

Modern Slavery Statement 2018

Introduction

This statement details the steps taken by Rentokil Initial plc and its subsidiaries (the Company) to prevent slavery and human trafficking occurring in any of our global businesses or supply chains during the financial year ended 31 December 2018. The statement has been made in accordance with the requirements of the UK Modern Slavery Act (2015).

The Company operates in 75 countries, including a number of emerging markets and countries that it has entered in recent years through acquisition, such as Chile, Honduras and Mozambique, with 39,479 colleagues employed in 2018. 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 address 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 to work together to mitigate any areas of concern.

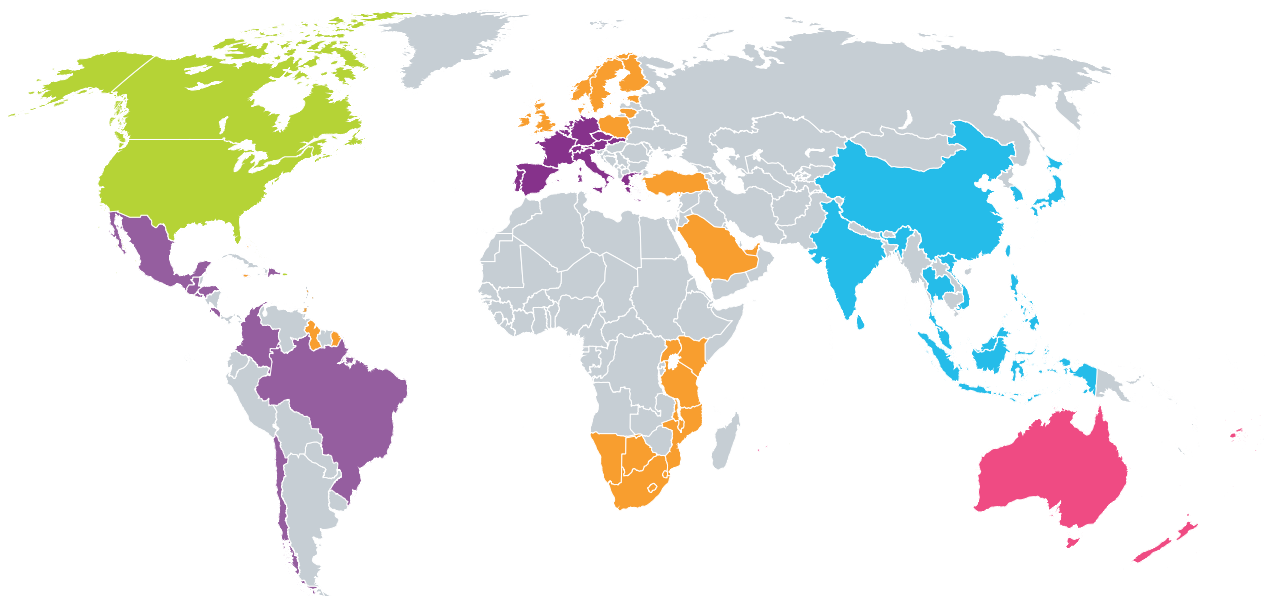
Our Business

Rentokil Initial plc is a global leader in the provision of route-based services which protect people and enhance lives. Throughout the world, demand for higher standards of public health, stricter food safety legislation and compliance with workplace regulations are driving demand for our service expertise.

The Company's **RIGHT WAY** plan focuses the business on:

- five geographic regions – all operating on a low cost, single country operating structure; and
- three categories: Pest Control, Hygiene and Protect & Enhance (which includes the global Ambius business, Workwear in France and Property Care in the UK).

Regions



NORTH AMERICA

Main business lines:
Pest Control services and products, and Plants (Ambius).
7,850 colleagues.

EUROPE

Main business lines:
Pest Control, Hygiene, Workwear (France only), Plants (Ambius), Specialist Hygiene and Dental services.
6,780 colleagues in Europe, 1,592 in Latin America.

UK & REST OF THE WORLD

Main business lines:
Pest Control, Hygiene, Plants (Ambius), Property Care, Specialist Hygiene, Medical and Dental services.
6,348 colleagues.


