reckitt

2025 TAX STRATEGY REPORT

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Introduction

ABOUT THIS REPORT

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.

As part of our continuing commitment to tax transparency, we are publishing our Country-by-Country report (CbCR) for the second year.

All financial data published in this report refers to the financial year ended 31 December 2024, unless stated otherwise.

This tax publication is prepared in accordance with the requirements of 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 2025.

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 on Reckitt.com.

Reckitt has a diverse, global team of over 37,000 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 contribution of tax to a fairer society and are proud to support global and local initiatives driving a more responsible approach to tax. We welcome the requirement for large multinational enterprises (MNEs) to publish their approach to tax.

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.

2024 AT A GLANCE

Employees
37,000

Markets
60+
countries across six continents

Group net revenue
£14.2bn

UK net revenue
£885m

Sustainability data*

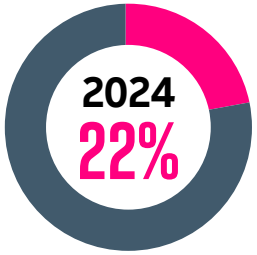
34.9%
net revenue from more sustainable products
(Target: 50% by 2030)

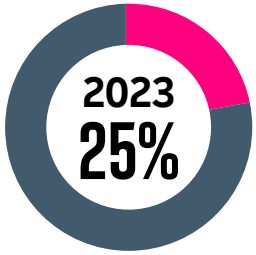
69%
reduction in absolute Scope 1 and 2 emissions vs 2015
(Target: 50% by 2030)

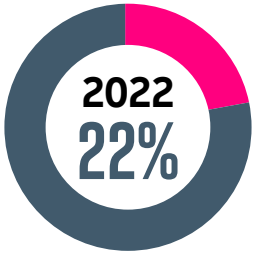
29m
people positively impacted by our impact investments; cumulative since 2020
(Target: 30 million people by 2030)

TAX HIGHLIGHTS

Adjusted effective tax rate







Corporate income tax paid

2024	2023	2022
£700m	£922m	£831m

Net revenue

2024	2023	2022
£14.2bn	£14.6bn	£14.5bn

*Extracts from ARA Sustainability Performance Review

Tax Principles

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. We pay taxes in line with where value is created, in accordance with 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 are 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.

Our Tax Policy

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 ensures 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 customs 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

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.

The Reckitt CHQ Tax Team partners with colleagues and advisors in local markets to provide timely and appropriate guidance on all aspects of tax. We aim to file all applicable tax returns on time, in accordance with local requirements and to retain a clear audit trail of supporting documentation. Governance procedures enable central oversight of the status of tax filings, management of tax risks and 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.

Transfer pricing

Reckitt is a large multinational company and naturally engaged in many cross-border transactions within the Group. These transactions are conducted in accordance with the standards guiding the application of the "arm's length principle" established under the relevant OECD Transfer Pricing guidelines. These standards aim to achieve fairness in the calculation of tax bases and to prevent double taxation.

Interpreting and applying these standards correctly can demand fine judgements and require a robust assessment to ensure that pricing is representative of where value has been created. 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 centrally monitor compliance requirements for transfer pricing documentation, to ensure they are met in all relevant countries.

Tax incentives

Tax incentives are one way in which governments encourage business investments and stimulate economic activity. We consider the use of tax incentives where they are relevant to our commercial operations and apply them in the manner intended by the relevant government.

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. Geographic area
3. Corporate
4. Group

Internal control processes 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 geographic area 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.

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.

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 is kept informed of 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 clarity of applicable legislation, availability of clearances from taxing authorities, and opinions from in-house and third-party local country 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 updated through the Group's business planning and external reporting cycles. 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 2024 Annual Report

How We Work With Tax Authorities

HOW WE WORK WITH TAX AUTHORITIES

Ensuring cooperative 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 formally discuss a review of our business activities at least once per year.

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 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 certainty over our filed tax position.

Country by Country Report

EU PUBLIC COUNTRY BY COUNTRY REPORT

This report sets out Reckitt's Country by Country Report (CbCR) data for 2024. 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 assurance that the CbCR is in compliance 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.

Country by Country Report continued

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	167,894,625	114,112,003	1,123,923	829,418	115,533,970	30
Belgium	215,708,334	8,169,081	4,193,854	2,249,208	71,402,429	96
Croatia	1	(49,405)	11,928	10,226	(2,525,384)	16
Cyprus	20	(18,190)	0	0	(2,904,584)	0
Czech Republic	57,554,883	4,306,125	72,637	365,036	1,837,963	107
Denmark	81,039,066	6,146,256	1,239,299	1,015,803	30,688,592	82
Estonia	300,493	110,111	20,542	20,545	0	1
Finland	16,087,990	(472,091)	164,250	112,863	(5,066,948)	4
France	599,927,891	45,091,223	9,012,112	11,408,142	390,711,323	757
Germany	672,496,975	53,018,623	12,024,721	16,299,935	684,244,629	634
Greece	76,420,156	2,924,352	1,439,688	758,373	8,036,771	111
Hungary	281,324,924	4,439,657	3,931,387	3,617,810	27,610,302	851
Ireland	82,732,744	1,995,114	1,596,071	516,096	44,649,955	41
Israel	67,591,109	10,718,494	5,449,684	2,515,069	8,769,307	104
Italy	590,481,907	51,810,853	21,129,398	13,453,879	13,615,540	647
Latvia	841,820	106,730	4,418	22,884	489,303	6
Lithuania	610,668	384,751	53,317	57,713	0	1

Country by Country Report continued

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
Luxembourg	2,385,022	(24,933,514)	30,101	0	13,182,535,271	2
Netherlands	4,059,359,236	276,383,782	46,205,808	115,492,634	(19,215,754,960)	429
Norway	384,058	189,570	37,867	38,870	(415,528)	1
Poland	1,079,978,064	59,209,203	18,664,576	13,989,839	(183,329,296)	2,429
Portugal	105,338,333	326,774	1,297,549	501,952	8,887,863	189
Romania	147,670,183	13,412,180	4,367,450	3,074,050	21,938,780	225
Slovakia	23,473,905	3,886,343	433,882	63,674	(63,632,033)	21
Spain	341,990,902	46,111,342	9,228,504	8,427,015	(200,320,663)	415
Sweden	92,387,541	2,180,318	524,689	331,024	4,226,045	20
Costa Rica	42,307,161	6,841,941	2,010,879	2,270,553	75,790,630	76
Hong Kong	373,673,309	(83,541,307)	9,357,979	7,427,329	(81,588,864)	103
Malaysia	195,622,185	22,787,718	6,090,822	6,177,997	14,330,136	535
Panama	4,925,910	120,913	11,421	56,773	1,044,276	14
Russia	313,521,218	68,840,265	13,754,015	14,711,294	164,626,019	968
Turkey	176,529,991	19,126,236	3,595,910	9,274,106	46,260,147	414
Vietnam	50,174,870	1,092,537	0	343,346	(7,710,073)	149
ROW	25,269,222,825	1,587,348,466	500,517,739	558,544,748	106,656,233,743	28,401

Reckitt Benckiser Group plc and its group members publication in line with Article 48d(1) of the Directive (EU) 2021/2101 for the period ending 31 December 2024.

Glossary

TAX GLOSSARY

Tax terminology is not always widely understood and can obscure or 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 required 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:
Accrued income tax expense divided by 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 Benckiser Group plc
Registered office
103-105 Bath Road
Slough, Berkshire
SL1 3UH, UK

Registered in England and Wales

No 6270876