

## **McLaren Group Ltd - Our UK tax strategy**

### **Introduction**

This strategy covers all the McLaren entities in the UK and around the world, collectively known as the McLaren Group. A full list of the entities covered is enclosed in the Appendix.

The Group operates in many countries, and we recognise our responsibility towards investors, governments, suppliers, employees, and the local communities we are part of. The taxes that we collect and pay represent one of the ways in which we support this. In the UK, the activities of the Group generate a substantial amount of taxes payable to HMRC across several different areas of tax legislation. We are liable for corporate income taxes, withholding taxes, stamp duties and employment taxes although this list is not exhaustive. Furthermore, we collect and pay employee taxes as well as indirect taxes such as excise duties and VAT.

### **McLaren Group tax strategy**

We believe it is important to state clearly and precisely our views on tax in the context of corporate responsibility. Our Tax Strategy sits within a framework of McLaren's ethics and business values which promote a strong culture for our employees to be responsible corporate citizens. McLaren employee guide set out what is expected of everyone in the Group. Our overall ethical approach is based on a simple principle that we will endeavour to conduct all our external and internal dealings with fairness, integrity, and professionalism. Our approach to tax aligns with that. We are committed to complying with tax laws in a responsible manner and to having open and constructive relationships with tax authorities.

### **Tax governance and risk management**

The responsibility for McLaren's tax strategy and compliance ultimately rests with the Board of Directors for McLaren Group Limited. However, that responsibility is delegated to the Executive Boards of the operating companies with the Group Board of Directors applying oversight. These Executive Boards will ensure the unified tax strategy is implemented and is aligned to the commercial, environmental, and social issues that impact the businesses. The Chief Financial Officer is also the Senior Accounting Officer for the Group and has responsibility for ensuring that policies and procedures that support the approach are in place, maintained, used consistently around their businesses and that their tax teams have the skills and experience to implement the approach appropriately.

The Finance Director, supported by the Financial Controllers and Tax Teams, are responsible for identifying tax risks, devising robust policies and procedures, ensuring that these are maintained and used consistently around their businesses. These steps undertaken ensure that the Tax Strategy is achieved, tax risks are managed, and the correct amount of tax is paid. Oversight of the tax risks is conducted by the Group Audit and Risk Committee as part of their remit to review the Group risk exposures and maintain a sound system of risk management and internal control.

### **Tax planning**

The Group will only engage in tax planning that supports our business and reflects commercial and economic activity. We do not engage in artificial tax arrangements or consider arrangements that avoid the payment of tax. For the avoidance of doubt, planning where the sole motivation is tax avoidance is not undertaken.

We conduct transactions between Group companies on an arm's-length basis and in accordance with current guidelines issued by the Organisation for Economic Cooperation and Development (OECD).

Many McLaren companies conduct research and development to develop the world's most technologically advanced racing or road cars and to add value to our global blue-chip technology partners. By investing significantly in research and development we can develop new technologies which improve efficiency and contribute to the enhanced performance of critical industries including automotive, motorsport, transport, and healthcare. In turn, we undertake to support economic growth and opportunity. Recognising the benefits to society of such work, tax incentives and exemptions are implemented by Governments and the Tax Authorities to support investment, employment, and economic development. Where incentives exist, we will only claim and apply these in the manner that they are intended.

### **Transparency and relationships with tax authorities**

We seek to build and sustain relationships with Tax Authorities that are constructive and based on mutual respect. We have regular dialogue with our Customer Relationship Manager and relevant specialists within HMRC. We work collaboratively with them to resolve disputes and to achieve early agreement and certainty.

The Group seeks to reduce the level of tax risk arising from its commercial businesses to the minimum level by ensuring that a judicious approach is taken towards all our processes. We are committed to full compliance with all statutory obligations and full disclosure to tax authorities. We believe that our obligation is to pay the amount of tax legally due and to observe all applicable rules and regulations in all the territories in which we operate. Similarly, we have an obligation to maximise shareholder value and to control our tax costs. In achieving this balance, we believe that transparency regarding our position is the best policy.

McLaren discloses all relevant facts in its computations and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain. Any inadvertent errors in submissions are fully disclosed as soon as reasonably practicable after they are identified.

The strategy has been published in accordance with paragraph 16(4) Schedule 19 Finance Act 2016 in relation to the publication of tax strategy. It was approved by the Board on 13th December 2023 and covers the financial period ending December 31st, 2023. It will be refreshed annually.

### **Appendix**

"The Group" or "McLaren" should be taken to mean the following UK entities for the purposes of this document:

- McLaren Holdings Limited
- McLaren Group Limited
- McLaren Finance Plc.
- McLaren Newco Limited
- McLaren Automotive Limited
- McLaren Services Limited
- McLaren Support Services Limited
- McLaren Racing Limited
- McLaren Triple Crown Limited
- McLaren Electric Racing Limited
- McLaren Automotive Events Limited
- McLaren Marketing Limited – Dormant in 2023
- McLaren Newco (No. 2) Limited – Dormant in 2023