have engaged with them during the year are set out on pages 44-45. Much of the stakeholder engagement by the Company is carried out at a business level. The Board receives details of stakeholder engagement and their interests through presentations from the Executive Directors and senior management and the Board papers.

A key responsibility for the newly-formed Board Sustainability Committee in 2022 will be overseeing stakeholder engagement on behalf of the Board. The Committee will receive updates on stakeholder engagement and report to the Board on stakeholder engagement activities and outcomes following each meeting. In addition, the Directors also engage directly with our investors (see page 93 for more detail) and our employees. Board employee engagement is described on page 94 and will be conducted through Anne Stevens, our nominated Non-Executive Director for Workforce Engagement. Site visits also provide an opportunity for direct engagement with employees. However, during the year this has been restricted due to COVID-19.

The Company's approach to stakeholder engagement is set out in more detail on page 93. However, the Board recognises that it is not possible for all of the Company's decisions to result in a positive outcome for every stakeholder interest. By considering the Company's purpose, vision and values, together with its strategic priorities, and the Company's overriding duty to promote the success of the Company, it is anticipated that stakeholders will be able to assess whether decisions are robust and for the benefit of the Company as a whole.

The table below sets out where further information can be found on how the Board has exercised its duties in line with s.172.

SECTION 172 RESPONSIBILITIES	STRATEGIC REPORT	PAGE	GOVERNANCE REPORT	PAGE
(a) Likely consequences of long term decisions	Executive Chairman's Letter	18	Report of the Audit Committee	108
	CEO's Statement	22	Board Activities	97
	Business Model	30	Going Concern	140
	Key Performance Indicators	36		
	Risks and Uncertainties	38		
	Viability Statement	43		
(b) The interests of the Group's employees	Business Model	30	Division of Responsibilities	96
	Purpose	1	Directors' Remuneration Report	115
	ESG	48	2022 Directors' Remuneration Policy	121
	Stakeholder Engagement	44	Report of the Audit Committee	108
	Employee Engagement	65	Purpose, Values and Culture	90
	Diversity and inclusion	64	Employee Engagement	94
	Gender Pay Gap Report	62	Diversity and Inclusion	106
(c) Developing the Group's business relationships with suppliers, customers and others	Purpose, Values and Culture	64	Gender Pay Gap Report www.astonmartinlagonda.com	
	Business Model	30	Stakeholder Engagement	92
	ESG	48		
(d) The impact of the Group's operations on the community and the environment	Stakeholder Engagement	44		
	ESG	48		
	Climate Change Risks	40		
(e) Maintaining high standards of business conduct	TCFD Disclosures	54		
	ESG	48	Board roles	96
	Non-Financial Information Statement	70	Governance Framework	90
	Modern Slavery	69	Purpose, Values and Culture	90
			Whistleblowing	114
			Modern Slavery	95
(f) Acting fairly between members of the Company			Modern Slavery Statement www.astonmartinlagonda.com	
	Stakeholder Engagement	44	Engagement with shareholders	92
			Board Roles	96
			Shareholder Rights	142

HOW THE BOARD FULFIL THEIR S.172 DUTIES

HOW THE BOARD FULFIL THEIR S.172 DUTIES

Each of the Directors is aware of their directors' duties and has received training on s.172

BOARD INFORMATION

The Board receives details of stakeholder engagement and their interests through presentations from the Executive Directors, the Board papers and direct and indirect engagement with stakeholders.

BOARD STRATEGIC DISCUSSION

s.172 factors are considered in the Board's discussions on strategy, including how they underpin the Company's long term success. The Board considers the quality of information it has received and seeks assurance where appropriate.

BOARD DECISION

Outcomes of Board decisions are assessed and further engagement with stakeholders is undertaken where appropriate.

THE BOARD'S APPROACH TO S.172

The following strategic decisions taken during the year are intended to provide some insight into the decision-making process at the Company.

BOARD APPOINTMENTS

During the year the Board approved the appointment of seven new Non-Executive Directors to the Board which ensured that the Company had the appropriate required expertise at Board level to support it in its future ambitions.

INVESTORS

The appointments enhanced the Board's collective skills and experience within the automotive and luxury sectors which will be key in executing the strategy of the business. Following the July appointments, the composition of the Board and its Committees were compliant with the Code and female representation on the Board (taken as a whole) was just under 30%.

EMPLOYEES

Although this decision had no direct impact on the Group's employees, with the addition of the skills and experience which the new Directors have brought to the Board, the Executive Committee will be able to call on this expertise in support of achieving the strategic targets which the business has set for itself.

STAKEHOLDERS

With the quality and calibre of the individuals joining the Board and their knowledge and experience of the automotive and luxury sectors, these appointments will have contributed to stakeholder confidence in the Company's ability to deliver its plans.

REPUTATION

A thorough process was undertaken by a third party search company to ensure that candidates with the appropriate and suitable skills and experience were selected for consideration and ultimately appointed to the Board to fill the positions.

BOND ISSUANCE

In February the Board approved the issuance of up to £70 million in gross proceeds of new notes under the First Lien Indenture dated 16 November 2020. These notes were US\$ denominated 10.50% Senior Secured Notes, and due for settlement in 2025. With the trading performance of the existing notes issued under the First Lien Indenture, this presented an opportunity to secure additional liquidity at a more favourable rate.

INVESTORS

In securing medium-term financing at more favourable rates this decision ensured that the Group had additional liquidity which was considered valuable in the market environment prevailing at the time of the issuance, given the ongoing uncertainty due to the impact of COVID-19. Securing this financing supported the continued investment in the business and the future product pipeline to enable the delivery of the strategic goals set out in the Company's long-term business strategy.

EMPLOYEES

Although this decision had no direct impact on the Group's employees, it did however, improve the liquidity position for the business and was within the interests of all employees including those employees who are also Company shareholders.

STAKEHOLDERS

This decision, which improved the liquidity position of the business, enhanced the confidence of suppliers and customers regarding the strength of the balance sheet and the Company's resilience, with the Company having the necessary funds to support its product development plans and therefore its ability to achieve its medium-term targets. The additional financing also reduced the risk of the Company having to raise additional funding under stressed market conditions and was therefore fully aligned with the interests of all stakeholders.

REPUTATION

A thorough process was carried out to identify institutional investors who were able to lend to the Company, their pricing expectations and the key terms under which they would lend. An active dialogue was maintained with all such investors during this process, which resulted in a competitive financing outcome for the Company.

NEW ESG STRATEGY

In December the Board approved the new ESG strategy for the business (as set out on pages 71-75 of this Report) which aims to establish the Company as a world leading sustainable ultra-luxury automotive company.

INVESTORS

This decision ensured that the Company has a comprehensive sustainability strategy which is both fully aligned to, and integrated into, our wider corporate strategy and is key to the long term success of the business. With the increasing investor focus on companies' efforts in the area of sustainability, as part of their ongoing stewardship of their investments, this will become increasingly important in enabling ongoing access to capital and to promote the future success of the business.

EMPLOYEES

With this decision employees can be confident of the future direction of the Company. This strong message on tackling both the environmental and social impact of the organisation will help to attract and retain key talent, whilst employees can continue to feel proud of the Company they work for. In addition, by raising the profile of ESG through the approval of the new ESG strategy and the formation of a new Sustainability Committee for senior oversight, this underscored the importance the Company places on these issues for its ongoing success.

STAKEHOLDERS

This decision will also look to enhance relationships with suppliers, who are themselves looking to address their carbon neutral footprint in these areas, while at the same time for customers the clear, integrated ESG strategy will further support the strength of the brand and differentiation in the long term.

ENVIRONMENT AND COMMUNITIES

This decision will have a direct impact on the environment and communities as the Company's ESG targets will look to reduce its environmental footprint and contribute to the UK government's net-zero targets.

REPUTATION

In formulating the ESG strategy a thorough process was undertaken to review how our investors, stakeholders and competitors were also engaging in this area to ensure that the Company developed a credible and ambitious plan as it transitions into a low-carbon future. The creation of the new Sustainability Committee will provide clear focus and oversight over the implementation of the new ESG strategy and its targets and broader stakeholder engagement on behalf of the Board.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

DESIGNING THE FUTURE



During 2021 Aston Martin has delivered significant achievements across all aspects of Environmental, Social and Governance ('ESG'). These range from continuing to keep our employees safe by pioneering industry-leading best practice during the pandemic to progressing our work with organisations such as The Prince's Trust, which transforms lives and creates opportunities for thousands of young people. We also developed a new ESG strategy that aims to establish Aston Martin as a world-leading sustainable ultra-luxury

automotive company. This important milestone was agreed by the Board in December and is now a key pillar of our wider corporate strategy. To make sure we are equipped to achieve our ambitious goals, 2021 saw a significant focus on acquiring new capabilities and adapting our organisation, including setting up a new committee of the Board, the Sustainability Committee, and intensifying the work of eight dedicated ESG working groups, covering areas ranging from energy to diversity and inclusion.

2021 HIGHLIGHTS

ENVIRONMENTAL

44%

reduction in emissions intensity to 2.78 tCO₂e per unit as production volumes increased between 2020 and 2021

100%

renewable energy powering UK manufacturing operations

NEW

Strategic Energy Action Plan to continue to minimise energy use

COMMITTED

to the Science Based Targets initiative (SBTi) Net-Zero Standard

100%

waste diverted from landfill

SOCIAL

10TH

consecutive British Safety Council Sword of Honour

DECREASE

in Accident Frequency Rate from 1.44 in 2020 to 1.01 in 2021

**92.04%
BELOW**

the UK vehicle automotive manufacturing injury rate average

24

apprentices graduated from Aston Martin's industry-leading apprenticeship scheme

GOVERNANCE

**NEW
STRATEGY**

New ESG strategy approved

ESTABLISHED

Board Sustainability Committee

POLICIES

9 policies updated including 2 new policies on Anti-Slavery & Human Trafficking and Diversity & Inclusion

WORKING FOR A BETTER ENVIRONMENT

Since 2002, the average CO₂ emissions from our cars has fallen by c. 40%¹, and we have continued to drive our progress through ongoing investment in technology and engineering innovation. In 2024 Aston Martin will launch a next-generation PHEV followed by our first BEV targeted for launch in 2025, and a fully electrified Sport/GT and SUV portfolio by 2030. We have also advanced a number of initiatives that will continue to drive down the greenhouse gas emissions arising from our supply chain and how we manufacture our products. These include exploring the use of green aluminium alloy and developing a new Strategic Energy Action Plan. To make sure we build and execute a robust plan to continue to reduce our greenhouse gas emissions, we have committed to set near term and long term Company-wide emission reductions in line with science-based net-zero with the SBTi.

“In 2024 Aston Martin will launch a next-generation Plug-In Hybrid Electric Vehicle followed by our first Battery Electric Vehicle targeted for launch in 2025.”

Complementary to our work targeting reductions in greenhouse gas emissions, we have also intensified our work on reducing and minimising other environmental impacts. In December 2021, employees completed a comprehensive waste streams mapping exercise including a deep-dive analysis to provide enhanced data on waste generated by Aston Martin’s production processes and operations. This enabled improvements to waste segregation and reduction, as well as the use of a new online waste management portal that will allow us to harvest more categorised data in real time.



¹ Based on EU retail sales and NEDC data

Aston Martin is investing in future technologies

HOW WE WORK

Our Environmental Policy guides all aspects of our approach to the environment, and will be reinforced by our new ESG strategy (see pages 71-75). The core elements of our Environmental Policy are:

- Comply as a minimum with all relevant environmental legislation as well as other environmental requirements, while continuing to strive beyond these targets wherever possible
- Commit to ongoing reductions in energy, water and other resource consumption in the manufacture and operation of our vehicles, and an ongoing reduction in our carbon footprint
- Assess through a risk-based approach the threats and opportunities of climate change to the Company, our activities, products and services and prepare appropriately. The environmental risk register is reviewed with senior management quarterly and significant risks aligned with the corporate risk register

- Set, monitor and strive to meet all objectives and targets for managing our environmental performance, including energy, water and waste consumption, to ensure strict control over the environmental aspects of all products, processes and facilities
- Minimise the impact of the Company's activities, products and services on the environment through effective waste management, working closely with its Total Waste Management Contractor
- Give due consideration to environmental issues and energy performance in acquisition, design, refurbishment, location and use of buildings
- Promote sustainable product design and construction with consideration from a lifecycle perspective, using low-carbon and renewable energy resources wherever possible
- Operate and maintain an environmental management system in line with ISO 14001:2015 that is externally audited annually by accredited auditors
- Communicate our environmental policy internally and externally, working with our employees, suppliers and partners to promote improved environmental performance and encourage feedback
- Have in place arrangements for potential and actual environmental incident investigations and provisions have been made for the effective control of contractors' activities while on Aston Martin sites
- Measure and review our overall environmental performance in order to identify trends. Preventive and corrective measures will be produced to reverse adverse trends and move towards implementing best practice through continuous improvement
- Review our environmental management system performance, objectives and targets and environmental policy annually to check they are in line with ISO 14001:2015, that they are appropriate, and to ensure continual improvement of the environmental management system

OUR IMPACT

GREENHOUSE GAS EMISSIONS

Our greenhouse gas emissions for the entire Group reported here are in accordance with the Greenhouse Gas Protocol Corporate Standard for the year to 31 December 2021. These are monitored throughout the year to enable us to make continued improvements wherever possible. The intensity ratio is measured as tonnes of GHG Scope 1 & 2 CO₂ emissions per vehicle manufactured as it reflects the energy intensive nature of our business and the impact of the growth of our business on our immediate surroundings.

METHODOLOGY

We calculate our greenhouse gas 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. The DEFRA emissions factor for 2021 is then used to calculate the figures.

TOTAL GREENHOUSE GAS EMISSIONS

	2018	2019	2020	2021
GHG Emissions Under Scope 1 (tCO ₂ e)	6,950.92	8,981.40	9,200.67 [▲]	8,705.35 [▲]
GHG Emissions Under Scope 2 (tCO ₂ e) – Location based*	7,493.70	8,683.50	7,545.86** [▲]	7,366.72** [▲]
GHC Emissions Under Scope 2 (tCO ₂ e) – Market based*	5,899.90	3,484.61	687.28** [▲]	192.38** [▲]
GHG Emissions Under Scope 3 (tCO ₂ e)	13,331.11	8,806.94	6,620.37 [▲]	6,446.74 [▲]
UK Total Gross Scope (Scope 1 & Scope 2)	14,444.61	17,664.90	16,642.17 [▲]	15,984.15 [▲]
ROW Total Gross Scope (Scope 1 & Scope 2)	–	–	104.36 [▲]	101.82 [▲]
Total Gross Scope (Scope 1 & Scope 2)	14,444.61	17,664.90	16,746.53 [▲]	16,085.97 [▲]

* Market-based and Location-based approach adopted to quantify Scope 2 GHG emissions from 2018

** Scope emissions calculations include ROW operations

[▲] Values assured by ERM CVS

"We constantly strive to go beyond minimising our impact on biodiversity guided by our Biodiversity Action Plan."

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. The DEFRA/IEA emissions factor for 2021 is then used to calculate these figures.

Scope 3 – Includes emissions from business air travel, management car miles, personal car mileage, employee commuting figures and water. The DEFRA emissions factor for 2021 is then used to calculate the figures.

ENERGY EFFICIENCY

Our emissions intensity decreased by 44% to 2.78 tCO₂e per unit between 2020 and 2021. This was mainly driven by a recovery in production levels, as the total number of vehicles manufactured rose from 3,343 in 2020 to 5,778 in 2021.

BIODIVERSITY

Aston Martin has a detailed understanding of biodiversity around six operational sites. The sites cover a variety of habitats, including species-rich grassland, hedgerows, trees, drainage ditches and disturbed ground, all of which have a high wildlife value. Examples of the wide variety of flora recorded include yellow sedge (*Carex Viridula Oedocarpa*) and bee orchid (*Ophrys Apifera*). Species of wildlife that can be found range from bird species such as the Grasshopper Warbler (*Locustella Naevia*) to butterfly species such as the Common Blue (*Polyommatus Icarus*).

As well as complying with strict statutory environmental regulations and best-practice standards such as ISO 14001:2015, we constantly strive to go beyond minimising our impact on biodiversity guided by our Biodiversity Management Plan and corporate leadership to create net positive biodiversity gain at our manufacturing facility locations. For example, we have wilderness areas with long un-cut grass to encourage wildlife, have enhanced natural habitats for a range of species including the creation of protective habitats for our great crested newts at our Gaydon site, and we are planning for our own Aston Martin bee hives in early 2022. Our site at Gaydon is home to a nature conservation area, which includes a trail for employees and customers. In 2022 we will update our Biodiversity Management Plan and explore the opportunity to align this with the Science-Based Target Network Action Framework for Nature.

