

Modern Slavery Statement

1 January 2022 - 31 December 2022

Rentokil Initial Pty Limited ACN 000 034 597



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Modern Slavery Statement (1 January 2022 - 31 December 2022) Rentokil Initial Pty Limited ACN 000 034 597

We strive to maintain the highest standards of ethical behaviour and governance compliance, and recognise our responsibility to manage our business and supply chains to identify and alleviate any potential or actual human rights violations, including modern slavery. We are committed to working with our suppliers to address potential areas of risk and resolve any aspects of noncompliance.

These principles can be found at <u>www.rentokil-initial.com/responsible-delivery/policies</u>, and are further detailed later in this report.

Mandatory Criteria One and Two:

Identify the reporting entity and describe its structure, operations and supply chains

Rentokil Initial Pty Limited (**Rentokil Initial**) is a company incorporated in Australia with its registered business address at Unit A1, 3-29 Birnie Ave, Lidcombe NSW 2141.

Rentokil Initial delivers pest control, hygiene and interior plantscaping services throughout Australia, with branches in each State and Territory capital city.

Rentokil Initial has three business divisions and operates under several business names, the key ones being 'Rentokil Pest Control', 'Initial Hygiene' and 'Ambius'.

Rentokil Initial is part of the Rentokil Initial Group (Group), and our ultimate parent company is Rentokil Initial plc. Rentokil Initial plc has its head office in the United Kingdom.

The Group operates in 91 countries, including a number of emerging markets and countries that the Group has entered in recent years through acquisitions. In 2022, the Group completed the acquisition of Terminix, a leading pest control business with the majority of its operations in North America. Approximately 58,600 colleagues were employed in 2022 following the acquisition of Terminix, marking a significant increase from the previous year in which 46,000 colleagues were employed across the Group. The Terminix acquisition is a service-based operation very similar to the Rentokil Pest Control division, and is focussed on residential customers rather than commercial. Its employee profile is similar to that of Rentokil, it has a Code of Conduct which is very similar, and it purchases products from the same suppliers across its global business.

The Group operates in the following countries worldwide:



1 From 1 January 2022 we changed our regional and category reporting (as reported last year).

Rentokil Initial's corporate structure in Australia as at December 2022 is:



We have an annual consolidated revenue of over \$250 million.

For the duration of the reporting year, Rentokil Initial owned and controlled the following companies in Australia:

- 1. Rentokil Pest Holdings Pty Ltd (no longer trading);
- 2. Pestaway Australia Pty Ltd pest control;
- 3. Knock Out Pest Control Pty Limited pest control;

- 4. Green Fingers Plant Hire Pty Limited (no longer trading);
- 5. Rentokil Pest Control (QLD) Pty Limited pest control; and
- 6. Cannon Hygiene Australia Pty Limited hygiene services.

In 2022, Rentokil Initial traded with 414 suppliers for goods and services which made up 98% of the \$86.2 million total procurement spend. The top 68 suppliers account for over 80% of the spend.

For core areas of supply, Rentokil Initial has established long term partnerships and supply arrangements to ensure quality and consistency of supply. For the most part, our hardware suppliers are managed by our parent company Rentokil Initial plc or Rentokil Initial Asia who have a dedicated procurement and quality team with a focus on supplier selection based on due diligence and quality audits (including Modern Slavery Risks).

Of our top 10 suppliers in 2022, 8 are based in Australia and over 53 % of materials and services were sourced from within Australia.

Supplier Location	Spend	% of spend
Australia	61,725,465	89.4%
China	1,150,146	1.7%
Ireland	640,743	0.9%
Malaysia	2,153,057	3.1%
Netherlands	832,629	1.2%
New Zealand	186,316	0.3%
Singapore	302,856	0.4%
UK	1,255,165	1.8%
USA	832,108	1.2%
Top 80% Spend	69,078,485	

For our top 68 suppliers, we have identified the main source countries for the goods and services they provide us as follows:

Main Source Country	Spend	% of spend
Australia	35,524,163	51.4%
Mixed Supply**	6,563,903	9.5%
Japan	4,846,117	7.0%
China	4,081,866	5.9%
USA	3,518,053	5.1%
New Zealand	1,893,378	2.7%
Malaysia	1,836,563	2.7%
UK	1,587,913	2.3%
Australia / China	1,333,089	1.9%

