



## **RB supports Oxfam's call for greater corporate tax transparency**

RB pays the right amount of tax in each country where we do business around the world. The taxes we pay are in accordance with where the value is created, taking into account internationally agreed transfer pricing principles.

As Oxfam recognises, RB's tax policy is totally legal and the norm for the majority of global businesses. We comply with all our legal obligations and seek to do what is right by all the company's stakeholders.

In fact, relative to other multinational corporations domiciled in the UK, RB's effective tax rate of 23% (in 2016) compares favourably with our peer group companies whose tax contributions range from 18-26%. In 2016, our UK corporation tax contribution was £61m which represented just short of 12% our total tax charge. Given our UK turnover was only 8% of global turnover we clearly pay proportionately more corporation tax in the UK.

We strongly refute the assertion made by Oxfam that RB's decision made in 2012 to locate its regional 'business headquarters' in the Netherlands, Dubai and Singapore was driven principally by tax avoidance. Rather this re-structuring was motivated by our desire to ensure that our business was organised to be close to our customers and consumers by combining geographies of Europe and North America (located in Netherlands); Russia, Middle East and Africa (located in Dubai); and Asia Pacific (located in Singapore).

These locations are important drivers of our business operations employing several hundred people. Each of these regional headquarters is chaired by an Executive Vice President that is a member of RB's Executive Committee.

We share Oxfam's belief that it is important for governments, particularly the poorest nations, to have access to sufficient tax receipts to be able to invest in the provision of adequate public services and infrastructure. However, we similarly strongly refute any link between our tax structure and the assertion that we seek to avoid taxes in developing countries that could otherwise have been invested in public health and education. None of our business operations are in any way linked to tax avoidance in developing countries.

Indeed, RB has had longstanding partnerships on the ground in developing countries to promote improvements in child and infant mortality, health and hygiene. This is core to the purpose of many of our brands like Dettol, Lysol, Harpic and Durex.

RB recognises the growing complexity of tax regulation around the world and supports efforts to increase levels of trust and understanding of the tax system through greater transparency. We support the OECD guidelines on tax and transparency and will fully comply.



We support efforts to ensure that the rules are clear and are the same for all companies around the world. This is in all our interests.

We have published our RB Tax Principles ([www.rb.com/responsibility](http://www.rb.com/responsibility)) which outline our approach to managing our tax affairs. We are always open to dialogue with all those who seek to better understand our business. As a first step, will be consulting with Oxfam prior to publishing our UK tax strategy document in December 2017.

RB will be filing its first 'country by country' (CBCR) tax return to the UK's HMRC by December 2017. This report will be shared by HMRC with all relevant tax authorities in countries where RB operates around the globe.

The CBCR return will disclose key components of our profit and loss accounts, including revenues earned, the taxes paid, and the number of employees we have in all the markets in which we do business. We believe that such CBCR reports will enable tax authorities to have a better understanding of the individual tax contributions made by multi-national companies like RB.

It is important, however, to recognise that some of this data is commercially sensitive as it will provide our competitors with information about how we are focusing our resources. We believe that compromising RB's competitiveness to be against the interests of our stakeholders – most notably our more than 40,000 employees. Of course if all companies would be legally required to publish this data publicly, we would fully comply.

This is why RB supports the call on governments to take the necessary steps to accelerate public country by country reporting and to create a level playing field for all businesses irrespective of where they are headquartered. We would encourage the UK Government to play a leading role in this respect.