GREENHOUSE GAS EMISSIONS PER UNIT

	2018	2019	2020	2021
Manufactured Volume (units)	6,432	6,176	3,343 [^]	5,778 [^]
Total Scope 1 Emissions per unit	1.08	1.45	2.75 [^]	1.51 [^]
Total Scope 2 Emissions per unit	1.17	1.41	2.26 [^]	1.27 [^]

[^] Values assured by ERM CVS

TOTAL ENERGY CONSUMPTION WITHIN ORGANISATION

	2018	2019	2020	2021
Electricity (MWh)	26,472.94	33,973.01	32,144.15** [^]	34,506.66** [^]
Gas (MWh)	33,733.53	43,574.51	44,796.00 [^]	43,923.02 [^]
Diesel (MWh)~	–	14.92	4.34 [^]	72.93 [^]
Gasoline (MWh)	3,236.56	2,712.98	1,779.25 [^]	2,450.28 [^]
LPG (MWh)	–	563.60	43.52 [^]	Nil [^]
UK Total Consumption	63,433.03	80,839.02	78,573.14 [^]	80,952.90 [^]
ROW Total Consumption	–	–	194.11	230.96
Total (MWh)	63,433.03	80,839.02	78,767.26	81,183.86

~ Values in this table have been restated as we do not have any direct diesel usage within the organisation

[^] Values assured by ERM CVS

** Includes ROW operations in calculation

PRODUCT SAFETY

Product Safety is among our top priorities when developing our vehicles, with the safety of both our customers and other road users in mind. The safety features installed in our vehicles are developed to enable the highest standards of performance without compromising safety.

All our products are compliant in all markets in which they are sold. Certification is achieved respecting the applicable requirements in each of the respective countries or markets. The vehicle certification in each of the respective countries is maintained and supported by our conformity of production activities.

PRODUCT SUSTAINABILITY

We continually look to make improvements to the CO₂ footprint of our products, while investing in new technologies to further reduce their carbon impact. We understand that having hybrid and electric options for our vehicles is imperative to the Company's future in this industry, and our partnership with Mercedes-Benz AG is fundamental to this.

We are targeting to launch our BEV in 2025. All new car lines will have the option of an electrified powertrain by 2026 (PHEV or BEV).

By 2030, our Sport/GT and SUV portfolio will be fully electrified, and we expect more than 90% of the cars we sell to be PHEV and BEV. Whilst developing alternatives to the internal combustion engine, we may continue to make some vehicles based on customer demand.

WASTE MANAGEMENT

The management of Aston Martin's waste is governed by a stringent regulatory framework and we operate in line with best practice industry standards such as ISO 14001:2015 Environmental Management Systems. Over recent decades we have continued to focus on reducing waste as part of a wider commitment to minimising our impact on the environment. This has enabled Aston Martin to continue to successfully divert 100% of our waste from landfill.

Our Waste Working Group has delivered a number of critical actions during 2021 to make sure we are equipped to achieve a step-change in waste management performance going forward. In 2021, our Environment Team completed a comprehensive waste streams mapping exercise, including a deep dive analysis to provide enhanced data on waste generated by Aston Martin's production processes and

operations. This has enabled improvements to waste segregation and reduction, as well as the use of a new online waste management portal that will allow us to harvest more categorised data in real time and, backed by new KPIs, will enable more agile decision-making to achieve our objectives.

Other key elements of our ongoing drive towards reducing waste include rigorous internal and external audits, employee training and sustainable procurement.

WATER CONSUMPTION

Water consumption continues to be a focus for the business following the introduction in 2018 of a water management system to measure and monitor our water consumption, recycling and discharge levels. This system has enabled us to identify areas of high usage and to implement water saving measures.

During 2021, our dedicated Water Working Group developed a Water Savings Opportunities Action Plan, which is now being implemented across our operations. The Action Plan sets out new KPIs based on a more holistic suite of baseline data and a range of measures that will support our drive towards a 15% reduction in water usage by 2025 (against a 2019 baseline, due to unusually low water usage in 2020 as a result of COVID-19 lockdowns). These measures include developing an enhanced water-usage monitoring capability integrated with all aspects of Aston Martin's manufacturing operations, exploring opportunities for investing in new rainwater capture, improving efficiencies in manufacturing processes utilising water and installing water saving devices.

PRODUCT CO₂ EMISSIONS

	CO ₂ (G/KM) #
Vantage Coupe	264
Vantage Roadster	263
DB11 V8 Coupe	254
DB11 V8 Volante	257
DB11 V12 Couple	303
DBS Superleggera V12	306
DBS Superleggera V12 Volante	306
DBX V8	323
V12 Speedster	298
Valkyrie	543

* Figures based on WLTP test cycle

WASTE MANAGEMENT

	2018	2019	2020	2021
Total waste (tonnes)	1,800.00	1,566.02	394.39	858.62
Reused (tonnes)	43.11	40.21	8.72	6.40
Recycled (tonnes)	1,262.86	987.81	243.82	380.60
Recover (tonnes) (Waste to Energy)	494.03	538.01	141.85	471.62

WATER CONSUMPTION (M3)

	2018	2019	2020	2021
Water consumption (M ³)	54,029.25	59,233.78	34,477.65	64,681.40

Note: These figures represent the water consumption at our UK sites only.

“During 2021, our dedicated Water Working Group developed a Water Savings Opportunities Action Plan, which is now being implemented across our operations.”

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Aston Martin is committed to becoming the world's most desirable ultra-luxury British performance brand, and the Board recognises the scale of the climate emergency and its potential impact on the automotive industry. We believe businesses have an important role to play in taking decisive action to fight climate change and achieve the Paris Agreement's objective of reducing global average temperature increases to well below 2°C by 2100, and we have a clear commitment to set near- and long-term Company wide emission reductions in line with science-based net-zero with the SBTi.

We have implemented the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and this, our first TCFD Report, provides an update for each of the four TCFD pillars: Governance, Strategy, Risk Management and Metrics and Targets. We established a TCFD Working Group who conducted a thorough assessment of the physical and transitional risks and opportunities that we face which could affect our strategy and business model under three different warming scenarios, a 1.5°C, 2°C, and 4°C average increase in global temperatures by 2100.

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

We have already commenced a number of actions to reduce the Company's impact on the environment including:

- sourcing 100% renewable energy (since 2019);
- exploring the use of sustainable materials (e.g., green aluminium) within production;
- implementing initiatives to reduce plastic waste and water consumption within our operations;
- eliminating waste being sent to landfill (since 2019);
- reducing average fleet emissions across our vehicle portfolio; and
- committing to our journey towards electrification with the planned launch of our first PHEV in 2024 and targeting BEV launch in 2025, with a fully electrified Sport/GT and SUV portfolio by 2030.

This Report, together with cross references to other sections of this report and the Sustainability Report where appropriate, outlines how we have complied with the 11 recommended disclosures, or explained where further work is required to do so, as prescribed by the TCFD. As our scenario assessment matures we shall provide further disclosure regarding the resilience of our strategy under certain modelled scenarios.

GOVERNANCE

During the year Aston Martin established a Sustainability Committee whose purpose is to oversee and monitor on behalf of the Board the implementation of the Company's ESG strategy and to provide a general oversight of sustainability initiatives across the Company. The Committee will meet at least twice a year and will be responsible for governance of climate-related risks and opportunities. The Committee is chaired by Anne Stevens, Independent Non-Executive Director, and provides strategic guidance on climate and environmental matters with regular reporting to the Board. Significant climate risks are also fed into the Risk Management Committee to be managed using our business-wide enterprise risk management procedures and incorporated into the corporate risk register where appropriate (refer to the Risk and Viability Report on pages 38-43 for more information on how we manage risk within the Group).

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, and sourcing of 100% renewable energy within our operations.

A cross functional TCFD Working Group has been established, with representation from Risk Management, Supply Chain, Finance, Sustainability, Sales and Marketing and Manufacturing to lead our activities to ensure compliance with the TCFD requirements. Significant climate-related risks which have been identified by the Group are assigned to functional Risk Champions to develop appropriate risk mitigation plans. The Audit and Risk Committee then provide oversight of the corporate climate-related risks. Each function maintains a comprehensive risk register which is reviewed twice a year by the Risk Management Committee.

STRATEGY

We have undertaken scenario analysis modelling to assess 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 (next two years) and medium (two to five years) term 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 TCFD Working Group engaged a third-party consultancy SME to build our scenario analysis model. The model evaluated the potential impacts of both transition and physical risks and opportunities on Aston Martin with risks being categorised in accordance with TCFD recommendations in three warming pathways as shown in the table below:

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)
SOCIAL 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

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 greenhouse gas 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 Aston Martin's commercial resilience we also considered different socioeconomic futures, known as the Shared Socioeconomic Pathways (SSPs).

The key significant risks and opportunities which have been assessed and incorporated within the scenario analysis are shown in the table below. The risks have been summarised within the Climate Change principal risk on page 40.



SUPPLY CHAIN



MANUFACTURING & DISTRIBUTION



CUSTOMER

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)

Supply chain disruption exacerbated by reliance on single-source vendors for certain components

Increasing insurance costs due to a hardening Property Damage and Business Interruption market caused by additional climate-related damage claims

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)

Inability to maintain pace with technological advancement and remain competitive (e.g., transition to electrified powertrains and incorporation of sustainable materials in the product)

Brand/reputational damage arising from association with unethical supply chain activities (e.g., precious metal sourcing and continued use of leather)

Lack of a globally-coordinated transition to EVs may result in increased market segmentation and the need for a more diverse product portfolio

Aston Martin EV portfolio is not price competitive due to its low volume strategy and inability to drive material/component costs down

Implications of not keeping pace with regulations across key markets, in particular potential loss of small volume derogation

Increasing carbon related taxes/import duties designed to limit the use of high-emissions vehicles, particularly within urban areas

Restricted access to affordable capital due to not meeting ESG criteria for potential investors

Inability to attract and retain appropriate talent caused by a more competitive and progressive, ESG-orientated local labour market

Inability to convert traditional ICE customer base to an Aston Martin EV vehicle proposition

Market disruption from technology-orientated corporates/new entrants developing non-ICE alternative powertrain vehicles

Changes in social norms towards environmentally-friendly buying decisions may reduce demand for current product portfolio faster than expected

Inability to attract new customers who have an alternative perception of luxury to our historical/traditional customer base

Inability to create a credible sustainability narrative while continuing to sell ICE vehicles

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

Potential for strategic partnerships with other organisations, for example to provide carbon offset schemes at point of customer purchase

Develop a reputation for building a strong, credible ESG narrative and sustainability focus across the value chain

Maximise revenue and profit opportunity from the sale of the last generation of core ICE vehicles

Secure operational cost efficiencies through waste reduction, more efficient use of water and more efficient energy consumption

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	Long-term		●	●	Physical Acute
• Increased capex/R&D • Asset write-offs/impairment	Short-term	●	●		Technology
• Decreased revenue	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	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	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	●	●	●	

RISK MANAGEMENT

Refer to pages 38-43 of the Risk and Viability Report 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 Enterprise Risk Management Framework and System. Our climate-related risks and opportunities have been classified using the TCFD recommended classifications as summarised in the table on the previous page.

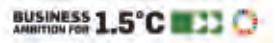
The financial and strategic resilience impacts of our scenario analysis modelling of climate-related risks and opportunities will be further assessed during 2022.

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 below.

Significant climate-related risks have been incorporated into the appropriate functional risk registers where we maintain a description of the risk, assess its likelihood and impact, assign a risk owner and identify and track mitigating activities.

METRICS AND TARGETS

Our ESG strategy includes a number of climate-related ambitions and targets which demonstrate the Company's commitment to tackling climate change in the short, medium and longer term. We are committed to the Science Based Targets initiative (SBTi) Net-Zero Standard and are committed to setting near- and long-term Company-wide emission reduction targets in line with the SBTi. These targets will be validated by the SBTi over the next 24 months.



TRANSITION RISKS	MITIGATING ACTIONS TAKEN/PLANNED TO BE TAKEN TO ADDRESS RISKS		
POLICY Managing our exposure to changes in legislation	<ul style="list-style-type: none"> R&D investment to develop lower fleet emissions portfolio Maintenance of small volume derogation status exemptions where available 	<ul style="list-style-type: none"> Establishment of emissions-pooling agreements with third parties to manage exposure to carbon pricing 	<ul style="list-style-type: none"> Consideration of forward purchasing of carbon offsets to manage exposure to increased pricing and reduced capacity
TECHNOLOGY Modifying our product offering	<ul style="list-style-type: none"> R&D investment in EV technology Improving energy efficiency in our manufacturing plants 	<ul style="list-style-type: none"> Strategic co-operation agreement with Mercedes-Benz AG to provide access to EV powertrains 	<ul style="list-style-type: none"> Investment in use of alternative sustainable materials within vehicles
MARKET Adapt to meet customer needs and desires	<ul style="list-style-type: none"> Continued focus on waste reduction and elimination Zero plastic waste target to be achieved by 2025 	<ul style="list-style-type: none"> Working with our supply chain to reduce global emissions and waste 	<ul style="list-style-type: none"> Development of electrified options within the product portfolio to meet customers' ICE and EV needs
REPUTATION Positioning Aston Martin as an ultra-luxury sustainable brand	<ul style="list-style-type: none"> Development of our ESG strategy to respond proactively to climate change Transparent disclosure of our GHG emissions through publication of our Sustainability Report 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Clear strategy to electrify our product portfolio and increase use of sustainable materials (including green aluminium)

Refer to the Environmental, Social and Governance Report (page 48) for details of our GHG Scope 1, 2 and 3 emissions and our 'Sustainability Report' for more detail relating to targets we have set and monitor in relation to climate change. In summary, these include:

<p>2020</p> <p>100% use of renewable energy within manufacturing facilities</p>	<p>2026</p> <p>NEW CAR LINES all new car lines to have the option of an electrified powertrain by 2026 (PHEV or BEV)</p>
<p>2021</p> <p>GHG EMISSIONS Scope 1 and 2 emissions intensity per unit reduced 44% to 2.79 tCO₂e between 2020 and 2021</p>	<p>2030</p> <p>ELECTRIFICATION ambition to develop fully electrified Sport/GT and SUV portfolio by 2030</p>
<p>2022</p> <p>SBTi development and validation of SBTi targets</p>	<p>NET-ZERO ambition to achieve net-zero emissions from our manufacturing facilities by 2030*</p>
<p>2024</p> <p>FIRST PHEV Aston Martin commences customer deliveries</p>	<p>30% reduction in supply chain emissions from 2020 baseline</p>
<p>2025</p> <p>ZERO PLASTIC packaging waste by 2025</p> <p>FIRST BEV targeting launch in 2025</p> <p>15% reduction in water consumption (from 2019)</p>	<p>2039</p> <p>NET-ZERO ambition to achieve net-zero emissions in the supply chain by 2039*</p>

* These net-zero targets pre-date our commitment with SBTi and will be rolled into our future near- and long-term Company-wide emission reductions targets in line with the science-based net-zero standard with the SBTi, which will be validated in the next 24 months.

This concludes the TCFD section of the report.

STRATEGIC ENERGY ACTION PLAN HIGHLIGHTS

1

Onsite renewable energy generation, including reviewing options for Solar Photovoltaic (Solar PV) installation and generation at our manufacturing sites and, over the longer term, exploring feasibility of combined heat and power using low carbon fuels.

2

Investing in advanced energy management systems to dynamically optimise production efficiency by using real-time energy usage data and improved heating, ventilation, and air conditioning controls.

3

Adopting industry best practice, including utilising the net-zero Science-Based Targets initiative (SBTi) standard as a framework for achieving a robust carbon reduction roadmap towards net-zero.

4

Innovating new manufacturing processes, including investigating heat cross transfer from compressor and paint shop operations, and maximising the use of 3D printing.

5

New training programmes to ensure all employees are concentrated on the need to minimise energy usage across all functions.

SOLAR PV GENERATION FOR ST ATHAN



In 2021 Aston Martin progressed a major project that will deliver 6.4MW of onsite Solar PV generation capacity at our St Athan plant. Subject to planning approval and agreement on connection to the national electricity distribution network, during 2022 over 14,000 solar panels will be installed, capable of generating around 20% of the plant's total annual demand. We are also continuing to explore the potential installation of up to 2.5MW of Solar PV at our Gaydon site.

14,000

solar panels at St Athan will generate around 20% of the plant's total annual electricity demand

CARING FOR OUR PEOPLE SOCIAL

HEALTH AND SAFETY SAFETY

During 2021, we continued our industry-leading track record on safety and in December received our tenth consecutive British Safety Council Sword of Honour. The British Safety Council Five Star Audit is a comprehensive, contemporary, quantified audit process, which allows health and safety performance to be tested against the latest legislation, recognised standards and best- practice techniques. It provides a quantified outcome with detailed recommendations against a contemporary best-practice specification (including the requirements of ISO 45001) over and above current Occupational Health and Safety Management Systems standard requirements. The audit specification model includes six best practice indicators which are continually assessed throughout the audit process:

- Leadership;
- Stakeholder engagement;
- Risk management;
- Organisational health and safety culture;
- Continual improvement; and
- Wellbeing.

