reckitt

2024 TAX STRATEGY REPORT

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INTRODUCTION

WELCOME TO OUR 2024 TAX STRATEGY REPORT

Welcome to Reckitt's 2024 Tax Strategy Report, my first as Chief Financial Officer.

This Tax Strategy document explains the seven tax principles that guide Reckitt. They inform our compliance with tax regulations and our transparent communication with tax authorities. We adhere to the local tax law in each country where we operate, and we are fully committed to paying the right amount of tax.

While Reckitt's corporate headquarters are in the UK, this Tax Strategy applies to all of Reckitt's operations worldwide and to all taxes for which we are responsible.

We keep our approach to tax transparency under constant review. In line with the EU Public CbCR Directive, we are further enhancing our tax disclosure by publishing our EU Country by Country report (CbCR) for the first time (please see page 12). As a UK listed and headquartered business, we expect UK CbCR disclosure to be mandated in the coming years. Reckitt will adhere to all mandatory tax reporting requirements.

The international tax landscape is continually evolving. This report also covers some notable tax developments in 2024, such as the Pillar Two rules. Pillar Two is an initiative led by the Organisation for Economic Co-operation and Development (OECD). It seeks to ensure multinationals pay a minimum effective corporate tax rate of 15% on income in all of the jurisdictions in which they operate. These rules apply to Reckitt, taking effect predominately through the UK's Multinational Top-up Tax and other jurisdictions' local implementation of domestic top-up tax legislation.

Finally, I would like to welcome Tanya Richards, SVP Global Head of Tax who joined Reckitt on 1 September 2024. Tanya's experience across Group Finance & Accounting, Tax, Treasury, and Global Finance Operations will enhance our tax function and how it supports the strategic priorities of the Group.

We consider that this tax publication satisfies our duty under paragraph 16(2), Schedule 19 of the UK Finance Act 2016, to publish the Group's Tax Strategy for the financial year ending 31 December 2024.

We hope this annual publication continues to support our stakeholders' understanding of Reckitt's approach to tax.

Further information about Reckitt, including our annual report, sustainability insights and social impact report can be found at Reckitt.com.

Reckitt has a diverse, global team of over 40,000 people across more than 60 markets. We are focused on our relentless pursuit of a cleaner, healthier world and work with a shared purpose: to protect, heal and nurture.

We recognise the importance of tax transparency in achieving this mission. We are proud to support global and local initiatives driving a more responsible approach to tax and welcome the requirement for large multinational enterprises (MNEs) to publish their approach to tax.

Shannon Eisenhardt
Chief Financial Officer (CFO)

"We are further enhancing our tax disclosure by publishing our EU Country by Country tax report for the first time."

INTRODUCTION

RECKITT BY NUMBERS

We operate in over 60 countries across six continents, and our products are sold in nearly every country in the world.

2023 at a glance

Employees

40,000

Markets

60+

countries across six continents

Group net revenue

£14.6bn

UK net revenue

£886m

Revenue from more sustainable products

29.6%

67%

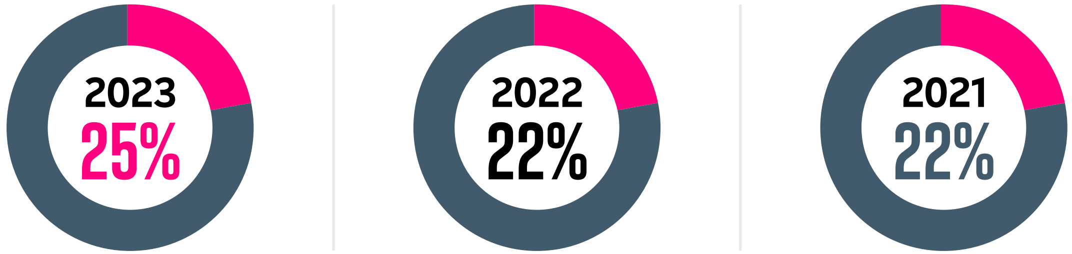
Absolute reduction in greenhouse gas emissions from operations since 2015

£31.4m

Invested in Fight For Access Funds

Tax highlights

Adjusted effective tax rate



2023 Corporate Income Tax Paid

£922m

Net Revenue

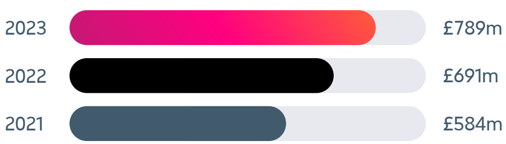
2023
£14.6bn

2022
£14.5bn

2021
£13.2bn

Adjusted profit before tax

Adjusted income tax expense



RECKITT'S TAX PRINCIPLES

Reckitt approaches tax* responsibly in all markets in which we operate. We are guided by the following seven tax principles:

1. We support efforts to increase trust and understanding of the tax system. We encourage greater tax transparency by businesses.

