Cipla Group UK Tax Strategy FY2026-27

Background on our approach to tax

Cipla is a leading global pharmaceutical company trusted by healthcare professionals and patients across the world since 1935. For over eight decades, making a difference to patients has inspired every aspect of Cipla's work.

Our Tax Strategy is aligned to our overall business strategy of Growth, Long Term Value and Sustainability and Cipla's Code of Business Conduct and Ethics. Cipla Group is committed to comply with its Code of Conduct[1] and strive to comply with statutory obligations and tax laws in various countries it operates including the UK. Cipla Group has its presence in UK through Cipla (EU) Limited.

The UK Tax Strategy applies to the above companies and the same is published to meet our obligation under paragraph 19 of Schedule 19 of the Finance Act 2016.

Cipla Group is committed to highest standards of corporate governance and understands our responsibility to pay appropriate taxes in countries we operate including UK and are transparent about how our tax affairs are managed.

The Board of Directors (the 'Board') of the respective group companies ensures that tax strategy is one of the factor considered while taking any significant investment and business decisions. Our approach to tax risk management principles are set out below:

- Meet all the statutory obligations relating to filing of tax returns and timely tax payments.
- Assessing the implications of the transfer pricing and other tax regulations in respect of major or complex business decisions in ensure both compliance and alignment of business objectives.
- Where we claim tax incentives offered by government authorities, we seek to ensure that they are transparent and consistent with statutory or regulatory frameworks
- Creating an awareness of tax risk at appropriate levels within the organization.
- Adopt the principles of collaborative compliance in our engagement with Her Majesty's Revenue and Customs ('HMRC').

Tax governance framework and risk management

We are responsible for determining the tax objectives and ensuring that all applicable regulations as well as internal guidance and governance procedures relating to taxation are observed. The Company's code of conduct[1] also expresses our commitment to conducting business ethically.

We adhere to the internal control framework with a component of tax risk assessment and controls and the same is reviewed by internal and external audit firms.

For material transactions, where there is uncertainty on the treatment of tax and interpretation of legislation, advice from external consultants is sought before any position is taken.

Internal control procedures and processes are subject to self-assessment reviews and audits. We outsource various tax compliance activities to professional firms.

[1] The Code of Conduct is approved by the Board of directors of Cipla Limited on 7 February 2018.

Further, all the employees and external advisors are required to adhere to our Code of Conduct.

Tax legislations are complex and often tax risks arise due to differences in the interpretation of tax laws thereby adding further uncertainty.

Tax affairs are managed by a Global tax team of appropriately qualified and trained tax professionals with the right level of expertise who work closely with the business to provide advice and guidance to ensure compliance with tax laws and practice. Tax risk is also managed through continuous robust internal policies, training, compliance programs to ensure alignment across our business and meet our tax obligations.

Tax planning

We are committed to maximizing value on a sustainable basis for our shareholders and for any commercial transactions - wider business purpose, commercial rationale is the core for entering the arrangement.

We seek to utilize available tax reliefs, incentives and exemptions where we reasonably believe we meet the conditions for which the legislation is intended to provide a legitimate relief. At all times, we seek to be fully compliant with the applicable tax regulatory and other laws and in a way which upholds our reputation as a responsible corporate citizen.

Attitude towards risk

We have a low tax risk appetite and are focused on compliance. We submit tax returns according to statutory time limits and engage with tax authorities regularly to obtain certainty on our business operations. In exceptional cases, where matters cannot be resolved by agreement (such as Alternate Dispute Resolution) with tax authorities, we may have to resolve disputes through formal appeals or other proceedings.

We monitor taxation policies in our key jurisdictions to deal proactively with any potential future changes in tax law. We as a group are fully conscious of the tax litigations and advocate prudent tax compliance to better manage the tax risks.

Relationship with HMRC

We are committed to acting with integrity and transparency with HMRC. We seek to have a professional and constructive relationship with HMRC. We file timely and accurate tax returns, and we respond openly and promptly to any questions that may be raised in relation to our tax returns.

In the event HMRC disagrees with our views on the appropriate tax treatment of a given item, we will work constructively to try to resolve the issue in a timely manner through appellate route available to taxpayer. Further, given the complex nature of international tax law, we aim to obtain advance agreements or clearances by way of Advance Pricing Agreements, Advance Rulings, where possible.