

# JAGUAR LAND ROVER

## SUSTAINABILITY REPORT



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2013/14 Performance Update



# WELCOME

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We are committed to growing our business responsibly and sustainably, with environmental innovation at the heart of our strategy.

Building upon the achievements which saw us named 'Responsible Business of the Year 2013' by Business in the Community, we published our sustainability strategy and goals for 2020 in our 2012/13 Sustainability Report (issued Dec 2013).

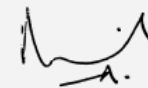
We are currently reviewing how we engage key audiences with our sustainability journey, and whilst this is in progress, for 2013/14 we are sharing this interim performance summary, containing data and commentary across the four pillars of our strategy: Sustainable Products, Sustainable Operations, Our People and Global Corporate Social Responsibility (CSR). Please refer to our 2012/13 Sustainability Report for details of on-going case studies and historical performance.

Maintaining our commitment to sustainability is more important than ever as we continue to grow our business. With vehicles sales up 16% this year, managing our environmental impacts has been a key focus. In 2013 (CY), we reduced our EU fleet average tailpipe CO<sub>2</sub> emissions to 182g/km and we are on track to achieve a 25% reduction on our 2007 baseline in 2015. The Jaguar XE, launched in September 2014, is the most fuel efficient Jaguar ever made, with extensive use of recycled aluminium to support a significant weight reduction. The diesel manual model can achieve 75mpg and tailpipe CO<sub>2</sub> emissions as low as 99g/km.

Our new and efficient Ingenium engine range will be built at our Engine Manufacturing Centre in Wolverhampton, a facility designed to minimise environmental impacts. It features the UK's largest rooftop solar array that will generate more than 30% of the site's own energy. This environmental focus will continue as we open new manufacturing facilities in China and Brazil.

We are also transforming our Global CSR programme to better support our local and global communities. In 2013, 328,000 young people participated in our 'Inspiring Tomorrow's Engineers' initiative and in 2013/14 our CO<sub>2</sub> offsetting projects enabled 1.2 million people to improve their living standards. The first 19 regional projects financed by our new Global Markets CSR fund are also now set to impact 240,000 people during 2014/15.

We look forward to sharing further depth and insight into our sustainability journey towards 2020, via a comprehensive report in 2015.



