



## **TERUMO GROUP UK TAX STRATEGY**

**Publication Date: 31-Mar-22**

**Financial Year Ended: 31-Mar-22**

### **Terumo Corporation - Contributing to Society Through Healthcare**

Terumo Corporation is a global group, founded in Japan, but operating in over 160 countries providing a stable supply of the highest quality medical devices and services to patients and medical settings, while working proactively to develop solutions to the wide variety of challenges in healthcare.

Terumo's corporate mission is "Contributing to Society through Healthcare".

Terumo's global business activities incur a substantial amount and variety of business taxes worldwide.

To comply with the new requirements under UK law, and to support transparency as to the group's approach to taxation, this document sets out:

- Terumo's approach to governance and risk management in relation to UK taxation
- Terumo's approach to tax planning
- The level of tax risk the group is prepared to accept
- Terumo's relationship with HMRC

### **Scope**

Terumo has operations worldwide including the United Kingdom. This strategy applies to the group of companies located in the UK headed by Terumo Corporation and is published in accordance with Paragraph 19(2) of Schedule 19 to the Finance Act 2016. The specific entities to which it applies are as follows:

- Microvention UK Limited
- Terumo BCT Limited
- Terumo Europe N.V. (UK Plant)
- Terumo UK Limited
- Vascutek Limited, trading as Terumo Aortic

In this strategy, references to 'Terumo' or 'the group' are to all these entities. The strategy has been made available on the website of Vascutek Limited and applies from the date of publication until it is superseded.

References to 'UK Taxation' are to the taxes and duties set out in 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 UK Terumo entities, noted above, have legal responsibilities.

This strategy will be updated regularly to reflect any changes to this scope.

### **Governance in respect of UK taxation**

Tax laws and regulations typically deal with complex subject matter and, as a result, contain significant levels of detail and complexity. Consequently, the meaning of the laws and regulations can be unclear



or differing views on the correct interpretation of the rules can be held. This creates uncertainty and is a source of tax risk.

Terumo seeks to manage tax risks, and associated tax costs, in a manner that is consistent with the applicable regulatory requirements. Terumo will take account of operational, economic and reputational factors as part of this approach to tax risk management.

The group maintains policies and compliance processes to ensure the integrity of its tax returns, and timely and accurate tax payments in all relevant countries.

The group's approach to taxation is reviewed periodically in light of changes to:

- The general business environment
- The group's business operations
- Tax laws and regulations (national and international)
- Emerging business and tax risks

### **Tax planning**

Terumo's approach to tax planning, and consequent tax liabilities, is determined by our business transactions, such as acquisitions, intragroup trade and expansion in global markets, on a transaction-by-transaction basis. The group applies the OECD guidelines, UK and other national legislation to intercompany transactions.

### **Level of acceptable tax risk**

The group values certainty in its tax affairs and this guides considerations in terms of tax risk. The group's approach to tax risk is integrated within the broader business risk management and compliance framework. Tax risks are managed in the context of business transactions.

### **Relationship with HMRC**

Terumo seeks to develop and maintain professional and transparent relationships with HMRC. When submitting tax computations and returns to HMRC, Terumo discloses relevant facts and identifies any transactions or issues where there is potential for the tax treatment to be uncertain. Any inadvertent errors in submissions made are disclosed to HMRC as soon as reasonably practicable after they are identified.