Each year, only those organisations that have achieved a five-star result are invited to apply for a Sword of Honour, with only a select few attaining this prestigious award.



Aston Martin has been recognised for pioneering best-practice to keep our employees safe while successfully maintaining production and positive change across the business.

Throughout 2021 we continued to maintain our COVID-secure guidelines in order to protect our people and build on our existing COVID-19 corporate update portal, providing the latest information and Company actions in one place, accessible to all employees at all times.

We continued to work closely with employees and trade unions to further develop and implement protocols to protect employee health and safety in our production facilities in line with the evolving government advice.

The safety and wellbeing of our staff has been a key business priority during the COVID-19 pandemic

WELLBEING AND HEALTH AND SAFETY (AS AT 31 DECEMBER 2021)

	2019	2020	2021
Accident Frequency Rate*#	1.04	1.44	1.01
Sword of Honour Award	8 TH CONSECUTIVE TIME	9 TH CONSECUTIVE TIME	10 TH CONSECUTIVE TIME
BSC Health and Safety audit score	94.44%	94.40%	94.29%

* Accident Frequency Rate (AFR) – for Aston Martin Lagonda UK employees/200,000 manhours (or per 100 employees)

This figure only includes UK employees

This included maintaining a safe environment to enable people who needed to be on-site to return to work, while still supporting those who could work from home to do so effectively. We removed the temperature checks on arrival and brought in twice-weekly lateral flow testing for those working at our sites initially administered by a nurse, healthcare professional or first aider, and latterly, successfully moved to self-testing in the last quarter of the year. The rapid flow antigen test (lateral flow) has proven effective in providing rapid results, helping to stop the spread of the virus among our employees and their families.

We continued to mandate the use of masks throughout the year when moving around our UK facilities, working on the shop floor and in situations where social distancing was not possible, even if this meant going beyond UK Government advice. We also encouraged the continuation of social distancing, and hand sanitiser remained available throughout 2021.

WELLBEING

Our relentless focus on safety mirrors our wider commitment to supporting the wellbeing of our employees. During the pandemic we have extended this commitment to build on the comprehensive range of benefits available to employees across the Company, including dedicated healthcare provision, on-site health assessments, discounted gym membership and a free, confidential helpline offering access

to counselling. Mental health has been a key priority with a number of new initiatives delivered, including new tools provided through the 'Thrive' employee app and mental health training delivered to Aston Martin's leadership team.

SUSTAINING A WORLD-BEATING TEAM SKILLS AND TRAINING

Making sure our employees are equipped with the right skills and can advance their professional development is a key part of making sure Aston Martin continues to have a world-beating team ready to drive our future success. In 2021, 24 apprentices graduated from our four-year apprenticeship programme and we have 44 apprentices currently in our programme, with a first tranche of 18 new apprentices expected to start the programme and their early career in September 2022.

Every employee at Aston Martin can access training opportunities tailored to their needs and aspirations. This includes enabling employees to work towards Chartered Institute of Management and MBA qualifications. In 2021 we continued to increase the courses available to employees through our e-learning platform which now has over 200 courses.

PROMOTING STEM

In order to sustain a world-beating team it is essential to inspire young people about the exciting possibilities of a career in manufacturing. This underpins Aston Martin's

extensive engagement and long-standing partnerships with local schools. During 2021, we successfully maintained our work with young people, with a continuing focus on promoting science, technology, engineering and mathematics ('STEM'). Encouraging the uptake of STEM subjects not only helps ensure young people are equipped to pursue careers in manufacturing but also enables Aston Martin to recruit people with the skills we need over the long term.

DIVERSITY AND INCLUSION

We are committed to creating, delivering and incentivising an inclusive employee experience that aligns with what the Company needs in order to deliver our strategy. Diversity is core to our principles of fairness and respect and drives creativity, innovation and strategic decision making. Developing and growing our diverse workforce is critical to our future success by better equipping us to deliver the needs of our customers now and in the future. We recognise that we have work to do in this area and that consistent and continuous actions to push a greater balance of diversity are vital. Broadening our diversity and inclusivity agenda has been a key priority for the Company in 2021, as part of our "I AM Aston Martin" workstream, which aims to make sure that employees can be their authentic selves at work. A priority for 2022 will be the inauguration of our Employee Inclusion Network.

EMPLOYEES BY GENDER (AS AT 31 DECEMBER 2021)[^]

	MALE	FEMALE	% FEMALE
Senior management team	6	-	0.0%
Senior leadership team	47	11	19.0%
Other employees	1,836	307	14.3%
Total	1,889	318	14.4%

EMPLOYEES BY REGION (AS AT 31 DECEMBER 2021)[^]

	MALE	FEMALE	% FEMALE
Asia Pacific	21	16	43.2%
EMEA	40	7	14.9%
UK	1,807	287	13.7%
Americas	21	8	27.6%
Total	1,889	318	14.4%

Note: Data by gender and region is shown for 2,207 permanent Company employees only

[^] Values assured by ERM CVS

EXTERNAL ASSURANCE OF RESPONSIBILITY AND PEOPLE DISCLOSURES

ERM CVS has provided limited assurance over selected metrics in the Environmental, Social and Governance sections of the Annual Report and Accounts, as indicated by the "[^]" Symbol. This is in accordance with the International Auditing and Assurance Standards Board's (ISAE3000 (Revised)) international standard. To see the ERM CVS assurance statement please visit www.astonmartinlagonda.com.

DRIVING FORCE



As part of our commitment to promoting diversity and inclusion, and as a sponsor of the ITV series *Driving Force*, Aston Martin worked with series Director-Creator Rosemary Reed to organise an event at Whitchurch High School in Cardiff to inspire girls to work in male-dominated industries. Five female Aston Martin apprentice engineers joined Aston Martin Cognizant F1™ Team Driver Ambassador, racing and stunt driver, Jess Hawkins to speak to pupils aged 11 to 16 about their experiences. The event was also supported by Girls on Track UK, a joint initiative between the Fédération Internationale de l'Automobile (FIA) and Motorsports UK to inspire girls and women into seeing and believing that there is a rightful and valuable place for them in the motorsports industry and show that there are opportunities for all, regardless of interests, gender and race. The Driving Force event further reflected Aston Martin's ongoing commitment to promoting science, technology, engineering and maths (STEM).



Aston Martin Cognizant F1™ Team Driver Ambassador, racing and stunt driver, Jess Hawkins joins five female Aston Martin apprentice engineers on a visit to Whitchurch High School in Cardiff as part of a national effort to inspire girls to work in male-dominated industries

During 2021, the work of our Diversity and Inclusion Working Group, chaired by the Director of Reward and Policy, continued. This working group wrote the new Diversity and Inclusion Policy, which was approved by the Board at its meeting in December. The working group has set itself a number of targets including a commitment to collect and publish a wider set of demographic data and a relaunch of the Aston Martin Female Advisory Board.

We also appointed in the course of the year three women to the Board, Natalie Massenet, Marigay McKee and Anne Stevens, and have committed to achieve the Parker Review recommendation that at least one Director on the Board is from an ethnic minority background, by 31 December 2024.

We remain committed to offering equal job opportunities for all, irrespective of gender, and continue to invest in initiatives to attract and retain the best possible talent for our organisation. Operating within the manufacturing and engineering industry has historically led to a higher proportion of men than women in our workforce. Our gender diversity figures are set out in the table on page 62,

and our Gender Pay Gap (GPG) report is available at www.astonmartinlagonda.com. Our mean pay gap has increased from 2.6% in 2020 to 6.9% in 2021, largely due to the temporary salary and fee waivers taken by Board members and senior management received during 2020. The full GPG report sets out and explains our numbers in detail, together with the initiatives we operate to focus on addressing gender diversity in our workforce. The findings from our GPG report help to enable us to continue to drive and evolve our initiatives to ensure we are able to promote diversity across the business, ensuring we are able to recruit, develop and retain talented men and women. We will continue to monitor our pay gap and recognise that it will take time for the full impact of our initiatives to be evident in these figures. We are committed to focusing on and exploring the best ways to encourage and enable our employees to develop and succeed at Aston Martin, including into the most senior positions.

In 2021 we also started a process to commit to 'Valuable 500', a global business collective innovating together for disability inclusion, and in 2022 will be delivering plans as part of being

a committed member of the UK Government's Disability Confident scheme. We have also progressed our engagement with 'Racing Pride', an innovative movement developed to promote LGBTQ+ inclusivity within the motorsport industry and among its technological and commercial partners.

EQUAL OPPORTUNITIES

We are committed to building and maintaining a workplace and culture where all our people feel connected to Aston Martin's purpose, that they have a voice, will receive equal treatment and can develop to reach their full potential irrespective of their gender, gender identity or expression, ethnicity, race, nationality, origin, religion or belief, age, sexual orientation, disability, marital status, or any other characteristic protected by law.

OUR PEOPLE VISION

Our people vision is 'to create a fulfilling and rewarding experience that enables our people to flourish' and is part of our People strategy.

The People strategy has been developed to accelerate progress in creating and sustaining a world-class employee experience. The pillars of our strategy centre around our I AM culture and include aspects such as embedding our I AM values, driving improvements to diversity and inclusion, a focus on employee engagement, clear communication and growing our team to meet the business's future capability needs.

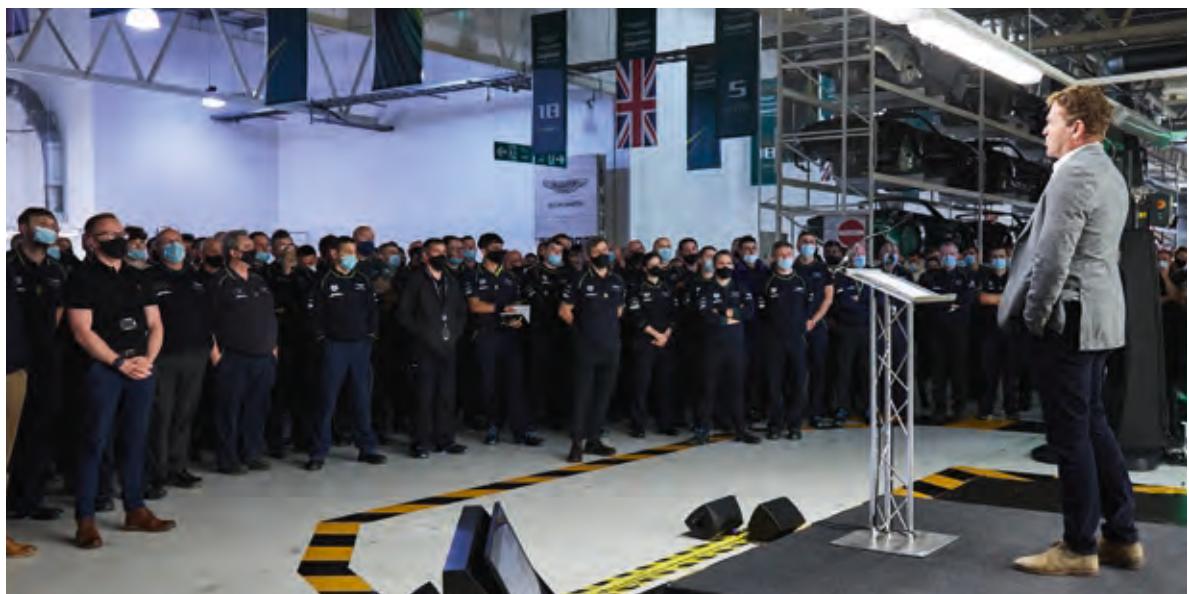
Delivery of the People strategy is overseen by the People Forum, which meets on a monthly basis. The Forum, chaired by our Director of HR, assumes responsibilities previously overseen by the 'People Committee'.

OUR VALUES

Our organisational values are: honest, transparent, accountable and courageous. We are currently partnering with employees from across the organisation to develop a deep understanding of how our values are lived. Through a series of focus groups, employees have shared their experiences of what makes Aston Martin unique and their vision for the future. Alongside the feedback from the I AM Engaged survey, this has been an important step in co-creating what Aston Martin stands for.



Aston Martin's apprenticeship programme forms a key part of the Company's commitment to supporting the next generation of British talent and skills



The return of Town Hall events has allowed employees the chance to hear directly from leadership

EMPLOYEE ENGAGEMENT

During 2021, work has continued on 'I AM Aston Martin', our culture transformation programme. In 2021 we conducted our global I AM Engaged survey, receiving feedback from 80% of employees.

Following the survey, our priorities for engagement were set as:

- delivering a shared vision; and
- strengthening a high-performance culture.

In December 2021, CEO Tobias Moers shared the future vision for the Company with all employees, followed by an exclusive employee event to reveal our 'Showroom of the Future'. Round Table events have enabled employees to hear first-hand the thoughts and perspectives of the CEO and have been a key mechanism to continue the dialogue on the experiences and engagement of our people.

Aston Martin employees have also been engaged in shaping our organisation values. An open invitation saw employees from across all parts of the business come together in focus groups to help shape the behaviours which will help Aston Martin succeed in the future. The launch of the values will continue into 2022 to become part of how we attract, grow and develop our people.

TRAINING AND EMPLOYEE DEVELOPMENT

Aston Martin offers a four-year apprenticeship programme to equip new employees with the skills they need to fulfil a range of roles across

the business. Every colleague at Aston Martin can access training opportunities tailored to their needs and aspirations. This includes enabling employees to work towards Chartered Institute of Management Level 3 in Management and Level 5 in Leadership and Management, as well as APM Level 4 in Project Management, Data Analytics Level 4, and MBA qualifications.

REWARDS AND BENEFITS

Passionate, motivated and professional people are critical to the success of Aston Martin and, to attract and retain the best talent available, our pay and benefits must be competitive. Our aim is to foster a culture where everybody feels valued, motivated and rewarded to achieve their best work. Our reward offering is overseen by the Remuneration Committee which, as well as having responsibility for senior executive pay, considers remuneration across the whole Company.

The philosophy and principles that apply to remuneration at the Company are applied consistently throughout the organisation, with an emphasis on a pay for performance approach. All employees are eligible for an annual bonus based on performance and at a senior level, there is a greater emphasis on long-term, sustainable performance and alignment with the shareholder experience. The key difference between executive remuneration and that for the wider workforce is therefore that a higher proportion is at risk and dependent on Company performance.

Pay, terms and conditions for Non-Management grades are subject to Trade Union negotiation, with any changes, including any general increases, agreed on a regular basis. In 2021, the Company introduced a new Company-wide annual bonus with a Group scorecard of performance measures to better reflect annual progress on the business plan and latest KPIs. The Group scorecard was cascaded throughout the Company to apply to annual bonus for all employees, providing strong alignment of focus and a 'One Team' approach. As part of the 2021 agreement, the Company also agreed a grade protection policy, offering protection for restructure/organisational job changes or long-term ill health, and a home-working policy, to support employees who can effectively work from home.

During 2021, the Company reviewed the Aston Martin Lagonda Limited Pension Scheme (the Defined Benefit Scheme) and proposed to close this scheme to future accrual. A consultation process with affected employees (c. 400 members) was carried out during 2021, and the Company also engaged with the Trade Union on the proposals. Following this consultation, the Company decided to close the Defined Benefit Scheme to future accrual on 31 January 2022, with all employees who were active Defined Benefit Scheme members immediately before the closure becoming deferred members and automatically joining the Company's competitive Defined Contribution plan (of which the majority of employees are already members).





“Our partnership with Aston Martin has been invaluable. Thanks to Aston Martin’s support, the life chances of thousands of young people who we work with have been transformed.”

BEN MARSON
DIRECTOR OF PARTNERSHIPS
THE PRINCE’S TRUST

SUPPORT FOR COMMUNITIES AND CHARITIES

All of Aston Martin’s sites provide invaluable employment opportunities and contribute to the economic wellbeing of surrounding communities. However, our contribution to supporting the communities we are part of goes much further. In addition to our partnerships with local schools to promote careers in STEM, Aston Martin works to support local charities and good causes chosen by employees across the business. Although difficult circumstances during 2021 meant we could not undertake a number of activities, we are planning to rebuild our support for local charities during the year ahead.

The Company is also committed to supporting communities and helping those in need nationally. In 2021 we reignited our work with The Prince’s Trust, a youth charity that helps vulnerable young

people aged 11 to 30 to access employment, education and training. Since 2016, Aston Martin has helped to raise over £2 million for The Trust. As well as direct gifts, support and sponsorships totalling more than £200,000, in 2021 we donated an Aston Martin Vantage that helped raise £500,000 for The Trust via the Omaze prize draw.

WORKING WITH OUR STAKEHOLDERS

Aston Martin proactively engages with a wide range of stakeholders. In addition to local communities and charities, we also engage industry bodies such as the Society of Motor Manufacturers and Traders, the leading representative body for the UK automotive sector, parliamentarians, and stakeholders across the UK and Welsh governments. For further information on stakeholder engagement, see pages 44-45.