Main Source Country	Spend	% of spend
UK / China / Malaysia	1,255,165	1.8%
Malaysia / China	1,061,984	1.5%
Thailand	958,784	1.4%
Japan / South Korea	840,063	1.2%
Netherlands	832,629	1.2%
Europe/Asia/Australia	811,433	1.2%
Vietnam	789,533	1.1%
Australia / Israel	329,724	0.5%
Australia/China	316,545	0.5%
Europe/USA	214,463	0.3%
France	192,628	0.3%
Poland	94,186	0.1%
Taiwan	53,244	0.1%
EU	49,875	0.1%
Germany	36,114	0.1%
Canada	29,948	0.0%
Ireland	27,122	0.0%

*Australia + Mixed identifies supplier where a significant portion of the manufacturing is happening locally but raw materials are imported from various locations

**Mixed Supply refers to Australian based distributors who supply a large number items from a large range of countries.

Rentokil Initial's supply chain

The supply of products to our global businesses is managed through the Group Procurement team, who review the annual global spend for major businesses and track suppliers by category, country of manufacture and annual spend. The Group has two in-house factories in the UK which manufacture hardware and consumable products for the global business and Rentokil Initial purchases rodenticides from one of these in-house factories in Kirkby, UK.

The supply of products in Australia is managed through the Australian Procurement Team.

The major spend in Rentokil Pest Control is on rodenticides, insect control equipment and other products used to control the multiple varieties of pests encountered in Australia. These are mainly sourced through global chemical supply companies who have stringent quality and ethical approaches.

Rentokil Initial purchases a wide variety of hardware and equipment such as rodent traps, insect light traps and bird protection devices which are typically designed internally and either manufactured

in-house (through the Group's head office in the UK) or sourced externally from specialist suppliers. Over 42% of the Pest Control spend is manufactured in the USA and Australia.

Procurement spend in the Hygiene & Wellbeing category includes washroom equipment such as soap dispensers, air purification units, feminine hygiene units and consumables such as soap and paper. Most of the hygiene equipment is designed in-house and manufactured by external suppliers in Europe and Asia under the Initial brand. Sourcing of paper products is from FSC certificated suppliers in the Pacific region.

Under Ambius, all plants are sourced in Australia and pots are sourced locally as well as from Asia and Europe, with over 65% manufactured in Australia. Eco pebbles are imported from Zhejiang Province in China and are made from recycled electronic components.

The Second Edition of our Supplier Code is available on the Group website in 18 languages, (<u>www.rentokil-initial.com/responsible-delivery/ri-supplier-code-of-conduct</u>) and outlines the standards and controls that are expected from all suppliers of goods and services to Rentokil Initial. All major contracts and agreements for the supply of goods and services by both individuals and companies include a clause requiring compliance with the Supplier Code in addition to the specific clauses that relate to bribery and corruption and modern slavery. Awareness of this code is checked during supplier audits.

Mandatory Criterion Three:

Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls

The majority of revenues earned by our business is through route-based service activities carried out by full-time employees of Rentokil Initial and therefore under our direct control. We mandate the highest employment standards in all countries of operation, as outlined in the Code of Conduct described below.

The products used in the performance of these services are an essential but relatively minor component of the operation, making up between 5% and 15% of the service cost, depending on the business category. Nevertheless, these products are sourced through Rentokil Initial's own dedicated supply chain from suppliers who are robustly vetted before being commissioned, and regularly thereafter on a risk-based frequency. The Group Risk Committee has concluded that the risk of modern slavery occurring in our immediate lines-of-business is low, but that we must not be complacent. There is always a risk of modern slavery occurring in areas of our operation where we have less visibility of our second-tier suppliers and their standards and values. Examples of these areas include short-term employment of casual labour, second-tier and third-tier suppliers of components to our main suppliers, and support services such as cleaning and security.



Assessment of risk by country

The Global Slavery Index 2023 issued by the Walk Free Foundation is used to highlight which country operations within Rentokil Initial's suppliers carry a higher level of risk of modern slavery or enforced labour. As noted above, the operations within these countries need to have particularly high levels of scrutiny of subcontracted operations that are not under their direct management. Products manufactured in India, Malaysia and Indonesia are perceived to have a higher element of risk from a modern slavery perspective, and are therefore assigned a more frequent audit cycle. It is, however, never forgotten that there are risks of enforced labour and poor treatment of workers in every country.

