

# **PZ Cussons Group - Tax Strategy**

## **Year ending 31 May 2024**



### **Introduction**

PZ Cussons believes passionately that business can be a force for positive change. We have always believed that our business should make a positive impact on society as reflected in our Company purpose - For Everyone, For Life, For Good - and one of the ways that this can be seen is through the contribution we make to the communities in which we operate. This includes the financial contribution we make to countries through taxation, and the way that the Group conducts itself with respect to its tax affairs.

The Group Tax Strategy (the 'Tax Strategy') sets out the policy and approach of the PZ Cussons Group (the 'Group') to conducting its tax affairs and dealing with tax risk and is available to all of the Group's stakeholders. The Tax Strategy has been approved by the PZ Cussons plc Audit & Risk Committee. The Tax Strategy is reviewed annually by the Group's Tax Department ('Group Tax') and Chief Financial Officer ('CFO'), with the Tax Strategy together with any amendments presented to the Audit & Risk Committee for approval. It is effective for the year ending 31 May 2024.

This document is also intended to comply with the requirements of Schedule 19 Para 16 (2) of the UK Finance Act 2016 in respect of all the Group's UK entities.

### **Tax Policy**

The Group's internal Tax Policy provides guidance to PZ Cussons business units and subsidiaries on how to operate within this Tax Strategy and to apply the following principles:

- Act with professional integrity in regard to all tax matters
- Comply with all relevant laws, rules, regulations and reporting and disclosure requirements wherever the Group operates
- Ensure that the Tax Strategy is at all times consistent with the Group's overall strategy, its approach to risk, its core values and its purpose - For Everyone, For Life, For Good - including alignment with the Group's wider policies and targets in regard to its environmental, social and governance (ESG) objectives
- Apply professional diligence and care in the management of all risks associated with tax matters and to ensure that governance and assurance procedures are appropriate
- Commitment to applying an arms-length approach to pricing
- Commitment to sustainable tax practices
- Maximise shareholder value by using incentives and reliefs where appropriate to reduce the tax costs of conducting the Group's business activities, at all times in a manner consistent with the principles of compliance and integrity as set out in the Tax Strategy

### **Tax Governance Framework**

The Board's Audit & Risk Committee is responsible for overseeing and approving the PZ Cussons Tax Strategy. Responsibility for the adherence to the Tax Strategy, and management of tax risks, rests with the Chief Financial Officer, assisted by the Group Tax team.

Compliance with local tax legislation is the responsibility of local Finance Directors, within the framework established by the Tax Strategy.

The Chief Financial Officer regularly advises the Board on the tax affairs and risks of the Group, to ensure:

- The proper control and management of tax risk through
  - significant tax related decisions being subject to review and approval
  - tax affairs being managed by appropriately qualified and experienced staff
  - the use of third-party advisers where appropriate
- That the tax strategy is aligned with the Group's strategic objectives
- That the tax charge is correctly stated in the statutory accounts and tax returns

## **Tax Risk Management**

Diligent professional care and judgement will be employed to assess risks (in relation both to the UK and to all other jurisdictions) in order to arrive at well-reasoned conclusions on how risks should be managed. Where uncertainty exists as to the application or interpretation of tax law, appropriate written advice evidencing the facts, risks and conclusions may be obtained from third party advisers to support the decision-making process.

Given the scale of our business and volume of tax obligations worldwide, risks do inevitably arise from time to time in relation to the interpretation of tax law. The Group proactively identifies, evaluates, manages and monitors these risks. Where deemed appropriate, the Group will make provision for uncertain tax positions in its financial statements.

In considering tax risk, the following will be considered:

- The legal and fiduciary responsibilities of directors and employees
- The need to preserve the Group's corporate reputation as a responsible corporate citizen
- The wider consequences of any potential disagreement with any tax authority

Group Tax may employ various risk management processes in support of the Tax Strategy. These include periodic reviews of tax compliance activity across the Group.

## **Tax planning**

The Group is subject to tax laws in each of the jurisdictions in which it operates.

The Group aims to trade tax efficiently in support of its long term sustainable commercial activities, whilst remaining compliant with all relevant laws. For example, when structuring its commercial activities, the Group will make use of tax incentives and exemptions that are available and for which specific provision is allowed within tax legislation. In contrast, the Group will not seek to use incentives and reliefs that are contrary to legislation. Tax planning is only undertaken within the parameters determined by commercially driven decisions, and subject to the principles outlined in the Tax Strategy.

There may be circumstances where legislation or regulation is not clear or there may be alternative approaches. In such circumstances, the Group will often consult third party advisers and exercise judgement to determine the most appropriate course of action within the framework of the Tax Strategy.

The Group uses external tax advisers where specific expertise is required, as well as for mitigating tax risks and complying with tax laws.

The Group does not undertake contrived or artificial tax planning. The Board will ensure at all times that its Tax Strategy is consistent with the long term sustainable growth of the business.



## **Dealings with tax authorities**

We recognise the needs of society in the tax laws that Governments enact, and the role of tax authorities in collecting those taxes. We are fully committed to meeting all our obligations, in full and on time.

The Group has reviewed guidance published by HM Revenue & Customs regarding preferred engagement and is fully committed to such interaction. This includes all dealings being conducted at all times in a collaborative, timely and courteous manner, in a spirit of openness and constructive dialogue and with professional integrity at all times.

We aim to deal with tax authority enquires as swiftly as possible and aim to keep HM Revenue & Customs and other tax authorities apprised of developments on a real time basis wherever possible. Should a difference of opinion arise in relation to the interpretation of tax legislation, we strive to reach an early agreement on disputed matters in order to confirm the correct application of tax law and to maintain the long-term relationship between the Group and tax authorities.

**Approved by the PZ Cussons plc Board - May 2023.**