**Mike Wright, Executive Director  
Jaguar Land Rover**

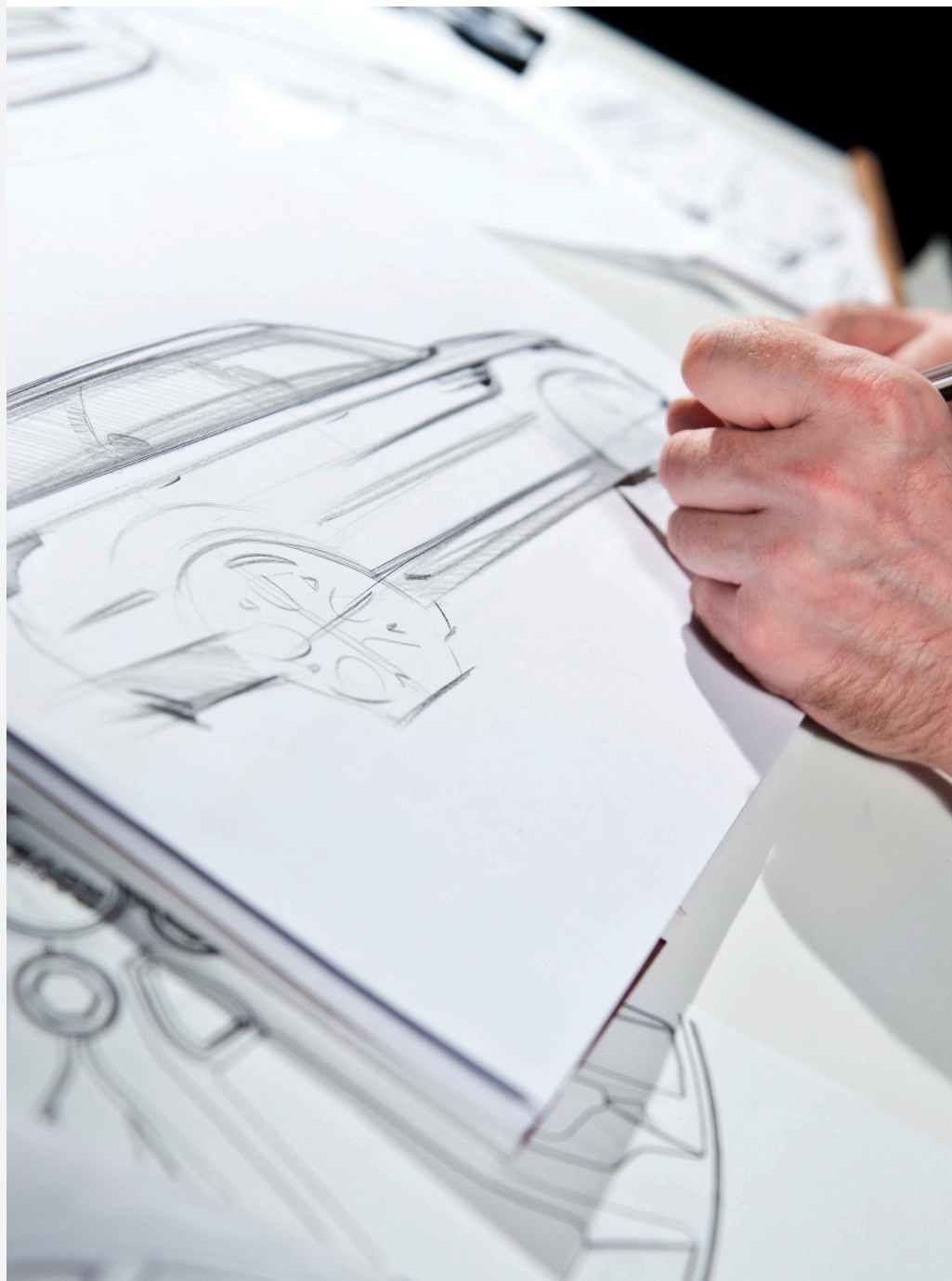




# SUSTAINABLE PRODUCTS

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We are working hard to reduce environmental impacts throughout the entire life cycle of our vehicles. Improving fuel efficiency and reducing tailpipe CO<sub>2</sub> emissions remains a priority and we are on track to meet our 2015 target to reduce our EU fleet average tailpipe CO<sub>2</sub> emissions by 25% against our 2007 baseline. We are investing in research, engineering and manufacturing capacity to meet this target and satisfy growing demand for our products. Our relentless focus on innovation is essential to our long-term success, giving us the ability to design products and technologies that meet the needs of customers now and in the future.



## ROAD TO 2020: SUSTAINABLE PRODUCTS

### 2013/2014 STATUS

| OBJECTIVE   | 2013/14 TARGETS  | PROGRESS  | PERFORMANCE               |
|---|--|---|---------------------------|
| <b>Innovate to deliver competitive tailpipe CO<sub>2</sub> emissions and fuel economy</b> | Achieve a Jaguar Land Rover EU fleet average of 182g CO <sub>2</sub> /km   | Target met with an EU fleet average of 182g CO <sub>2</sub> /km in CY 2013 (see page 5 for details).  | <b>ACHIEVED</b>           |
|   | Comply with US Environmental Protection Agency Greenhouse Gas and China Fleet Stage III fuel consumption   | On track to recover cumulative greenhouse gas debits to comply with the US Environmental Protection Agency requirements and to fully comply with China Stage III Fuel Consumption regulation by the end of 2014.  | <b>ONGOING</b>            |
|   | Launch first production hybrid for European market   | Range Rover Hybrid and Range Rover Sport Hybrid, the world's first premium diesel SUV hybrids, have been launched, reducing CO <sub>2</sub> emissions by 26% compared with conventional powertrain models and delivering fuel efficiency of 44.1mpg on the combined diesel and electric cycle.  | <b>ACHIEVED</b>           |
| <b>Reduce product impacts over the life cycle</b>   | Complete Life Cycle Assessment (LCA) studies on Jaguar F-TYPE and Range Rover to confirm a reduction in environmental impact of more than 10% from previous models | LCA studies conducted and verified by the Vehicle Certification Agency, showing a 16% reduction in environmental impact for the Jaguar F-TYPE compared with the XK and a 6%* reduction for the All-New Range Rover Sport compared with the outgoing model.  | <b>PARTIALLY ACHIEVED</b> |
|   | Simulate life cycle impacts for all 2017 model year products to enable early sustainability target setting   | Life cycle CO <sub>2</sub> impacts now simulated at the start of vehicle development for all models and information tracked throughout the programme to help our engineers find ways to reduce impacts through material selection, material reduction and weight optimisation.  | <b>ACHIEVED</b>           |
|   | Engage with suppliers to enable more accurate LCA studies and improved environmental performance across the product life cycle                                     | New process established using face to face or on-line meetings to improve dialogue and information sharing with suppliers, support them in providing the right data using an agreed framework (or raw data which we can use to complete the necessary calculations), and share results from our LCAs to help them understand our priorities to improve performance. | <b>ACHIEVED/ ONGOING</b>  |
| <b>Create sustainable mobility solutions</b>  | Develop a 'connected car' strategy and technologies to respond to opportunities for enhanced services and new revenue streams for sustainable mobility             | Opportunities identified to deliver improved sustainability performance through our connected car strategy, including a pilot project investigating ways to encourage and equip customers to drive more efficiently, reducing the impacts associated with driving our vehicles.   | <b>ACHIEVED/ ONGOING</b>  |
| <b>Evaluate new sustainable business models</b>   | Identify key systems, materials and processes at risk from resource scarcity and commodity price volatility, and develop a response plan                           | Initial mapping undertaken to identify materials used and associated risks. Response plans under development.   | <b>ONGOING</b>            |

\* Reduction smaller than target, as the same 3L engine was used throughout, without adjusting for power-to-weight improvement.



## ROAD TO 2020: SUSTAINABLE PRODUCTS

### 2013/14 PERFORMANCE DATA

#### Jaguar Land Rover EU fleet average tailpipe CO<sub>2</sub> emissions

|  | 2013 (CY) | 2012 (CY) | 2011 (CY) | <<< | BASELINE<br>2007 (CY) |
|--|-----------|-----------|-----------|-----|-----------------------|
| Average CO <sub>2</sub> emissions per kilometre (g/km) | 182       | 187       | 206       |     | 240                   |

#### CO<sub>2</sub> g/km for each vehicle model

##### CY 2013 Fuel g/km

##### Land Rover

###### Defender

|                              |        |     |
|------------------------------|--------|-----|
| 2.2L (110/130) Station Wagon | Diesel | 295 |
| 2.2L (90) Station Wagon      | Diesel | 269 |

