

Modern slavery and human trafficking statement pursuant to section 54 of the Modern Slavery Act 2015

This statement is published pursuant to section 54 of the Modern Slavery Act 2015 and is the modern slavery and human trafficking statement of McLaren Group Limited and those of its subsidiaries which are required to publish a statement in accordance with section 54 of the Modern Slavery Act 2015 for the financial year ending 31 December 2019 (referred to throughout this statement together as "**McLaren**").

McLaren is committed to acting ethically and with integrity in all of its companies' dealings and relationships and to implementing and enforcing effective systems and controls to ensure that modern slavery is not taking place anywhere in its own companies or in its supply chains.

McLaren's group structure

McLaren in its current form is comprised of the following three primary companies:

- **McLaren Group Limited** - McLaren group's parent company which owns the entire issued share capital of McLaren Holdings Limited. McLaren Group Limited employs three employees all of whom are officers in the group and responsible for the management of McLaren at group level.
- **McLaren Holdings Limited** - A holding company which now owns the entire issued share capital of McLaren Automotive Limited, McLaren Services Limited, McLaren Racing Limited, McLaren Applied Limited and McLaren Finance plc. This holding company is the funding entity for the rest of the group. McLaren Holdings Limited does not conduct any other business activities.
- **McLaren Finance plc** - A bond issuing vehicle for McLaren Group Limited and its subsidiary companies. This entity also operates to make bond interest payments and to pay fees in relation to its issued bonds. McLaren Finance plc does not conduct any other business activities.

McLaren's business

McLaren's business is comprised of the following three divisions, all of which are wholly owned subsidiaries of McLaren Group Limited:

- **McLaren Automotive** - McLaren Automotive is a creator of luxury, high-performance sportscars and supercars. Every vehicle is hand-assembled at the McLaren Production Centre (MPC) in Woking, Surrey, England.
- **McLaren Racing** - McLaren Racing's mission is to win Grands Prix and World Championships. McLaren Racing is based within the McLaren Technology Centre (MTC) and works with a roster of multinational partners.
- **McLaren Applied** - McLaren Applied has capabilities in decision science, simulation, engineering, electronic systems and high-performance design. McLaren Applied is also based within the MTC.

Whilst McLaren works in a wide range of sectors, its predominant business is in the automotive and technology sectors. Whilst many of McLaren's tier 1 suppliers are based in the UK, many of McLaren's suppliers are also based all over the world. Often there can be a number of levels of suppliers between McLaren and the raw materials at the very beginning of the process. As such, respecting and complying with modern slavery, human trafficking and general human rights obligations is as much the responsibly of our suppliers as it is McLaren's.

Risk assessment

McLaren aims to have systems in place which:

- identify and assess potential risk areas in McLaren's supply chains;
- mitigate the risk of slavery and human trafficking occurring in the supply chains;
- monitor potential risk areas in McLaren's supply chains; and
- protect whistleblowers.

The steps set out throughout the rest of this statement are aimed at remedying and mitigating identified areas of risk. McLaren hopes that the steps it takes will eliminate the risks of modern slavery and human trafficking taking place in its own businesses and its supply chains.

McLaren's Code of Conduct and Business Ethics

McLaren has published on its website, a Code of Conduct and Business Ethics which applies to all aspects of the supply of goods and services provided to McLaren. The Code of Conduct and Business Ethics is provided to potential suppliers as part of the procurement process. The Code of Conduct and Business Ethics communicates the high standards expected of all McLaren's partners and suppliers.

Under the Code of Conduct and Business Ethics, a prospective supplier must, amongst other requirements:

- comply with all of the applicable laws, statutes, regulations and codes of the countries it is present in;
- maintain a safe and civilised work environment;
- uphold the human rights of all employees and adhere with all laws, regulations, codes and government guidelines on human rights;
- take all reasonable steps to ensure there is no slavery, human trafficking or child labour taking place in its supply chains or elsewhere in its business; and
- keep up to date with its understanding of the Modern Slavery Act 2015 and be in compliance with its requirements at all times.

Internal policies

McLaren has a number of internal policies in place which ensure that slavery and human trafficking are not taking place in its businesses, all of which are available for employees to access via McLaren's intranet. Such internal policies include policies in respect of anti-bribery and corruption, whistleblowing, diversity and recruitment. McLaren carries out "right to work" checks on all direct employees prior to them commencing their roles in the business. This includes checking that the employee has a valid visa and is of an appropriate age to work.

Due diligence

As part of McLaren's procurement process, potential suppliers are required to complete a questionnaire to be considered as part of their bid. The questions include a number of questions aimed at ensuring that the potential supplier is aware, at an early stage of the procurement process, of its obligations to act ethically and that McLaren will not tolerate human trafficking, modern slavery or any other unethical practices in its supply chains.

Where possible, McLaren seeks to conduct audits on certain high-risk tier 1 suppliers to monitor compliance with their legal requirements and McLaren's expected standards. McLaren aims to ensure that all of its suppliers work in accordance with its expectations.

Lastly, McLaren aims to use its own standard terms and conditions which includes anti-slavery and human trafficking provisions. If a supplier breaches any of these provisions, McLaren has the ability to terminate the contract with that supplier.

Training

McLaren recognises the importance of its staff being aware of and understanding the risks of slavery and human trafficking. McLaren seeks to ensure that appropriate staff are able to identify the signs of slavery and human trafficking and that such staff are aware of what action to take if such activities are identified or suspected.

Further steps

McLaren is committed to eradicating the risk of slavery and human trafficking and continues to be proud of the steps taken by the group during the last financial year. McLaren recognises that modern slavery and human trafficking are evolving issues. Therefore, McLaren will continue to consider the effectiveness of the steps it is taking to eradicate modern slavery and human trafficking from its businesses and its supply chains and may take such further steps as it considers may be appropriate to address any risk of slavery or human trafficking.

This statement was approved by the board of directors of McLaren Group Limited and each of its subsidiaries required to publish a statement in accordance with section 54 of the Modern Slavery Act 2015 for the financial year ending 31 December 2019 on 17 December 2020.



Paul Walsh

For and on behalf of

McLaren Group Limited

17 December 2020