2. We act in accordance with, and seek to comply with, all relevant tax laws and obligations in all the countries in which we do business.

3. We abide by tax laws, guidelines and standards (including both those determined by the laws of the countries in which we operate and by international treaties and conventions). We monitor, adjust and review our Tax Policy on a regular basis to ensure we remain compliant as tax laws change.

4. We are committed to paying the taxes determined by the laws in each country where we do business. The taxes we pay are in accordance with where value is created, considering agreed transfer pricing principles.

5. We do not engage in tax evasion, nor planning that aims to achieve results that are contrary to the clear intention of legislation. We do not engage in transactions that are artificial or contrived, nor seek to exploit shortcomings within the relevant legislation.

6. We believe in an open and constructive dialogue with tax authorities and we seek to maintain co-operative and trusted relationships at all times. We will be transparent in all our dealings with tax authorities and other regulators.

7. We take appropriate steps to demonstrate that we are a compliant business with effective tax management processes and controls. The Group works with tax authorities in a timely and constructive manner to resolve disputes, should they arise.

*Tax includes all the taxes we have an obligation to comply with, including corporate income taxes, duties, payroll and employment taxes, as well as environmental tax and indirect taxes, such as sales tax and VAT, levied on products sold to customers.

OUR TAX POLICY

Reckitt has a substantial presence in many countries around the world. We work with multiple tax regimes whose tax law interpretation and practices differ from each other. Global tax initiatives also impact local tax systems, bringing further changes and potential uncertainties. Reckitt's Tax Policy framework is designed to reflect this multiplicity and guard against potential tax risks.

This policy is aligned with the overall strategy and operation of our business and applies to all taxes we incur.

What is the goal of our Tax Policy?

The goal of our Tax Policy is to ensure that:

- We fully consider the impact of all taxes on a transaction before the transaction is entered.
- We fully comply with local tax legislation, prepare all appropriate documentation and file it with respective authorities on time.
- We comply with the International Accounting Standards on tax, in particular IAS 12; and the reporting of tax (current and deferred) is coherent, timely and accurate.
- Accurate and timely information on the tax status of all Reckitt entities is communicated to Reckitt's central tax department, so that the Group's overall tax position is fully understood.
- We ensure that Reckitt's reputation for the highest level of corporate governance and responsibility is maintained.

How do we manage our tax affairs?

Reckitt's tax affairs are managed globally by the central tax team, based in Slough, UK (CHQ Tax). The team is part of the Group's finance function and reports to the Chief Financial Officer (CFO), who receives frequent updates throughout the year from the tax team.

Tax at Reckitt is managed by our team of in-house tax professionals who hold a combination of accounting, tax and legal qualifications. Their range of specialisms ensure that we are equipped to deal with the rapidly evolving international tax landscape. The CHQ Tax Team comprises experts in corporate income tax, VAT and custom duties, environmental taxes, international taxes, transfer pricing, intellectual property, employment taxes and compliance and reporting.

In certain jurisdictions with significant operations, or where local tax law is complex, Reckitt's local finance teams also include tax professionals who work closely with the CHQ Tax Team.

Our CFO acts as the Senior Accounting Officer (SAO) in the UK, and each year signs off the SAO obligations as required under UK tax legislation.

Reckitt CHQ Tax Team

The Group Audit Committee receives regular reports, including on tax matters, from the Group Corporate Control function with further updates provided by Reckitt's CHQ tax function as required.

Where international tax laws are unclear, leading to a broad range of interpretations or uncertainty, we may seek advisory and technical tax support from either large accounting firms or specific law firms. The use of any given advisor is assessed on a case-by-case basis in line with the Group's audit independence policy. This approach ensures that the ongoing independence of our external auditor is not compromised.