###### Freelander

|                        |        |     |
|------------------------|--------|-----|
| 2.2L TD4 4WD Auto      | Diesel | 185 |
| 2.2L TD4 4WD Manual    | Diesel | 165 |
| 2.2L ED4 2WD Manual    | Diesel | 158 |
| 2.0L Si4 GTDi 4WD Auto | Petrol | 224 |

###### Discovery 4

|                           |        |      |
|---------------------------|--------|------|
| 3.0L TDV6 Auto            | Diesel | 207  |
| 3.0L SDV6 Auto            | Diesel | 213  |
| 3.0L V6 Supercharged Auto | Petrol | 269  |
| 5.0L V8 Auto              | Petrol | n/a* |

###### Range Rover Evoque

|                       |        |     |
|-----------------------|--------|-----|
| 2.2L ED4 2WD Manual   | Diesel | 133 |
| 2.2L TD4 4WD Manual   | Diesel | 149 |
| 2.2L SD4 4WD Manual   | Diesel | 149 |
| 2.2L SD4 4WD Auto     | Diesel | 159 |
| 2.0L Si4 4WD Auto     | Petrol | 181 |
| Coupe- ED4 2WD Manual | Diesel | 129 |
| Coupe- SD4 4WD Auto   | Diesel | 153 |

###### Range Rover Sport

|                           |        |     |
|---------------------------|--------|-----|
| 3.0L TDV6 Auto            | Diesel | 194 |
| 3.0L SDV6 Auto            | Diesel | 199 |
| 4.4L SDV8 Auto            | Diesel | 229 |
| 3.0L V6 Supercharged Auto | Petrol | 249 |
| 5.0L V8 Supercharged Auto | Petrol | 298 |

##### CY 2013 Fuel g/km

##### Range Rover

|                           |        |     |
|---------------------------|--------|-----|
| 3.0L TDV6 Hybrid          | Diesel | 169 |
| 3.0L TDV6 Auto            | Diesel | 196 |
| 4.4L SDV8 Auto            | Diesel | 229 |
| 5.0L V8 Auto              | Petrol | 299 |
| 5.0L V8 Supercharged Auto | Petrol | 299 |

##### Jaguar

###### XF

|                               |        |     |
|-------------------------------|--------|-----|
| 2.2L i4 163PS Auto            | Diesel | 139 |
| 2.2L i4 200PS Auto            | Diesel | 129 |
| 3.0L V6 Auto                  | Diesel | 159 |
| 3.0L V6 Supercharged Auto     | Petrol | 224 |
| 3.0L V6 Supercharged Auto AWD | Petrol | 229 |
| 5.0L V8 Supercharged Auto     | Petrol | 270 |

###### XF Sportbrake

|                    |        |     |
|--------------------|--------|-----|
| 2.2L i4 163PS Auto | Diesel | 135 |
| 2.2L i4 200PS Auto | Diesel | 139 |
| 3.0L V6 Auto       | Diesel | 163 |

###### XJ

|                               |        |      |
|-------------------------------|--------|------|
| 3.0L V6 Auto                  | Diesel | 159  |
| 3.0L V6 Supercharged Auto     | Petrol | 224  |
| 3.0L V6 Supercharged Auto AWD | Petrol | 234  |
| 5.0L V8 Auto                  | Petrol | n/a* |
| 5.0L V8 Supercharged Auto     | Petrol | 270  |

###### XK

|                        |        |     |
|------------------------|--------|-----|
| 5.0L V8 Auto           | Petrol | 264 |
| 5.0L Supercharged Auto | Petrol | 292 |

###### F-TYPE

|                                 |        |     |
|---------------------------------|--------|-----|
| 3.0L V6 Supercharged 340PS Auto | Petrol | 209 |
| 3.0L V6 Supercharged 380PS Auto | Petrol | 213 |
| 5.0L V8 Supercharged Auto       | Petrol | 259 |

#### Notes:

We have reduced EU fleet average tailpipe CO<sub>2</sub> emissions by 24% compared with 2007, meeting our target for 2013/14 and putting us on track to achieve a 25% reduction by 2015 to enable us to meet EU regulatory requirements.

We achieved this through a number of technological innovations and new models launched. The All-New Range Rover and Range Rover Sport feature lightweight aluminium bodies that reduce fuel consumption and tailpipe CO<sub>2</sub> emissions. The Land Rover Discovery 5.0L V8 has been replaced with the new 3.0L Supercharged V6 petrol engine which has reduced tailpipe emissions by 18%. We have also implemented Intelligent Stop Start and a nine-speed automatic gearbox on the Range Rover Evoque, together with the world's first 'on demand' four-wheel drive system, saving almost 10% CO<sub>2</sub> on certain models.

Life cycle assessments (LCAs) are helping our designers and engineers better understand environmental impacts across the life cycle of our products and we are continuing to roll these out across our vehicle development programmes.

The launch of the Jaguar XE in September 2014 demonstrated our continued investment in environmental innovation. Its lightweight body, achieved through extensive use of recycled aluminium, enabled significant improvements in fuel economy. The diesel manual model can achieve 75mpg and tailpipe CO<sub>2</sub> emissions as low as 99g/km.