GOVERNANCE

As a signatory of the UN Global Compact we are committed to doing business in an ethical and transparent way. This approach is essential to ensure that our growth is sustainable and provides shared value for our stakeholders. We are committed to comply with the regulatory context of all countries in which the Company operates and to ensure our cars are compliant with the regulation for the markets in which they are sold.

Our Standards of Corporate Conduct apply to all full and part time employees of the Group, and to all temporary, contract and all other individuals and companies that act on behalf of the Group.

The Standards of Corporate Conduct established a series of principals and guidelines of conduct that ensures ethical and responsible behaviour in a number of areas such as: Anti-Bribery and Corruption, Confidential Reporting and Whistleblowing, Modern Slavery, Responsible Procurement and Diversity & Inclusion. The Internal Audit team investigates possible violations of the Standards of Corporate Conduct during periodic audits.

ANTI-BRIBERY AND CORRUPTION

Our policy is to conduct all of our business in an honest and ethical manner and a zero-tolerance approach is taken to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.

To ensure that the Company and its employees conduct business in an ethical and transparent way, we have a number of policies including Anti-Bribery and Corruption, Gifts and Hospitality and Confidential Reporting and Whistleblowing, that govern business conduct with our key stakeholders. These policies include the giving and receiving of gifts, meals and hospitality,

invitations to government officials, our approach to facilitation payments, and matters in relation to the appointment of dealers. We have a gift and hospitality register and an annual online training and certification process to monitor compliance whereby all employees are required to review all our Standards of Corporate Conduct and certify that they have read and understood them.

SUSTAINABLE SUPPLY CHAIN RESPONSIBLE PROCUREMENT POLICY

With our aim to improve the social, environmental and economic impact of our operations, we are committed to building a responsible supply chain with our partners. Our policies and practices are designed to promote quality and maintain high standards of sustainable and ethical sourcing.

The Aston Martin Responsible Procurement Policy was revised in 2021 to cover conflict minerals and our commitment to elimination of any identified breaches, as well as the core principles of Green Procurement, and also expanded our commitment to environmentally-friendly products and ISO14001 in line with our new ESG strategy. The Policy sets out the Company's commitment to the application of social, ethical and environmental principles in the supply chain. These principles are supported by Aston Martin procurement policies and practices, standard terms of conditions of supply and the standards for all Company employees, suppliers and sub-suppliers.

We seek commitment from the Company's existing suppliers and sub-suppliers as well as future suppliers to engage, communicate and promote the principles outlined within the Policy, including but not limited to our expectations around working conditions, regulatory compliance, safety, ethical and environmental commitments and eradicating any forms of slavery or human trafficking in line with the UK's Modern Slavery Act.

Our supply chain management process enables us to work closely with our suppliers to ensure all requirements are understood and supported, with performance monitored and tracked. A detailed overview of the Aston Martin Responsible Procurement Policy can be found on the Company's website: www.astonmartinlagonda.com.

SUPPLIERS BY REGION

The Company continues to be focused on sourcing the best suppliers globally, which includes increasing local spend, but also moving further afield than Western Europe. The reliance on Europe and the UK suppliers in 2020 was largely due to the impact of COVID-19.



HUMAN RIGHTS AND MODERN SLAVERY

Modern slavery, together with its components of forced labour and human trafficking, is a hidden crime and a growing world-wide issue exacerbated by the rapid rise in global migration, affecting an estimated 40.3 million people. This issue transcends age, gender and ethnicities. It includes victims trafficked from overseas and vulnerable people in the UK who are forced illegally to work against their will across many different sectors such as agriculture, hospitality, construction, retail and manufacturing.

Our new Anti-Slavery and Human Trafficking Policy provides employees, contractors and other business partners direction on our approach to and measures we have in place to prevent acts of modern slavery and human trafficking in the business and supply chain. These measures include training, issuing the Responsible Procurement Policy, conducting due diligence and regular audits of suppliers, and mitigation activities to address supply chain risks. We are required to publish an annual 'Slavery and Human Trafficking Statement' detailing the steps we have taken to ensure that slavery or human trafficking is not taking place in our supply chain.

To address this, we have established a cross functional Modern Slavery Working Group including representation from Human Resources, Legal, Procurement and Supply Chain, Internal Audit and Corporate Responsibility, who are responsible for implementing and maintaining the relevant policies, communication and training to combat modern slavery.

Over the course of 2021 no human rights violations were reported within the Group or our wider supply network. A copy of our Modern Slavery Act Statement can be found on our website at www.astonmartinlagonda.com.

WHISTLEBLOWING

We are committed to creating an environment of trust which is open, safe and secure, and it is important that our employees feel that they are able to raise genuine concerns of suspected wrongdoing without fear of suffering detriment or being victimised. Our Confidential Reporting and Whistleblowing policy has been developed with the aim of encouraging employees to voice any concerns they may have about any known or suspected wrongdoing in strict confidence and outlines the procedure to follow to bring this to

the Company's attention. The policy is widely available, and there is also annual mandatory training on this policy. Any concerns raised are managed by the Internal Audit and Risk Management team, and investigation reports are received and reviewed by the Chief Executive Officer as well as the HR Director and Chair of the Audit and Risk Committee.

There were four whistleblowing reports received in the year, three relating to potential breaches of Company policy/procedures and one potential conflict of interest. One case remains open at year-end. 50% of the reports received were reported directly to executive management with the other 50% reported via the online web reporting portal.

POLITICAL DONATIONS

It is the Company's policy not to make political donations and no such political donations were made during the period.

TAX STRATEGY

We are committed to complying with our statutory obligations in relation to the payment of tax including full disclosure of all relevant facts to the appropriate tax authorities. In managing our tax affairs, we recognise our responsibilities as a taxpayer and the need to protect the corporate reputation inherent in the brand.

The Board has ultimate responsibility for the Group's tax strategy although the day-to-day management rests with the Executive Committee which comprises the senior operational personnel of the Group. The Chief Financial Officer is the Executive Committee member with ultimate responsibility for tax matters and is the Senior Accounting Officer of the Group. The Chief Financial Officer advises the Board on the tax affairs and risks of the Group to ensure: (i) the proper control and management of tax risk; (ii) the tax position is planned in line with the Group's strategic objectives; (iii) the tax charge is correctly stated in the statutory accounts and tax returns; and (iv) all tax compliance is completed in a timely manner to HMRC and other tax authorities.

Further information on the Group's Tax Strategy is available on our website at www.astonmartinlagonda.com.

MEMBERSHIP OF ASSOCIATIONS DURING THE PERIOD

The Company is a member of a number of industry bodies and trade associations around the world, which enables the Company to create synergies with other organisations to improve business and to efficiently and sustainably develop industry and society.

AUTOMOTIVE COUNCIL

BRITISH SAFETY COUNCIL

CDP

CONFEDERATION OF BRITISH INDUSTRY (CBI)

EUROPEAN SMALL CAR MANUFACTURERS ALLIANCE (ESCA)

FÉDÉRATION INTERNATIONALE DE L'AUTOMOBILE (FIA)

FTSE4GOOD

ROYAL WARRANT HOLDERS ASSOCIATION

SOCIETY FOR MOTOR MANUFACTURES & TRADERS (SMMT)

UN GLOBAL COMPACT

WELSH AUTOMOTIVE FORUM

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	<ul style="list-style-type: none"> • Environmental Policy 	<ul style="list-style-type: none"> • ESG Disclosure, pages 50-60 • Sustainability Report, www astonmartinlagonda.com • Stakeholder Engagement, pages 44-45
Employees	<ul style="list-style-type: none"> • Diversity and Inclusion Policy • Group Health and Safety Policy • Confidential Reporting and Whistleblowing Policy • Gender Pay Gap Report 	<ul style="list-style-type: none"> • Caring for our People and Stakeholder Engagement, pages 61-67 • Gender Pay Gap, page 64 • Governance Report, pages 82-137 • Audit and Risk Committee Report, pages 108-114 • Remuneration Report, pages 115-137 • Gender Pay Gap Report, www astonmartinlagonda.com
Anti-Bribery and Corruption	<ul style="list-style-type: none"> • Anti-Bribery and Corruption Policy • Group Conflicts of Interest Policy • Hospitality and Gifts Policy • Anti-Money Laundering Policy 	<ul style="list-style-type: none"> • ESG Disclosures, page 48-75 • Governance Report, pages 88-101 • Audit and Risk Committee Report, pages 108-114
Human Rights	<ul style="list-style-type: none"> • Anti-Slavery and Human Trafficking Policy • Modern Slavery Statement 	<ul style="list-style-type: none"> • Modern Slavery, page 69 • Modern Slavery Statement, www astonmartinlagonda.com
Stakeholder	<ul style="list-style-type: none"> • Responsible Procurement Policy • Data Protection Policy 	<ul style="list-style-type: none"> • ESG Disclosure, pages 68-69 • Stakeholder Engagement, pages 44-45 • s.172 Statement, pages 146 • Board Activities, pages 97
Social	<ul style="list-style-type: none"> • Environmental Policy 	<ul style="list-style-type: none"> • ESG Disclosure, pages 50-60 • Stakeholder Engagement, pages 44-45
Non-Financial Key Performance Indicators		<ul style="list-style-type: none"> • Key Performance Indicators, pages 36-37 • Strategic Report, pages 5-81
Principal Risks		<ul style="list-style-type: none"> • Our Approach to Risk, pages 38-39 • Principal and Emerging Risks, pages 40-42 • Business Model, pages 30-31
Business Model		<ul style="list-style-type: none"> • Business Model, pages 30-31

DRIVING AMBITION: OUR NEW ESG STRATEGY

Our new Environmental, Social and Governance (ESG) strategy builds on our previous Environmental Policy and aims to establish Aston Martin as a world-leading sustainable ultra-luxury automotive business by embedding five core principles: tackling climate change; creating a better environment; investing in people and opportunity; exporting success; and delivering the highest standards. These principles reflect Aston Martin's long-standing approach to ESG, aligned with UN Sustainable Development Goals, as well as a deepened understanding of the issues that our customers, investors and stakeholders care about.



"Our new ESG strategy aims to establish Aston Martin as a world-leading sustainable ultra-luxury automotive business."

Accelerating action on tackling climate change is a key focus, with last year's UN Climate Change Conference underlining the urgent need for further action. As the business moves into a new era, now is the time to challenge ourselves to make a bigger difference.

By 2024 we will launch a next-generation PHEV and we are targeting the launch of our first BEV in 2025, with a fully electrified Sport/GT and SUV portfolio by 2030. Whilst embracing electrification, we also believe our sustainability ambitions must be broader than producing emissions-free vehicles. We want to ensure our own manufacturing footprint is sustainable and produce products with the least environmental impact possible. As well as transforming our products, we are also transforming how they are manufactured, and aim to achieve net-zero emissions arising from our manufacturing facilities by 2030, reduce supply chain emissions by 30% by 2030, and achieve net-zero across our supply chain by 2039. By 2025, we aim to eliminate plastic packaging waste and reduce water consumption by 15% compared to 2019, whilst maximising our use of sustainable materials and enhancing biodiversity across sites.

Other key goals of our ESG strategy include aiming for zero accidents and to have one quarter of leadership positions occupied by women within the next five years. We recognise the work that we still need to do alongside many of our peers in the automotive sector to boost female representation and promote diversity and inclusion more broadly.

Our new ESG strategy marks the start of a journey towards achieving a new level of ambition and will continue to develop over time. Our success in delivering its goals will be driven by a long term commitment that is powered by our enduring purpose, constantly reaching for new heights in performance by pioneering innovation and crafting perfection.

TOBIAS MOERS
CHIEF EXECUTIVE OFFICER

A WORLD-LEADING SUSTAINABLE ULTRA-LUXURY AUTOMOTIVE COMPANY

UNDERSTANDING WHAT MATTERS

A robust understanding of the issues our customers, investors and stakeholders care about has always been at the centre of Aston Martin's approach to ESG and is an important foundation of our new ESG strategy. In 2021 we commissioned a new Materiality Assessment that provided an up-to-date view of their sustainability issues and priorities.

METHODOLOGY

The Materiality was based on a three-stage process: desktop research, stakeholder engagement and analysis and findings.

DESKTOP RESEARCH

The desktop research enabled us to gain a deep understanding of issues that are frequently cited by stakeholders in reporting frameworks, benchmarks, ranking and indices, and investor reports. Over the course of the desktop research, we reviewed over 60 internal and external documents resulting in an initial ranking of issues.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement was conducted to understand the relevance and importance of sustainability issues through:

- Survey sent to 40 stakeholders who collectively represent a broad range of Aston Martin's diverse stakeholder groups and geographic markets*
- Interviews with seven internal and external stakeholders
- Facilitation of two internal focus groups.

The direct engagement also enabled us to identify the nuances around material issues, emerging trends and transversal challenges.

ANALYSIS AND FINDINGS

The final stage involved a detailed review of the insights gathered from the stakeholder engagement stage and a re-evaluation of the scores for the issues identified in the first stage.

A final materiality list was prepared to show the hierarchy of material issues via a material issues framework.

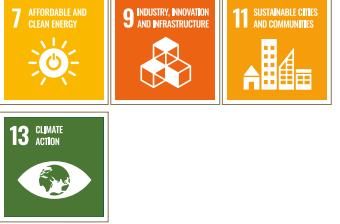
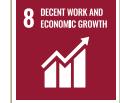
TACKLING CLIMATE CHANGE

-
- Climate risks and opportunities
 - Emissions from products
 - Emissions from production and operation
 - Resource use and circular economy
 - Sustainability governance and risk management
 - Innovation
 - Supply chain and sourcing
-

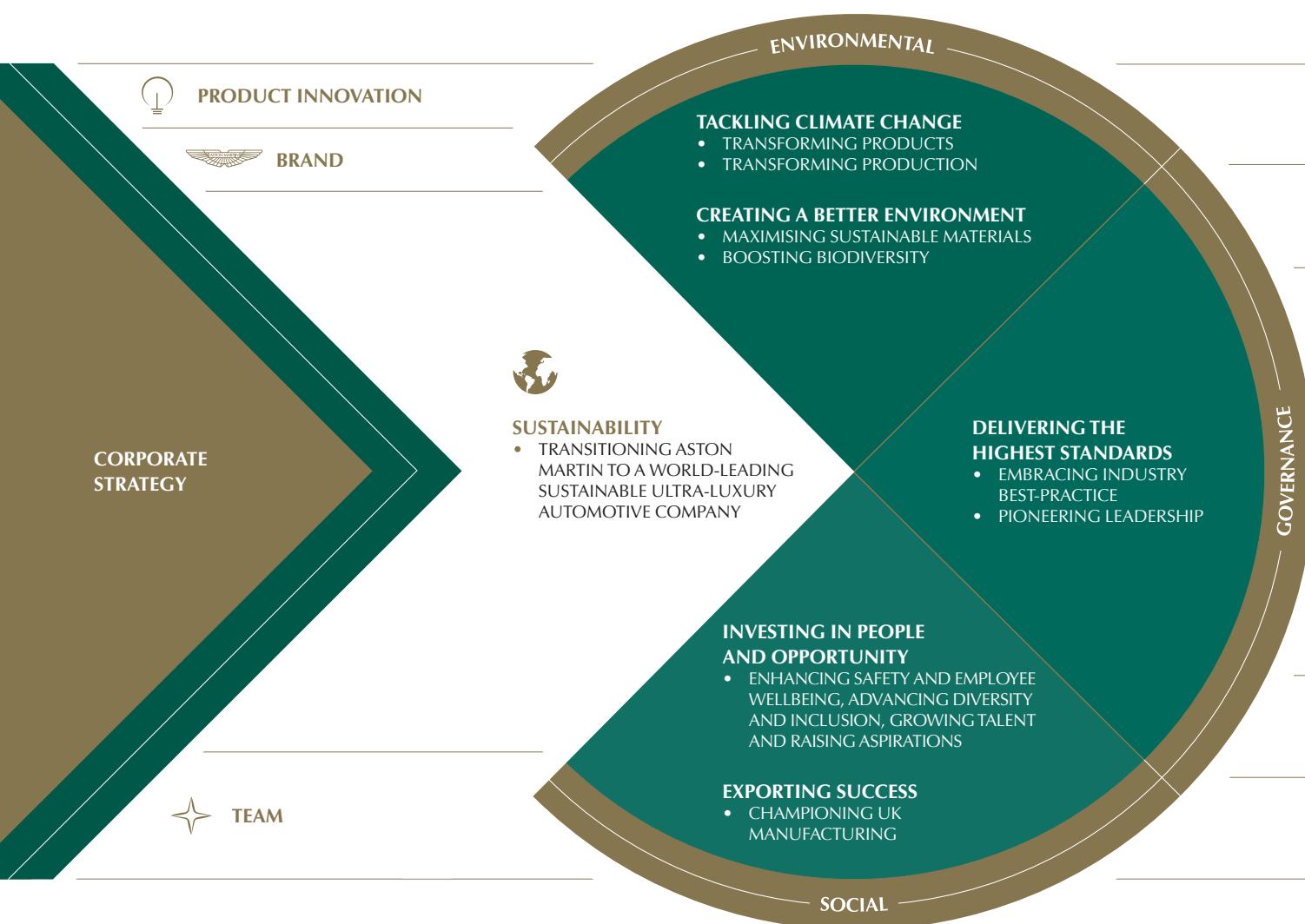
SUSTAINABLE DEVELOPMENT GOALS



* Survey responses were based on the Likert Scale, ranking from 1 (Not significant at all) to 5 (Very Significant).

