

SC Johnson UK Tax Strategy 2017

Overview of SC Johnson

SC Johnson is a family company dedicated to innovative, high-quality products, excellence in the workplace and a long-term commitment to the environment and the communities in which it operates.

Based in the USA, the company is one of the world's leading manufacturers of household cleaning products and products for home storage, air care, pest control and shoe care, as well as professional products. It markets such well-known brands as GLADE®, KIWI®, OFF!®, PLEDGE®, RAID®, SCRUBBING BUBBLES®, SHOUT®, WINDEX® and ZIPLOC® in the U.S. and beyond, with brands marketed outside the U.S. including AUTAN®, TANA®, BAMA®, BAYGON®, BRISE®, KABIKILLER®, KLEAR®, MR MUSCLE® and RIDSECT®.

The 132-year-old company, which generates \$10 billion in sales, employs approximately 13,000 people globally and sells products in virtually every country around the world.

Our Principles

As a family company, SC Johnson is guided by unwavering principles. [This We Believe](#) is our formal statement of our core values, and summarizes them like this: “The goodwill of people is the only enduring thing in any business. It is the sole substance. The rest is shadow.”

The sincerity of our beliefs encourages us to act with integrity at all times, to respect the dignity of each person as an individual human being, to assume moral and social responsibilities early as a matter of conscience, to make an extra effort to use our skills and resources where they are most needed, and to strive for excellence in everything we do. Read more about our principles [here](#).

Our Commitment to Sustainability

At SC Johnson, sustainability is embedded in our business. We go beyond what's required to provide ingredient transparency that helps consumers make informed choices. We are committed to taking care of our environment and reducing our footprint. We give back to the communities where we work and want to make life better for families today and for the next generation. We do all this because it's the right thing to do. Read SC Johnson's most recent [Sustainability Report](#).

Scope

This UK tax strategy document is prepared in compliance with paragraphs 19(2) and 22(2) of schedule 19 of the UK Finance Act 2016 for SC Johnson's year ending 30 June 2018.

Risk Management and Governance Arrangement

SC Johnson's UK affiliates, directors, officers, and employees operate in a manner consistent with the principles outlined above and in corporate governance policies. Further, as indicated in SC Johnson's Corporate Policy Manual, "Each company will be aware of and comply with the applicable laws and regulations which govern its activities." SC Johnson policies and procedures are implemented based on these guiding principles, and are designed to ensure SC Johnson meets its UK tax compliance requirements in a timely and accurate manner.

Operating as part of a large multinational group, SC Johnson's UK affiliates are exposed to various risks including, but not limited to, compliance requirements, regulatory and other operational risks, and the adoption and interpretation of tax law changes. SC Johnson reduces these risks by hiring and training qualified local employees and ensuring they have regular access to external tax experts and the corporate tax department. Many of SC Johnson's UK tax compliance processes have been reviewed by external tax advisors and HMRC, and improvements have been made where necessary. When additional expertise is required for special issues or legislative changes, accounting and/or legal advisors may be engaged to ensure the law has been interpreted and applied appropriately.

Tax Planning

The tax department is responsible for tax planning and compliance related to commercial business decisions. When a business transaction is being considered, the tax department provides guidance on the tax compliance requirements, associated costs, and structuring opportunities. When there are multiple compliant options to meet SC Johnson's business objectives, the most tax efficient option may be chosen. All tax planning decisions are consistent with the principles outlined in "*This We Believe*."

Tax Risk

SC Johnson takes a conservative and business driven approach to tax risk consistent with its corporate governance policy and its desire to protect its global reputation. SC Johnson is committed to complying with all relevant tax laws and regulations in the countries in which it operates, and has the appropriate amount of experience and oversight through local employees, the corporate tax department and local advisors to achieve this goal.

Approach toward HMRC

SC Johnson's UK affiliates are considered grouped for UK tax purposes, and have a single Customer Compliance Manager ("CCM"). These UK affiliates are viewed as low risk by the CCM given their prudent approach to tax risk and transparency with HMRC on tax related matters. SC Johnson has regular interaction with its CCM to discuss compliance matters, controls, acquisitions as well as the company's approach to new tax laws and regulations and any questions or information needs received from the CCM are responded to in a timely manner.