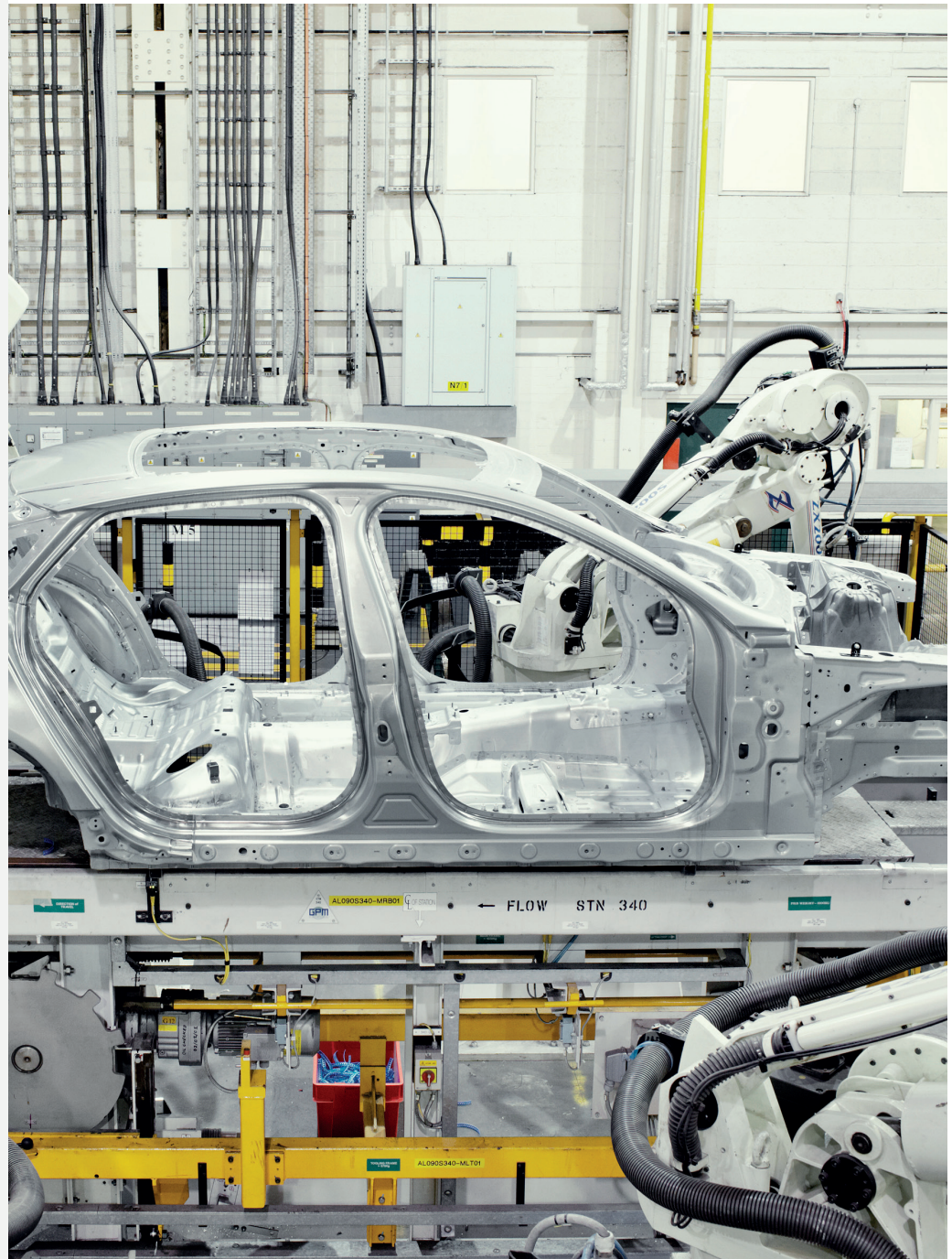
\*Ceased Production

# SUSTAINABLE OPERATIONS

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As we work to reduce tailpipe CO<sub>2</sub> emissions from the use of our vehicles, we are also working hard to reduce the environmental impacts from their design and manufacture. We are improving energy efficiency and have invested heavily in increasing our generation and use of renewable energy. In 2013/14, we invested £8 million in energy saving projects across our UK sites and in 2014 we opened our new Engine Manufacturing Centre in Wolverhampton - rated BREEAM Excellent and home to the UK's largest rooftop solar panel array.

We are reducing waste and taking steps towards our 2020 goal of zero waste to landfill. We are also encouraging our top 150 suppliers to make environmental improvements, building on our existing requirements for them to achieve the ISO14001 standard. We are committed to embedding sustainability considerations in all new-build and refurbishment projects, including new overseas manufacturing sites.