CREATING BETTER ENVIRONMENT	INVESTING IN PEOPLE AND OPPORTUNITY	EXPORTING SUCCESS	THE HIGHEST STANDARDS
<ul style="list-style-type: none"> • Climate risks and opportunities • Emissions from products • Resource use and circular economy • Sustainability governance and risk management • Innovation • Biodiversity 	<ul style="list-style-type: none"> • Occupational health and safety • Employee engagement, talent retention, welfare and benefit • Fair and ethical conduct • Innovation • Diversity and inclusion • Human and labour rights • Communities, social impact and wellbeing 	<ul style="list-style-type: none"> • Emissions from products • Emissions from production and operation • Innovation 	<ul style="list-style-type: none"> • Corporate governance and risk management • Product quality and safety • Fair and ethical conduct • Sustainability governance and management • Human and labour rights • Transparency and disclosure • Engagement and consultation
<p>SUSTAINABLE DEVELOPMENT GOALS</p> 	<p>SUSTAINABLE DEVELOPMENT GOALS</p> 	<p>SUSTAINABLE DEVELOPMENT GOALS</p> 	<p>SUSTAINABLE DEVELOPMENT GOALS</p> 

OUR NEW ESG STRATEGY



**EQUIPPED TO DELIVER:
A NEW FOCUS ON ESG**

During 2021 we established a new Board Sustainability Committee to oversee and monitor the delivery of our new ESG strategy. We also intensified the work of eight working groups that harness leadership and expertise from across the Company to achieve our ESG objectives by developing and executing credible plans for action.



CHIEF FINANCIAL OFFICER'S STATEMENT

GROWING OUR AMBITIONS

KENNETH GREGOR
CHIEF FINANCIAL OFFICER

The financial position of the Company has improved substantially over the past year. In early 2021 we completed destocking our dealer network and have since benefitted from strong retail demand and pricing. Operationally, we have executed on Project Horizon, driving efficiency throughout the business. Through these actions we have significantly improved our profitability and reduced our cash outflow to help deliver on our growth ambitions and medium term plan.



"Trading performance in 2021 showed significant improvement over the prior year, continuing the progress we started 18 months ago. The Company has a healthy dealer stock, an improved, more efficient operating footprint, and a balance sheet to support the medium term plan."

“Through Project Horizon, the Company took actions on costs, including a 20% reduction in manufacturing cost per unit.”

2021 brought a challenging operating environment both due to COVID-19 and supply chain constraints. We successfully navigated these challenges and continued to make strong progress on the medium term plan.

Wholesale volume increased 82% in 2021 compared to the prior year due to stronger front-engine customer demand and healthier stock levels, a full year of DBX wholesales and fewer lockdowns globally due to COVID-19. In addition, retail and customer financing decreased substantially after successfully rebalancing our supply to demand. Together, these factors drove revenues to £1,095m, a 79% increase over the prior year.

Through Project Horizon, the Company took actions on costs, including a 20% reduction in manufacturing cost per unit, thanks to efficiency work conducted at Gaydon and St Athan during the year. This impact, combined with increased revenues, drove gross margin to 31% (2020: 18%). Adjusted EBITDA increased to £138m (2020: £(70)m).

Free cashflow improved by £416m over the prior year to £(123)m, comprising a £117m net financing cost as well as lower-than-expected capital expenditure of £185m, as we took a controlled and disciplined ramp up in investment spend. A working capital inflow of £56m was driven by a deposit inflow of £71m related to strong demand for our new Special vehicles, including the Valhalla and Aston Martin Valkyrie Spider, and a reduction in inventory of £8m as a result of efficiency work.

The Company made the prudent decision to issue incremental Senior Secured Notes in early 2021, contributing £77m of gross proceeds. This,

in combination with the improved free cashflow, maintained the strong liquidity position from last year with £419m cash on the balance sheet at year-end (2020: £489m). Net debt was higher at £892m (2020: £727m), partly as we faced FX headwinds on our US dollar denominated notes. As always, we will continue to monitor our liquidity needs and maintain a prudent approach to managing our balance sheet strength.

In summary, trading performance in 2021 showed significant improvement over the prior year, continuing the progress we started 18 months ago. The Company has a healthy dealer stock, an improved, more efficient, operating footprint, and a balance sheet to support the medium-term plan. Our focus continues to be on executing on Project Horizon through controlling costs, improving efficiency, and launching exciting new products to maximise shareholder value and become the world’s most desirable ultra-luxury British performance brand.

As this is my last letter as Chief Financial Officer of Aston Martin Lagonda, I would like to thank the entire team at the Company, as well as all of our partners and shareholders for their support. I am proud of what we have accomplished in my time here and it has been an honour to play my part in shaping the Company’s future direction, helping to establish a clear roadmap to profitability and financial stability.

KENNETH GREGOR
CHIEF FINANCIAL OFFICER

"Revenue increased to £1.1bn largely due to substantial volume growth, driven by customer demand, and strong pricing dynamics."

FINANCIAL HIGHLIGHTS

- Wholesales increased 82% as more normal operations were resumed following COVID-19 restrictions in 2020 and completed rebalance of dealer inventory in Q1
 - Achieved core targets and delivered over 3,000 DBXs in first full year
 - Transition to ultra-luxury operating model successfully completed with retail well ahead of wholesales
- Revenue increased to £1.1bn largely due to substantial volume growth, driven by customer demand, and strong pricing dynamics; represents 12% growth on 2019 revenues of £981m pre-COVID and strategic shift to ultra-luxury
 - Core ASP of £150k up from £136k in 2020 and a 14% improvement versus 2019 (£132k)
- Adjusted EBITDA of £138m an improvement of more than £200m versus 2020 and £19m on 2019, with a 13% margin; Q4 Adjusted EBITDA margin of 18% reflecting strength of trading, Specials deliveries and Project Horizon efficiencies
 - Reduced operating loss of £77m despite increased investment in brand and marketing activities, higher depreciation and amortisation and non-repeat of 2020 £13m furlough credit
- Positive cash inflow from operations of £179m; Free cash outflow of £123m, a £416m improvement on the prior year (£215m improvement on 2019), with rephased capital expenditure aligned to business plan deliverables
- Strong liquidity, year-end cash of £419m (2020: £489m); Net debt of £892m (2020: £727m)

£1.1bn

Revenue

SALES AND REVENUE ANALYSIS

NUMBER OF VEHICLES	FY-21	FY-20	% CHANGE
Wholesale	6,178	3,394	82%
Core (excluding Specials)	6,080	3,351	81%

By region:

UK	1,109	820	35%
Americas	1,984	923	115%
EMEA ex. UK	1,270	865	47%
APAC	1,815	786	131%

By model:

Sports	1,479	691	114%
GT	1,589	1,116	42%
SUV	3,001	1,516	98%
Other	11	28	(61%)
Specials	98	43	128%

Note: Sports includes Vantage, GT includes DB11 and DBS, SUV includes DBX and Other includes prior generation models such as Rapide AMR

+131% +115%

growth in APAC wholesales volume

growth in Americas wholesales volume

Total wholesales grew 82% to 6,178 units, driven by strong demand across the portfolio and a return to a more normal operating environment post COVID-19 restrictions on manufacturing in 2020 and a successfully completed rebalancing of dealer inventory. Q4 was the largest quarter and skewed towards December given supply chain constraints. Signifying the start of our core electrification journey, deliveries of the mild-hybrid DBX Straight-Six launched seamlessly in China in Q4.

Geographically, both APAC and the Americas delivered triple-digit growth over the prior year, up 131% and 115% respectively, as SUV demand skewed towards these regions as expected. Combined they now represent c.60% of total volumes.

The 98 Specials included 10 Aston Martin Valkyrie programme vehicles.

Revenue grew to £1.1bn (2020: £612m), driven mainly by increased wholesales along with strong pricing dynamics. Sales of parts and servicing increased as dealers returned to more normal operations in most markets for the majority of the year – with the prior year significantly impacted by COVID-19 related restrictions on operations.

Pricing dynamics were strong, following the successful rebalancing of dealer inventory completed in Q1, reflecting significantly reduced customer and retail financing support. With demand ahead of supply and positive geographic and product mix, core ASP increased to £150k (2020: £136k). Total ASP of £162k reflected the 98 Specials in the year compared with 43 in the prior year (2020: £157k).

REVENUE BY CATEGORY

£M	FY-21	FY-20	% CHANGE
Sale of vehicles	1,005.4	535.1	88%
Sale of parts	65.5	56.6	16%
Servicing of vehicles	10.6	6.6	61%
Brand and motorsport	13.8	13.5	2%
Total	1,095.3	611.8	79%

Adjusted EBITDA was £138m, an improvement of £208m over the prior year, with a margin of 13%. This included a £5m trade debtor write down in Q2 related to legal action as announced on 22 June. The improved trading performance led to a significantly reduced operating loss of £77m (2020: £323m loss) and reflected:

- The flow through of revenue growth, a higher number of Specials and manufacturing efficiency actions contributing to a gross margin of 31% (up from 18% in 2020), offsetting the non-repeat of £13m of furlough credits received in the prior year;
- Increased brand investment as events such as Goodwood Festival of Speed and Pebble Beach Concours d'Elegance resumed post-pandemic, as well as events associated with F1™ and the release of the James Bond film *No Time To Die*;
- Higher depreciation and amortisation (D&A) charges of £212m, up £57m on the prior year, principally due to a full year of DBX, the start of Aston Martin Valkyrie programme deliveries and in Q4, accelerated depreciation of capitalised development costs ahead of next generation Sport/GT cars in 2023. 2021 D&A was lower than previously guided (£225m-£235m) due to re-timing of some Aston Martin Valkyrie programme cars; and
- A £14m benefit from exchange rate movements.

Adjusting operating items of £2m predominantly related to ERP implementation costs (2020: £98m – predominantly impairment of capitalised development costs).

Net adjusted financing costs of £171m were up from £75m in the prior year reflecting a full year of the £1.1bn equivalent US\$ notes issued in October 2020 and the £70m equivalent notes issued in February 2021. The charge also includes a £12m adverse FX charge given the US\$ denomination of the notes (2020 included a £31m FX benefit). Adjusted loss before tax was £246m (2020: £299m loss). The adjusting net finance credit of £34m related to fair value movements of outstanding warrants (2020: adjusting net finance charge of £69m), leading to a reduced loss before tax of £214m (2020: £466m).

The tax credit on the adjusted loss before tax is £16m. The effective tax rate at 6.6% is lower than the 19% standard UK tax rate mainly due to movements in unprovided deferred tax related to losses and a restriction on the amount of interest that can be deducted for tax purposes. Tax on adjusting items was recognised as appropriate and resulted in a net tax credit of £8m, giving an overall tax credit of £25m.

The total share count at 31 December 2021 was 116 million following the exercise of 1.5 million warrants linked to the second lien notes. The weighted average number of shares in 2021 was 116 million. 4.8 million 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 until early 2023.

SUMMARY INCOME STATEMENT AND ANALYSIS

£M	FY-21	FY-20
Revenue	1,095.3	611.8
Cost of sales	(751.6)	(500.7)
Gross profit	343.7	111.1
Gross margin %	31.4%	18.2%
Operating expenses ¹	(418.0)	(336.0)
of which depreciation & amortisation	212.2	154.8
Adjusted operating loss²	(74.3)	(224.9)
Adjusting operating items	(2.2)	(98.0)
Operating loss	(76.5)	(322.9)
Net financing expense	(137.3)	(143.1)
of which adjusting financing items	34.1	(68.6)
Loss before tax	(213.8)	(466.0)
Taxation	24.5	55.5
Loss for the period	(189.3)	(410.5)
Adjusted EBITDA^{1,2}	137.9	(70.1)
Adjusted EBITDA margin	12.6%	n.m.
Adjusted loss before tax¹	(245.7)	(299.4)
EPS (pence)	(165.9)	(543.0)
Adjusted EPS (pence)²	(200.8)	(369.9)

1. Excludes adjusting items;

2. For definition of alternative performance measures please see note 33 of the Financial Statements

Net cash inflow from operating activities was £179m (2020: £199m outflow) including a net working capital inflow of £56m. The largest movement was receivables, a £75m increase, given the phasing of Q4 deliveries due to supply chain constraints in the quarter; this has substantially unwound in the first eight weeks of 2022. There was an offsetting £71m deposit inflow highlighting strong demand for Aston Martin Valkyrie Spider and Valhalla and a £53m payables inflow principally associated with future product rollout plans. Inventories reflected the working capital benefits of the manufacturing consolidations completed during the year, £8m lower despite the step up for Aston Martin Valkyrie build and the expanded product portfolio.

Capital expenditure was £185m, lower than the c.£215m-£230m previously guided, as product development plans mature, aligned to medium-term business plan objectives. Investment was focused on DBX derivatives, the next generation of front-engine vehicles due to launch in 2023 and Aston Martin Valkyrie programme vehicles.

Free cashflow of £(123)m was significantly improved on the prior year (2020: £(539)m) reflecting the improved trading performance, demand for Specials, tight working capital control and planned capital expenditure phasing.

Cash inflow from financing (excluding interest) of £52m included gross proceeds from note issuance of £77m in February. The net cash outflow of £72m resulted in a closing cash balance of £419m at 31 December 2021 (31 December 2020: £489m).

CASH FLOW AND NET DEBT

£M	FY-21	FY-20
Cash generated/(used) from operating activities	178.9	(198.6)
Cash used in investing activities (excl. interest)	(185.2)	(260.7)
Net cash interest paid	(116.9)	(80.0)
Free Cash outflow	(123.2)	(539.3)
Cash inflow from financing activities (excl. interest)	51.5	922.5
(Decrease)/increase in net cash	(71.7)	383.2
Effect of exchange rates on cash and cash equivalents	1.2	(1.7)
Cash balance	418.9	489.4

£M	FY-21	FY-20
Loan Notes ¹	(1,074.9)	(965.0)
Inventory financing	(19.7)	(38.2)
Bank loans and overdrafts	(114.3)	(119.8)
Lease liabilities (IFRS 16)	(103.4)	(103.0)
Gross debt	(1,312.3)	(1,226.0)
Cash balance	418.9	489.4
Cash not available for short-term use	1.8	9.9
Net debt	(891.6)	(726.7)

1. US\$ notes of £1.1bn equivalent (First lien of £840m at 10.5% interest maturing in November 2025; Second lien of £259m 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 three years for the second lien and four years for the first lien.

Cash at 31 December 2021 of £419m included £77m gross proceeds from the note issuance completed in February. Net debt at 31 December 2021 was £892m (31 December 2020: £727m) reflecting the free cash outflow. With the exercise of some of the warrants attached to the second lien notes, the Company received cash of £15m in the year.

Gross debt includes £80m drawn down on the RCF, broadly unchanged year-on-year (2020: £79m), reduced inventory financing of £20m (2020: £38m) as the Company tightly managed working capital requirements, and a £12m FX revaluation of the US\$ denominated notes.

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

TOBIAS MOERS
CHIEF EXECUTIVE OFFICE
22 FEBRUARY 2022

CORPORATE GOVERNANCE

“IT HAS BEEN A PIVOTAL YEAR FOR THE COMPANY WITH SIGNIFICANT PROGRESS MADE AND TRANSFORMATIONAL CHANGES ACHIEVED.”



DEAR SHAREHOLDERS

2021 has been a pivotal year for the Company with significant progress made and transformational changes achieved in positioning the business as an ultra-luxury brand. My continuing priorities along with those of the Board, were to: strengthen the Board and the executive management and to support management actions to bring our new products to market with the launch of the Valhalla, our first plug-in hybrid mid-engine supercar, the Aston Martin Valkyrie Spider AMR Pro hypercar, the DBX Straight-Six hybrid in China and the Aston Martin Valkyrie, and to aggressively destock the dealer network and rebalance supply to demand. I am pleased to report that we have delivered on these promises against the backdrop of COVID-19.

BOARD CHANGES

Once again, this year has been a time of significant change for the Board. We previously disclosed the appointment of four Independent Non-Executive Directors, Robin Freestone, Richard Parry-Jones, Antony Sheriff and Anne Stevens, to the Board in February, and the stepping down of Independent Non-Executive Directors William (Bill) Tame in January 2021 and Peter Espenhahn and Lord Matthew Carrington in May 2021.

We also announced the appointment of Non-Executive Director Stephan Unger, the Representative Director for MBAG. Sadly, we learnt of the death of Richard Parry-Jones in a tragic accident on 16 April 2021.