For Rentokil Initial, we have measured the level of risk in each country of manufacture against the percentage spend with suppliers in that country:

		Estimated Proportion Living	
Main Source		in Modern Slavery (victims	Risk
Country	% of spend	per 1,000 population)*	Classification
Australia	51.9%	1.60	Low
Japan	10.9%	1.10	Low
China	8.2%	4.00	Medium
USA	5.9%	3.30	Low
New Zealand	5.1%	1.60	Low
Malaysia	2.7%	6.30	Medium
UK	4.2%	1.80	Low
Thailand	1.8%	5.70	Medium
Netherlands	1.4%	0.60	Low
Vietnam	1.2%	4.10	Medium
	4 40/	2.80	Low
Australia / Israel	1.1%	3.80	
France	0.3%	2.10	Low
Poland	0.3%	5.50	Low
Taiwan	0.1%	1.70	Low
EU	0.1%		Low
Germany	0.1%	0.60	Low
Canada	0.1%	1.80	Low
Ireland	0.0%	1.10	Low

* Assessed using the The Global Slavery Index 2023, based on estimated victims per 1,000 population

Rentokil Initial does not purchase any products or services from any suppliers or sub-suppliers in the Xinjiang province in China, which has been specifically identified as a very high-risk area for modern slavery.



The Group's Asian based Quality and Assurance audit team have previously audited and visited the 3 suppliers manufacturing in Malaysia, which has the highest prevalence of modern slavery of any of the countries identified in the top 80% of our spend (according to the Global Slavery Index 2023). The plans for auditing suppliers across Asia and specifically China in 2021 and 2022 were hampered by COVID restrictions, however the Group aims for all our suppliers in China as the main source location to also be audited.

Assessment Risk by Supplier

The Group classifies external suppliers as (a) Critical Suppliers (38 in 2022) which represent a high proportion of category spend, supplying unique products to multiple company markets or requiring a long lead time to substitution if required; (b) Major Suppliers (162) with a significant proportion of spend in a single country (over £0.5m) or region and/or suppliers of generic products that can be substituted at short notice; and (c) Minor Local Suppliers (2,635) representing the majority of suppliers in number, but a lower proportion of the category spend.

Critical Suppliers are audited on a prescribed frequency based on their performance trend and level of risk. The risk assessment considers manufacturing location, product criticality, supplier reliability, management capability and previous audit results, and varies from a one-year to four-year audit cycle.

Classification	No. of suppliers	% suppliers	% spend
Critical	38	1.3%	14.3%
Major	162	5.7%	65.2%
Minor	2,635	92.2%	17.9%
Logistics	8	0.3%	2.6%
Internal	15	0.5%	6.7%
Total	2,858	100%	100%

Audits of all critical suppliers are conducted by a Product Quality Manager against the Rentokil Initial Supplier Management Standard (updated in 2022 to include an environmental section), which specifies the required standards of product quality, regulatory compliance, factory management and delivery performance as well as adherence to Corporate Social Responsibility (CSR) standards. The audits start with two sections which focus on CSR and modern slavery; (a) within the factory concerned, and (b) through the supply chain into the factory.

Audit procedures include site inspections, interviews with management and employees, and subsequent corrective action plans for suppliers. Suppliers audited receive a Corrective Action Plan within two days of the audit and must return an initial response within two weeks. Updates on

actions are requested at appropriate times, and photographs are requested to demonstrate actions taken or revisits are carried out.

Major and minor local suppliers are reviewed using an audit questionnaire (21 in 2022) and a site audit is carried out where potential issues are highlighted or the level of risk is perceived to be higher than normal. These local suppliers are audited by the Product Quality Manager in accordance with the Rentokil Initial Supplier Standard.

In 2022 we commenced in-person audits of our Australian and New Zealand based suppliers (5 in 2022) as well as continued with online supplier questionnaires to check on CSR and modern slavery. From all the responses received on the questionnaire in 2022, no risks associated with Modern Slavery were identified. From the responses, we were able to identify the supplier's Tier 1 supplier locations and based on this information, we were working with our Asia Quality Assurance team to identify further audit requirements on these suppliers in the future.

Due to the ongoing pandemic in 2022, we have used third-party auditors to conduct a more limited programme of audits for new suppliers and those in high-risk countries. We continue to conduct our own audits where travel restrictions allow. A total of 22 audits (12 Critical Suppliers) were conducted in 2022, with four being done by third-party auditing companies across four countries.

Mandatory Criterion Four:

Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes

Due diligence processes in relation to supplier management

We have in place systems to:

- · Identify and assess potential risk areas in our supply chains.
- Mitigate the risk of slavery occurring in our supply chains.
- Monitor potential risk areas in our supply chains.
- Protect whistleblowers.

