

## Our Hygiene & Wellbeing strategy: key strategic themes

Our strategy is to deliver continued growth through a combination of strong operational focus and targeted M&A to build city density. Central to this is the delivery of excellent customer service, product innovation, service line extensions, and improvements to productivity through digital products and applications.

### Focus on operational execution

Building margins through postcode and product density.

#### Objective

Operational excellence is achieved through the commitment of our people and the earned respect for our brand and reputation. Creating a high-quality customer service culture and offering the best product ranges, as well as delivering our services, on time and in full, are core to our value proposition.

Margins are driven through postcode density (the number of customers on a route) and product density (the number of products/service lines in each customer premises), as well as shared overheads with Pest Control (infrastructure and back office) and M&A (building further geographic density).

#### How we have performed in the year

- Margin recovery in the second half was expected, and is stable following the prior-year boost of COVID-19 impacts.
- Focused on core segments of Education, Leisure/Hospitality, Healthcare, Offices, Manufacturing, and Retail.

### Offer a complete product range

Avoiding cross-infection Inside the Washroom.

#### Objective

An increased awareness of cubicle and washroom hygiene is providing more opportunities for new products and services for inside washrooms; expanding into new services for existing customers (e.g. air hygiene); new sales channels for existing washroom customers through the use of technology; satisfying demand for new, more sustainable services; and range extensions (e.g. no-touch washrooms).



#### Ecolabel sustainability accreditation

With sustainability a central theme of Rentokil Initial's growth strategy, Initial Hygiene is driving leadership in sustainable hygiene and wellbeing, committed to actively reducing packaging waste and plastic use, as well as designing solutions for easier recycling. With increasing regulation of the industry and with more and more customers and users asking for environmentally friendly solutions, Initial's soap range, including Halal and vegan versions and its hand, hair and shower range, used in gyms and hotels has been awarded the EU and Nordic Swan Ecolabel accreditations, one of the world's most coveted sustainability accreditations.

The EU and Nordic Swan Ecolabel is an environmental labelling scheme certifying that a product or service complies with the requirements for the label. As one of the world's toughest environmental certifications, the Nordic Swan Ecolabel is only awarded to products and services meeting ambitious environmental requirements.

#### How we have performed in the year

- Range extensions (e.g. hand, air, and in-cubicle) supporting retention and increasing solution density.
- Attainment of EU and Nordic Swan Ecolabel accreditation for sustainability for Initial soap range.
- New innovations in Signature Scent, Signature Sustainable bins optimisation.



#### Celebrating 120 years of Initial Hygiene

In 2023, Initial Hygiene celebrated 120 years of service. From humble beginnings in 1903, when Mr A P Bigelow, a soap salesperson in New York, brought linen supply services to Europe, he saw an opportunity and took it, relocating to London to start a personalised towel rental service for businesses there. His first innovation was simple but effective – each towel was marked with the customer's initials to ensure they only received and used their own towels. From that creative idea sprung the business: 'Initial Towel Supply Company'.

In 1928 when it floated on the London Stock Exchange, Initial had become the leading firm of its kind and was one of the largest buyers of towels in the world. Over the next 70 years Initial grew into a world leader in hygiene and washroom services, through innovative leadership and global expansion. It was acquired by Rentokil in 1996 and under its ownership it continued to focus on innovation, whilst broadening its services beyond the washroom into a Hygiene & Wellbeing leader and putting preserving the planet at its core.