## ROAD TO 2020: SUSTAINABLE OPERATIONS

### 2013/2014 STATUS

| OBJECTIVE  | 2013/14 TARGETS  | PROGRESS   | PERFORMANCE     |
|--|--|--|-----------------|
| <b>Deliver sustainable infrastructure and operations</b>                         | All new-build and refurbishment projects globally comply with our sustainable building requirements; and meet minimum performance standards set out by organisations such as BREEAM, LEED and SKA Rating | New Engine Manufacturing Centre in Wolverhampton is rated BREEAM Excellent and all new Jaguar Land Rover owned manufacturing facilities outside the UK are on track to meet green building standards.  | <b>ACHIEVED</b> |
| <b>Reduce our emissions of greenhouse gases</b>                                  | Reduce CO <sub>2</sub> emissions from our UK vehicle manufacturing operations to 0.84 tonnes CO <sub>2</sub> per vehicle produced  | CO <sub>2</sub> emissions from UK vehicle manufacturing operations reduced to 0.73 tonnes CO <sub>2</sub> per vehicle produced. This has been achieved through ongoing energy efficiency improvements and takes amendments to the carbon conversion factors into account (see footnote* on page 10). | <b>ACHIEVED</b> |
|  | Develop a long-term energy strategy to include financing, energy procurement, low carbon technologies, renewables and off-setting  | Strategy under development focusing on efficiency, substitution and renewable energy. We continue to offset 100% of our UK manufacturing assembly emissions.   | <b>ONGOING</b>  |
| <b>Build resilience to both legislative and physical climate change impacts</b>  | Review climate change risks across our facilities and develop a mitigation and adaptation plan   | Mitigation plan developed based on our review of climate change risks.   | <b>ACHIEVED</b> |
| <b>Evaluate water impacts across our operations and improve water efficiency</b> | Reduce water use in manufacturing to 3.12 m <sup>3</sup> per vehicle produced  | Water use cut to 2.57 m <sup>3</sup> per vehicle produced, exceeding our target, through process efficiency and water re-use initiatives.  | <b>ACHIEVED</b> |
| <b>Eliminate waste and improve resource efficiency</b>                           | Reduce waste to landfill from manufacturing operations to 4.77 kg per vehicle produced   | 3.82 kg of waste sent to landfill per vehicle produced, exceeding our target. In 2014/15, our goal is to send no more than 5% of total waste to landfill from our vehicle manufacturing operations.  | <b>ACHIEVED</b> |
|  | Achieve zero waste to landfill* at product development facilities.<br><i>*waste sent direct to landfill, not including waste processed by third parties</i>  | No waste was sent direct to landfill. Only 2.4% of total waste was sent to landfill after processing by second tier waste treatment facilities.  | <b>ACHIEVED</b> |



## ROAD TO 2020: SUSTAINABLE OPERATIONS

### 2013/2014 STATUS (CONTINUED)

| OBJECTIVE  | 2013/14 TARGETS  | PROGRESS  | PERFORMANCE     |
|--|--|---|-----------------|
| <b>Partner with our suppliers to deliver sustainable procurement practices around the world.</b> | Define sustainability attributes for future sourcing decisions to drive improved performance, and establish means to measure and collect data on environmental impacts in the supply chain | Worked with Achilles Automotive to develop a scheme that enables automotive companies to identify and select suppliers which comply with global regulations and meet industry-wide sustainability requirements. The common supplier assessment questionnaire agreed by the European Automotive Working Group on Supply Chain Sustainability, which we participate in, will be incorporated into the Achilles Automotive Scheme in 2015. | <b>ACHIEVED</b> |
|  | Launch Achilles Automotive supply chain mapping methodology to identify supply chain sustainability risks and opportunities  | Continued to support Achilles in developing a supply chain mapping model. We will begin implementing it in 2014/15  | <b>ONGOING</b>  |
| <b>Reduce the environmental impacts of our logistics around the world.</b>                       | Reduce CO <sub>2</sub> emissions from inbound and outbound logistics to 0.39 tonnes per vehicle compared   | CO <sub>2</sub> emissions from logistics maintained at 0.39 tonnes per vehicle through greater use of rail, a more fuel efficient inbound fleet, driver training and improved routing efficiency across Europe.   | <b>ACHIEVED</b> |

## ROAD TO 2020: SUSTAINABLE OPERATIONS

### 2013/14 PERFORMANCE DATA

| MANUFACTURING IMPACTS |   | 2013/14   | 2012/13   | 2011/12   | <<< | BASELINE 2007 (CY) |
|-----------------------|---|-----------|-----------|-----------|-----|--------------------|
| Energy                | Total energy use (MWh)  | 1,131,786 | 1,159,988 | 1,022,418 |     | 1,072,691          |
|                       | Energy used per vehicle produced (MWh/vehicle)                      | 2.59      | 3.00      | 3.18      |     | 3.69               |
| Emissions             | Total CO <sub>2</sub> emissions (tonnes)                            | 317,906   | 325,440*  | 287,750*  |     | 305,581*           |
|                       | CO <sub>2</sub> emissions per vehicle produced (tonnes per vehicle) | 0.73      | 0.84*     | 0.89*     |     | 1.05*              |
| Waste                 | Total waste (thousand tonnes)                                       | 22.84     | 18.27     | 15.29     |     | 19.03              |
|                       | Waste per vehicle produced (kg/vehicle)                             | 52.27     | 47.26     | 47.55     |     | 62.23              |
|                       | Total waste to landfill (tonnes)                                    | 1,670     | 1,442     | 3,059     |     | 4,359              |
|                       | Total waste to landfill per vehicle (kg/vehicle)                    | 3.82      | 3.73      | 9.51      |     | 15                 |
| Water                 | Total water use (m <sup>3</sup> )                                   | 1,122,037 | 1,150,263 | 1,008,820 |     | 1,052,208          |
|                       | Water use per vehicle produced (m <sup>3</sup> /vehicle)            | 2.57      | 2.97      | 3.14      |     | 3.62               |
| Solvents **           | Total solvents used (tonnes)  | 1,635     | 1,542     | 1,632     |     | 1,484              |

#### Notes:

Production increased by 13% in 2013/14, compared to 2012/13 and by more than 50% compared to our 2007 baseline. However, our continued efforts to improve efficiency and reduce CO<sub>2</sub> emissions have seen CO<sub>2</sub> per vehicle improve by more than 30% against our 2007 baseline. We have invested a further £8 million in energy saving projects across our UK manufacturing and product development sites that will deliver savings of more than 7,900 tonnes of CO<sub>2</sub> per year.

