

Halfords Group Plc
(the "Company" or together with its subsidiaries the "Group")

Group Tax Strategy – for the period ending 3 April 2026 (the "Strategy")

Background

Halfords is the UK's leading retailer of motoring and cycling products and a leading independent operator in garage servicing and auto repair. Further to legislation introduced in 2016, large companies trading in the UK are required by His Majesty's Revenue and Customs (HMRC) to publish a Tax Strategy. Therefore, this document sets out the Group's Tax Strategy and the policies and procedures in place within the Group which we are committed to following in achieving its implementation.

This strategy is regarded as meeting the requirements under Schedule 19, Finance Act 2016 in the UK. It has been approved by the Board of Directors of Halfords Group Plc and is effective for its accounting period commencing 29 March 2025 and ending 3 April 2026.

Overriding Objective

Manage the tax affairs of Halfords Group in accordance with the spirit and letter of the law.

Aims

The aims of the Halfords Tax Strategy are to:

- Ensure we pay the right amount of tax, in the right place, at the right time;
- Ensure compliance with all applicable rules, regulations and disclosure requirements under which the Group operates;
- Have a zero tolerance approach to tax evasion and the facilitation of tax evasion;
- Manage our tax affairs as efficiently as possible while also supporting our wider commercial objectives;
- Maintain strong compliance controls;
- Operate a policy of open and transparent dialogue with the tax authorities in each jurisdiction in which we operate;
- Maintain an acceptable level of tax risk, as deemed appropriate by our Chief Financial Officer and our Board of Directors;
- Protect our reputation as a responsible taxpayer in all jurisdictions where we operate.

We strive to achieve these aims through the delivery of the key principles outlined below.

Key Principles

1. Effective Management of Tax Risks

This Strategy forms part of the Group's effective management of tax, setting the framework to ensure that suitable controls and processes are in place to enable the Group to fulfil its obligations in regard to tax reporting and compliance.

These controls and processes enable Halfords to effectively manage the tax issues facing the business. Tax issues and the associated tax risks are managed by senior leadership level which includes the Chief Financial Officer, Head of Tax and the Group Finance Director.

The level of risk which the Group accepts in relation to tax is low, consistent with its overall objective of achieving compliance and transparency in its tax affairs.

Halfords key tax risks, and any associated issues that develop, are monitored and presented on a regular basis to the Board of Directors of the Company. Action is then taken to ensure the risks are mitigated and presented to the Board to ensure they are in agreement with any actions taken. The Board has approved the Group's Tax Strategy.

The Tax Strategy is supported by internal control frameworks which govern the operations of the Group. These controls are subject to the oversight provided by the Group's Tax Department and also by the Group's Internal Audit function, which provides an ongoing programme of review.

The responsibility for ensuring the day-to-day application of the Group's Tax Strategy and the management of the Group's tax affairs is delegated to the Group's Head of Tax.

2. Responsible Attitude to Tax Planning

Only tax planning opportunities which deliver sustainable value to our shareholders, with regard to our commercial objectives, whilst seeking to maintain a low level of tax risk as determined by the Board will be considered. This will include seeking to benefit from available tax reliefs and incentives in line with the spirit and letter of the law.

This will be with full regard of the potential impact on Halfords reputation and perception in the evaluation of the tax implications of any significant business transactions. Any tax planning will have commercial and economic substance.

Appropriate advice from external advisers will be sought in respect of any significant uncertainty; and in unusual or complex matters, a second opinion may also be sought.

3. Constructive and Transparent Dialogue with HMRC

Halfords will engage with HMRC in an open and transparent manner in regard to any on-going matters. Where appropriate Halfords will engage with HMRC on a real-time basis to minimise tax risk as part of the effective management of tax.

If any enquiries are raised by HMRC into the tax affairs of the Group, Halfords will always seek to engage with HMRC in the spirit of co-operative compliance, which supports the Group's tax objectives and aims as set out in this Strategy.

Approved by the Audit Committee and signed on their behalf:

Jo Hartley
Chief Financial Officer
March 2026