SCOTT TRUST LIMITED TAX STRATEGY FOR THE YEAR ENDING 31 MARCH 2025

Our values

CP Scott, the Manchester Guardian editor, outlined the paper's principles in his celebrated centenary leader on 5 May 1921. The much-quoted article is still used to explain the values of the present-day newspaper and the Group. The values he described are: honesty; cleanness (today interpreted as integrity); courage; fairness; and a sense of duty to the reader and the community.

These values inform the group's approach to its tax strategy.

About the Group

Scott Trust Limited (STL) is the parent company with the core purpose of securing the financial and editorial independence of the Guardian, in perpetuity.

STL is the sole shareholder and ultimate owner of Guardian Media Group plc (GMG); the business responsible for the publication of Guardian journalism globally. GMG has business operations in the UK, US and Australia.

STL is also the owner of a UK company, Scott Trust Endowment Limited which owns a portfolio of investments to generate returns to secure the long-term future of the Guardian. The investments are held by UK tax resident group companies which are fully subject to UK tax on the income and gains arising from all of the investments held. Investment strategy is not driven by tax considerations.

Our Tax Strategy

Our tax strategy consists of four key principles:

1) We manage our tax affairs in a manner consistent with the values of The Scott Trust and the organisation's purpose to secure the financial and editorial independence of the Guardian in perpetuity and to support journalistic freedom and liberal values.
2) We seek to act lawfully and with integrity when managing our tax affairs by paying and collecting tax in accordance with all relevant laws and regulations in the countries in which we operate. If we discover instances of non-compliance, we seek to resolve them with the appropriate tax authority.
3) We only engage in reasonable and sustainable tax planning that is aligned with commercial and economic activity. This means:
    - We do not enter into artificial tax arrangements;

- We only respond to tax incentives and exemptions in the manner in which they were intended; and
- All transactions between Group companies are carried out on an arms' length basis.

4) We are open and transparent with tax authorities and provide all relevant and reasonable information that is necessary for them to fully understand our tax affairs.

Our approach to governance arrangements and risk management

Governance arrangements
The STL Board approves the Group's tax strategy.

From an operational perspective, the Joint Audit Committee of the STL and GMG Boards monitor on-going adherence with the tax strategy. The Chief Financial and Operating Officer is accountable for adherence to the tax strategy, and the Director of Finance and Tax is responsible for ensuring that appropriate policies, procedures, resources and training are in place to comply with the strategy.

UK and global tax risk management
The risk of paying an incorrect amount of tax (tax risk) can arise as a result of changes in tax legislation and changes to the Group's underlying operating model, systems and processes. The Director of Finance and Tax is responsible for ensuring that the Group's tax procedures are regularly reviewed to enable the appropriate management of tax risk globally.

External advisors are used periodically to assess our risk management processes.

The level of tax risk we are prepared to accept

The Group has a low appetite for tax risk in relation to both UK and in other jurisdictions and manages its global tax affairs accordingly.

This is achieved by maintaining documented policies and procedures in relation to tax risk management and maintaining open and constructive relationships with tax authorities. A tax risk register, which sets out the possible causes of paying an incorrect amount of tax and the processes in place to prevent this from happening is reviewed annually by the Chief Financial and Operating Officer.

Our attitude towards tax planning

Tax planning refers to making use of exemptions, deductions and reliefs to legitimately reduce a tax liability. It is not the same as tax avoidance which could involve contrived, artificial transactions that serve little or no purpose other than to produce a tax advantage. Any planning is assessed against the four key principles and the Scott Trust values to ensure it meets our required standards.

External tax advice is taken from time to time where clarification of the tax implications of the Group's activities is required.

Our approach towards our dealings with HM Revenue and Customs

The UK tax authority is His Majesty's Revenue & Customs (HMRC). A constructive relationship with HMRC is important in the operation of the Group's tax strategy.

We engage in an open and transparent way with HMRC to allow them to fully understand our tax affairs, proactively bringing tax issues in our business to the attention of HMRC and working with them collaboratively to resolve these as quickly as possible.

Criminal Finances Act 2017

Tax evasion refers to the deliberate concealment of income or fraudulent claims for reliefs from tax authorities. The Criminal Finances Act 2017 is clear that that companies can be criminally liable where they fail to prevent those who act for, or on behalf of them from criminally facilitating tax evasion. We ensure suitable policies and procedures are in place to prevent or minimise the risk of our employees, agents, suppliers or other third parties associated with us, facilitating tax evasion.

We periodically review the policy and ensure adequate training is provided. We assess our business activities to identify such risks and ensure procedures are in place.

This strategy is approved by the Board of Directors who regard the publication of this tax strategy as complying with the duty under paragraph 16(2) of Schedule 19 of the Finance Act 2016.