In July 2021 we appointed to the Board three additional Independent Non-Executive Directors, Natalie Massenet, Marigay McKee and Amedeo Felisa, and Franz Reiner as the Representative Director of MBAG, following Stephan Unger's resignation from the role. In February 2021 Amr Abou El Seoud stepped down from the Board followed by Stephan Unger in

July 2021. I would like to thank all the former Board members for their significant contributions and support during their time on the Board.

We also announced on 14 January 2022 that we had appointed Doug Lafferty as our new Chief Financial Officer who will join the Company on 1 May 2022 and replaces Kenneth Gregor who for personal reasons has decided to step down from the Board. Over the last 18 months Kenneth has played a pivotal role in rebuilding Aston Martin Lagonda's financial position and setting the business on a strong pathway for the future. I would like to thank him for his significant contribution and wish him the very best for the future.

BOARD DIVERSITY

I am pleased to report that the composition of the Board and its Committees are now compliant with the Code and female representation on the Board is just under 30%. Under our Board Diversity Policy, the Board seeks to maintain a balance so that, as a minimum, one third of the Board not subject to significant shareholder appointments are women. That percentage under the policy is currently 38%. However, the Board plans to continue to improve its diversity and is committed to achieve the Parker Review recommendation that at least one Director on the Board is from an ethnic minority background by 31 December 2024.

SUSTAINABILITY COMMITTEE

In support of our new ESG strategy, see pages 71-75, in December 2021, we established a Sustainability Committee at Board level which will oversee the delivery of the Company's ESG strategy and also oversee broader stakeholder engagement on behalf of the Board. Further details of the Sustainability Committee can be found on page 91. The Committee will ensure that the Directors give clear focus and support to the Company's sustainability strategy, and understand the actions required for the Company to achieve its targets and develop relevant and reliable reporting metrics, in line with the growing body of standards in this area.

I would like to thank Board members for their significant efforts and valuable contributions during what has been, once again, a very busy year. I would also like to thank our shareholders, employees, customers and business colleagues for your continued support.

Yours sincerely,

LAWRENCE STROLL
EXECUTIVE CHAIRMAN
22 FEBRUARY 2022
GOVERNANCE REPORT

GOVERNANCE AT A GLANCE

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 in our business integrity.

MAJOR BOARD DECISIONS TAKEN BY THE BOARD

UP TO £70M
gross proceeds of new note issuance under the First Lien Bond Indenture

NEW ESG STRATEGY

APPOINTMENT OF
seven new Non-Executive Directors

NEW CHIEF FINANCIAL OFFICER

Appointed

CLOSURE OF

Defined Benefit Pension Scheme to future accrual

GOVERNANCE IMPROVEMENTS

REVISED
Terms of Reference of Audit and Risk Committee

NEW
Share Dealing Code and Procedures adopted

NEW
Diversity and Inclusion Policy, and Anti-Slavery & Human Trafficking Policy adopted

CREATED NEW BOARD COMMITTEES

Sustainability and Product Strategy

UPDATED POLICIES

relating to the Responsible Procurement, Environment, Health & Safety, Confidential Reporting and Whistleblowing and Anti-Bribery and Corruption

BOARD CHANGES**28 JANUARY**

William Thame stepped down from the Board

1 FEBRUARY

Robin Freestone, Antony Sheriff and Anne Stevens were appointed to the Board as Independent Non-Executive Directors

18 FEBRUARY

Amr Abou El Seoud stepped down from the Board

25 FEBRUARY

Robin Freestone and Anne Stevens became Chairs of the Audit and Risk and Remuneration Committees respectively and Antony Sheriff was appointed as the SID

25 MAY

Lord Matthew Carrington and Peter Espenhahn stepped down from the Board

8 JULY

Amedeo Felisa, Natalie Massenet and Marigay McKee were appointed to the Board as Independent Non-Executive Directors and Franz Reiner was appointed as the Representative Non-Executive Director of MBAG

2 DECEMBER

Kenneth Gregor, decided to step down from the Board as Chief Financial Officer and will leave the Company by the end of June 2022

14 JANUARY 2022

It was announced that Doug Lafferty would join the Board as the new Chief Financial Officer

BOARD OF DIRECTORS

LAWRENCE STROLL
EXECUTIVE CHAIRMAN



CA 20 April 2020

COMMITTEES

N R W P

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 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 Cognizant F1™ team in 2021.

Lawrence began his career over 30 years ago when he purchased the licence to sell Polo Ralph Lauren apparel in Canada and Europe, which was followed by the acquisition of Pepe Jeans Limited, in 1991, where he was the Group Chief Executive Officer from 1993 to 1998, and the subsequent acquisition in 1992 of the Tommy Hilfiger Corporation, where he served on the Board and was Co-Chairman from 1998 to 2002. From 2003 to 2011, Lawrence served as Co-Chairman of Michael Kors Holdings Limited and led the successful IPO of the company, serving as a member of the Board until 2014.

EXTERNAL APPOINTMENTS

Member of Yew Tree Consortium
Co-owner Aston Martin Cognizant F1™ team
AMR GP Services Limited
AMR GP Limited
Owner of Circuit Mont-Tremblant, Canada

TOBIAS MOERS
CHIEF EXECUTIVE OFFICER



DE 1 August 2020

COMMITTEES

S W P D

SKILLS AND RELEVANT EXPERIENCE

Tobias brings to the Board his extensive experience in the automotive industry and has an established track record of implementing business transformation in a competitive environment. Prior to joining the Company, Tobias spent more than 25 years in senior roles at Daimler AG, the German-based global automotive OEM, including most recently as the Chairman of the Management Board and Chief Executive Officer and Acting Chief Technical Officer of Mercedes-AMG GmbH.

For over seven years Tobias led Mercedes-AMG's operating and profitable portfolio expansion and cross company efficiency, which delivered significant margin expansion to Mercedes, and a clear pipeline of further expansion opportunities, in particular in the electrification of powertrains in the performance segment.

Tobias is an industrial engineer and was awarded his degree from the University of Applied Science, Offenburg.

EXTERNAL APPOINTMENTS

None

KENNETH GREGOR
CHIEF FINANCIAL OFFICER



GB 22 June 2020

COMMITTEES

W D

SKILLS AND RELEVANT EXPERIENCE

Kenneth brings significant financial management and business transformation expertise to the Board, and has a strong leadership track record, with more than 20 years of automotive experience. Prior to joining the Company, Kenneth spent 20 years in senior financial roles at Jaguar Land Rover latterly as its Chief Financial Officer.

For eleven years as Chief Financial Officer of Jaguar Land Rover from 2008, Kenneth oversaw the evolution of the finance group into a strong business partner to support the delivery of shareholder value and the company's growth ambitions. Kenneth was one of the executives responsible for leading the transition of the worldwide commercial activities of Jaguar and Land Rover from Ford Motor Company Inc to Tata Motors Limited, following the latter's acquisition of the business in 2008.

Before this Kenneth worked in investment banking for HSBC in London advising on mergers, acquisitions and privatisations. Kenneth holds a BSc (Hons) in Applied Mathematics from the University of St Andrews and an MBA from Cranfield University.

EXTERNAL APPOINTMENTS

None

ANTONY SHERIFF
SENIOR INDEPENDENT DIRECTOR



IT 1 Feb 2021

COMMITTEES

A N R S P

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 which are listed below.

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
Pininfarina S.p.A.
(Independent Non-Executive Director)
Bugatti Rimac d.o.o.
(Independent Non-Executive Director)

AMEDEO FELISA
INDEPENDENT
NON-EXECUTIVE DIRECTOR



8 July 2021

COMMITTEES



SKILLS AND RELEVANT EXPERIENCE

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.

Amedeo was the Deputy General Manager of Ferrari S.p.A (2006-2008) and as General Manager of the Ferrari GT division (1996-2005). Amedeo coordinated the product development, powertrains and vehicle departments of both Ferrari and Maserati. While as a Technical Senior Vice President of Ferrari (1990-1995), Amedeo oversaw the planning, coordination and management of the entire technical and product development departments, which included defining new business model plans, supervising the development of both innovation and products and ensuring employee growth.

Prior to joining Ferrari, Amedeo was a product development team leader at Alfa Romeo S.p.A. Amedeo currently holds a number of non-executive positions in the automotive sector which are listed below. 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)

ROBIN FREESTONE
INDEPENDENT
NON-EXECUTIVE DIRECTOR



1 February 2021

COMMITTEES



SKILLS AND RELEVANT EXPERIENCE

Robin trained with Touche Ross and 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 currently holds a number of non-executive positions encompassing medical devices, online services and luxury fashion which are listed below 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)
Smith & Nephew plc (Senior Independent Director)
Capri Holdings Ltd (Lead Director)
ICAEW's Corporate Governance Committee (Chair)

DAME NATALIE MASSENET, DBE
INDEPENDENT
NON-EXECUTIVE DIRECTOR



8 July 2021

COMMITTEES



SKILLS AND RELEVANT EXPERIENCE

Dame 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 which invests in and helps create the next generation of consumer brands, retail platforms and enterprise businesses leading the way in the consumer ecosystem.

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 operating across retail, media and publishing platforms, while in the process shaping an extraordinary experience for the global luxury fashion consumer.

Natalie began her career as a journalist and fashion editor, working at Women's Wear Daily and Tatler (1993-1999) before setting up Net-A-Porter. 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). Her current external appointments are listed below.

In 2016 she was made Dame Commander of the British Empire in recognition of her contributions to the UK fashion and retail industry. Natalie was also named as one of the 100 most influential people by TIME magazine.

EXTERNAL APPOINTMENTS

Imaginary Ventures (Managing Partner)
Everlane Inc (Director)

LEGEND

- Chair
- Observer
- Audit and Risk Committee
- Disclosure Committee
- Nomination Committee
- Product Strategy Committee
- Remuneration Committee
- Sustainability Committee
- Warrant Share Committee

BOARD OF DIRECTORS CONTINUED

MARIGAY MCKEE, MBE
INDEPENDENT
NON-EXECUTIVE DIRECTOR



GBR 8 July 2021

COMMITTEES
None

SKILLS AND RELEVANT EXPERIENCE

Marigay has extensive retail sales, marketing and luxury brand experience. In 2018, Marigay co-founded a venture fund specializing in consumer tech called Fernbrook Capital LLC where she's a managing partner. Fernbrook specialises in early stage tech investing in good for you, good for the planet brands and is based in New York and Los Angeles.

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's luxury launch platform for new and emerging and international brands entering the US, where she delivered significant market growth. In 2015 Marigay created MM Luxe Consulting providing strategic retail advisory services, with her leading clients being Related, Blackstone, Edens, and Value Retail which complements her work at Fernbrook.

Marigay currently holds a number of non-executive positions which are listed below. In the recent 2022 Queen's New Year's Honours list, Marigay was awarded an MBE in recognition of her services to British retail overseas.

EXTERNAL APPOINTMENTS

Fernbrook Capital LLC (Director)
ExShopWorld (Advisory Council Member)
The Webster (Board Member)
The Shed (Board Member)

DR ANNE STEVENS
INDEPENDENT
NON-EXECUTIVE DIRECTOR



USA 1 February 2021

COMMITTEES
ANS

SKILLS AND RELEVANT EXPERIENCE

Anne brings to the Board her significant operational, commercial and transformational experience in global businesses. Anne is an engineer who started her career in the chemical industry with Exxon Corporation (1980-1990), where she held roles in engineering, product development, and sales and marketing, 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 (2014-2018) (where she chaired the Operations and Technology Committee and served on the Risk and Finance and Audit Committees) and Lockheed Martin (2002-2017) (where she chaired the Management Development and Compensation Committee and served on the Audit, Ethics and Sustainability, and Nominations committees) before joining GKN plc (2017-2018) as a non-executive director where she was briefly CEO (2018) during the hostile takeover by Melrose plc.

Anne's current external appointments are listed below. 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

Anglo American plc
(Remuneration Committee Chair and member of the Audit and Nomination Committees)
Harbour Energy plc
(Remuneration Committee Chair)

MICHAEL DE PICCIOTTO
NON-EXECUTIVE DIRECTOR
(YEW TREE CONSORTIUM
REPRESENTATIVE)



ITA 24 April 2020

COMMITTEES
AW

SKILLS AND RELEVANT EXPERIENCE

Michael is a prominent investor and businessman who has extensive experience in asset management, private banking and trading. From March 2016 to September 2021 Michael was the Vice-Chairman of the Supervisory Board of Engel & Völkers AG, a Hamburg-based real estate group founded in 1977, having been an important shareholder in the firm since 2014. In September 2021, the business was sold to Permira, the blue-chip London-based Private Equity firm, and Michael left the company.

Michael started his career at RBC Dominion Securities, a global Canadian investment bank, in 1982 where he was co-head of the Capital Markets department in Paris and London from 1986 to 1988. He then joined 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 as well as running the High Net Worth, Treasury and Trading divisions and the London branch and the Asian chapter. Michael also served as a long-standing member of the Executive Board of Union Bancaire Privée and remains a shareholder in the bank.

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

EXTERNAL APPOINTMENTS

Member of Yew Tree Consortium

FRANZ REINER
NON-EXECUTIVE DIRECTOR
(MERCEDES-BENZ AG
REPRESENTATIVE)



USA 8 July 2021

COMMITTEES
ANR

SKILLS AND RELEVANT EXPERIENCE

Franz is an industrial engineer and has a wealth of executive experience and a deep understanding of the global automotive industry. Franz joined Daimler in 1992 and in his 29 years with the Daimler Group he has held various senior and Management Board positions within sales, product management, banking and financial services, in his career to date.

In his current role of Chairman of Daimler Mobility AG and the Daimler Mobility division, he promotes Daimler'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 of all kinds.

EXTERNAL APPOINTMENTS

Daimler Mobility AG
(Chairman of the Board)

EXECUTIVE COMMITTEE

TOBIAS MOERS
CHIEF EXECUTIVE OFFICER



For more information see page 84

MICHAEL STRAUGHAN
CHIEF OPERATING OFFICER



UK 7 December 2020

SKILLS AND RELEVANT EXPERIENCE

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 Nissen, 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.

MICHAEL MARECKI
GENERAL COUNSEL



US 2 July 2007

SKILLS AND RELEVANT EXPERIENCE

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.

KENNETH GREGOR
CHIEF FINANCIAL OFFICER



For more information see page 84

MAREK REICHMAN
CHIEF CREATIVE OFFICER



UK 1 May 2005

SKILLS AND RELEVANT EXPERIENCE

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
GLOBAL CHIEF BRAND
AND COMMERCIAL OFFICER



IT 1 October 2021

SKILLS AND RELEVANT EXPERIENCE

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 10 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 their Global Chief Brand Officer and Chief Commercial Officer. Since leaving Faraday in 2017, Marco has been advising automotive clients with McKinsey & Company.

GOVERNANCE REPORT

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OVERVIEW

This Report sets out the Board's corporate governance structures and work from 1 January 2021 to 31 December 2021. Together with the Directors' Remuneration Report on pages 115-137, 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. The Governance Report has been organised to reflect the structure and principles (A-R) of the Code and sets out how the Code Principles have been applied and how the Company has complied with the provisions.

BOARD LEADERSHIP AND COMPANY PURPOSE

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 2021, 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 142).

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.

Code provision 11 recommends that at least half the board of directors of a UK-listed company (excluding the chair) should comprise 'independent' non-executive directors, being individuals determined by the board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the director's judgement.

While the number of Independent Non-Executive Directors comprised at least half the Board from 8 July 2021 onwards, in January 2021 and from late May until 8 July, with the retirement of a number of independent Non-Executive Directors both in January and in May, the Company was not in compliance with this provision. Following a comprehensive detailed search process to strengthen Board membership and improve the diversity on the Board to achieve Code compliance, as previously announced this process culminated in the appointment of Robin Freestone, Richard Parry-Jones, Antony Sheriff and Anne Stevens, as Independent Non-Executive Directors with effect from 1 February 2021. With a further announcement of the appointment of Marigay McKee, Natalie Massenet and Amedeo Felisa as Independent Non-Executive Directors on 8 July 2021, the Company now complies with this provision. Further information regarding the search and selection process and the appointments is set out on page 104.

Code provision 21 recommends that there should be a formal and rigorous annual evaluation of the performance of the board, its committees, the chair, and individual directors. The chair should consider having a regular externally facilitated board evaluation. In FTSE 350 companies this should happen at least every three years. The external evaluator should be identified in the annual report and a statement made about any other connection it has with the company or individual directors.

The Board evaluation was due to be externally facilitated in 2021. 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 facilitate the evaluation internally instead, with a view to an external evaluation being undertaken in 2022. Further details can be found on page 101.

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 84-86.

The composition of the Board has undergone significant evolution during 2021. Details of the changes to the Board during 2021 are set out in the table on the adjacent page. At the date of this Report the Board comprises 11 members: the Executive Chairman, the Chief Executive

Officer, the Chief Financial Officer and eight Non-Executive Directors, of whom six are considered independent for the purposes of the Code.