Water use per vehicle produced has continued to decline and we have established a water group to promote water efficiency measures, with representatives from the manufacturing plant and paint shop, as well as our new Engine Manufacturing Centre.

Before 2014, waste performance metrics focused on volume of waste to landfill per vehicle. From 2014/15, we will focus on waste to landfill as a proportion of total waste. We have also improved our data capture to include waste handled and sent to landfill by offsite treatment facilities (second tier), which is why waste performance data for 13/14 is higher than the previous year. In 2015/16 we aim to achieve zero waste direct to landfill with an additional maximum of 5% to landfill from second tier facilities.

## ROAD TO 2020: SUSTAINABLE OPERATIONS

### 2013/14 PERFORMANCE DATA (CONTINUED)

|                                  |   | 2013/14        | 2012/13        | 2011/12        | <<<                 | BASELINE 2008 (CY)        |
|----------------------------------|---|----------------|----------------|----------------|---------------------|---------------------------|
| Emissions from logistics         | Emissions from logistics total CO <sub>2</sub> (tonnes) | 168,306        | 149,870        | 118,744        |                     | 132,139                   |
|                                  | Emissions from logistics per vehicle (tonnes)           | 0.39           | 0.39           | 0.37           |                     | 0.47                      |
| <b>NON MANUFACTURING IMPACTS</b> |   | <b>2013/14</b> | <b>2012/13</b> | <b>2011/12</b> | <b>&lt;&lt;&lt;</b> | <b>BASELINE 2007 (CY)</b> |
| Energy                           | Total energy use (MWh)                                  | 111,589        | 113,517        | 93,418         |                     | 95,471                    |
| Emissions                        | Total CO <sub>2</sub> emissions (tonnes)                | 42,152         | 42,028*        | 35,641*        |                     | 35,719*                   |
| Waste                            | Total waste (thousand tonnes)                           | 2.78 ***       | 1.26           | 1.17           |                     | 1.76                      |
|                                  | Total waste to landfill (tonnes)                        | 88 ***         | 40             | 193            |                     | 593                       |
| Water                            | Total water use (m <sup>3</sup> )                       | 166,346        | 146,405        | 129,720        |                     | 131,601                   |

#### Notes:

Improved efficiency of our logistics more than offset the average increase of 1,000 miles in outbound distances due to increased sales in China. Our planned new factory and engine plant in China will help us reduce the mileage for outbound logistics while continuing to meet this growing demand.

We received no fines or prosecutions for breaches of environmental regulations in 2013/14.

\* DEFRA conversion factors have been used to calculate the CO<sub>2</sub> emissions associated with our electricity and gas use. The previous rolling average calculation methodology used by DEFRA has been changed to an annual published conversion factor. This also affects historical conversion factors, which we have used to recalculate historical data, based on the latest Defra approach.

\*\* Data in calendar years.

\*\*\* Total waste from our non-manufacturing operations has increased because of significant infrastructure changes (construction and demolition) as we expand our business. Waste to landfill has increased because of changes to the scope of data included (see note on waste on page 9).



# OUR PEOPLE

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Our business is growing, and our workforce has doubled since 2009. We aim to attract and retain the best people and are working to provide an inclusive, safe and healthy working environment, exciting development opportunities, training and fair reward. We want our commitment to sustainability to be embedded into our day-to-day work and to do this we engage staff at all levels through a range of communications and training. We track engagement with our sustainability programmes and identify areas for improvement using our annual employee survey. Employee support and feedback is essential if we are to meet our objectives and continue to be a sustainable and responsible business.



## ROAD TO 2020: OUR PEOPLE

### 2013/14 STATUS

| OBJECTIVE   | 2013/14 TARGETS  | PROGRESS   | PERFORMANCE     |
|---|--|--|-----------------|
| <b>Embed sustainability into business planning processes</b>          | Develop sustainability impact and environmental accounting assessment methodologies  | Developed a sustainability impact assessment tool that helps us identify and manage risks, such as water scarcity and energy security as we enter and expand in new markets.                                   | <b>ACHIEVED</b> |
|   | Embed sustainability action plans into all departmental objectives   | Sustainability scorecard objectives communicated to all departments and now being integrated into their plans and processes.   | <b>ONGOING</b>  |
| <b>Engage employees and recognise sustainable business behaviours</b> | Undertake sustainability skills assessments and deliver training on sustainability   | Internal communications campaigns and immersion events for senior leaders and functions held between June 2013 and June 2014.  | <b>ACHIEVED</b> |
|   | Track employee engagement with our sustainability programme through our annual employee survey, and benchmark performance externally to identify areas for improvement | Question on engagement with sustainability programme included in employee survey in November 2013. 84% of salaried employees and 66% of production employees feel positive about our sustainability programme. | <b>ONGOING</b>  |
| <b>Develop our people and value diversity</b>                         | Develop targets and implement programmes to align employee skill sets with the right jobs, enabling global mobility of personnel                                       | Launched the JLR Academy in April 2014 to increase visibility of the training and development options we offer, and help to identify appropriate roles.  | <b>ACHIEVED</b> |

