

## **Daiichi Sankyo UK Limited Tax Strategy**

### **Scope**

This strategy applies to Daiichi Sankyo UK Limited in accordance with paragraph 16(2) of Schedule 19 to the Finance Act 2016. In this strategy, references to 'Daiichi Sankyo UK', 'the company' or 'DSUK' are to this entity. The strategy applies from the date of publication until it is superseded.

References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the company has legal responsibilities.

### **Aim**

Daiichi Sankyo UK is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The company's tax affairs are managed in a way which takes into account the worldwide group's wider corporate reputation and overall high standards of governance.

### **Governance in relation to UK taxation**

- Ultimate responsibility for Daiichi Sankyo UK's tax strategy and compliance rests with the Board of the company;
- The European Chief Financial Officer ('CFO') is the Board member with executive responsibility for UK tax matters. This individual works for the company's European parent company, Daiichi Sankyo Europe GmbH, incorporated in Germany;
- Day-to-day management of Daiichi Sankyo UK's tax affairs is delegated to the UK Head of Finance ('HoF') who is employed by DSUK and reports regularly to the European CFO. This helps to ensure that the company's UK tax strategy is one of the factors considered in all significant investments and business decisions taken.
- The UK HoF is appropriately qualified and experienced to manage the UK tax affairs of the company; and
- The European CFO reports as necessary to the worldwide CFO working for the company's ultimate parent entity, Daiichi Sankyo Co Limited, incorporated in Japan.
- The company is supported by external advisers in preparing its corporation tax computation and other ad hoc tax queries where appropriate.

### **Risk Management**

- Daiichi Sankyo UK operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the worldwide group's financial reporting system;
- The company seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations;

- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
- Where necessary, appropriate training is carried out for staff who manage or process matters which have tax implications;
- Advice is sought from external advisers where appropriate.

### **Attitude towards tax planning and level of risk**

Daiichi Sankyo UK manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax. The company therefore has a strong policy of compliance and is committed to paying the appropriate amount of tax due under UK legislation. External tax advisors are used where there is need for specialist guidance and support.

When entering into commercial transactions, the company seeks to take advantage of any available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. DSUK does not undertake tax planning unrelated to such commercial transactions.

The level of risk which Daiichi Sankyo UK accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the company's tax affairs. At all times DSUK seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

### **Relationship with HMRC**

Daiichi Sankyo UK seeks to ensure that interaction with HMRC is conducted in an open, transparent and professional manner and is focussed on timely tax compliance to meet the company's relevant tax filing and payment deadlines. When submitting tax computations and returns to HMRC, where necessary the company takes steps to disclose all relevant facts and identify any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

In circumstances where inadvertent errors in submissions made to HMRC are identified, then these are fully disclosed as soon as reasonably practicable after they are recognised.