

Tax Policy

In Salling Group we recognise that taxes and duties have a crucial impact to welfare society.

Salling Group has operating companies in Denmark, Germany and Poland, but by far the largest activity takes place in Denmark. With a strong focus on tax compliance in all countries where we operate, we strive to communicate transparently within the tax area by meeting all specific stakeholders' interests.

We believe – and are proud of – that by paying our share of taxes, we contribute to the global Sustainable Development Goals – in particular SDG 16.6 on the development of effective, accountable and transparent institutions at all levels.

Salling Group has a tax strategy built on five cornerstones:

- Tax compliance
- Tax transparency
- Tax risk management
- Tax structure and planning
- Tax governance

Salling Group's tax strategy is inspired and built on our values - IPACE – integrity, passion, agility, competitiveness, and efficiency.

Being the foundation of our way of working and doing business across Salling Group.

Tax compliance

We continuously work to fulfil our obligation to comply with the tax law in the countries where we operate. We aim to comply with the legislator's intention, the letter of the tax law and to apply best practice and guidance. When appropriate, we will seek local advice of tax advisers to ensure that all local compliance requirements are met.

We have internal processes and controls to ensure compliance and high standards across functions, with both national and international tax rules and tax standards of relevance to our companies in the countries we operate.

Supporting our aspiration to have all filings prepared and submitted correctly, accurate and on a timely manner.

Tax transparency

We are committed to being open and transparent about our tax policy and tax affairs. We disclose information to our stakeholders, policy makers, employees, and the public, about our approach to tax and taxes paid.

We support and comply with the transparency requirements on taxes and the international initiatives in this respect, we believe in fair taxation, as part of fair competition.

We are proud of paying our fair share of taxes and contribute to the welfare of where we operate.

Tax risk management

We proactively seek to identify, evaluate, manage, and monitor tax risks, having internal controls and procedures in place, enabling us to manage the risks in line with our low-risk appetite. Preventing additional tax cost and uncertainty for Salling Group.

Given the scale of our business and volume we operate with the ambition to simplify and streamline processes, improve controls, and ensure cost-effective ways of working.

Material risks are being reported to the CFO as part of the uncertain tax risk provision. The day-to-day management of tax is handled by in-house local tax professionals in corporation with Group Tax ensuring any material risk areas are identified and reported at group level.

We are actively seeking good relationships with tax authorities and in Denmark we have adopted the Tax Governance concept collaborating with The Danish Customs and Tax Administration as a part of our risk management set up. Our role in this dialogue forum provides us with the opportunity to clarify questions in advance to avoid inaccuracies and minimise uncertainty.

Tax structure and planning

We operate in simplified structures, to keep a lean and transparent operating model across our business in Denmark, Germany, and Poland.

We do not operate companies in low tax jurisdictions as well as we do not utilise special tax optimisation models or “schemes” designed with a purpose of aggressive tax planning or tax evasion.

We engage in responsible tax planning through analysing the tax impacts of current and future business activities based on business rationale. We evaluate the opportunities for tax incentives supporting business development, being competitive. We benefit from general incentives as e.g., investments in green assets in Denmark with an increased depreciation base of 116%.

But we do not actively make business decisions based on incentives as the main driver, we rely on commercial and business reasons making decisions.

We engage in constructive dialogue with governments, tax authorities, business associations and Danish Chamber of Commerce to support the development of effective tax systems and support efforts against aggressive tax planning ensuring fair taxation and competition.

Tax governance

Responsibility for Salling Group’s tax policy lies with the Board of Directors, appointing Jens Bjerg Sørensen responsible for the tax policy. Responsibility for the tax risk management lies with the CFO.

Last reviewed and approved by the Board of Directors in Salling Group on April 25, 2024