## ROAD TO 2020: OUR PEOPLE

### 2013/14 PERFORMANCE DATA

| OUR PEOPLE   |   | 2013/14 | 2012/13 | 2011/12             |
|--|---|---------|---------|---------------------|
| Employees  | Number of employees                                       | 27,953  | 24,913  | 23,848              |
| Apprentices  | Apprentices taken on                                      | 149     | 189     | 114                 |
| Graduates  | Graduates joining the Graduate Development Programme      | 273     | 312     | 337                 |
| Undergraduate placements   | Undergraduate industrial placements started (3-15 months) | 89      | 95      | 66                  |
| TRAINING AND DEVELOPMENT   |   | 2013/14 | 2012/13 | 2011/12             |
| Employee development   | Number of days training provided                          | 53,014  | 51,682  | 42,425              |
| EMPLOYEE ENGAGEMENT  |   | 2013/14 | 2012/13 | BASELINE<br>2011/12 |
| Overall employee engagement score from Pulse survey  | Salaried staff  | 84%     | 81%     | 79%                 |
|  | Production employees                                      | 73%     | 74%     | 72%                 |
| TRADE UNIONS   |   | 2013/14 | 2012/13 | 2011/12             |
| Percent of employees belonging to a recognised trade union. (as recorded on the Company Payroll system)* | Salaried employees  | 23%     | 45%     | 31%                 |
|  | Production employees                                      | 79%     | 82%     | 89%                 |

#### Notes:

Our workforce has doubled since 2009. We continued to provide opportunities for young people through our apprenticeship schemes and we remain one of the biggest recruiters of engineering graduates in the UK.

To help employees understand the training and development opportunities available to them, we launched the JLR Academy, an online tool that enables staff to easily find relevant training on skills for their existing roles and desired future career path. It also helps to identify new roles and development opportunities.

Building on our recognition as 'Responsible Business of the Year 2013' by Business in the Community, we launched a communications campaign during Responsible Business Week in April 2014. This aimed to communicate our achievement and future vision and ambition for the company to all our staff, our UK dealer network and selected CEOs from peer companies involved with Business in the Community. Our senior leaders also took part in a workshop at the Cambridge Institute for Sustainability Leadership to develop their understanding of sustainability issues and their role in helping us all improve the way we do business.

Our annual employee survey in November 2013 showed that 84% of salaried employees and 66% of production employees feel positive about our sustainability programme. Overall employee engagement scores remained strong.



## ROAD TO 2020: OUR PEOPLE

### 2013/14 PERFORMANCE DATA (CONTINUED)

| DIVERSITY                  |   | 2013/14 | 2012/13 | 2011/12 |
|----------------------------|---|---------|---------|---------|
| Gender diversity           | % women in workforce                                      | 10      | 9       | 9       |
|                            | % women in management *                                   | 15      | 7       | 5       |
|                            | % women in senior management **                           | 8       | 7       | 5       |
| Ethnic diversity           | % ethnic minorities in workforce                          | 10      | 8       | 8       |
|                            | % ethnic minorities in management *                       | 6       | 5       | 6       |
|                            | % ethnic minorities in senior management **               | 2       | 2       | 3       |
| HEALTH, SAFETY & WELLBEING |   | 2013/14 | 2012/13 | 2011/12 |
| Reportable incidents       | Number of reportable incidents (under RIDDOR)             | 44      | 32      | 47      |
| Lost time case rate        | Number of lost time cases per 200,000 hours worked        | 0.31    | 0.17    | 0.20    |
| Occupational absence rate  | Number of days lost per 200,000 hours worked              | 3.96    | 1.60    | 2.64    |
| Occupational health        | Number of first time visits to occupational health centre | 973     | 701     | 716     |

#### Notes:

We have continued to promote diversity at all levels of the business and have increased representation of women and ethnic minorities in management roles.

We saw an increase in reportable health and safety incidents and lost time case rates in 2013/14 compared to previous years. This is due to an unprecedented rise in headcount, improved reporting, and the implementation of updated processes at new and existing facilities. We review all incidents, however minor, to understand the root cause and take permanent, corrective action. We have also launched Destination Zero – a new initiative to help us build a zero harm culture. We have also opened wellbeing centres at a number of sites and there were more than 8,000 new registrations for our WellPoint Kiosks that help employees enhance their health and wellbeing.

\* From 2013/14 this includes approx. the top 240 employees. Previously approx. top 125

\*\* From 2013/14 this includes approx. top 3,000 employees. Previously, approx. top 1,800

\*\*\* Re-calculated to correlate accurately with previous year's figures

# GLOBAL CSR

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Our Global Corporate Social Responsibility programme aims to reach 12 million people by 2020. This is a key part of our strategy as a responsible business. We focus on delivering benefits to people in areas that matter to them and to us, such as technical skills training, climate change or access to sustainable, clean water supply.

We are working with a range of carefully selected third party experts such as the International Federation of Red Cross and Red Crescent Societies, the Born Free Foundation and ClimateCare to create the right opportunities for those 12 million people to make a positive change in their lives. Projects are selected through a framework in four key areas: Education, Technology/Design, Humanitarian/Health initiatives and the Environment.

We encourage our people to get involved directly through volunteering, which is also valued as a personal and team development opportunity across the business.



