

UK CLAAS GROUP TAX STRATEGY

The publication of this strategy statement is regarded as satisfying the statutory obligation under Para 16(2), Schedule 19, Finance Act 2016 for all companies.

Our Approach to Risk Management and Governance Arrangements

We comply with tax law and practice in all of the territories in which we operate. Compliance for us means paying the right amount of tax in the right place at the right time and involves disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available.

Responsibility for tax governance and strategy lies with the Senior Accounting Officer, with oversight of the Claas Holdings Ltd Board of Directors.

CLAAS UK's Tax Strategy is applied consistently to all companies with the UK-wide CLAAS Group and is widely understood within the Group. The UK Group comprises all companies which are 100% owned by Claas Holdings Ltd.

Group Tax Strategy is informed and underpinned by the Group's principles

- Demonstrating Integrity in Corporate Conduct
- Ensuring Openness and Transparency

The board of Claas Holdings Ltd approves the tax strategy for the UK Group, which is in line with Claas KGaA policies; who also support this.

Reliance is placed upon external tax advisers where there is a need for specialist guidance and support, for example on acquisitions and disposals. However, responsibility for tax and decisions around tax remain with the Senior Accounting Officer.

Our Approach to Tax Planning and Tax Risk

Tax risk is one of the commercial risks that the UK Group is exposed to. Management of tax risk aims to ensure that the Group pays and collects the correct amount of tax and meets local reporting and disclosure requirements whilst meeting its business objectives.

Our tax team seeks to deliver clear, timely and relevant business advice around tax. The business understands that tax needs to be involved at an early stage in order to deliver the most value from the tax advice provided.

We carefully manage the tax risks and costs inherent in every commercial transaction, in the same way as any other cost. Therefore, tax will follow the commercial outcomes, taking account of the need for tax efficiency and our understanding of the currently applicable laws and practice.

Where there is uncertainty surrounding the interpretation of tax laws, we will seek second opinions from external tax advisers, having established our own understanding of the position, and/or seek to resolve the uncertainty by dialogue with tax authorities.

We do not enter into artificial arrangements in order to avoid taxation or to defeat the stated purpose of the legislation.

We are a wholly owned subsidiary of Claas KGaA based in Germany, trading in the UK and Ireland, and adhere to the principles and philosophy of that company.

How Much Tax Risk is the Group Prepared to Accept?

Given the scale of our business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of tax law and nature of our compliance arrangements.

We take a responsible approach to managing our tax affairs; and will always comply with applicable tax laws and regulations.

Our approach to tax risks follows the same principles that apply to all other business risks. We consider reputation and corporate social responsibility as well as purely financial impacts.

When making decisions on tax we take into account the materiality of any item, as well as the costs of effective risk mitigation actions. By being tax compliant we aim to minimise tax risk and this is judged on an issue by issue basis.

Our Approach to dealings with HMRC

We maintain a transparent and constructive relationship with HMRC in the UK. This includes, where appropriate, regular, open dialogue on significant tax issues and developments in the Group's business.

We see value in working with tax authorities to agree tax positions and therefore we seek to work with HMRC on a real time basis, where necessary. This involves us disclosing and seeking clearance on materials/significant matters in order to gain agreement on the tax implications.

This strategy is reviewed regularly and formally approved by the Board of CLAAS UK Limited annually.

Last approved by the Board of CLAAS UK Limited (on behalf of the CLAAS Holdings Limited UK Group of companies) on 18 September 2023