MEETING LOCAL TAX OBLIGATIONS

Reckitt is committed to paying all taxes determined by local tax laws in every country we do business, and to filing tax returns as per statutory deadlines.

Reckitt CHQ Tax Team partners with colleagues from our local markets to provide timely and appropriate guidance on all aspects of tax. This allows tax risks to be managed and enables full compliance with local tax laws.

We do not carry out artificial tax planning for the purpose of tax avoidance, or engage in tax arrangements that go against the clear intent of tax laws.

Reckitt is a global organisation with over 400 subsidiary companies, which are listed in full in our Annual Report along with their country of incorporation. In accordance with our Tax Principle 5, we do not engage in artificial tax planning, and so do not operate in 'tax havens' or low-tax jurisdictions without a genuine business or commercial substance.

Reckitt entities located in tax havens are often there for historical reasons that may no longer be relevant, or were already there when they became part of the Group, during a wider business acquisition. This year, we continued efforts to simplify the Group's structure, including commencing the liquidation of a number of dormant UK entities.

Many of our companies incorporated in tax havens are UK tax-resident, and as such they file tax returns and pay UK tax in accordance with UK tax legislation. In addition, as a UK-headquartered group, all entities are taxed (where appropriate) under the UK-controlled foreign company rules and are all now subject to the Pillar Two rules.

Transfer pricing

Reckitt is a large multinational company and naturally engaged in many cross-border transactions within the Group. These transactions are priced in accordance with the standards established under the relevant OECD Transfer Pricing guidelines.

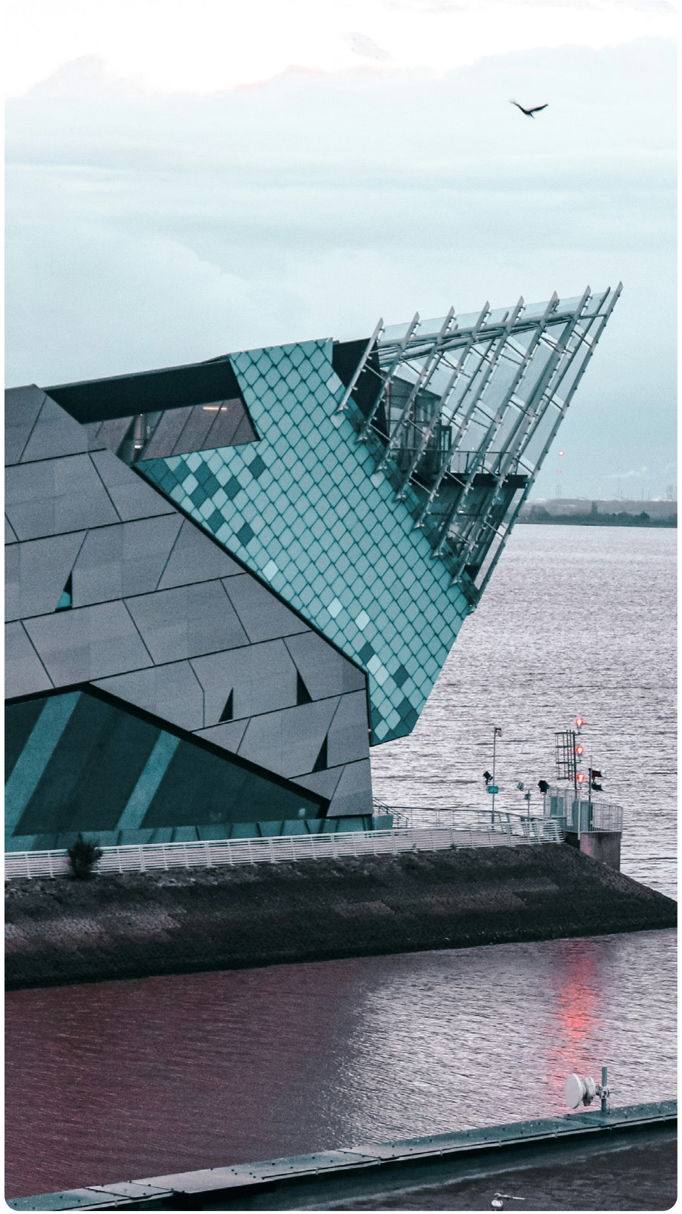
These OECD standards guide multinational groups on the application of the "arm's length principle", which represents the international consensus on how to price transactions between members of the same multinational group. The standards are aimed at preventing taxable profits of multinational groups being artificially shifted out of a given jurisdiction, and ensuring that the tax base they report in each country reflects the economic activity undertaken there.

