

J Sainsbury plc

**Tax Strategy
& Contribution
Report 2026**



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Our approach to tax



Our approach to tax

J Sainsbury plc

The Sainsbury's Next Level Strategy is fundamental to the way in which all colleagues and teams across the business approach their roles to achieve our common corporate purpose. We are committed to high standards of corporate governance with a responsible tax strategy aligning to our corporate purpose and values. We believe that by embracing the valued behaviours of Own It, Make It Better and Be Human, we will maintain and further enhance our credentials as a responsible taxpayer.

At the heart of our purpose is our Plan for Better which sets out our sustainability goals and is fully integrated through the way we operate as a business. We comply with all relevant tax legislation, acting in a fair, transparent and sustainable manner allowing us to support the delivery of our Plan for Better.

We are a UK-centric business and we support those communities in which we serve and operate in numerous ways including paying the correct amount of tax. We are consistently ranked as one of the top 10 UK largest taxpayers of the 100 Group¹, contributing approximately £2.5 billion in cash taxes borne and collected during the financial year to 28 February 2026. We recognise that the contribution we make is valuable to the communities we serve and operate in as well as the broader economy and in the interests of transparency, we have provided further explanation on page 8.

Purpose

We make
good food
joyful, accessible and affordable
for everyone, every day

Outcomes

**First
Choice
For Food**

**Loyalty
Everyone
Loves**

**More Argos,
More Often**

**Save &
Invest
To Win**

Valued Behaviours

**Own
It**

**Make It
Better**

**Be
Human**

¹ The PwC annual Total Tax Contribution survey of the 100 Group (<https://the100group.co.uk/>).
Members of the 100 Group represent the vast majority of the market capitalisation of the FTSE 100 Index.

Tax strategy



Tax strategy

J Sainsbury plc

This strategy applies to J Sainsbury plc and its subsidiaries² (“the Group”) for the year ending 28 February 2026. It is published in accordance with the requirements of Schedule 19 Finance Act 2016 and has been approved by the Board.

Governance

The Board has ultimate responsibility for the Group's tax affairs and it reviews and approves the Tax Strategy. There are also regular tax reports to the Audit Committee. The Board has delegated the day-to-day responsibility for the management of taxes to the Director of Tax who heads up the Tax function within Finance.

Key tax matters including significant and emerging tax risks are communicated to the Tax Committee, which meets quarterly and is chaired by the Chief Financial Officer. Other members of the Tax Committee include the Director of Group Finance and the Director of Tax, together with other senior tax professionals (as appropriate). The Tax Committee considers the likelihood of the risks occurring, assessing both reputational and financial risks and monitors mitigation plans thereon.

We also comply with the UK Senior Accounting Officer legislation, whereby our Chief Financial Officer annually confirms to HMRC whether our tax accounting arrangements are fit to deliver complete and correct tax returns.

Tax risk management

The Tax function comprises a team of professionals who are equipped with the appropriate knowledge, skills and capabilities to manage the Group's tax affairs. The Tax function ensures that the right amount of tax is paid, at the right time and mitigates potential tax risks.

This is achieved by following a framework of procedures and controls to ensure compliance with ever-changing tax rules and to identify and manage tax risks arising.

We will seek external tax advice to provide insight and specialist skills on certain areas for example where transactions bring extra layers of complexity and materiality. If there are areas of uncertainty in interpretation or application of tax, we will approach HMRC to obtain their view, obtaining formal clearance where applicable, which helps bring certainty to both sides.

Attitude towards tax planning

We do not engage in transactions for purely artificial tax reasons, nor enter into artificial tax arrangements which have no business or commercial substance.

Our Tax function works with our businesses and operations to ensure that the appropriate tax analysis and considerations are undertaken for material business decisions such that the right amount of tax is returned, submitted, disclosed and/or paid. Where relevant, the Group utilises legitimate tax incentives and reliefs offered by government bodies, for example research and development tax credits and capital allowances.

Level of risk that the group is prepared to accept

We are not prescriptive in terms of the levels of acceptable risk, however we comply with legal requirements in a manner that ensures we pay the required amount of tax. This is underpinned by a professional, co-operative and open relationship with HMRC.

Approach towards dealings with HMRC

We adopt a collaborative approach to our interactions with HMRC including regular meetings and correspondence. We aim to work with HMRC in real time, discussing items of significance in an open manner and, where appropriate, before a transaction or event is included in a tax return.



Tax contribution



Tax contribution – tax payments borne

Taxes we pay — The Group contributed **£2.5 billion**³ in tax towards the UK economy during the year ended 28 February 2026. This comprises the following:

Tax payments borne

The taxes we pay that are levied on our operations. During the year ended 28 February 2026 we paid £1,035 million in tax borne.



Tax contribution – tax payments collected

J Sainsbury plc

Tax payments collected

The taxes we collect on behalf of HM Treasury from third parties. During the year ended 28 February 2026 we paid £1,415 million in tax collected.



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