In all sourcing decisions, compliance with the Group's standards for a responsible and sustainable business approach is used as a go/no-go gate rather than as a weighting factor for decision-making. Suppliers that do not conform to required standards during the pre-selection evaluation are eliminated from the tender process. If an area of non-compliance is discovered at a new or existing supplier, they are given the opportunity to address and resolve the issue, with our support where required. It is important that suppliers are made aware of the specific issue and the actions considered necessary to remedy the situation. Penalising the supplier directly by removing business,

or not awarding a contract, is most likely to disadvantage their employees who we are trying to help. The ultimate sanction of terminating a contract is implemented when the supplier refuses to work with us to implement the required action, which has only been required twice in the last seven years.

<u>Speak Up</u>

The Group operates a global 'Speak Up' or whistleblowing policy. This is supported with a procedure to assist employees when 'speaking up' on a confidential basis. The policy is designed to allow employees across the Group to raise concerns internally to the Internal Audit team and to disclose information which the individual believes highlights or would indicate illegality, unethical behaviour or other serious malpractice, including any instances or suspicions of modern slavery. This obligation also includes reporting actions or practices by our suppliers which may be inconsistent with the Group's Code of Conduct, Supplier Code or Human Rights Policy. Employees or third parties are able to 'Speak Up' by using a dedicated phone line or email address and the system is managed and monitored by the Internal Audit Team with all incidents reported being reviewed. A summary of any reported incident is forwarded on to the relevant region or to a senior functional leader for further investigation and a register of all 'Speak Up' reports is maintained with regular reporting being made to the Chief Executive and the Group's Audit Committee. The effectiveness of the Speak-Up process is validated during our internal audit process, including asking a randomly selected group of employees in each country whether they are aware of the Speak Up process and whether they know how to raise issues through this route. A negative response would be raised as an audit point.

In 2021, a separate Supplier Speak Up line was introduced for suppliers and their employees or other stakeholders to report genuine concerns over malpractice, illegal acts or failures to comply with recognised standards of ethical behaviour that they observe at any point within our global supply chain.

There were no reports of Modern Slavery issues raised through Speak Up in 2022. There were no reports received on the separate Supplier Speak Up line. The Terminix business operates a separate whistle blowing process and the number of recorded incidents will be included in the 2023 statement.

Our policies on modern slavery

We are committed to ensuring that there is no modern slavery in our supply chains or in any part of our business. Our Anti-slavery Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to that effect.

Policies in relation to slavery and human trafficking are in line with the law in Australia. Our employees also operate under a number of policies to ensure a high standard of social responsibility, governance and ethical compliance as set out in the Code of Conduct. All policies are available internally on the Group's intranet with key policies also placed on Rentokil Initial's website.

Code of Conduct

The Group's Code of Conduct (the **Code**) has been designed to help us achieve our responsibility, as one of the world's leading support services companies, to set the highest standards of conduct. It is a fundamental commitment to comply with all applicable legal requirements and with high ethical standards. The Code outlines responsibilities to colleagues, customers and to the Group. It highlights our determination to embed our values of Service, Relationships and Teamwork and a culture of integrity across the Group.

First introduced in 2011, the Code was updated in 2016 and is available to colleagues in multiple languages. The Code is accompanied by an online training programme which was refreshed most recently in October 2017. This is a compulsory training requirement for all new colleagues. In the Human Rights section of the Code, we state that Rentokil Initial will under no circumstances make use of forced or coerced labour, servitude or slavery and will only employ individuals who are working of their own free will. It further states that no colleague will be deprived of identity papers, or be required to provide financial inducements to the Group to facilitate their employment. The Code and training is due to be updated in 2023.

In 2021, the Group undertook a confidential 'Your Voice Counts' survey of all colleagues with a 91% participation level and the question relating to 'I have a good understanding of our values' received a score of 89% Favourable (two percentage points above the global company norm). The next survey will be carried out in September 2023, with a full report released in November. The results of the 2023 survey will be incorporated into the 2023 statement.

The Terminix Code of Conduct covers very similar standards and values and also includes a commitment to legal and ethical standards. It will be harmonised with the Rentokil Initial Code during the update in 2023.

Links to the Group's Codes are below:

Rentokil Initial Code of Conduct https://www.rentokil-initial.com/responsible-delivery/code-of-conduct.aspx

Rentokil Initial Supplier Code https://www.rentokil-initial.com/responsible-delivery/ri-supplier-code-of-conduct.aspx

Policies in addition to the Code of Conduct

In addition to the Code of Conduct, the Group maintains policies on human rights, customers and suppliers, and rights of employees. Specific policies applicable to modern slavery include:

* Dignity at Work;

- * Group Diversity and Inclusion Policy;
- * Equal Pay;



- * Human Rights Policy;
- * Supplier Code; and
- * Supplier Management Standard.