Interpreting and applying these standards correctly can demand fine judgements, and a tax authority may occasionally challenge Reckitt's reading of these rules. In these circumstances, we will always engage constructively with the relevant authority to resolve any disagreement.

We also noted increased compliance requirements for Transfer Pricing-related documentation across many markets around the world. We centrally monitor to ensure such requirements are met across the markets where Reckitt operates.

Tax incentives

Tax incentives are one route by which governments encourage business investments in a particular economic activity. We may consider the use of tax and available incentives when deciding where to invest Reckitt's resources, but this is just one of many factors we consider.



INTEGRATED RISK MANAGEMENT AT RECKITT

"We apply tax governance through a set of documented standards and procedures, which cover our Tax Strategy, Tax Policy and the operational aspects of tax."

We manage tax risk at four levels inside Reckitt, giving us both a 'top down' and 'bottom up' view of risk:

1. Functional
2. Global Business Unit
3. Corporate
4. Group

Internal control process and action plans are developed to monitor and manage risks. The most significant principal and emerging risks are identified and disclosed in our Annual Report. The Board, or a designated Committee of the Board, provides oversight across each principal risk.

The risk of disputes resulting from a tax audit is considered a principal and emerging risk. Executive ownership resides directly with the Group CFO. Board oversight is provided by the Audit Committee and material issues are communicated to the Board directly. Ongoing review of principal tax risks is carried out by the Reckitt Tax Team, country finance directors and external advisors.

Controls are an important part of Reckitt's risk management, and we implement internal control processes through clearly defined roles and responsibilities.

We monitor internal control systems and manage risk via three strands:

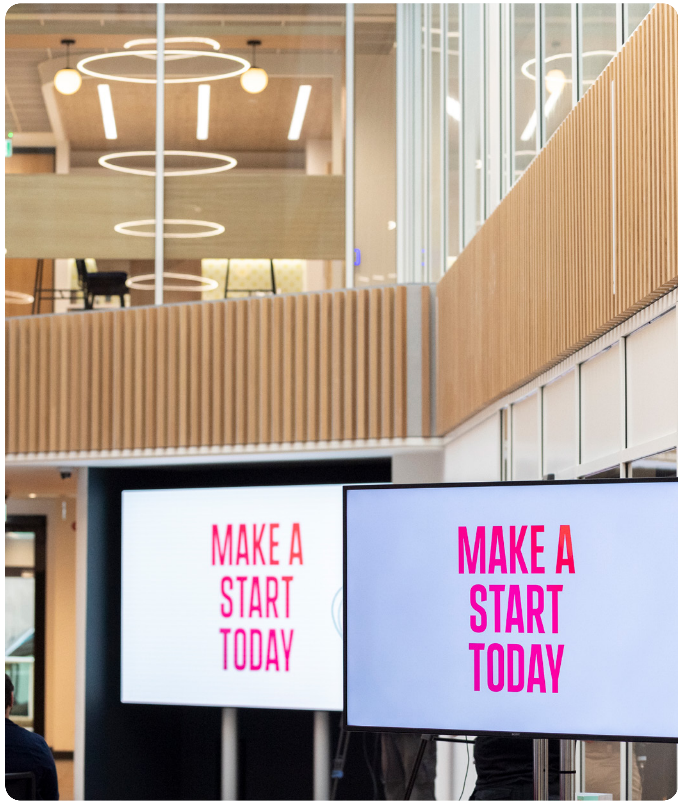
1. **Management:** This ensures that controls, policies, and procedures are followed when dealing with day-to-day business risks. Supervisory controls ensure appropriate checks and verification.
2. **Oversight:** The management of each function and business unit acts as a second line of oversight and verification. They set local policies and procedures in line with Group policy and authorisation.
3. **Independent review:** Provided by internal and external auditors who challenge the information and assurances provided by the first two strands. This review is ultimately reported back to the Board via the Audit Committee, with action taken to address any matters identified.

