

## **Thermo Fisher Scientific UK – 2020 Tax Strategy**

### **Our UK tax strategy**

The purpose of this statement is to satisfy the UK legislative requirements of Schedule 19 Finance Act 2016 in relation to the publication of tax strategy insofar as it affects the UK companies in the Thermo Fisher group. This publication is in respect of paragraphs 16(2) for a UK headed group, 19(2) for a UK subgroup, and 22(2) for a UK company, branch or partnership of Schedule 19 Finance Act 2016.

### **Introduction**

Thermo Fisher Scientific Inc. (NYSE: TMO) is the world leader in serving science, with annual revenues exceeding \$25 billion and approximately 75,000 employees globally. Our mission is to enable our customers to make the world healthier, cleaner and safer. We help our customers accelerate life sciences research, solve complex analytical challenges, improve patient diagnostics, deliver medicines to market and increase laboratory productivity. Through our premier brands – Thermo Scientific, Applied Biosystems, Invitrogen, Fisher Scientific, Unity Lab Services and Patheon – we offer an unmatched combination of innovative technologies, purchasing convenience and comprehensive services.

The tax policy is undertaken in accordance with the group's overall code of business conduct and ethics.

Our global business activities incur a substantial amount and variety of taxes, including corporate income taxes, stamp taxes, business rates and, in the UK, employer's national insurance. In addition, we collect and pay employment taxes and indirect taxes such as VAT.

### **1. Our approach to tax risk management and governance**

Identification, mitigation and management of risks are central to our strategy, and our enterprise wide risk management processes are designed to effectively manage risk.

The Board sets and oversees the risk management strategy and the effectiveness of the Group's internal control framework. We continuously identify and manage those risks and opportunities that could affect the achievement of our business plans and strategic objectives, our shareholder value and our reputation, through our risk management process. The UK Tax Strategy has been approved by the UK Board of Directors.

The ongoing responsibility for the application of the Group Tax Strategy and management of the tax affairs is delegated to the VP Tax and Treasury, who reports quarterly to the Board on compliance and Tax Strategy.

Tax risk arises due to the complexity of tax legislation and potential differences in interpretation, and in relation to our business operating model. We have established policies and processes in place to ensure the integrity of our tax filings and other tax compliance obligations in the UK and worldwide, and our tax processes are subject to the same level of internal controls, review and external audit as the rest of the business. Tax risk is viewed no differently to any other business risk encountered. Our business has a zero-tolerance approach to tax evasion and the facilitation of tax evasion.

## **2. Our attitude towards tax planning**

We engage in tax planning that supports our business activities and that has commercial substance. Professional advice is sought on a transactional basis, with the depth of such advice being driven by our assessment of the risk presented by each opportunity.

We seek to balance shareholders' interests with ensuring that any arrangements comply with current tax legislation and the need for underlying commercial substance.

Intercompany transactions are conducted on arm's length principles, in accordance with OECD guidelines.

## **3. Level of tax risk we are prepared to accept**

Tax risk is considered as part of our broader enterprise-wide risk management processes and is overseen by the Board.

Our policies and governance framework operate to ensure compliance with tax laws and regulations, both in the UK and worldwide, and to ensure that we identify and mitigate tax risks.

We have relationships with professional advisers that allow us to seek expert advice on specialist areas of tax. Our approach is to ensure we are compliant and understand our responsibilities with regards to tax.

We have no defined limit on the risk we are prepared to accept, we will manage and mitigate the risk to an acceptable level on a case by case basis.

## **4. Our approach to dealings with HMRC**

We seek to ensure that our engagement with HMRC is professional, open and honest, and undertaken in a spirit of cooperation. We aim to respond to information requests in a timely manner and ensure that access is given to all relevant information. We recognise that HMRC are not always in agreement but aim to seek resolution through discussions.