

Adobe Systems Europe Limited ("Adobe UK")

UK Tax Strategy

This statement applies to the financial accounting period up to 3 December 2021.

Adobe Inc. and its subsidiaries (collectively "Adobe") is a leader in digital media and digital marketing solutions. While our business has transformed significantly over the last decade, our core values and commitment to continue to operate with the highest ethical standards remains the same. At Adobe, we strive to ensure we act fairly and responsibly, communicate openly and honestly, are trustworthy and reliable and always aim to do the right thing. These core principles are the foundation for our approach to taxation in all countries we operate, including the UK.

The following sets out our UK tax strategy in accordance with the provisions of section 19(2) of Schedule 19 Finance Act 2016. The UK tax strategy is aligned with the global tax policy published on our website at www.adobe.com, which supports and augments our UK strategy.

It is noted that while the UK strategy refers to Adobe UK, it applies to all UK group member companies including those acquired and active in the UK.

Our approach to Tax Planning & Compliance

In line with the core principles of our Code of Business Conduct, integrity is at the heart of Adobe's culture. Our reputation is prioritised in the company's attitude towards tax planning, where it avails of tax incentives, reliefs and exemptions that support our global operations as well as UK operations.

We have a strong brand and are among the world's most admired companies in how we operate and invest in our employees. As the tax environment continues to evolve and change significantly, we have built a global tax function focused on ensuring we remain compliant and make good ethical decisions. We endeavour to stay abreast of changes to UK tax law and practices and understand the impact of global developments, analysing how they may impact our UK operations.

Adobe is committed to accurately file its tax returns on a timely basis, paying the right amount of tax and complying with the reporting laws and regulations. Stringent controls and compliance processes ensure we fulfil our tax obligations which are periodically reviewed as part of the UK Business Risk Review ('BRR') with our HMRC case team.

When it is required, Adobe engages professional advisors where the tax rules are particularly complex and where uncertainty may exist on the interpretation and practical application of specific UK tax laws. This ensures we make appropriate and informed decisions in the application of the laws and regulations, based on advice from external third party advisors.

Our approach to Risk Management & Governance

Adobe's risk profile is conservative and disciplined based on the implementation of prudent risk management. This is consistent with our commitment and obligation to protect the interests of Adobe and its shareholders. To manage this, we seek to identify potential risks early on and proactively consider individual situations as they arise to minimise our level of risk in the UK.

Adobe UK's Board of Directors oversee local operations, driving effective decision-making and performance. Along with its management team, the Directors are committed to strong corporate governance and leadership and apply local tax regulations with the support of the global tax function.

The global tax function engages with key internal stakeholders to facilitate the growth of the business and its development. They partner proactively with stakeholders to provide clear, timely, relevant, and business focused advice across all aspects of taxation. When required, they also work to modify existing policies and procedures, collaborating with legal compliance and internal audit to incorporate key elements into standard training and compliance materials.

The Head of Tax has oversight of day to day tax matters with the support of a highly technical team of qualified and experienced tax and finance professionals. Collectively, the team seeks to identify, evaluate, and monitor global tax risks and apprise the Head of Tax regularly.

At Adobe, the Audit Committee serves to assist the US Board of Directors with fulfilling its responsibilities to oversee management's financial, accounting and reporting processes, Adobe's system of internal accounting and financial controls, Adobe's enterprise risk management programme and its compliance with related legal, regulatory, and ethical requirements. The Audit Committee's scope of responsibility also includes global tax matters.

As noted above, working with external professional advisors on complex UK technical tax matters helps ensure our interpretation and application of the tax law is robust.

HMRC Engagement and Relationship

As a responsible taxpayer, Adobe UK engages with HMRC Inspectors in a co-operative and transparent manner to provide a clear understanding of Adobe's UK operations and business. We aim to maintain an open and engaging relationship with HMRC to assess tax risks and review UK tax returns & filings. By engaging with our Client Relationship Manager ('CRM') and the Adobe case team early on be it on payment and filing queries or new areas of taxation, it can help clarify on tax matters, thus minimising the risk of potential tax adjustment during a future review or audit.

In cases where our view differs from that of HMRC, we will endeavour to work closely with HMRC to resolve ongoing issues through proactive discussion, always acting with integrity and a willingness to reach a resolution or consider other avenues to close the matter.