

# NOVARTIS UK TAX STRATEGY

Novartis is an innovative medicines company, engaged in the research, development, manufacturing, distribution, marketing and sale of a broad range of innovative pharmaceuticals medicines.

The purpose of Novartis is to reimagine medicine to improve and extend people's lives by leveraging our scientific expertise to find new ways to treat and cure disease. About 75,000 people of more than 140 nationalities work together to bring Novartis products to more than 300 million patients around the world.

Building trust with society is a key part of the Novartis corporate strategy and is critical to delivering on our purpose of reimaging medicine to improve and extend people's lives.

Our Code of Conduct defines the important standards for doing business at Novartis and provides the foundation for our long-term success as a company. It applies, without exception, to all associates and third parties acting on behalf of Novartis Group companies.

This document, approved by the Board of Directors of Novartis UK Limited, sets out Novartis' strategy and approach to tax to the extent it relates to or affects UK taxation for the year ended 31 December 2026. This document is produced in accordance with the requirements of Schedule 19 of Finance Act 2016 and applies to all Novartis affiliated entities in the UK (as listed in appendix).

## **Tax risk management and governance**

Novartis is committed to observing all applicable laws, rules and regulations in meeting the group's UK tax compliance and reporting responsibilities.

In fulfilling its UK tax obligations, Novartis aims to apply diligent professional care and judgement, including ensuring that all decisions are taken at an appropriate level and supported by thorough documentation of facts.

Novartis maintains a system to identify, assess and mitigate tax risks in a manner that considers the effect on the overall business.

Novartis employs tax professionals with suitable experience and qualifications, and the UK tax function (part of the regional tax center) is further supported by the HQ Tax team in Switzerland. The tax team keeps up to date with tax law through appropriate training. External advice is sought from reputable law and accountancy firms on complex matters, and as a means of proactively monitoring the rapidly changing landscape of both UK and international taxation.

There are clear escalation routes for complex matters requiring significant judgements, including to both the country and global executive boards.

We follow the Novartis Financial Controls Framework as an integral part of our internal control processes. Tax-related controls are reviewed and assessed on a regular basis, with the relevant process tested and evidence documented. Tax controls are also updated, with new controls added to the framework where appropriate.

## **Attitude towards tax planning**

Novartis pays its fair share of taxes in countries in which it operates and considers this as part of its contribution to society.

We seek to build and protect shareholder value by ensuring that the UK tax affairs are managed in a sustainable manner within the group's commercial objectives. When entering into commercial transactions we claim tax incentives and reliefs in line with UK tax legislation. We do not undertake tax planning unrelated to commercial transactions.

Intercompany transactions take place on arm's length terms in line with OECD transfer pricing guidelines.

We have a zero-tolerance approach to tax evasion and the facilitation of tax evasion.

### **Attitude to tax risk**

Novartis adopts a balanced approach between risk mitigation and safeguarding shareholder value.

We aim to prevent unnecessary disputes, and to minimize uncertainty in relation to our UK tax affairs. Where there is material uncertainty and complexity, we may proactively seek advance clearances from HMRC.

### **Dealing with HMRC**

Novartis is committed to being open and transparent with HMRC on its tax affairs.

We submit tax returns in accordance with statutory time limits. We disclose all relevant facts on the submission of tax returns. Any inadvertent errors are fully disclosed and corrected at the earliest possible opportunity.

We engage with HMRC in early, real-time discussions about any significant transactions or business changes and any tax issues arising and enter into arrangements such as Advance Pricing Agreements where appropriate.

We seek to work positively, proactively and collaboratively to minimize disputes, and aim to achieve certainty wherever possible.

### **Appendix - Novartis affiliated entities in the UK**

- Novartis UK Limited
- Novartis Pharmaceuticals UK Limited
- Novartis Europharm Limited
- Novartis Grimsby Limited
- Advanced Accelerator Applications (UK & Ireland) Limited
- Gyroscope Therapeutics Limited
- Gyroscope Therapeutics Holdings Limited (formerly known as Gyroscope Therapeutics Holdings Plc)
- Novartis UK Pension Trustees Limited