



Elanco Group Tax Strategy

Published Date: 14th October 2024

Introduction

Elanco UK AH Limited is involved in distribution and manufacturing activities and is the owner of licenses. This strategy applies to Elanco UK AH Limited and the entities listed at Appendix 1 collectively referred to as “Elanco” in this strategy.

This document, approved by the board of Elanco, sets out the Group’s policy and approach to conducting its tax affairs and dealing with tax risks for the year ending 31 December 2023. Elanco’s UK Tax Strategy is published in compliance with paragraph 16(2) of Schedule 19 to Finance Act 2016.

The document will be periodically reviewed, and any amendments will be approved by Elanco’s Board of Directors.

Tax Risk Management and Governance

- Elanco has both in-house tax department staffed by qualified and experienced tax professionals and engages external advisors. Tax is managed by an integrated team of tax specialists reporting to the Chief Financial Officer. They deal with tax processes, tax strategies, tax compliance, tax accounting & reporting, indirect tax, and transfer pricing.
- Elanco is committed to complying with all applicable rules, laws, regulations, and any required disclosures. Elanco has adopted a Code of Conduct and implemented other internal policies and guidelines intended to support its mission statement and to comply with the laws, regulations, industry codes, policies, and procedures that govern its business.
- Elanco will pay the correct amount of tax on a timely basis. Tax compliance and reporting risk is managed by appropriately qualified and experienced employees in the tax function through proper processes and procedures that mitigate risk and using external advisors for support. Elanco ensures financial integrity by employing internationally accepted accounting standards and practices to ensure books and records are maintained as an accurate representation of our business. Elanco implements all the necessary procedures and IT systems to ensure that the statutory UK tax returns are filed correctly and completely.
- To sum up, the overall objective of Elanco’s tax risk management is to properly identify, measure, and manage risks. Tax risks are assessed on a case by case basis and internal and/or external resources are used to identify risk and find solutions, when necessary.

Business’s attitude to tax planning

- Elanco does not engage in any tax arrangements without business or commercial substance. Elanco’s tax planning is driven by the commercial needs of the business and anticipated future developments. However, the commercial needs of the business will in no circumstances override compliance with all applicable laws and regulation. Where alternative routes exist to achieve the same commercial results, tax efficiency is considered as a part of any overall business case review.



- Our tax function works with our businesses and operations functions to ensure that the appropriate tax analysis and considerations are undertaken for business decisions. The tax team meets with the appropriate people from other departments as operations, legal, treasury, accounting, human resources or IT and, if necessary, external auditors and tax advisers. Elanco does not participate in egregious planning or structured arrangements.
- Where relevant, the Group may utilise legitimate tax incentives and reliefs offered by government bodies.

Level of risk Elanco is willing to accept in relation to UK taxation

- Elanco follows tax and legal rules to assure low risk in relation to UK taxation. We aim to have a high degree of certainty of a tax outcome prior to entering into any transactions.

Approach towards dealings with HMRC

- Elanco wishes to maintain good relations with HMRC by being clear and transparent about its finances and related tax affairs. Elanco wishes to engage with HMRC in a transparent manner, with the highest degree of integrity.
- Elanco aims to handle any queries or disputes keeping pro-active discussions with HMRC.

Appendix 1 List of entities

Elanco UK AH Limited

Dista Products Limited

Elanco Animal Health UK Limited

Elanco Animal Vaccines Limited

Vericore Limited

Elanco Europe Ltd

Signed by:

A handwritten signature in black ink that reads "Chris Lewis".

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Signed: _____

Chief Financial Officer – Chris Lewis