

# Pfizer UK Tax Strategy



## Purpose

At Pfizer, we discover, develop and deliver vaccines and therapies that help people live healthier lives. We believe all individuals deserve access to quality health care and we have an important role to play in positively impacting global health by making our therapies more accessible.

All Pfizer colleagues are responsible for appreciating the legal and ethical issues that affect our business and for acting with integrity at all times. Integrity is more than just complying with the law: it is a core value at Pfizer. It reflects who we are as a company and as colleagues. Pfizer's Policies on Business Conduct, applicable to all our businesses and employees, are outlined in our Code of Conduct (known as Pfizer's 'Blue Book') and can be found on our website <https://www.pfizer.co.uk/codes-conduct>.

This document sets out Pfizer's approach in relation to UK taxation. In particular, it summarises how Pfizer complies with UK tax laws and manages risk in relation to tax, its dealings with HM Revenue & Customs ('HMRC') and relationships with professional tax advisors. This document applies to Pfizer Limited and all of its UK affiliates<sup>1</sup> (together, 'Pfizer UK'), and is published in compliance with paragraph 19(2), paragraph 22(2) and paragraph 25(1) of Schedule 19 to the Finance Act 2016.

With regard to taxation, our approach is as follows:-

- To meet all legal requirements, including filing all appropriate tax returns and making all required tax payments;
- To utilise available tax reliefs and incentives where appropriate, and legally permissible, consistent with the UK government's policy objectives;
- To act in a transparent and collaborative manner when dealing with HMRC;
- To carefully consider the tax impact in major and complex business decisions, for example in the case of acquisitions or dispositions;
- To operate in an environment where we consider tax in the context of, amongst other things, our reputation, brands and social and ethical responsibilities; and
- To apply appropriate processes to manage any tax risks and ensure that adequate Board of Directors' oversight is maintained.

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<sup>1</sup> Cyanamid of Great Britain Limited (in liquidation), Cyclofluidic Limited, G.D. Searle & Co. Limited, Haptogen Limited, Hospira Aseptic Services Limited, Hospira UK Limited, John Wyeth & Brother Limited, Medivation Europe Limited, Meridian Medical Technologies Limited, MPP Trustee Limited, Neusentis Limited, Pfizer Animal Health MA EEIG, Pfizer Consumer Healthcare Limited, Pfizer Development LP, Pfizer Development Services (UK) Limited, Pfizer EU PFE MA EEIG, Pfizer Leasing UK Limited, Pfizer PFE UK Limited (in liquidation), Pfizer R&D UK Limited, Pfizer Specialty UK Limited, Pharmacia Limited, Pharmacia Searle Limited (in liquidation), PowderJect Research Limited, PowderMed Limited (in liquidation), PZR Limited, PZR Property Limited, Thiakis Limited, Warner Lambert (UK) Limited (in liquidation) and Wyeth Europa Limited.

## **Risk management and governance**

Compliance with tax legislation is key to managing our tax risk. Pfizer UK understands the importance of tax in the wider context of our business decisions and has a range of governance processes in place. These processes aim to ensure that UK tax laws are complied with and tax risks are properly identified and considered as part of broader decision making processes and, where appropriate, managed through our internal controls. In particular, this includes the following:-

- Pfizer UK's tax risk assessment and controls are an integral part of the overall internal control framework applicable to Pfizer UK's financial reporting system;
- Pfizer UK seeks to reduce the level of tax risk arising from its operations as far as is reasonably practical by ensuring that reasonable care is applied in relation to processes and transactions which could materially affect its compliance with tax obligations;
- Processes relating to different taxes are allocated to appropriate process owners, who have the responsibility to review and identify key tax risks, and to ensure that mitigating controls are in place and monitored;
- Pfizer UK employs qualified and experienced tax professionals to manage our tax affairs. Our tax professionals, who are also members of Pfizer's Global Tax team, partner with the various business functions to ensure that these business functions understand and align with Pfizer UK's tax compliance obligations;
- Appropriate training is provided for staff who manage or process matters that have tax implications;
- Pfizer UK seeks expert advice on specialised areas of tax from reputable professional law and accountancy firms;
- The individuals tasked with the operation of the finance functions update the Board of Directors on a regular basis to ensure that they are aware of relevant tax risks. The Board of Directors bears the ultimate responsibility of transactions involving Pfizer UK.

## **Relationship with HMRC**

Pfizer UK endeavours to maintain a transparent and constructive relationship with HMRC based on respect and trust. We seek opportunities to meet on a regular basis to ensure understanding of our business dealings and to exchange insights in respect of developments in Pfizer UK's business, its current, future and retrospective tax risks, and, in areas of uncertainty or instances where HMRC's interpretation of tax legislation may differ from ours, interpretation of the law in relation to all relevant taxes. Pfizer UK ensures that HMRC is kept aware of significant transactions and changes in its business, and endeavours to discuss any potential tax issues at an early stage.

Pfizer UK discloses all relevant facts upon submission of tax returns and tax computations, and seeks to alert HMRC of any inadvertent errors as soon as reasonably practicable.

## **Tax planning**

Pfizer UK undertakes prudent and considered planning with regard to tax matters where it is in furtherance of our business objectives and built upon a sound commercial basis, consistent with the approach adopted by the global Pfizer group of companies. In so doing, we may seek to avail ourselves of appropriate tax incentives, reliefs and exemptions where they are in line with, and consistent with the spirit of, the tax legislation in question. We are committed to the arm's length standard in transfer pricing and OECD guidelines for all our tax matters.

Pfizer UK refrains from aggressive tax planning, i.e., that is unrelated to transactions originating from our normal commercial business undertakings, the sole purpose of which would be to obtain a tax advantage. Pfizer UK further expects all of its colleagues to adopt a corresponding approach in relation to their day-to-day activities and responsibilities at Pfizer UK. Employees are obliged to act with integrity at all times and to adhere to the principles as outlined in Pfizer's Blue Book.

## **Professional tax advisors**

We employ the services of professional tax advisors from reputable law and accountancy firms. They advise Pfizer UK on major and complex business decisions, for example in the case of acquisitions or dispositions and areas of uncertainty in tax law. These firms assist in ensuring Pfizer UK meets its tax obligations, for example by keeping us updated on all relevant changes in tax legislation and new case law.

Updated December 2018

Walton Oaks

The Board of Directors of Pfizer Limited