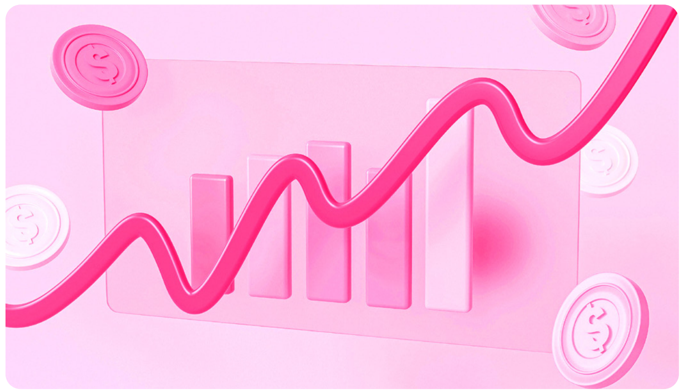
Our tax governance framework

Reckitt is committed to being a responsible corporate citizen and we have processes and procedures in place to govern the way we do business, including the reporting and payment of tax.

We apply tax governance through a set of documented standards and procedures, which cover our Tax Strategy, Tax Policy and the operational aspects of tax. The Board has ultimate responsibility for preparing the Annual Report and Financial Statements and, therefore, for ensuring that tax risk is appropriately managed.

Generally, tax uncertainties originate from three sources: day-to-day operations, tax laws interpretation and changes in tax legislation.





INTEGRATED RISK MANAGEMENT AT RECKITT (CONT.)

Day-to-day operations

Under our Tax Policy, day-to-day responsibility for all local taxes and tax compliance rests with the local Finance Director. They are supported by finance or tax professionals in their local finance teams, the CHQ Tax Team and external advisors as required.

The local Finance Director must ensure that:

- All necessary tax returns are prepared and submitted on time.
- The tax returns are complete and accurate, with full and proper disclosure of any issues that could be contentious.
- The correct amount of tax is paid when it is due.
- Tax authority audits and enquiries are properly managed to maintain constructive relationships with the authorities worldwide.

The CHQ Tax Team requires advanced notice of specific types of transaction so that it can fully consider any tax consequences and risks. The team should also be kept up to speed with changes to local tax rules and legislation which alter the tax profile of the business, or which pose additional tax risks.

Tax judgement

The international business environment is increasingly complex, and some degree of tax risk and uncertainty is inevitable. We are pro-active in our management and control of these risks and take appropriate advice from accountancy or law specialists when needed.

We gauge levels of acceptable tax risk on a case-by-case basis, considering factors such as the financial amounts involved and the technical knowledge and experience of local country tax specialists. Part of the risk of any transaction lies in the possibility that a local tax authority's judgement or interpretation may differ from our own.

We have processes in place to ensure decision-making goes through the appropriate levels of review within the tax team. Where necessary, the CFO and, in turn, the wider Board of Directors, will be consulted to ensure the most appropriate course of action is taken. Maintaining our reputation as a responsible taxpayer is the key consideration when determining an acceptable level of risk.

All uncertain tax positions are continuously assessed and included in the Company's formal internal quarterly reporting process. Each is separately evaluated by the CHQ Tax Team (and, where material, the CFO) to determine the appropriate level of provisioning. In our Annual Report, we disclose the tax provision we make to cover these uncertainties.

We work with external advisors to prepare and submit tax returns, including corporate income taxes and certain indirect tax obligations. This reinforces central governance over our subsidiaries' tax compliance and ensures we are able to respond effectively to the emerging digital tax landscape.

Legislative changes

We partner with external advisors to monitor tax legislation changes and pro-actively address potential tax risks.

Further details on Reckitt's risk management approach can be found in Reckitt's 2023 Annual Report.

HOW WE ARE RESPONDING TO CHANGES IN GLOBAL TAX LAWS

Reckitt's CHQ Tax Team and local finance teams monitor changes in the tax environment to ensure we remain compliant with local laws. This page details some examples of tax law developments we considered in 2024.

OECD BEPS 2.0 – Pillar One and Pillar Two

The OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting has outlined a two pillar solution to address the tax challenges arising from the digitalisation of the global economy.

Pillar One gives market jurisdictions new taxation rights over a share of the residual profits of the largest and most profitable multinational enterprises (MNEs) with a global turnover above EUR 20 billion and profitability above 10%. Given our current level of group turnover, we would not expect to fall within scope of this new taxing right now, but we continue to keep this under review.