## ROAD TO 2020: GLOBAL CSR

### 2013/14 STATUS

| OBJECTIVE  | 2013/14 TARGETS   | PROGRESS  | PERFORMANCE     |
|--|---|---|-----------------|
| <b>Build long-term education partnerships in our communities</b>                 | Establish an Education Business Partnership Centre (EBPC) at our new Engine Manufacturing Centre                                    | Opened a temporary EBPC in partnership with Interserve that engaged 169 students and 12 teachers from six local schools to promote construction careers. The permanent EBPC will be opened in early 2015.                   | <b>ACHIEVED</b> |
|  | Engage 200,000 young people in our UK education programmes every year   | 328,000 young people took part in our education programmes in 2013, the highest number to date.   | <b>ACHIEVED</b> |
|  | Develop plan to extend EBPC model to overseas operations  | Plan developed and Inspiring Tomorrow's Workforce traineeship programme launched in Brazil in November 2014.  | <b>ACHIEVED</b> |
| <b>Develop design and technology skills for the engineers of the future</b>      | Assess our future green skills needs  | Assessed needs for green skills in the future and now developing our Technical Accreditation Scheme portfolio to address these needs with new programmes starting in the 2014/15 academic year.                             | <b>ONGOING</b>  |
|  | Deliver training and educational advancement through Advanced Technical Accreditation Scheme and other courses                      | Over 3,000 Jaguar Land Rover employees benefited from Masters level education since the Technical Accreditation Scheme launched in 2010, resulting in a calculated return on investment (ROI) of over 200%.                 | <b>ACHIEVED</b> |
| <b>Make a positive contribution to our communities</b>                           | Develop a global community strategy and guidance for overseas operations and National Sales Companies                               | Global Markets CSR Fund formally launched in April 2013, with decisions on strategy and projects managed by the Global Markets CSR Committee. First 19 projects approved.   | <b>ACHIEVED</b> |
|  | Define and report robust community investment and impact measures, including the number of lives improved across all CSR programmes | Impacts monitored and reported using best practice methods, such as the London Benchmarking Group, and three impact levels to determine the quality and scale of our projects. Reported 1.5 million beneficiaries for 2013. | <b>ACHIEVED</b> |
| <b>Develop our people and our communities by promoting employee volunteering</b> | Achieve a 6% employee participation rate in volunteering activities   | 20% of our workforce (5,868 employees) volunteered a total of 63,417 hours on community projects, significantly exceeding our target.   | <b>ACHIEVED</b> |



## ROAD TO 2020: GLOBAL CSR

### 2013/14 STATUS (CONTINUED)

| OBJECTIVE  | 2013/14 TARGETS   | PROGRESS  | PERFORMANCE     |
|--|---|---|-----------------|
| <b>Contribute to humanitarian efforts and nature conservation</b>                    | Continue our partnership with the International Federation of Red Cross and Red Crescent Societies (IFRC)   | Land Rover's global partnership with the IFRC renewed for another five years with the aim of raising £15 million to support projects in 30 countries.   | <b>ACHIEVED</b> |
|  | Continue our long-term relationship with the Born Free Foundation to improve conservation   | Land Rover's partnership with the Born Free Foundation renewed for a further five years, working globally to improve the welfare of wild animals, conserve threatened species and support communities that live alongside threatened wildlife populations.                          | <b>ACHIEVED</b> |
| <b>Support global communities by investing in CO<sub>2</sub> offsetting projects</b> | Refine our CO <sub>2</sub> offsetting programme to deliver further demonstrable improvements in people's lives (such as health benefits) around the world | CO <sub>2</sub> offsetting programme refined to focus on the provision of renewable energy and safe drinking water. Continued working with our offsetting provider ClimateCare as part of our journey to deliver transformational improvements in 5 million people's lives by 2020. | <b>ACHIEVED</b> |

## ROAD TO 2020: GLOBAL CSR

### 2013/14 PERFORMANCE DATA

|   |   | 2013 (CY)        | 2012(CY)       | 2011(CY)       |
|---|---|------------------|----------------|----------------|
| Beneficiaries of the Global CSR programme | Young people participating in education programmes  | 328,000          | 200,000        | 150,000        |
|   |   | <b>2013/14</b>   | <b>2012/13</b> | <b>2011/12</b> |
|   | Through the CO <sub>2</sub> offsetting programme    | 1,200,000        | 2,000,000      | n/a            |
|   |   | <b>2013 (CY)</b> | <b>2012/13</b> | <b>2011/12</b> |
| Charity support                           | Amount donated (in cash and in kind) (GBP millions) | 2.5              | 1.7            | 1.4            |
|   | Hours volunteered                                   | 63,417           | 17,000         | 17,000         |
|   | Number of employee volunteers                       | 5,868            | 2,144          | 2,151          |

#### Notes:

We are working with the London Benchmarking Group (LBG) index to develop robust reporting methodologies that measure the different levels of impact that our Global CSR projects have on people's lives. There are three impact levels. As a minimum, we aim to deliver tangible improvements to people's lives, such as those delivered through the award winning social change programme HITZ Rugby. In some cases, we deliver transformational change, for example, through the LIFESTRAW® Carbon For Water Project™.

To align with the LBG's requirements we are reporting data on our charity support, employee volunteering and the Science, Technology, Engineering & Maths (STEM) programmes by calendar year.

We now include both team and individual volunteering time to calculate total hours volunteered. The significant jump in total hours volunteered in 2013/14 is due to these changes in scope of data, alignment with LBG, increased headcount and greater employee engagement in volunteering, especially in delivering the education strand of our CSR programme.

In 2014, we launched our Global Markets CSR fund. It supports our regional teams to devise projects focused on the four key areas of the Global CSR programme framework. They aim to create opportunities for people in local communities in line with the two impact levels identified by the LBG methodology. The first 19 projects, approved in 2014, will use a diverse range of approaches to support over 240,000 people in 2014/15.

We are developing our reporting platform to share more detail on progress against our sustainability strategy from 2014/15.

Please visit [www.jaguarlandrover.com](http://www.jaguarlandrover.com) to keep up to date with our latest sustainability news.

