

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 2018 (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

During 2017, McLaren Services Limited (formerly McLaren Technology Group Limited) and McLaren Automotive Limited were brought under common ownership and three new entities were created: McLaren Group Limited, McLaren Holdings Limited and McLaren Finance plc.

Before this happened, the following group companies were wholly owned subsidiaries of McLaren Services Limited: McLaren Racing Limited, McLaren Marketing Limited, McLaren Applied Technologies Limited, McLaren Applied Technologies Inc. and McLaren Applied Technologies Pte Limited. Therefore, when this statement refers to steps taken by "**McLaren Technology**", the statement refers to steps taken by the entities listed above, even though those entities now sit in the wider group structure. When this statement refers to steps taken by "**McLaren Automotive**" it refers to steps taken by McLaren Automotive Limited and its wholly-owned subsidiaries.

McLaren Holdings Limited is a holding company which now owns the entire issued share capital of McLaren Automotive Limited, McLaren Services Limited, McLaren Racing Limited, McLaren Applied Technologies 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 is 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 Group Limited is the 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.

Save for the limited functions set out above, all other business activities conducted by the McLaren group are conducted through McLaren Automotive and McLaren Technology.

During the next financial year, McLaren intends to consider how its approach to combatting modern slavery and human trafficking in its supply chains can be streamlined across the combined group.

McLaren's business

McLaren's business is comprised of the following three divisions:

- **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. The company has four defined product families: Gran Tourer, Sports Series, Super Series and Ultimate Series which are retailed in over 80 retailers in 30 markets around the world. To support the development, engineering and manufacture of its range of innovative sportscars and supercars, McLaren Automotive partners with world leading companies to provide specialist expertise and technology. These include AkzoNobel, Pirelli and Richard Mille.

- **McLaren Racing** - McLaren Racing's mission is to win Grands Prix and World Championships. McLaren Racing works with a roster of multinational partners.
- **McLaren Applied Technologies** – McLaren Applied Technologies has capabilities in decision science, simulation, engineering, electronic systems and high-performance design. McLaren Applied Technologies operates in four core markets: health, public transport, automotive and motorsport. The company has expanded into new territories including London, Singapore and locations across North America.

Whilst McLaren works in a wide range of sectors, its predominant business is in the automotive and technology sectors. As a result, its supply chains are complex. 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 responsibility 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 Technology's Code of Conduct and Business Ethics

McLaren Technology 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 Technology. 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 Technology'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.

During the next financial year, McLaren intends to extend this Code of Conduct and Business Ethics to McLaren Automotive and its suppliers. When it does so, McLaren intends to publish a copy of this Code of Conduct on McLaren Automotive's website.

Internal policies

McLaren Automotive has an Anti-Slavery and Human Trafficking Policy in place which its employees must adhere to. Employees are encouraged to report any act, treatment of workers or working conditions within its business or any tier of its supply chain that they feel constitutes any of the various forms of modern slavery and human trafficking. Reports can be made to their line manager, the Human Resources Department or confidentially in accordance with its Whistleblowing Policy. During the next financial year, McLaren intends to extend this Anti-Slavery and Human Trafficking Policy to apply to McLaren Technology's staff as well. McLaren Technology's Code of Conduct and Business Ethics applies to its own staff in addition to its suppliers.

In addition, the companies which form the McLaren group have a number of other internal policies in place which ensure that slavery and human trafficking are not taking place in its businesses. 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.

McLaren intends to review the questionnaire to ensure that going forwards potential suppliers are required to confirm that they are in full compliance with the Modern Slavery Act 2015 and with McLaren's Code of Conduct and Business Ethics before they are fully engaged by the business.

The potential supplier's response will be assessed by the procurement team, with particular emphasis placed on answers to questions in relation to human rights and modern slavery.

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.

McLaren Technology and McLaren Automotive always 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 Technology and McLaren Automotive respectively have the ability to terminate the contract with that supplier.

McLaren Automotive's suppliers are not allowed to sub-contract with third parties without McLaren Automotive's prior written consent to ensure that McLaren Automotive maintains oversight over its supply chains. Where appropriate, and with the welfare and safety of those individuals at risk as a priority, McLaren Automotive provides support and guidance to its suppliers to help them address any concerns in their businesses and supply chains.

Training

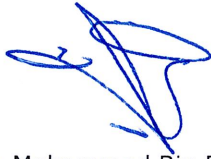
McLaren recognises the importance of its staff being aware of and understanding the risks of slavery and human trafficking. McLaren seeks to ensure that appropriate staff are able to identify the signs of slavery and human trafficking and that such staff are aware of what action to take if such activities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

During the next financial year, McLaren will continue to seek to deliver training to employees in the roles it considers to be most likely to be in a position to identify and address modern slavery and human trafficking risks.

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 2018 on 20th June 2019.



Shaikh Mohammed Bin Essa Al Khalifa

For and on behalf of

McLaren Group Limited

20th June 2019