The **Pillar Two** framework is applicable to multinational businesses with consolidated revenues of at least EUR 750 million, and mandates a minimum effective tax rate of 15% on profits in all countries, to discourage the artificial shifting of profits from higher to lower-tax jurisdictions.

Following the OECD's recommendations, many countries around the world have enacted or are in the process of enacting the rules into their local legislation.

These rules are now in force for Reckitt, taking effect predominately through the UK's adoption of the OECD Pillar Two Income Inclusion rule, but also other jurisdictions local implementation of domestic top up tax legislation.

Whilst we do not expect Pillar Two taxes to be material to Reckitt, it will present an increase in compliance burden and the tax team, along with wider stakeholders, are actively preparing for this.

Country by Country Reporting/ Report (CbCR)

CbCR, proposed for tax administrations by the OECD, is a compliance requirement applied by many tax authorities around the world. In the UK, the CbCR requirement has been in force since 2016. Historically, access to these reports has been restricted to participating tax authorities with a limited number of multinationals publishing voluntarily.

As a UK-based business, Reckitt submits its CbCR annually to HMRC in the UK. The report is available for sharing with tax administrations in other countries via a multilateral exchange of information mechanism.

The EU public CbCR Directive came into force in December 2021 and requires the publication of the EU CbCR covering EU jurisdictions and jurisdictions listed on the EU list of non-co-operative jurisdictions.

The Directive required EU Member States to implement the EU public CbCR requirement into their national laws for the financial year starting on or after 22 June 2024. Romania became one of the first EU Member States to implement the Directive with early application of the rules from 1 January 2023.

As a result of Reckitt's presence in Romania, Reckitt must publish its 31 December 2023 EU public CbCR by 31 December 2024. Please see page 12 which includes our 31 December 2024 EU Public CbCR, in line with this requirement.

Reckitt has always supported the implementation of public CbCR legislation - provided it was a level playing field for all businesses, no matter where they are headquartered. We are encouraged by developments in this area and will comply with any mandatory requirements as they come into force.

UK audit and corporate governance reform

In May 2022, the UK Government announced details of the anticipated corporate governance regime reforms, which place increased accountability on directors, shareholders, audit firms and the regulator. The corporate governance reforms are expected to be applicable in the UK to large privately owned companies and listed businesses. Reckitt is preparing for the impact of the reforms on our financial reporting, including reporting of tax matters.

Brazilian Indirect Tax Reform

In December 2023, the Brazilian Senate approved a landmark indirect tax reform aimed at simplifying the country's complex tax system. This reform consolidates five main consumption taxes into two value-added taxes: one federal and another shared between states and municipalities. The new regulations will be implemented in stages, starting from 1 January 2026, with a transition period extending until 2032.

Reckitt is pro-actively preparing for the impact of this reform. Reckitt is closely monitoring the rollout of new regulations and adjusting its financial and operational strategies to ensure compliance and optimise efficiency under the new tax framework.

HOW WE WORK WITH TAX AUTHORITIES

Ensuring co-operative and trusted relationships

Given the increasing complexity of tax regulation around the world, local tax authorities may challenge some of the judgements Reckitt has made, or our interpretation of local tax legislation.

We prioritise an open and constructive dialogue with tax authorities and appreciate the rights of each jurisdiction in which we operate to establish their own tax regulations.

We engage openly and regularly with HMRC in the UK, and our dealings are professional and based on mutual respect. Whenever possible, we aim to consult with them in advance of any major UK transaction and on areas of significant uncertainty, such as a new piece of legislation.

We regularly speak to our HMRC Customer Compliance Manager and we formally discuss a review of our business activities at least once per year. We use this interaction as an opportunity to discuss any past, current or future risks across all relevant taxes and duties.

Our goal is to have a professional working relationship with our Customer Compliance Manager and other HMRC technical experts. We are committed to ensuring that Reckitt remains fully compliant with statutory and legislative tax requirements. This collaborative and real-time approach will deliver benefits for both parties. For HMRC, resolving issues early means the right tax is paid at the right time, improving cash flow for the funding of vital public services and avoiding costly investigations. For Reckitt, real-time working gives us greater clarity over our tax position, helping to reduce the risk of unexpected surprises later down the line.

HOW WE WORK WITH TAX AUTHORITIES

EU Public Country by Country Report (Page 1)

This report sets out Reckitt's Country by Country Report (CbCR) data for 2023. The presentation is based on aggregated tax jurisdiction data for those entities that are wholly or proportionately consolidated into the Group's financial statements. Multiple entities and business activities may therefore be included in a particular country's dataset.