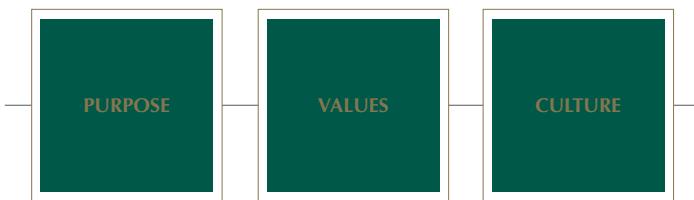
The Directors are appointed by the Board and are subject to annual re-election by shareholders. The Company's significant shareholder groups, in line with the respective Relationship Agreements, have nominated Directors who have been appointed to the Board; further details of these arrangements are set out on page 142 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.

DIRECTORS AS AT 31 DECEMBER 2021	MEETING ATTENDANCE
EXECUTIVE CHAIRMAN Lawrence Stroll	15/15
EXECUTIVE DIRECTORS Tobias Moers (Chief Executive Officer) Kenneth Gregor (Chief Financial Officer)	15/15 14/15⁸
NON-EXECUTIVE DIRECTORS Michael de Picciotto Franz Reiner ¹	15/15 8/8
INDEPENDENT NON-EXECUTIVE DIRECTORS Amedeo Felisa ¹ Robin Freestone ² Marigay McKee ¹ Natalie Massenet ¹ Antony Sheriff ² Anne Stevens ²	8/8 12/14⁹ 7/8⁹ 8/8 14/14 14/14
FORMER DIRECTORS Amr Abou El Seoud ³ Lord Matthew Carrington (Chair, Remuneration Committee) ⁴ Peter Ian Espenahn (Chair, Audit and Risk Committee) ⁴ Richard Parry-Jones ⁵ William Tame ⁶ Stephan Unger ⁷	1/1 5/5 5/5 3/3 1/1 4/7⁹
1. Joined the Board on 8 July 2021 2. Joined the Board on 1 February 2021 3. Ceased to be to be a Director on 18 February 2021 4. Ceased to be Directors on 25 May 2021 5. Died on 16 April 2021 6. Ceased to be a Director on 28 January 2021 7. Joined the Board on 1 February 2021 and ceased to be a Director on 7 July 2021 8. Kenneth Gregor recused himself from the 1 December 2021 meeting when his resignation was discussed 9. Directors unable to attend unscheduled meetings due to short notice and other prior engagements	

In accordance with the Code the role of the Board is to promote the long-term sustainable success of the Company, generate value for shareholders and contribute to wider society. To ensure sufficient time for discussion, the Board utilises its Committees to effectively manage its time (see page 91). At each Board meeting the agenda ensures sufficient time for the Committee Chairs to report on the contents of discussions, any recommendations to the Board which require approval and the actions taken.

The Board's role is also to support management in the Company's strategic aims in the best interests of our shareholders and wider stakeholders. It leads and provides direction in the setting of strategy and overseeing its implementation by management. The specific activities undertaken by the Board during the year are set out on page 97. The Board also monitors the Group's operations within an agreed framework of controls, allowing risk to be assessed and managed within agreed parameters. This is discussed further in the Risk and Viability Report on pages 38-43.



PURPOSE, VALUES AND CULTURE

It is the responsibility of the Board to establish the Company's purpose and to satisfy itself that the Company's purpose, values and strategy are aligned with its culture. The Company's purpose is "to create vehicles with the ultimate technology, precision and craftsmanship that deliver thrilling performance and a bespoke, class-leading customer experience", which sits alongside the Company's vision "to be the world's most desirable ultra-luxury British performance brand".

The purpose communicates the Company's strategic direction and intentions to our employees, and wider stakeholders, and it is regularly reviewed to ensure it continues to reflect the Board's strategy, values and desired culture. The progress towards achieving the Company's purpose during 2021 can be reviewed on pages 5-26.

The Company's I AM values, honest, transparent, accountable and courageous articulate the qualities it embodies and its underlying approach to doing business. The values are embedded in the operational practices through the policies approved by the Board (see page 95) and the direct oversight and involvement of the Executive Directors.

The Company's culture has developed from our values and is a key strength of the business. The Board reinforces the culture and values through its decisions, strategy and conduct. Further information on how our Board factors stakeholders into its decisions is on pages 44-45 and in its section 172(1) statement on pages 46-47.

The Board monitors and assesses the culture of the Company by the following means:

- regular meetings with management and inviting employees to present at Board and committee meetings
- measuring the culture, such as the lost time injury rate and reviewing the outcomes of employee engagement
- assessing cultural indicators such as: – the businesses attitude to risk; – compliance with the Group's policies and procedures and – key performance indicators (KPI's) including staff retention and engagement;
- health and safety data
- feedback from our wider stakeholders, including our investors;
- messages received via the Group's confidential reporting and whistleblowing system
- training data and spend.

The annual employee survey, in addition to a question asking our employees to describe our culture, also provides valuable insights into what is valued and seen as corporate norms. Further information on Board engagement with employees is on page 94. The Executive Committee has

been delegated responsibility for ensuring that policies and behaviours set at Board level are effectively communicated and implemented across the business.

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 the adjacent page 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. These 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.

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

- the Group's strategic aims, objectives and commercial strategy;
- review of performance relative to the Group's business plans and budgets
- major changes to the Group's corporate structure, including acquisitions and disposals
- financial statements and the Group dividend policy including any recommendation of a final dividend
- major changes to the capital structure including tax and treasury management
- major changes to accounting policies or practices
- the system of internal control and risk management policy
- the Group's risk appetite
- the Group's corporate governance and compliance arrangements.

The Executive Chairman works closely with the Company Secretary to plan and schedule Board and Committee meetings. A key area of focus continues to be enhancing the Board and Committee agendas and work plans to ensure that financial, regulatory and governance requirements are met throughout the year as well as providing sufficient time to focus on strategy and key areas of the business.

In addition, the Executive Chairman and the Company Secretary work to ensure that information is made available to Board members on a timely basis and is of a quality appropriate to enable the Board to carry out its duties effectively.

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

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

SUSTAINABILITY COMMITTEE

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

WARRANT SHARE COMMITTEE

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

NOMINATION COMMITTEE

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

DISCLOSURE COMMITTEE

Responsible for the identification and disclosure of inside information and comprises the Chief Executive Officer, Chief Financial Officer, General Counsel, Company Secretary, and the Director of Investor Relations, Director of Internal Audit & Risk Management, Director of Accounting Banking & Tax and Director of Finance, Financial Planning and Analysis

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

PRODUCT STRATEGY COMMITTEE

Oversees the Company's product strategy and product planning



EXECUTIVE COMMITTEE

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

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 advisers. 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. The Board and the members and observers of the Audit and Risk Committee also receive further regular and specific reports from the Internal Auditors to allow the monitoring of the adequacy of the Group's systems of internal controls and reports from the External Auditors.

Additionally, Directors have access to the advice and services 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.

FURTHER BOARD COMMITTEES

During the year further Board Committees were created to better manage the Board's time as follows:

SUSTAINABILITY COMMITTEE

The Sustainability Committee was established in December 2021 to ensure that the Directors provide a clear focus and support to the Company's ESG strategy and targets, and understand the actions required for the Company to achieve its targets and develop relevant and reliable reporting metrics, in line with the growing body of standards in this area.

The role of the Committee is to oversee, on behalf of the Board, the Company's ESG strategy, which focuses on five strategic pillars: creating a better environment; tackling climate change; investing in people and opportunity; exporting success; and delivering the highest standards. The Committee will also oversee broader stakeholder engagement on behalf of the Board. The Committee will meet at least twice a year.

The Committee's responsibilities are set out in its terms of reference which can be found at [www. astonmartinlagonda com/investors](http://www astonmartinlagonda com/investors) and include:

- reviewing and making recommendations to the Board on the annual Sustainability Report
- monitoring progress and receiving updates on the targets contained in the ESG strategy
- reviewing and approving the annual stakeholder engagement plan;
- monitoring progress and receiving updates on the stakeholder engagement plan
- reviewing and making recommendations to the Board on the Group's ethical policies and procedures
- receiving updates on the Company's sustainability ratings and accreditations
- receiving updates on sustainability reporting requirements and changes to Government's strategy, policies and laws impacting sustainability.

The members of the Committee are Independent Non-Executive Directors Anne Stevens (Chair) and Antony Sheriff and the Chief Executive Officer, Tobias Moers. This Committee's first report will appear in the Company's 2022 Annual Report.

PRODUCT STRATEGY COMMITTEE

A further Board committee, the Product Strategy Committee was established in January 2022 to ensure that the Directors provide a clear focus and support to the Company's product strategy, and product planning activities.

The role of the Committee is to oversee, on behalf of the Board, the Company's product strategy and product planning in particular in relation to its technology and engineering activities as well as providing assurance on the identification and management of key engineering, technology and strategic product risks and execution issues. The Committee will meet at least six times a year.

The Committee's responsibilities are set out in its terms of reference which can be found at [www. astonmartinlagonda com/investors](http://www astonmartinlagonda com/investors) and include:

- formulating, reviewing and implementing the product strategy and product planning of the Company, in particular in relation to its technology and engineering activities
- reviewing the wider strategic direction in relation to the products;
- providing assurance on the identification and management of key engineering, technology and strategic risks and execution issues.

The members of the Committee are Independent Non-Executive Directors Amedeo Felisa (Chair) and Antony Sheriff, and the Executive Chairman, Lawrence Stroll, the Chief Executive Officer, Tobias Moers, the Chief Creative Officer, Marek Reichman, and the Global Chief Brand and Commercial Officer, Marco Mattiacci. This Committee's first report will appear in the Company's 2022 Annual Report.

WARRANT SHARE COMMITTEE

In October 2020 the Board established the Warrant Share Committee to approve the allotment and issue of Warrant Shares in accordance with the terms of the Warrant Instrument. The members of the Committee are Executive Chairman, Lawrence Stroll, Chief Executive Officer, Tobias Moers, Chief Financial Officer, Kenneth Gregor, and Non-Executive Director, Michael de Picciotto. In December 2020 the Company issued warrants pursuant to a warrant instrument (the Warrant Instrument) to warrant holders to subscribe for ordinary shares in the Company (the Warrant Shares). The Committee met four times this year to allot and issue Warrant shares. See note 22 of the Financial Statements for further details.

STAKEHOLDER ENGAGEMENT

RELATIONSHIP WITH SHAREHOLDERS, EMPLOYEES AND OTHER STAKEHOLDERS

The Board recognises that our business and our behaviours impact our shareholders and other stakeholders, and that stakeholder engagement is a key element of delivering a sustainable business. This activity is taken across our business at different levels of the organisation with steps taken to ensure that the Board is aware of this activity and who can also engage with stakeholders as appropriate. The Board receives regular updates from the Chief Executive Officer and the Chief Financial Officer on these matters, as well as from senior executives within the business with particular expertise or responsibility for dealing with the stakeholders involved. Examples of how the Board considered stakeholder interests during the year are set out in the Board's s.172 statement is on page 46.

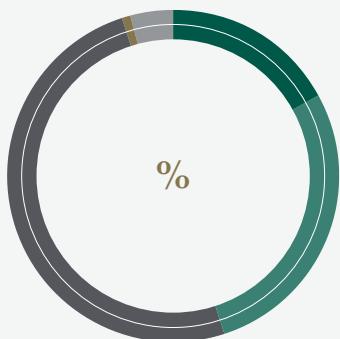
SHAREHOLDER ENGAGEMENT

The Board is committed to maintaining good communications with existing and potential shareholders. Shareholders play a valuable role in safeguarding the Group's governance through, for example, the annual re-election of Directors, monitoring and rewarding their performance and engagement and constructive dialogue with the Board. The Group aims to be as transparent as possible with the information it provides to investors and welcomes face-to-face interaction. However, COVID-19 restrictions have curtailed much of this activity, in the earlier part of the period, replacing it with a significant increase in virtual meetings and conferences.

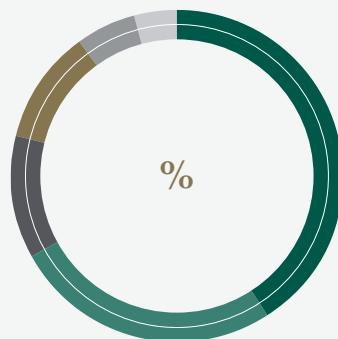
The Board's primary contact with existing and prospective institutional shareholders is through the Director of Investor Relations who is responsible for all primary contact with shareholders, potential investors and equity research professionals. The Executive Chairman, Chief Executive Officer, and Chief Financial Officer provide regular engagement support together with other executive management team members. Details of shareholder engagement activities in 2021 are set out in the table opposite.

There is a regular programme of meetings with major institutional shareholders to consider the Group's performance and prospects. The Group's investor reach is global, and the Company has liaised with investors in the UK, USA, Canada, France, Italy, Spain, Germany, Switzerland, the Netherlands, Luxembourg, Norway, China, Japan and Australia during the last financial year.

GEOGRAPHIC DISPERSION



SHAREHOLDER TYPES



MAIN METHODS OF ENGAGEMENT WITH SHAREHOLDERS

SHAREHOLDER CONSULTATIONS	The Executive Chairman, Chief Executive Officer and Chief Financial Officer met during the year, in line with COVID-19 protocols, a large number of shareholders after each announcement relating to the Company's financial performance. The Executive Chairman has engaged with institutional shareholders to discuss the Company's performance and Board governance matters and communicated their views to the Board. The Company will always seek to engage with shareholders when considering material changes to either our Board, strategy or remuneration policies. In 2021 the Remuneration Committee consulted with the largest shareholders on our revised Remuneration Policy, a summary of which is on pages 121-126.
INVESTOR MEETINGS	During 2021 the Company held over 650 investor meetings with 348 individual existing and potential investors and analysts. Due to the pandemic the majority of these were virtual meetings. The meetings were attended by a combination of the Executive Chairman, Chief Executive Officer, Chief Financial Officer and Investor Relations team and with many also including the executive management team. The Director of Investor Relations was a regular Board attendee to provide feedback from these meetings and updates on other market matters. In November, 37 investors and analysts were given a tour of the manufacturing plant and the design studio at Gaydon to see at first hand the changes that had occurred through Project Horizon.
INVESTOR PRESENTATIONS	During 2021, the Group hosted virtual webcasts for all reported results and market updates and took questions from investors and analysts ensuring an open dialogue with the market. Due to the pandemic, roadshow activity was severely restricted.
INVESTOR CONFERENCES	Due to the COVID-19 pandemic, the majority of conferences moved to a virtual format. 15 conferences were attended by the Investor Relations Team during 2021 with the Chief Executive Officer presenting at eight of these conferences.
AGM	The AGM provides an opportunity for private shareholders, in particular, to question the Directors and the Chairs of each of the Board Committees. It was necessary to hold the 2021 AGM virtually due to the UK Government's lockdown restrictions, however proceedings included a Q&A session for any shareholder or interested stakeholder to ask questions of the Board. We were able to make the proceedings of our AGM available by video to shareholders who had registered in advance. Information on the 2022 AGM is on page 139. The Notice of AGM is issued at least 20 working days in advance of the AGM date, to provide shareholders with the appropriate time, as set out in the FRC's guidance on Board Effectiveness, to consider matters.
ANNUAL REPORT	The Company's Annual Report is available to all shareholders. Through our electronic communication initiatives, we look to make our Annual Report as accessible as possible. Shareholders can opt to receive a hard copy in the post or PDF copies via email or from our website.
CORPORATE WEBSITE	The corporate website, www.astonmartinlagonda.com , has a dedicated Investors section which includes our Annual Reports, results presentations (which are made to analysts and investors at the time of the interim and full year results) along with all results and other regulatory announcements as well as further information for investors including our financial calendar for the upcoming year.
SENIOR INDEPENDENT DIRECTOR	If shareholders have any concerns, which the normal channels of communication to the Chief Executive Officer, Chief Financial Officer or Executive Chairman have failed to resolve, or for which contact is inappropriate, then our Senior Independent Director is available to address them.

EMPLOYEE ENGAGEMENT

The Company has an experienced, diverse and dedicated workforce which is recognised as a key asset of the business. The Board and its Committees routinely invite members of the management team to join meetings to present on the matters being discussed, enabling their input into discussions. In order to reach all employees (including individuals engaged under contracts of service, agency workers and remote workers), the Board utilises a combination of formal and informal engagement methods which are detailed below.

NON-EXECUTIVE DIRECTOR ENGAGEMENT

WITH OUR EMPLOYEES

As part of the Board's work to better understand the views of its employees, Anne Stevens, the Workforce Independent Non-Executive Director, as the Company's chosen method of workforce engagement under the Code, is responsible to the Board for directly engaging with the Company's workforce. During the period, measures taken in response to

COVID-19 made face-to-face engagement difficult, but other methods of engagement were adopted to ensure that the workforce continued to receive regular communications about the business and concerning workforce health and safety in response to the pandemic. Workforce engagement during this period was led by the Chief Executive Officer and Directors of HR and Reward who provided updates to the Board and Committees. In 2022, the Workforce Independent Non-Executive Director proposes to actively engage with the workforce through a series of activities including attendance at Town Hall meetings, regularly meeting with the Company's employee representatives, and reviewing the outcome of employee surveys and monitoring the effectiveness of employee engagement programmes. More information on our workforce engagement is set out in the table below.

