

# 2024 Pfizer UK Tax Strategy



## Purpose

At Pfizer, we discover, develop and deliver vaccines and therapies and are committed to our purpose of *breakthroughs that change patients' lives*. We believe all individuals deserve access to quality healthcare, 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 understanding 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. Integrity 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 (Pfizer's 'Blue Book') and can be found on [Pfizer\\_2020BlueBook\\_English.pdf](#).

The Blue Book describes how Pfizer operates and guides how Pfizer colleagues make decisions to achieve our purpose - *breakthroughs that change patients' lives*. In particular, it sets out principles that guide how Pfizer complies with UK tax laws and manages risk and how Pfizer handles its relationships with HM Revenue & Customs ('HMRC') and with external tax advisors. All Pfizer UK employees are annually required to successfully complete a Blue Book training session and certification.

The UK Tax Strategy 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 general approach is as follows:

- We abide by all tax laws, regulations and applicable jurisprudence and pay all taxes due;
- We maintain strong internal controls to ensure the accuracy, completeness and reliability of Pfizer UK tax accounting records;
- We follow all applicable rules in all countries with respect to tax transparency;
- We maintain full transparency and regular communication with our external auditors (KPMG);
- We meet all legal requirements, including timely filing all appropriate tax returns and making all required tax payments on time;
- We utilise available tax credits and incentives where appropriate and legally permissible, consistent with the UK government's policy objectives;
- We engage in business-based transactions and determine tax positions appropriately; we do not enter into tax-motivated transactions;
- We act in a transparent and collaborative manner when dealing with HMRC and aim to conclude audits on a timely basis;

---

<sup>1</sup> Cyclofluidic Limited (in liquidation), G.D. Searle & Co. Limited, Global Blood Therapeutics UK Limited, Hospira Aseptic Services Limited, Hospira UK Limited, John Wyeth & Brother Limited, MPP Trustee Limited, Neusentis Limited, Pfizer Consumer Healthcare, Pfizer Development Services (UK) Limited, Pfizer Leasing UK Limited, Pfizer R&D UK Limited, Pfizer Specialty UK Limited, Pharmacia Limited, PZR Limited, PZR Property Limited, ResApp Health (UK) Limited and ReViral Limited

- We continue to adapt to meet current and anticipated challenges, whether arising from the business, proposed or new legislation or otherwise;
- We carefully consider tax impacts from major and complex business transactions, including acquisitions and dispositions;
- We operate in an environment where we consider tax in the context of, amongst other things, our reputation, social and ethical responsibilities.

### **Risk management and governance**

Compliance with tax rules 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 Pfizer UK complies with tax laws and that tax risks are properly identified and considered as part of broader decision-making processes and, where appropriate, managed through our internal controls. In particular, these control processes take the following into account:

- Pfizer UK's tax risk assessment and controls are an integral part of the overall internal control framework applicable to Pfizer UK's financial statement reporting;
- 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 has a Global Tax team which employs qualified and experienced tax professionals to manage its tax affairs. Tax professionals partner with the various business functions to ensure that business functions understand and align with Pfizer UK's tax compliance obligations;
- We design and implement harmonized and consistent policies leveraging automated processes while continuously making improvements;
- We maintain robust audit-ready workpapers and transfer pricing documentation to support all tax filings;
- Pfizer UK seeks expert advice on specialised areas of tax from reputable law firms and accountancy firms as necessary;
- The individuals tasked with the operation of the finance functions update the Board of Directors of Pfizer UK on a regular basis to ensure that they are aware of relevant tax risks. The Board of Directors bears the ultimate responsibility for transactions involving Pfizer UK;
- We invest in technology solutions that allow us to meet our compliance and reporting requirements.

### **Relationship with HMRC**

Pfizer UK endeavours to maintain a transparent and constructive relationship with HMRC based on respect and trust. Pfizer UK ensures that HMRC is kept aware of its significant transactions and changes in its business and endeavours to discuss any potential tax issues at an early stage. We seek opportunities to meet on a regular basis to discuss developments in Pfizer UK's business. These discussions focus on issues including Pfizer's current, future and retrospective tax risks.

Pfizer UK discloses all relevant facts of tax returns and tax computations and seeks to alert HMRC of any inadvertent error that may arise as soon as reasonably practicable.

### **Tax planning**

Pfizer UK undertakes prudent and considered planning built upon a sound commercial basis, which supports Pfizer's Research & Development, Manufacturing and Commercial investments in the business and enables Pfizer to fulfil its purpose: *Breakthroughs that change patients' lives*. In so doing, we may seek to avail ourselves of appropriate tax incentives, credits and exemptions where they align with and are consistent with the spirit of applicable tax rules. We are committed to the "arm's length" standard in transfer pricing and OECD guidelines for all our tax matters. Pfizer is also committed to providing country-by-country reports, including Public Country by Country Reporting requirements when they come into effect, master files and local files in accordance with transfer pricing rules around the world.

Pfizer UK refrains from aggressive tax planning and artificial tax planning schemes that are unrelated to our normal commercial business undertakings or that have the sole purpose of obtaining a tax advantage. Pfizer UK further expects all 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. Pfizer maintains an Office of the Ombudsman, and each Pfizer employee has a requirement to report unethical behaviour.

### **External tax advisors**

We employ the services of tax advisors from reputable law firms and accounting firms as needed. They advise Pfizer UK on tax implications of 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 by keeping Pfizer UK updated on relevant changes in tax legislation, tax regulations and new case law.

**Updated December 2023**

**Walton Oaks**

**The Board of Directors of Pfizer Limited**