The source of the data is primarily the Group's reporting systems that are used in preparing the annual report and accounts. As such, the data is based on IFRS principles and subject to internal control procedures. The numbers are presented in GBP.

Reckitt has consulted with external advisors to gain comfort that its CbCR is in line with the relevant legislation and guidance.

It is important to note that the preparation of Public CbCR is primarily based on principles contained in the OECD Transfer Pricing Guidelines, other OECD Guidance, the EU Directive and other local legislation. As a result, there are expected differences between the group annual report and accounts prepared in line with International Financial Reporting Standards (IFRS) and the numbers presented in the Public CbCR.

In particular, the Country by Country Report is an aggregation of financial data whereas the group annual report and accounts are a consolidation.

To aid users understanding, we have included definitions from the EU directive on some of the columns reported:

Term	Definition
Revenue	(i) The sum of the net turnover, other operating income, income from participating interests, excluding dividends received from affiliated undertakings, income from other investments and loans forming part of the fixed assets, other interest receivable and similar income as listed in Annexes V and VI of the EU Directive, or (ii) the income as defined by the financial reporting framework on the basis of which the financial statements are prepared, excluding value adjustments and dividends received from affiliated undertakings. Revenues include transactions with related parties.
Income tax accrued	Calculated as the current tax expense recognised on taxable profits or losses of the financial year by undertakings and branches in the relevant tax jurisdiction. The current tax expense shall relate only to the activities of an undertaking in the relevant financial year and shall not include deferred taxes or provisions for uncertain tax liabilities.
Income tax paid	Calculated as the amount of income tax paid during the relevant financial year by undertakings and branches in the relevant tax jurisdiction. Taxes paid shall include withholding taxes paid by other undertakings with respect to payments to undertakings and branches within a group.
Accumulated earnings	Sum of the profits from past financial years and the relevant financial year, the distribution of which has not yet been decided upon. With regard to branches, accumulated earnings shall be those of the undertaking which opened the branch.

HOW WE WORK WITH TAX AUTHORITIES

EU Public Country by Country Report (Table 1)

Jurisdiction	Total Revenue (£)	Profit (Loss) Before Income Tax (£)	Income Tax Paid (on cash basis) (£)	Income Tax Accrued - Current Year (£)	Accumulated Earnings (£)	Number of Employees
Austria	60 692 352	4 436 952	717 450	1 147 795	9 737 264	34
Belgium	211 391 320	7 297 519	2 473 842	1 931 378	70 037 125	93
Croatia	35	(131 315)	20 725	10 230	(2 584 169)	15
Cyprus	5	(10 585)	0	0	(2 837 270)	0
Czech Republic	59 885 652	2 299 024	520 096	279 830	5 649 354	86
Denmark	75 897 290	8 237 237	1 343 164	633 285	38 833 024	86
Estonia	358 857	114 681	19 177	20 384	0	1
Finland	10 382 534	934 879	177 932	514 069	(5 070 126)	6
France	583 264 043	62 263 095	18 638 195	12 523 147	373 278 237	747
Germany	672 431 401	39 681 002	17 904 723	13 037 392	684 411 239	631
Greece	73 930 106	8 299 117	1 253 970	1 944 597	8 734 813	134
Hungary	295 732 059	19 400 048	3 248 949	4 357 772	38 960 709	848
Ireland	88 706 667	6 573 709	(279 813)	1 195 034	54 811 354	42
Israel	79 219 498	15 245 278	3 354 839	3 391 239	11 309 740	99
Italy	603 124 083	63 237 102	14 546 532	17 518 494	(25 189 068)	639
Latvia	393 546	70 359	21 788	(15 642)	461 632	6
Lithuania	640 907	332 635	53 081	49 895	0	1
Luxembourg	94 633 265	(125 246 766)	626 524	(27)	12 945 963 879	2
Netherlands	3 874 576 748	356 668 579	77 438 939	108 123 265	(20 228 887 014)	446
Norway	18 708	(224 392)	39 650	0	(497 483)	2

HOW WE WORK WITH TAX AUTHORITIES

EU Public Country by Country Report (Table 1 CONT.)