The Board remains committed to a constructive two-way dialogue with the workforce, to enable the Board to better reflect their interests in future Company and strategic decisions, and to help ensure that the Company is a great place to work.

HOW WE ENGAGE WITH OUR EMPLOYEES

DEDICATED NON-EXECUTIVE DIRECTOR

Anne Stevens is the dedicated Independent Non-Executive Director for gathering the views of the workforce. In 2022 Anne will oversee and receive updates on our employee engagement methods. Further information on Anne's role is detailed above and on page 96.

EMPLOYEE SURVEYS

The Company regularly gathers feedback from employees to assess their levels of engagement. The Company conducts a formal annual employee survey, designed and developed in conjunction with an independent provider and sponsored by the Executive Directors.

INTRANET

Our intranet is used as a popular platform for employees to access the Company policies and be kept fully informed of the latest Company news. In addition, during the lockdown restrictions, the intranet was used to share links to useful information on social and wellbeing, culture and entertainment, health and safety and virtual quizzes.

TOWN HALL MEETINGS

The Chief Executive Officer regularly hosts Town Hall meetings to ensure all employees are kept informed of business activity and engaged. Due to COVID-19, virtual Town Halls were held, and when restrictions were lifted, they were held in-person.

WHISTLEBLOWING

The Company's confidential reporting and whistleblowing facility offers an anonymous Global reporting facility for employees to raise any concerns, via telephone or online web-reporting. Further information can be found on page 114.

WORKING GROUPS

The Company currently operates a Diversity and Inclusion Working Group which is comprised of employees from across the business and chaired by the Director of Reward and Policy. The ideas and comments raised are fed directly into the Board. A working group is also established after each formal employee survey with the aim of making recommendations to the Executive Committee on matters raised or areas where changes could be made to further improve employee engagement and satisfaction.



←
Employee engagement has been a key focus in 2021

WORKPLACE POLICIES AND PRACTICES

The Board and Executive Committee review and approve all key policies and practices which could impact on the workforce and drive their behaviours. All policies are checked to ensure they support the Company's purpose and reflect our values (see page 90 purpose values and culture).

Policies are published on the intranet and form part of the employee handbook. Employees are required to confirm their understanding of the Standards of Corporate Conduct upon recruitment and on an annual basis. Employees are notified if there are any changes to these policies.

To ensure policies are embedded in our business practices, the Company operates a mandatory training programme which aims to reinforce key compliance messages in areas such as code of conduct, anti-bribery and corruption, confidential reporting and whistleblowing, modern slavery, equality, diversity and inclusion and conflicts of interest.

All employees and the Board are required to notify the Company as soon as they become aware of a situation that could give rise to a conflict or potential conflict of interest. The register of potential conflicts of interest is regularly reviewed to ensure it remains up to date. The Board is satisfied that potential conflicts have been effectively managed throughout the year (see page 96).

There is an appropriate mechanism for employees and contractors to report any concerns regarding suspected wrongdoing or misconduct. The "Confidential Reporting and Whistleblowing" policy and procedures are included within our employee handbook, on our Group intranet and staff noticeboards, together with annual mandatory training. In addition, there is an independent telephone line and online portal for anonymous reporting of concerns.

Following receipt of a whistleblowing report there are procedures in place to ensure an independent and proportionate investigation led by the Director of Internal Audit & Risk Management with support from Human Resources and/or Legal teams depending on the nature of the concern, with any significant findings reported to the Audit and Risk Committee and Board. The Audit and Risk Committee receives regular updates from the Director of Internal Audit & Risk Management with details of any such reports and on the operation of the whistleblowing procedures. Further information on this can be found in the Audit and Risk Committee Report on page 114.

The Board approves the Remuneration Policy for the Executive Directors and, through the Remuneration Committee, has oversight of the wider workforce remuneration practices (further information can be found on pages 121-126).

DIVISION OF RESPONSIBILITIES

There is clear division between executive and non-executive responsibilities which ensures accountability and oversight. The roles of Chair and Chief Executive Officer are separately held and their responsibilities are well defined, set out in writing and regularly reviewed by the Board.

EXECUTIVE CHAIRMAN

The Executive Chairman, Lawrence Stroll, is responsible for leading and managing the business of the Board primarily focused on strategy, performance, value creation and accountability, setting and sustaining the culture and purpose of the Company and ensuring the Board's overall effectiveness, governance and Director succession planning. He also ensures the effective communication between the Board, management, shareholders and the Company's wider stakeholders. The Executive Chairman works collaboratively with the Chief Executive Officer, Tobias Moers, in constructively challenging and helping to develop proposals on strategy, setting the Board agenda and ensuring that any actions agreed by the Board are effectively implemented.

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer, Tobias Moers, is responsible for developing, implementing and delivering the agreed strategy and for the operational and strategic management of the Company. He is also responsible for supporting Directors' induction into the business by providing the necessary resources for developing and updating their knowledge and capabilities concerning the Company, including access to Company operations and members of the workforce.

CHIEF FINANCIAL OFFICER

The Chief Financial Officer, Kenneth Gregor, is a member of the Executive Committee team reporting to the Chief Executive Officer. His role is to lead the financial management, risk, investor relations and internal control teams and to oversee the Company's relationship with the investment community.

SENIOR INDEPENDENT DIRECTOR ("SID")

The Senior Independent Director, Antony Sheriff, supports the Executive Chairman in his role and leads the Non-Executive Directors in the oversight of the Executive Chairman. The SID is also available as an additional point of contact for shareholders.

NON-EXECUTIVE DIRECTORS

The Non-Executive Directors provide constructive challenge, strategic guidance, offer specialist advice and hold management to account. They monitor the performance and delivery of the strategy within the risk parameters and control framework set by the Board.

WORKFORCE NON-EXECUTIVE DIRECTOR

The designated Non-Executive Director gathering the views of the workforce is Anne Stevens. Views are gathered by attendance at key employee and business events, reviewing the outcome of employee surveys and monitoring the effectiveness of employee engagement programmes.

THE COMPANY SECRETARY

The Company Secretary, Rachael Hambrook, acts as secretary to the Board and each of the Committees. She is responsible for supporting the Executive Chairman and the Board in delivering the Company's corporate governance agenda.

INDEPENDENCE OF THE BOARD

The Board has identified which Directors are considered to be independent on page 89.

As at 31 December 2021, 60% 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.

In the year, the Chair met with the Independent Non-Executive Directors without executive management being present. Such meetings are useful to safeguard the independence of the Non-Executive Directors by providing them with time to discuss their views in a more private environment.

RELATIONSHIP AGREEMENTS

At the start of the financial year, the Company had three groups of significant shareholders, namely, the Adeem/PW Shareholder Group, the Yew Tree Consortium and Mercedes-Benz AG (MBAG). The Adeem/PW Relationship Agreement terminated on 18 February 2021, as the Adeem/PW Shareholder Group ceased to hold 7% of the voting rights attaching to the ordinary shares.

The relationship between the Company and each of these significant shareholder groups is 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 142.

EXTERNAL DIRECTORSHIPS

It is recognised that Non-Executive Directorships can provide a further level of experience for executives that can benefit the Company. As such, Executive Directors may usually take up one non-executive directorship (broadly equivalent in terms of time commitment to a FTSE 350 Non-Executive Directorship role) subject to the Board's approval as long as there is no conflict of interest. Neither of the Executive Directors currently has any other directorship outside the Group.

Directors are required to consult with the Chair and obtain Board approval before taking on any additional appointments. As part of the selection process for any new Board candidates, any significant external time commitments are considered before an appointment is agreed.

All Directors have confirmed (as they are required to do annually) that they have been able to allocate sufficient time to discharge their responsibilities effectively (see table on page 89 for Board meeting attendance).

DIRECTORS' CONFLICTS OF INTEREST

Directors have a statutory duty to avoid situations in which they may have interests that conflict with those of the Company unless that conflict is first authorised by the Board. As permitted under the Companies Act 2006, the Company's Articles of Association allow Directors to authorise conflicts of interest and, in accordance with its terms of reference, the Board has established a policy and set of procedures for managing and, where appropriate, authorising actual or potential conflicts of interest. This is monitored by the Nomination Committee.

Prior to approval of this Report, the Committee has reviewed all situational conflicts that it has authorised and concluded that the potential conflicts had been appropriately authorised, no circumstances existed which would necessitate that any prior authorisation be revoked or amended, and the authorisation process continued to operate effectively.

KEY ACTIVITIES OF THE BOARD

The Board met for nine scheduled Board meetings and an additional six unscheduled meetings which were convened to consider the appointment of Independent Non-Executive Directors; the approval of the AGM Notice of Meeting; the extension of the F1™ Sponsorship Agreement; the renewal of the insurance programme; and the resignation of the Chief Financial Officer. Board attendance for the Board meetings during 2021 is set out on page 89.

KEY ACTIVITIES OF THE BOARD DURING THE YEAR

The Board's key activities are shown below. The Company's Section 172 Statement can be found on page 46.



STRATEGY

- Received reports from the Chief Executive Officer at each Board meeting covering business and Project Horizon transformation plans, market and trading performance, investor feedback and discussions from Executive Committee meetings
- Reviewed, discussed and adopted the Group's long term business strategy, the Group's ESG strategy and the Group's new Corporate & Brand strategy
- Discussed information on COVID-19 and its continuing impact across the business focusing in particular on the impact on the Group's workforce, the business plan, operational and financial performance and necessary mitigation actions
- Reviewed and approved the £70m Bond issue



FINANCIAL PERFORMANCE

- Received reports from the Chief Financial Officer at each Board meeting covering Group performance for each period, market data, budgets, outlook, cash flow and liquidity
- Consideration and approval of the Company's quarterly trading updates, half-year and full-year results and market announcements, including the going concern and viability statements
- Reviewed payment of a dividend
- Approved the Annual Report and Accounts for the financial year ended 31 December 2020
- Reviewed and approved the Group's financing strategy and budget for 2022
- Approved the Group's annual insurance renewal



ENVIRONMENT

- Science Based Target Accreditation application ratified
- Approved the creation of a new Board Sustainability Committee



PEOPLE & CULTURE

- On the recommendation of the Nomination Committee, approved the appointment of Amedeo Felisa, Robin Freestone, Natalie Massenet, Marigay McKee, Richard Parry-Jones, Antony Sheriff and Anne Stevens as new Independent Non-Executive Directors, and Stephan Unger and Franz Reiner as the Non-Executive Directors Representing MBAG and in January 2022, the appointment of the new Chief Financial Officer
- Regular updates provided on people and wellbeing covering engagement survey results, and progress against the key areas of focus
- Reports received from the Chair of the Remuneration Committee on its activities regarding remuneration of the Executive Directors and Executive Committee, and the fees paid to the Chair and Non-Executive Directors
- Reports received from the Chair of the Nomination Committee on its activities concerning Board appointments and succession
- In January 2022 approved the closure of the Company Defined Benefit Pension Scheme



GOVERNANCE, COMPLIANCE AND REGULATORY

- Reviewed and adopted updated Group policies relating to Confidential Reporting and Whistleblowing, Anti-Bribery and Corruption, Responsible Procurement, Environmental, Health and Safety, Tax
- Approved new Diversity and Inclusion and Anti-Slavery & Human Trafficking Policies, and new Share Dealing code and procedures
- Reviewed and adopted revised Audit and Risk Committee terms of reference
- Conducted the annual Board evaluation in respect of the effectiveness of the Board and its Committees and discussed the actions to be taken in the upcoming year
- Approved the resolutions to be put to shareholders at the AGM
- Received updates on material litigation



INTERNAL CONTROLS AND RISK MANAGEMENT

- Reviewed and approved the Risk Management Policy
- Approved the principal risk assessment for interim and year-end reporting purposes
- Received updates on Information Technology strategy and cyber security including the progress on Project Agile, being the introduction and implementation of a new enterprise resource planning system (ERP)
- Information received on the Internal Controls Assurance Programme ahead of any proposed new financial reporting regime (UK SOx)



STAKEHOLDERS

- Received reports from Investor Relations on investor activity, recent investor/analyst engagement and investor views and feedback from investor roadshows
- Undertook Gaydon manufacturing and design studio site visits as part of workforce engagement activities
- Received reports from the Executive Committee on customers and market share data
- Reviewed and discussed the current and future products range
- Received regular updates on people and wellbeing covering engagement survey results and progress against the key areas of focus

FAIR, BALANCED AND UNDERSTANDABLE

The Annual Report and Accounts is required, as a whole, to be "fair, balanced and understandable" and to provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The Audit and Risk Committee considered, on behalf of the Board, whether the "fair, balanced and understandable" statement could properly be given on behalf of the Directors. The Committee considered the associated assurance processes (as set out on page 112) and provided a recommendation to the Board that the fair, balanced and understandable statement could be given on behalf of the Directors. Based on this recommendation, our Board is satisfied that it has met this obligation.

A summary of the Directors' responsibilities in relation to the Financial Statements is set out on page 144. The report of the external auditors on pages 145-153 includes a statement concerning their reporting responsibilities.

COMPOSITION, SUCCESSION AND EVALUATION

APPOINTMENT AND ELECTION OF DIRECTORS TO THE BOARD

All of the Directors have service agreements or letters of appointment and the details of their terms are as set out in the Directors' Remuneration Report. The Executive Chairman and Non-Executive Directors are expected to devote the necessary time to perform their duties properly. This is expected to be approximately 30 days each year for the Non-Executive Directors. The Executive Chairman and Senior Independent Director may be required to spend additional time over and above this to carry out their extra responsibilities. As discussed in relation to Board attendance, Directors devoted significantly more time to Board matters during the year.

The Board considers all Directors to be effective and committed to their roles and to have sufficient time to perform their duties. All Directors will be offering themselves for election or re-election as appropriate at the Company's Annual General Meeting ("AGM").

The service agreements and letters of appointment are available for inspection at the Company's registered office during normal business hours. No other contract with the Company or any subsidiary undertaking of the Company in which any Director was materially interested existed during or at the end of the financial year other than the Relationship Agreements with significant shareholders the Yew Tree Consortium and MBAG as set out on page 142, the F1™ Sponsorship Agreement as set out in the Prospectus dated 27 February 2020 and the Supplementary Prospectus dated 13 March 2020.

The Adeem/PW shareholder group ceased to be a related party for the purposes of the Listing Rules during the year ended 31 December 2020, and their Relationship Agreement with the Company terminated on 18 February 2021.

BOARD SUCCESSION AND DIVERSITY

Board succession planning is focused on ensuring the right mix of experience and skills is retained by the Board. All new appointments are based on merit, keeping in mind that to deliver our strategy the Company needs a Board which is diverse and inclusive. Consequently, the Company believes in the importance of diverse Board membership, including in relation to gender, social and ethnic backgrounds, cognitive and personal strengths, tenure and relevant experience.

At the date of this Report, the Company has two significant shareholder groups with rights to nominate representative directors to the Board under their respective Relationship Agreements with the Company, as set out on page 142. In formulating the Board Diversity Policy which was adopted in 2019, the Board recognised the Davies Report and the Hampton-Alexander Review target for women to represent 33% of boards by 2020 while also being cognisant of the Company's Relationship Agreements.

Accordingly, under the Policy the Board agreed its aim to maintain a balance so that, as a minimum, one-third of Board members not subject to significant shareholder appointments are women, provided this is consistent with the prevailing skills and diversity requirements of the Company as and when seeking to appoint a new Director. As a result of the appointment of Marigay McKee, Natalie Massenet and Anne Stevens to the Board during the year, under the Board Diversity Policy, as at the date of this Report, there are three women out of eight relevant Board members

(being the two Executive Directors and six Independent Non-Executive Directors), thereby comprising 38% of the Board.

The Board will continue to focus on Board composition and to continue to improve diversity, with the Board aiming to achieve the Parker Review recommendation that at least one Director on the Board is from an ethnic minority background, by 31 December 2024.

BOARD SKILLS EXPERIENCE AND KNOWLEDGE

An effective Board requires the right mix of skills and experience. The Board is a diverse and effective team focused on promoting the long-term success of the Group for the benefit of all stakeholders. The Directors' biographies are available on pages 84-86 and the chart below provides an overview of the skills and experience of our Directors as at 31 December 2021.

TRAINING

Tailored induction programmes were put in place for all the new Non-Executive Directors who joined the Board during the year. These included visits to the main operational locations, meetings with senior management and information about the key areas of the business. Further details are included on page 106. Continuing training and education is available to all Directors to enable them to fulfil their responsibilities as Directors and to develop their understanding of the business.