All of these are available on the Group website at www.rentokil-initial.com/responsible-delivery/policies .

Additionally, Terminix publishes its Global Human Rights Policy on their website at https://corporate.terminix.com/assets/documents/Global-Human-Rights-Policy.pdf.

During 2022, approximately 13,602 Core Corporate Compliance training courses (including the Modern Slavery Awareness module) were completed by colleagues on the U+ online system. Compliance with the specific policies listed above, as well as to the Code of Conduct, is checked and validated each year through a Letter of Assurance process, which is cascaded down through the Group from the Chief Executive. All senior managers in the Group are each required to personally sign a letter to confirm they comply personally with key corporate policies and the Code, and that the colleagues for whom they are responsible are aware of and understand what is required of them, and that they are not aware of anyone within Rentokil Initial that is not complying to the Code. Details must be provided of any areas of non-compliance or uncertainty. The Group's Audit Committee reviews the Letter of Assurance process and outcomes.

Modern Slavery Awareness training during 2022

The following training was carried out in 2022 across the Group:

- The on-line training module for Modern Slavery Awareness that had been launched in 2018 was further extended across the Group in 2022, with 741 colleagues completing the course successfully this year with a pass rate of 95%, reaching a total of 3,965 colleagues in three years.
- Training for suppliers in Modern Slavery Awareness was launched in 2021 using our on-line training tools, and 10 people from 5 suppliers completed the training in 2022, meaning that a total of 69 people from 28 suppliers have completed the training in the last two years.

Training in Australia

All new work colleagues graded Work Level 2 and above are required to complete online Modern Slavery training on commencement of employment. Out of a total of 268 Work Level 2 colleagues in Australia, 235 or 88% have completed this training module to date. The employees who have not completed this training have been provided with a deadline of 31 July 2023. Going forward, new Work Level 3 employees and above will be given a completion deadline of 30 days from commencement of employment.

Global Procurement Calls

The need for increased diligence and scrutiny to mitigate the increased risk of enforced labour due to economic hardship caused by the pandemic has been regularly discussed during the quarterly Global Procurement Team calls in 2022, which was attended by the Australian Head of Procurement.

Supplier Agreements - Terms & Conditions

Rentokil Initial's supplier agreements include clauses to address modern slavery.

Reported incidences of Modern Slavery in Australia during 2022

There were no reported incidences of Modern Slavery in 2022.

Supplier's Acceptance of our Code of Conduct

In 2022, 87 new suppliers were required to review our Supplier Code and confirm they read and accepted its terms. Our Supplier Code contains information and our stance on combatting Modern Slavery. Additionally, 19 of our existing key suppliers received a copy of the Supplier Code - 2nd Edition and requested to verify that they had read the Code and agreed to its principles. Six of those suppliers are required to comply with, and report on, the *Modern Slavery Act 2018* (Cth).

Mandatory Criterion Five:

Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks

Rentokil Initial manages modern slavery risks in our organisation by maintaining consistent and high standards of due diligence and risk mitigation processes to monitor for and avoid modern slavery in all environments in which we operate in, regardless of whether the environment or the suppliers with whom we work are more or less vulnerable to modern slavery.

Further steps and remediation

Following a review of the effectiveness of the steps we have taken in the 2022 calendar year to ensure that there is no modern slavery in our supply chains we intend to continue with the following proactive steps to combat modern slavery in our operations and supply chain for 2023:

- 1. Further investigation into suppliers of services in the high-risk indirect procurement categories such as cleaning and apparel to ensure compliance;
- 2. Rolling out free training to suppliers and subcontractors using an online training module that is specifically tailored to suppliers to Rentokil Initial;



- 3. The Australian Procurement Team will continue to participate in the quarterly global procurement team calls during 2023 where there will be ongoing review and discussions around modern slavery;
- 4. Conducting in-person audits of suppliers.

Mandatory Criterion Six:

Describe the process of consultation with any entities the reporting entity owns or controls

All other entities owned by Rentokil Initial are managed by the same board of directors, and follow policies set by the Group or locally by Rentokil Initial.

The directors for Rentokil Initial and each subsidiary are aware of the responsibilities under the Modern Slavery Act.

This Statement was reviewed by the Board of Rentokil Initial, which has governance over all subsidiary companies.

This Statement was approved by the Board of Rentokil Initial on 21 June 2023. The Board appointed Andrew Stone (Managing, Director) to sign the Statement.

Andrew Stone 21 June 2023