Jurisdiction	Total Revenue (£)	Profit (Loss) Before Income Tax (£)	Income Tax Paid (on cash basis) (£)	Income Tax Accrued - Current Year (£)	Accumulated Earnings (£)	Number of Employees
Poland	1 087 387 812	47 765 806	8 293 369	17 284 563	(237 624 443)	2 386
Portugal	111 605 485	9 565 460	1 765 613	2 424 236	13 256 826	250
Romania	135 729 757	7 024 316	3 269 647	1 598 546	22 761 440	221
Slovakia	23 203 561	(34 768 137)	(30 429)	(0)	(69 873 518)	18
Spain	333 901 902	37 174 740	8 434 223	6 943 550	(97 105 381)	470
Sweden	73 794 712	1 511 584	524 337	601 785	2 594 451	22
Costa Rica	42 119 655	8 281 979	1 472 259	2 307 903	68 228 928	72
Hong Kong	223 970 400	16 378 573	433 317	2 525 566	954 396	100
Malaysia	191 450 243	15 202 083	9 833 987	5 235 522	14 543 586	487
Panama	3 778 439	116 919	40 954	38 149	964 923	14
Thailand	476 226 047	21 935 532	6 312 114	3 522 192	191 461 352	2 267
Russia	304 267 680	65 426 653	11 169 060	13 278 666	145 140 725	1 072
Turkey	208 599 211	27 472 892	7 403 891	8 943 074	26 687 755	427
Vietnam	49 662 297	(3 770 751)	0	0	(8 913 242)	138
ROW	23 956 296 112	(7 981 650 403)	689 508 790	533 454 655	107 896 618 125	28 196

Reckitt Benckiser Group PLC and its group members publication in line with Article 48d(1) of the Directive (EU) 2021/2101 for the 31 December 2023 period.

Access the Table 2 (Entity Listing) and Table 3 (Additional Information) on Reckitt.com

TAX GLOSSARY

Tax terminology is not always widely understood and can obscure and hinder informed dialogue. To help these conversations, we have set out a few definitions below.

Country by Country Report/ Reporting (CbCR):
Country by Country Reporting is a compliance requirement imposed by many tax authorities around the world, following the OECD Action 13 Base Erosion and Profit Shifting Initiative. It requires large multinationals to prepare a report with aggregate data on the global allocation of income, profit, taxes paid and economic activity among tax jurisdictions in which they operate.

CHQ:
Central Headquarters of the Group located in Slough, UK.

Corporate income tax:
All taxes that are based on the taxable profits of a company. Note that corporate taxes are generally levied on profits and not revenues (or sales).

Effective tax rate:
The rate at which a company would be taxed if its tax liability were taxed at a constant rate, rather than progressively. This rate is computed by determining the percentage of the company's tax liability of their profit before tax.

EU Directive/ EU Public CbCR Directive:
Being Directive (EU) 2021/2101, the published EU Directive on Public Country by Country Reporting.

Government:
Any governing body of a nation, state, region or district, but not including any commercial enterprises or financial institutions that may be controlled by a government.

Group/Reckitt:
Includes all directly or indirectly owned subsidiaries of Reckitt Benckiser Group plc.

HMRC:
His Majesty's Revenue and Customs – a non-ministerial department of the UK Government responsible for administering and collecting taxes.

Tax:
The OECD's working definition of a tax is a compulsory unrequited payment to a government. This includes corporate income tax, excise duties, property taxes, employment taxes, sales taxes, stamp duties and any other required payments.

Withholding tax:
Tax on income at source, where a party is charged with deducting the tax from certain kinds of payments and remitting that amount to the government. Withholding taxes are found in practically all tax systems and are widely used in respect of dividends, interest, royalties and similar tax payments.

Transfer pricing:
The price charged by a company for goods, services or intangible property to a subsidiary or other related company.

Indirect tax:
Taxes such as VAT, GST (goods and service tax), import and excise duties.

OECD:
The Organisation for Economic Co-operation and Development, a multilateral organisation. Founded in 1961, it provides a forum for representatives of countries to discuss, and attempt to co-ordinate, economic and social policies. It has a very significant role in international tax matters. www.oecd.org.

We hope you have found this document useful. If you have any questions or feedback, please get in touch with us at: Reckitt_taxstrategy@reckitt.com.

reckitt.com

2024 Tax Strategy Report
Published in December 2024