

FAIR TAXATION



ESMÉ BERKHOUT, JUNE 16 2020



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RECAP TAMING BIG PHARMA

Insurers:

- Generally do not seem to recognize the high risk of unethical tax avoidance by pharmaceutical companies.
- Five insurers voted in favor of resolutions aimed at improving lobbying transparency.
- Some include the issue in ESG screening and company engagement.
- Those that have engaged report little progress.

WHY TAX MATTERS

“Making rich individuals and corporations pay their fair share and using those revenues to boost public schools, healthcare and other social services is a powerful one-two punch against inequality and for women’s rights”

(Winnie Byanyima, former executive director, Oxfam International)



Further reading: <https://www.oxfam.org/en/inequality-and-poverty-hidden-costs-tax-dodging> and <https://www.oxfam.org/en/research/public-good-or-private-wealth>

WHY HOLDING BIG PHARMA TO ACCOUNT MATTERS

Rx

PRESCRIPTION FOR POVERTY:

- Sky-high drug prices
- Millions of dollars in dodged taxes

SIGNATURE:

Johnson & Johnson Pfizer

MERCK Abbott

**TELL THESE DRUG COMPANIES:
PAY YOUR FAIR SHARE
OF TAXES.**

#NOMORETAXDODGING

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Further reading: <https://www.oxfam.org/en/research/prescription-poverty>

GOOD PRACTICES



Shell publishes detailed report of tax payments

On 17 December 2019, Shell published a new tax report, which breaks down the company's tax payments on a country-by-country basis. Shell is now the first multinational corporation to disclose its global tax payments in such detail. Oxfam commended this step towards transparency, arguing that this report demonstrates that thorough disclosures by multinational companies are possible, and do not affect competitiveness or entail excessive administrative costs.

Further reading: https://www-cdn.oxfam.org/s3fs-public/file_attachments/dp-getting-to-good-corporate-tax-171115-en.pdf and <https://bteam.org/assets/reports/A-New-Bar-for-Responsible-Tax.pdf>

NIKO'S PRESENTATION

<https://youtu.be/ADkhdIrDqhc>



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RECOMMENDATIONS

Investors should use their leverage over pharmaceutical companies with regards to fair payment of taxes by:

- Actively engage companies on their tax policies (screening, dialogues, roundtables, investor statements and resolutions when appropriate), especially now to encourage them to use the GRI Tax Standard as the global reporting tool
- Systematically incorporate responsible tax into monitoring of particularly risky sectors/companies
- Build broader investor support for responsible tax expectations and the GRI Tax Standard
- Develop an exit strategy to disengage if case engagement fails to meet objectives