

1 Group Tax Strategy

1.1 Principal operations and document scope

1.1.1 The Shaw Trust Group helps individuals facing barriers to work and social inclusion to achieve their full potential. We multiply our social impact through the delivery of innovative, system-change partnerships and programmes, reaching hundreds of thousands of people.

1.1.2 The Shaw Trust Group is committed to complying with all applicable tax laws and practices, whilst upholding its duty to its stakeholders to ensure that it makes the very best use of its financial resources for the furtherance of its charitable activities and demonstrating to the Charity Commission that the charity's affairs are managed efficiently and effectively.

1.1.3 We do not expect our tax strategy to change significantly year on year, but we review and update it annually.

1.2 Governance

1.3 In compliance with Section 161 and Section 19 (2) of Schedule 19 of the Finance Act 2016, this policy sets out the tax strategy of The Shaw Trust Group. This includes The Shaw Trust Limited as the ultimate parent company and all of its subsidiaries. Our tax strategy, reviewed initially by the Finance Committee, was approved by the Board of Trustees on 23 July 2026 in relation to the 2026/27 financial year (1 September 2026 to 31 August 2027).

1.3.1 The Shaw Trust Group is committed to:

- a) Responsible, transparent, and active management of our tax affairs.
- b) Maintaining an open and honest relationship with the tax authorities.
- c) Ensuring that the tax strategy is consistent with the Group's overall strategy.
- d) Applying a duty of care in our management of our tax risks and ensuring that our tax governance is appropriate.
- e) Timely and accurate tax compliance. At The Shaw Trust Group compliance means paying the right amount of taxes, in the right place, at the right time and involves disclosing all relevant facts and circumstances to the tax authorities.
- f) Playing an active role in contributing to the UK charity tax policy-making process, including working with the Charity Tax Group.

1.3.2 Day to day responsibility for overseeing the tax strategy and maintaining an appropriate framework of policies and procedures rests with the Group Tax Manager, who ultimately reports into the Chief Financial Officer.

1.4 Risk Management

- 1.4.1 Shaw Trust's risk management framework is followed as part of our internal control process and we have a specialist tax team who identify, assess, and manage tax risks and account for them appropriately.
- 1.4.2 The risk framework is reviewed at Board meetings on a quarterly basis.
- 1.4.3 The Board is informed of improvements and provide governance and oversight of tax risks as part of the normal reporting cycle and ad hoc as required. There are robust internal policies, procedures, training, and compliance programmes to ensure alignment across the business in order to meet our tax obligations.
- 1.4.4 The Group has a designated Senior Accounting Officer who is responsible for all tax matters and reporting to the Board on any significant issues arising from tax management or compliance.

1.5 Attitude to Tax Planning

- 1.5.1 The Group engages in tax planning primarily to apply appropriate tax treatment in a cost-efficient manner to commercial, investment and financing decisions.
- 1.5.2 We do not seek to enter into non-commercial transactions to reduce tax, nor do we seek to utilise artificial schemes which go beyond the intent of the legislation.
- 1.5.3 The UK Government has specific tax allowances and incentives to encourage investment in both infrastructure and employment and where these are relevant to Shaw Trust Group, they are applied in the manner intended.
- 1.5.4 Professional advice is sought on matters where the amount of tax is significant, and the tax treatment is uncertain to reduce this uncertainty and ensure that our interpretation of current tax law and practice is correct.

1.6 Level of Tax Risk Tolerated

- 1.6.1 The Shaw Trust Group has a low appetite for tax risk. It does not participate in aggressive planning or complex structured arrangements designed to minimise its tax liabilities.
- 1.6.2 The tax risks are identified and logged on the tax risk register along with the associated controls. The net tax risks are actively managed.
- 1.6.3 The tax risks which are likely to occur and would have a significant impact on the business are escalated to the Corporate Risk Register which is reported to the Board. An action plan for these risks is implemented to mitigate the impact on the business.

1.7 Approach to dealings with HMRC

- 1.7.1 We actively seek an open dialogue with HMRC in pursuit of a professional and constructive working relationship. We never deliberately conceal or knowingly misrepresent issues to HMRC. If we discover errors, we disclose them without delay.
- 1.7.2 All matters with HMRC are addressed through timely, compliant and transparent discussions. We seek to avoid any actions that could expose the Group to any reputational damage or hinder our working relationship with relevant tax authorities including HMRC.
- 1.7.3 At present the Group does not have a dedicated Customer Relationship Manager with HMRC.