



## **Lupin Global Tax Policy**

Lupin Limited, along with its subsidiaries ('Lupin Group'/ 'we'/ 'the Company'), is an innovation led transnational pharmaceutical company headquartered in Mumbai, India. Lupin Group develops and commercializes a wide range of branded, speciality and generic formulations, biotechnology products and APIs in over 100 markets in the US, India, South Africa and across the Asia Pacific (APAC), Latin America (LATAM), Europe and Middle East Regions.

The Global Tax Policy ('Policy') is aligned to the Company's corporate governance practice, value system and its enterprise risk management framework. Integrity and transparency are key to the corporate governance practices to ensure that we gain and retain the trust of all the stakeholders at all times.

This Policy establishes the main principles on how the Lupin Group manages its taxes and conducts its tax-related activities.

### **Scope**

This Policy applies to the management, employees and contract workers of Lupin Group and is specifically intended for individuals working with matters that can impact taxes. It aims to provide guidance on roles, key responsibilities and interaction with external parties such as tax advisers and tax authorities. The tax in the Policy includes, but is not limited to, corporate taxes, withholding taxes, goods and services tax, value added tax, and other taxes.

This Policy has been approved by the Board of Directors of Lupin Limited. This Policy will be dynamic and kept abreast of the changes in the tax world and aligned to the business objectives.

### **A. Tax Governance Framework**

We focus on an ethically driven tax governance framework. Our tax affairs are managed in a fair and transparent manner. Tax risk, including the reputational component, extends beyond Lupin Group's relationship with tax authorities and has a bearing on our relationship with staff, management and shareholders. Business tax processes are subject to internal controls and external assurance processes.

### **B. Tax Risk Management and Uncertainty Mitigation**

We recognize the need and are committed to managing global tax risks and have processes and controls that enable timely identification and management of such risks. Tax positions and risks associated with them can be uncertain and we mitigate the impact of such instances by the following tax principles:

1. Maintaining integrity while complying with the applicable tax laws in its letter and spirit where we operate and paying fair share of taxes;
2. Undertaking related party transactions in adherence to the arm's length principles;
3. Avoiding aggressive tax planning and tax structures whereby value created is transferred to low tax jurisdictions without commercial substance which tantamount to harmful tax practices;
4. Not undertaking artificial tax planning with the intention of avoiding taxes using so-called 'tax haven' arrangements.
5. Developing in-house team professionally as part of a world-class tax team and enhancing operating efficiencies through the appropriate use of automation and technology-based solutions;
6. Maintaining cooperative and cordial relationship with tax authorities through clear communication; seeking certainty, to the extent possible, in case of any ambiguity in the interpretation of law or any other matters of legislation;
7. Having strong technical support for tax positions backed by sound research and advice, including opinions from external advisors as well as documenting such positions with accurate facts; and
8. Maintaining strong compliance procedures by ensuring accurate and complete tax returns, including robust and well documented transfer pricing documentation.

### **C. Attitude to tax planning**

The tax and finance functions work in coordination with the other business functions to ensure that tax and finance considerations are duly factored in business decision-making. Our continuous efforts are to undertake commercial transactions in adherence to law in form and spirit. We may avail tax incentives which are made available by the laws and regulations of a jurisdiction provided they are aligned with our business or operational objectives. We do not engage in aggressive tax planning not meeting substance which may have unintended and unexpected tax revenue consequences. Relevant tax laws are applied in a reasonable way and in the spirit they were intended to apply.

### **D. Engagement with tax authorities and advocacy**

We consider the tax administrations in the jurisdictions that we operate in as a key stakeholder in business. As such, we work in a cooperative and transparent manner with tax authorities, including providing access to relevant information pertaining to taxation matters. We actively participate in the formal consultation processes with tax authorities on matters having material impact on Lupin Group. The tax team of Lupin continuously monitors the changes in tax policies and its impact on the business. Lupin plays a key role in tax advocacy matters and provides inputs to tax policy makers through industry associations.

### **E. Use of technology and automation**

We are committed to leverage technology in tasks, such as data extraction, data processing, tax compliances/ reporting, data analytics/ mining, digitization of documents, etc., which can help in effective management of workload, optimize cost burden, and enhance quality of the tax function output. As a forward-looking approach, we reassess areas across the spectrum of tax operations which are less strategic but more time consuming, which could be automated to bring about greater efficiency. We strive to create a tech driven tax compliance model that reduces dependence on people for high-quality data and uses the available bandwidth for more value adding/ strategic activities.

## F. Integration of tax departments

Blurring of lines between the various facets of taxation (Direct Tax, Indirect Tax, Transfer Pricing, International Tax, and Customs) and ways in which tax administrations are collaborating, within the country and across borders, throws up new opportunities for creating a tax function of the future. Considering the emerging developments, we are resolutely working towards creating a world class, future ready tax department by integrating the Direct Tax and Indirect Tax departments, which would facilitate effectively harnessing the combined potential of people, processes, and technology. The strategic focus of the integrated tax team would be on department-wise reporting, documentation of relevant business activities, and reconciliation for creating uniformity across taxes. Tax processes would be streamlined, and a risk-based approach founded on strong governance principles would be adopted.

## G. Roles and responsibilities

<b>Body/function/Individuals</b>	<b>Roles and responsibilities</b>
Lupin Limited Board of Directors	Responsible for policy approval
Lupin Limited Chief Financial Office	Responsible for monitoring compliance with the requirements of the Policy
Lupin Group Finance, Legal and Business Teams	Responsible for compliance with the Policy by involving the Group tax team in all projects that may have tax consequences
Management, employees, and contract workers of Lupin Group	Responsible for adhering to the Policy