

## Card Factory plc

### Tax strategy

This document sets out the Group's approach to conducting its tax affairs and dealing with tax risk.

The publication of this tax strategy is regarded as satisfying the statutory obligation under Paragraph 16(2), Schedule 19 of the Finance Act 2016.

It has been approved by the Board of directors of Card Factory plc and is effective for its current accounting period ending 31 January 2026.

As a UK based, publicly owned company, we are committed to being a responsible business in all aspects, and paying the right amount of tax at the right time is a fundamental principle of our operation.

We are committed to:

- following all applicable laws, rules and regulations relating to all taxes;
- being straightforward and acting with transparency on all tax matters;
- maintaining an open and honest relationship, acting fairly, responsibly and with integrity in all our dealings with the tax authorities in all the territories that we operate;
- ensuring our governance process for managing our tax position is appropriate and robust; and
- applying due diligence and professional care in carrying out our tax responsibilities and reporting

### Tax Governance

Ultimate responsibility for tax strategy and compliance rests with the Board of Directors of Card Factory Plc, which ensures that the appropriate framework is in place to oversee the identification and management of tax risk.

The Chief Financial Officer (CFO) is the Board member with executive responsibility for tax matters. Day-to-day management of tax affairs is delegated to the Director, Corporate Finance, who is supported by an in-house Head of Group Tax & Treasury

External advisors are engaged when it is considered appropriate, for example, to ensure the Group pays the right amount of tax in relation to significant transactions, or where there is uncertainty in the interpretation of tax legislation.

The CFO, who is the UK Senior Accounting Officer (SAO), is regularly appraised of all significant tax developments and participates in all material tax related decisions.

The Audit & Risk Committee is formally briefed and consulted on the Group's tax affairs at least annually, and any matters arising during the year are brought to its attention.

## **Risk Management**

The Group's approach to risk is based on reasonable care and materiality and assessment of tax risk is determined by the likelihood of occurrence together with the scale of impact.

The Group has a straightforward legal and operational structure that helps reduce the risk associated with accounting for taxes. However, given the scale of the business and the range of taxes that the group has to account for, risks inevitably arise from time to time in relation to the interpretation of tax law and the nature of our compliance arrangements.

The Group seeks to identify, evaluate, monitor and manage these risks to ensure they remain in line with the Group's overall objectives. Where there is significant uncertainty or complexity, external advisors will be engaged from leading professional advisors.

The CFO has overall responsibility for tax at Board level and advises the Board and Audit & Risk Committee on the tax position and risks of the Group, to ensure:

- the proper control and management of tax risk;
- the tax position is managed in line with the Group's strategic objectives; and
- the tax charge is correctly stated in the statutory accounts and tax returns

The Board has established that the following principles will form the basis of the management philosophy and the tax policy of the Group:

- Good governance - the Group complies with the UK Corporate Governance Combined Code and the rules of the UK Listing Authority, ensuring the Group is able to demonstrate its compliance with all appropriate standards of corporate governance;
- Strong internal control - the Group has implemented a system of internal controls designed to respond effectively to significant risks to achieving the Group's overall business objectives. The Group applies these same principles to its tax affairs and accounting; and
- Professionally qualified people - all individuals in financial positions of authority are appropriately qualified with recognised professional bodies and are required to maintain and apply the highest levels of professional standards and integrity

## **Tax planning**

The Group is committed to ensuring that all commercial transactions are structured in the most tax efficient way possible, taking into consideration all available reliefs and allowances permitted by law. The Group will not enter into transactions that have no commercial purpose or are contrived, artificial or are knowingly contradictory to the intention of Parliament.

Furthermore, consideration will be given as to whether the arrangement is in line with our mission, our vision and our values and the impact on our reputation should the details of any arrangement come into the public domain.

The use of external advisors is assessed and agreed with the Head of Group Tax & Treasury, the Director, Corporate Finance and the CFO and is focused on providing both technical and commercially relevant advice and guidance to the Group as a whole.

## ***Dealing with HMRC and other tax authorities***

The Group maintains an open, honest and constructive relationship when dealings with HMRC and with tax authorities in the other territories in which we operate.

The Group seeks to work in “partnership” with HMRC through its Customer Compliance Manager (CCM) and with the other tax authorities, in relation to all tax dealings;

- in the event of any identified error(s) arising, full disclosure, where required by law will be made;
- the Group will deal with all correspondence in a timely manner, and answer in an open way with a full response to the inquiry;
- advance tax clearance of key transactions will be obtained where tax treatment is uncertain and a tax clearance procedure is available;
- the Group will meet regularly with HMRC to facilitate a mutually beneficial relationship; and
- the Group will engage in full, open and early dialogue to discuss tax planning, strategy, risks and significant transactions and that it undertakes these in line with all legal disclosure requirements and criteria set out by legislation

December 2025

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