



# **Strides Pharma Science Limited**

## **Group Tax Policy**

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## ABOUT STRIDES

Incorporated in 1990, Strides Pharma Science Limited (“**Strides**”) is a global pharmaceutical company headquartered in Bangalore, India. Since inception in 1990, Strides has emerged as a prominent global leader in the pharmaceutical industry, specializing in manufacturing niche generic formulations in various dosage forms.

With extensive global footprint over 100+ countries, 7 state-of-the-art manufacturing facilities and 4,600+ global workforce, Strides acknowledges the duty to contribute its fair share by payment of applicable amount of taxes in respective jurisdictions where Strides Group does business by complying with the applicable local tax laws.

## PURPOSE AND SCOPE

The purpose of this document is to provide a comprehensive understanding of tax policies of Strides and companies controlled directly or indirectly by Strides (together with Strides, the “**Strides Group**”). This document sets out the approach towards management and control of tax matters and the general tax framework within which the Strides Group operates when addressing tax related matters.

## TAX COMPLIANCE

Strides is committed to be fully compliant with the tax laws, rules and regulations in the jurisdictions the Strides Group operates by timely filing of applicable tax returns and also by timely payment of applicable taxes. Strides exercises adequate professional care and judgement, including ensuring that all tax compliance related responsibilities and decisions are handled at an appropriate level and are supported by consistent processes and thorough documentation. Strides maximizes the use of technology and automation, wherever possible, to efficiently manage the ever-increasing compliance requirements of global tax laws.

Strides is committed to comply with the international standards with respect to transfer pricing and in alignment with the Base Erosion Profit Shifting (BEPS) project. With this, Strides ensures that all transactions between related parties are undertaken at an arm’s length and in accordance with the Organization for Economic Co-operation and Development (OECD) guidelines for international tax matters. The transactions are evaluated at appropriate levels of management to monitor adherence to the tax policies.

## TAX RISK MANAGEMENT

Given the global footprint of Strides, tax risks could arise in relation to the interpretation of tax laws and the volume of tax compliances. These risks also stem from the dynamic nature of tax and frequent changes in regulatory framework impacting current and proposed business plans. Tax risk is addressed by establishing robust internal controls, training, knowledge update, cross functional support and alignment with business group for ensuring ongoing compliance. To mitigate tax risks, Strides focuses on effective legal structures, implementing appropriate tax governance and regular monitoring of the set processes and controls.

The tax landscape has been shaped by ever evolving rules and regulations and there is a global push towards compliance and transparent reporting. Strides makes conscious attempts to align all its processes and policies with these evolving regulations.

## TAX GOVERNANCE AND CONTROLS

The framework of tax governance is aligned with Strides corporate values –



**Integrity:** As a global leader, Strides aims to drive efforts towards an integrity-focused tax practice. Strides ensures greater accountability and transparency in tax reporting to all its stakeholders by appropriately disclosing all critical aspects in the published financial statements.



**Competency:** By embedding competency as a core element of tax governance framework, Strides aims to ensure that its tax compliance related responsibilities and decisions as well as tax risks are managed with highest level of expertise and diligence, ultimately contributing to transparency, integrity and accountability.



**Efficiency:** Strides firmly believes that adhering to efficient and ethical tax practices is a cornerstone of effective tax management. Strides tax policies are instrumental in promoting transparency, prioritizing compliance, mitigating risk and optimizing tax outcomes.

The tax processes at Strides are subject to internal controls set by the Internal Audit Function in accordance with the accounting and reporting principles. Further, the external auditors also review the effectiveness of the controls and procedures as required under the applicable auditing standards.



The tax practice at Strides is overseen by the Senior Vice President – Global Taxation who in turn reports to the Chief Financial Officer. The tax team comprises an appropriate blend of tax professionals with the necessary qualifications, training, skills and experience required to effectively execute their roles. As a process, the tax team works closely with the functional teams to understand the operating models, value drivers and risks.

The Tax Policy is approved by the Board of Directors on May 22, 2024 and shall apply to Strides Group until superseded. This robust governance structure has at its core the objective of ensuring that the tax affairs of Strides are managed in a fair and transparent manner and providing the necessary certainty to all stakeholders.

## TAX PLANNING AND INCENTIVES

Strides aims to achieve an optimal tax position for Strides Group. This does not mean the lowest tax result possible in the short term, rather the optimal tax result taking into account sustainability and continuity of the positions taken over the longer term. Strides may seek to take steps to procure reliefs and incentives available under the applicable laws and double tax treaties. Where available and appropriate, considering the business activities, Strides seeks to access Government sponsored tax incentives or benefits and apply them in the manner intended and consistent with the Government's policy objectives.

The tax planning of Strides is aligned with the business strategy and is based on commercial and investment strategy in order to grow our stakeholder's value. Strides is committed to not use business structures without commercial substance and also ensure that the business structures are compliant with the applicable tax regulations. Strides Group is committed to paying taxes in countries of its operation in accordance with its value creation therein.

As a responsible corporate citizen, Strides does not engage in tax evasion or tax fraudulent practices. In case of Strides Group being present in low-tax jurisdictions, Strides endeavors to not use these jurisdictions as an avenue to avoid tax or transfer value on activities conducted elsewhere.

## TAX AUTHORITIES

It is the policy of Strides to develop cooperative and constructive relationships with tax authorities in the jurisdictions Strides Group operates, based on mutual respect, transparency and trust, thus, recognizing the tax authorities as stakeholders in its business. Strides engages with the tax authorities in a collaborative and proactive manner to foster positive, constructive and sustainable relationships. The interactions are open and honest with the tax authorities. There could be instances where the legal interpretation may differ from that of the tax authorities, in such cases, Strides will engage in proactive discussions with the intention of arriving at a reasonable consensus as rapidly and equitably as possible. Strides seeks to minimize risk in relation to tax matters through processes and controls, such as tax risk assessments and review exercises, on a periodic basis.

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