

Scotmid Tax Strategy 2026

Responsible tax governance and risk management

Document owner	Chief Financial Officer
Committee oversight	Audit Committee
Approved by	Board
Approval date	September 2026
Next scheduled review	September 2029

1. Introduction

This tax strategy sets out Scotmid Co-operative Society Limited's approach to the management, planning, governance and oversight of UK taxation. It sits alongside the Society's Tax Policy and reflects our long-standing commitment not to engage in aggressive tax avoidance. Our objective is to pay the appropriate amount of tax arising from our operations while remaining compliant with all applicable tax legislation.

This strategy is published in accordance with Schedule 19 of the Finance Act 2016, to the extent that the statutory publication requirements apply to the Society.

2. Approach to tax risk management and governance

The Society recognises the complexity of taxation. The Finance Function, led by the Chief Financial Officer, actively supports the business in all aspects of taxation and works with external tax advisers where appropriate. This helps ensure that colleagues responsible for tax calculations and reporting remain informed about relevant legislative and regulatory developments.

The Society maintains processes and controls designed to capture accurate and timely information, support the correct calculation of tax and enable payments to be made when due. Management seeks to identify exceptional or unusual transactions across the Society's retail, property and funeral operations so that they can receive appropriate review.

The Audit Committee, together with senior management, reviews tax risks, including compliance with the Corporate Criminal Offence legislation and other tax governance requirements. The Committee provides oversight of the Society's tax risk register, policy and strategy.

The Society seeks to maintain a constructive and transparent relationship with HM Revenue & Customs (HMRC) and to minimise tax risk through strong governance, effective controls and timely compliance.

Recognising the importance of transparency in tax policy and strategy, the Society aims to maintain accreditation under the Fair Tax Mark, or an equivalent recognised standard, where this remains appropriate and aligned with the Society's values and objectives.

3. Attitude towards tax planning

The Society does not undertake transactions with the sole or main purpose of securing tax advantages that would not otherwise be available based on the economic reality of its trading activities. The Society will not knowingly enter into arrangements that require notification to HMRC under the Disclosure of Tax Avoidance Schemes rules, or arrangements to which it could reasonably be anticipated that the UK General Anti-Abuse Rule would apply.

Tax planning must support genuine commercial activity, reflect the substance of the underlying transaction and be consistent with the Society's values. External advice will be obtained where transactions are material, unusual or complex, or where the tax treatment is uncertain.

4. Management of key tax areas

Employment taxes. The Society does not have complex remuneration or international payroll arrangements. Established payroll systems and controls are used to support compliance with employment tax legislation, and the payroll team applies current rates and relevant legislative requirements.

Value added tax. The Society recognises that VAT can be complex across its operations and that transactional inconsistencies may create material risk. The Society operates documented retail VAT processes, including arrangements agreed with HMRC where applicable, supported by periodic external verification of product coding.

Corporation tax. External tax advisers are engaged where appropriate to support compliance with UK tax legislation. Senior members of the Finance Function are responsible for the completeness and accuracy of information provided and for reviewing the resulting tax calculations and submissions.

5. Ethics, conduct and prevention procedures

The Society expects colleagues to act honestly and diligently. Its whistleblowing arrangements enable colleagues to raise genuine concerns where they believe something may be wrong and they are unable to address the matter with their line manager. The Society is committed to high ethical standards and expects compliance with anti-bribery legislation and with procedures designed to prevent the facilitation of tax evasion.

6. Tax risk appetite

The Society aims to comply fully with UK tax legislation. The Board and senior management recognise that tax risk can arise through the scale and complexity of normal business operations. The Society therefore encourages early identification and open escalation of uncertainties, errors and control weaknesses, with proportionate action taken to manage and reduce risk.

7. Approach to dealings with HMRC

Openness, honesty and transparency are fundamental to the Society's dealings with HMRC, whether contact is direct or through external advisers. The Society seeks to make accurate and timely disclosures, respond constructively to enquiries and work collaboratively to resolve matters that are unusual or uncertain.

The Society will keep its relevant HMRC contact information up to date.

8. Responsibilities and review

The Chief Financial Officer is responsible for overseeing the application of this strategy. Day-to-day responsibilities may be delegated to appropriately qualified members of the Finance Function, with material matters escalated through the Society's governance framework.

Review cycle: This document will be reviewed at least every three years, or sooner where changes in legislation, business operations, risk profile or regulatory expectations make an earlier review appropriate.

Version history

Version	Date	Change
1.0	September 2023	Initial issue
2.0	September 2026	Board review and governance refresh