CIRCULAR ECONOMY

We are committed to the principles of a circular economy, and it is one of the core priorities underpinning the sustainability Field of Action in our refreshed Beyond100+ strategy.

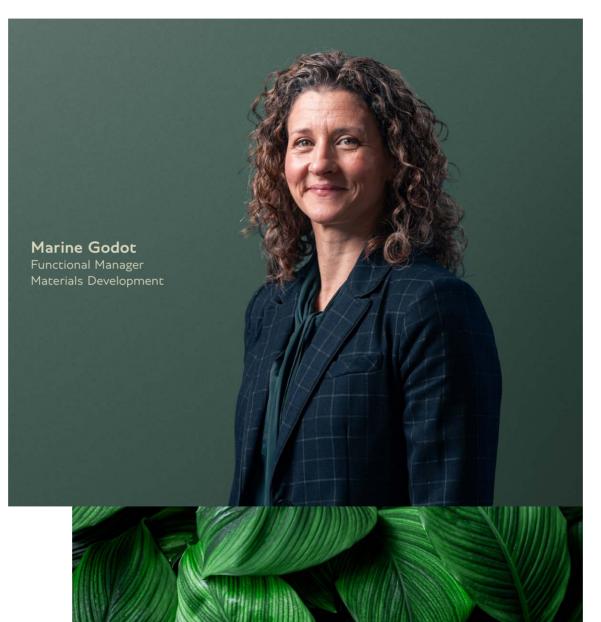
This means that we are opposed to a 'take-make-dispose' economy and instead focused on making our luxury vehicles repairable, durable, and sustainable. Along with the Group, we aim to decouple resource consumption from economic growth.

Resource scarcity

Our commitment to circularity requires us to consider resource scarcity too, and to make efforts to control and reduce our use of certain resources, in particular leather, metals, plastics, rare earth magnets, and rare wood veneers. Wherever possible, and where there is no negative impact on quality and performance, we continue to increase the use of circular (recycled and renewable) materials.

We aim to avoid undue stress on fragile resource systems and ensure the availability of the materials we use. Our strategic commitment to a circular economy will allow us to decarbonise in a socially responsible manner.

Presently, our highest priority for circularity is materials. We want to remain compliant with the End-of-Life Vehicles Regulation and are also assessing and implementing opportunities to use higher percentages of circular materials in our future electric cars.



We know that our current vehicles contain materials that may not always be abundant and the production processes for our vehicles draw on resources that require protection. Meeting our BEV-only goal by 2035 will require batteries containing materials that are rapidly becoming essential in a wide range of applications, and we will monitor their availability.

Progress and plans

We use the Circular Materials Index (CMI) to determine the quantity of recycled and renewable materials in cars. We have agreed an internal target for our first fully electric vehicle, and we are on track to achieve this goal. Presently, we can assess and quantify sustainability CMI targets in detail at a vehicle to component level.

These CMI targets will support the design and sourcing strategies for the cars and help to protect resources where they are scarce.

Supplier nominations for BEVs now include CMI and DKI targets. With 90 per cent of suppliers nominated for the first BEV, we are pleased to say that it has now achieved green status at a whole-vehicle and product level. This will be monitored through to the production of the final vehicle.

Our ambition is to rapidly increase the CMI of all our vehicles in the next 10 years, which will include growing amounts of post-consumer and automotive closed-loop raw materials, while maintaining the highest quality standards.

How we approach battery design and recycling will form a key part of our BEV goal under the Beyond100+ strategy. We plan to incorporate circular economy principles into other design elements of the BEV, ensuring that products can be designed with end-of-life recycling in mind.



In 2024, in line with our circularity ambitions, we have progressed the narrative of our vehicles as durable and repairable assets with a long lifecycle. After-sales repair options support our customers to keep vehicles on the road longer and reduce environmental impact. Communicating our sustainability goals clearly to our customers and retailers is essential.

Minimising waste

As part of our circular economy goal, we continue to work closely with our waste management providers to divert waste away from landfill wherever possible. As a result, there is still only a very small amount of waste material that cannot be recycled and that goes to landfill, linked to the development of our site in Crewe.

Our ambition remains to reduce waste generation and increase the rate of recycling in support of our circular economy approach. To this end we have worked with new suppliers to minimise packaging waste. As an example of this, you can read more about efforts to eradicate singleuse plastic vehicle wrap in favour of bioplastic wrap in the Sustainable products and material section of this report.

In 2024, the logistics team developed the SPMS to help us monitor and reduce our use of single-use plastics.



You can read more about the SPMS in the Sustainable products and material section

We continue to recycle test parts where this practice can be balanced with safety requirements. We try to re-use high value, production-intensive parts such as seats and interior trim parts. We can also recycle exterior or chassis components depending on their involvement in the previous test and their role in any future test. For example, following a frontal crash test, we could remove and reuse an unaffected rear light cluster for electrical testing.

This was the first year in which we used recycled 3D printing materials to make new parts. We are also installing a furnace so we can 3D-print metal parts.

Keeping our focus on high quality is essential to maintain our success in minimising waste. Only the highest quality components will last, and we must innovate to balance quality and sustainability in new ways.

We continue to make efforts to encourage the kind of innovation that leads to fresh ideas that help us minimise waste, increase circularity, and conserve resources, since we know that our people are essential to our progress towards this goal.