

Tax Strategy

This document sets out the strategic tax objectives of Rentokil Initial plc and its subsidiaries ("Rentokil Initial"). Rentokil Initial is a global business and therefore our tax strategy is designed to cover the management of taxes for all our businesses in the countries in which we operate around the world. Rentokil Initial is incorporated and tax resident in the UK. The tax strategy is subject to regular review and approval.

Background

Rentokil Initial provides services that protect people and enhance lives. We protect people from the dangers of pest-borne disease and the risks of poor hygiene. We enhance lives with services that protect the health and wellbeing of people, and the reputation of our customers' brands.

Our local service teams operate in around 90 countries and 98 of the world's 100 largest cities by GDP across North America, Europe & LATAM, UK & Sub-Saharan Africa, Asia & MENAT and the Pacific. More than 93% of our revenues are derived from outside the UK.

1. Approach of the group to risk management and governance in relation to taxation

Rentokil Initial tax strategy and the management of tax risks is primarily the responsibility of the Chief Financial Officer and the Group Tax Director. It is overseen by the Board and the Audit Committee in order to ensure that responsible tax practices are maintained across the Group. Our tax strategy has been approved and is owned by the Board and is aligned with our Code of Conduct ([click here](#)).

Our overall tax strategy is to comply with all relevant tax laws and regulations in the countries in which we do business, make all appropriate tax returns on time and pay the right amount of tax as it falls due. The implementation of this tax strategy and the management of tax risk is the responsibility of the group tax department, led by the Group Tax Director.

The group tax department comprises experienced personnel who hold appropriate professional qualifications commensurate to their roles and responsibilities required to ensure compliance with the tax rules and management of tax risks. The group tax department receives regular training and is responsible for monitoring changes to relevant tax legislation, its application, and practices to ensure Rentokil Initial continues to meet its tax compliance responsibilities.

The Group has established tax risk management processes that enable the identification, assessment, management and mitigation of key tax risks along with the accurate recording and

reporting of tax to the relevant tax authorities. Where there is uncertainty in how the relevant tax law should be applied, external advice may be sought to support the Group's decision-making process, including where necessary, support with our tax compliance filing obligations. The Group adopts practices and takes all the necessary steps that enable it to maintain strong tax administration that includes accurate and timely filing of returns and payment of taxes.

The Group has implemented appropriate transfer pricing policies, supported by adequate documentation, to help ensure that transactions between group companies are made on arm's length terms and profits are earned in the territories to which they belong, i.e., taxed where economic activities are performed and where value is created. We will also seek to ensure that the same income is not taxed in two jurisdictions.

2. Attitude of the group towards tax planning

We seek to ensure that our approach to tax is aligned with the Group's wider business strategy. We believe that this creates a responsible and sustainable tax strategy that will enhance long-term shareholder value and protect the reputation of Rentokil Initial plc. In structuring our business activities, we consider the tax implications with a view to maximising value on a sustainable basis for our shareholders.

Rentokil Initial will only engage in responsible tax planning and ensure that tax risks are properly managed in accordance with this policy. We will not undertake artificial transactions whose sole purpose is to create a contrived result or enter into arrangements designed to circumvent the intentions of the legislation, which could give rise to reputational damage for the Group.

It is important that tax is taken into account in business decisions as it is a cost of doing business in the same way as any other cost. The group tax department should be sufficiently involved in all significant business transactions in order to ensure that the tax implications are properly considered.

All tax planning, such as the use of government sponsored tax incentives and statutorily available reliefs, will be consistent with the company's commercial and business objectives, and will only be undertaken where there is sufficient commercial and economic substance.

We do not base our decisions on aggressive interpretations of the tax rules and we will not enter into tax planning that we are not prepared to fully disclose to the tax authorities.

3. Level of risk in relation to taxation the group is prepared to accept

The Group does not have defined levels of acceptable tax risk, but as with other risks, tax is managed within the overall risk framework and risk appetite of the group. A large international group such as ourselves is inevitably going to have a level of tax risk regarding the interpretation of complex tax rules and the Group's tax affairs are managed with a view to avoiding and mitigating tax risks.

It is recognised that tax disputes can have an adverse impact on the Group's corporate reputation,

brand value, relationships with tax authorities, reported results, cash position and incur unnecessary costs. These factors are taken into account when managing the Group's tax affairs and tax risks are evaluated on a case by case basis.

As a matter of practice, written advice is sought from external advisers where there is deemed to be a significant level of uncertainty regarding a tax position.

4. Approach of the group towards dealing with tax authorities

We seek to deal with tax authorities in an open and collaborative manner aimed at reaching agreement on issues in a timely manner and minimising the risk of disputes arising. All our employees are expected to have the highest standards of conduct and act with integrity at all times in line with the Code of Conduct.

Dealings with tax authorities should be conducted in a spirit of openness, honesty, respect and transparency. All company employees should aim to have a professional and courteous working relationship with tax authorities.

Tax returns will clearly and fairly present the activities of the company and all transactions undertaken. All applicable laws, regulations and disclosure requirements will be observed. We aim to comply with both the spirit and letter of the law in relation to tax matters.

Given the complexity of tax rules it is inevitable that from time to time there will be areas of disagreement with tax authorities. Most of the time these disagreements can be resolved through open discussion, but very occasionally it will be necessary for the matter to be litigated in order to clarify the interpretation of the law. The Group will not adopt positions in tax returns which it is not prepared to robustly defend although we will always seek to resolve any areas of disagreement through proactive discussions and negotiation with the tax authority.

We have a zero tolerance approach towards fraud, bribery and corruption. Under no circumstances would we tolerate tax evasion or the facilitation of tax evasion by any person acting on the Group's behalf.

Rentokil Initial plc regards its publication of this document as complying with the duty under paragraphs 16(2) of Schedule 19 of the Finance Act 2016 to publish the group tax strategy in the current financial year.



Andy Ransom
Chief Executive