ASIA

Main business lines:
Pest Control and Hygiene.
14,109 colleagues.

PACIFIC

Main business lines:
Pest Control, Hygiene and Plants (Ambius).
2,160 colleagues.

Categories

Rentokil Pest Control	Initial Hygiene	Protect & Enhance
<p>Global leader in commercial pest control services.</p> <p>Operates in 75 markets (No1. in 50) with leading positions in the UK, Europe, Asia, Pacific and South Africa (top 3 in 60+ markets).</p> <p>Provision of high-quality pest control services for commercial and residential customers.</p>	<p>One of the world's leading commercial hygiene services companies.</p> <p>Market leader in approximately half of the 41 markets of operation (top 3 in 30+).</p> <p>Provision of high-quality washroom products and services for hand, air, in-cubical and floor hygiene for commercial customers.</p>	<p>Plants (Ambius) – the global leader in the provision of office plants.</p> <p>Workwear – provision of workwear to businesses in France.</p> <p>Property Care UK market leader in the provision of woodworm, damp proofing and dry rot services.</p> <p>Also includes Dental Services (Europe).</p> 

Policies in relation to slavery and human trafficking

Rentokil Initial plc and its subsidiaries are committed to acting in accordance with the law in every country in which we trade. Our companies and employees also operate under a number of policies to ensure high standards of social, governance and ethical compliance, of which the cornerstone is the Code of Conduct. All policies are available internally on the Company's intranet with key policies placed on the Company's public website.

Code of Conduct

The Company'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 represents 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 Company. It highlights our determination to embed our values of Service, Relationships and Teamwork and a culture of integrity across the Company. In 2017, the Company undertook a confidential survey of all colleagues and the question relating to 'I have a good understanding of our values' received a score of 89% (one percentage point above Korn Ferry Hay Group's High Performance norm). This survey of all colleagues will be repeated in 2019.

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. There is also an annual Letter of Assurance, required to be signed by all senior

management 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 does not comply with the Code.

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 Company, to facilitate their employment.

During 2018, over 23,000 Core Corporate Compliance training courses were completed by colleagues on the U+ online system, with over 3,000 completions by senior managers.

Policies

In addition to the Code of Conduct, the Company 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 Standards; and
- Group Procurement Policy.

All of these, apart from the Group Procurement Policy, are available on our website at: rentokil-initial.com/responsible-delivery/policies.

Assessment and training regarding modern slavery

Speak Up

The Company 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 Company to raise concerns internally to the Internal Audit team and to disclose information which the individual believes highlights or could 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 Company's Code of Conduct and Human Rights Policy.

Employees or third parties are able to 'Speak Up' by using dedicated phone lines or email addresses 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 onto 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 Audit Committee.

The effectiveness of the Speak Up process is validated during the company's 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.

Reported incidences during 2018

Rentokil Initial plc discloses the number of Speak Up incidents annually in its Corporate Responsibility Report. For the year ended 31 December 2018, no reports of any incidents associated with the Company regarding violation of human rights of individuals were made (2017: nil).

Training undertaken during 2018

The following training was carried out in 2018 across the Group

1. Procurement Managers from all major markets received refresher training on the requirements of the UK Modern Slavery Act, following up on training carried out in 2016 and 2017. The session included a category-based assessment of key risk areas across the group
2. An on-line training module was developed and implemented for the U+ Training Academy, our global training portal. As at Jan 2019, 110 managers and supervisors across the global group had completed the training and passed the test
3. Representatives of Rentokil Initial attended two

global conferences on modern slavery in 2018, one as key-note speaker, to gain knowledge, share experiences and cooperate with other multinationals

Our Supply Chain

The supply of products to the global business units 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 Company has two in-house factories in the UK which manufacture hardware and consumables products for the global business and an in-house Workwear company which supplies garments and flat linen to the French Workwear business.

The major spend in Rentokil Pest Control is on rodenticides, insecticides and various preparations used to control the multiple varieties of pest encountered around the world. These are mainly sourced through global chemical supply companies who have stringent quality and ethical approaches. Rodenticides and insecticides are also manufactured in the Rentokil Initial Supplies (RIS) factory in Kirkby, UK, and hardware such as bait boxes are manufactured at Dudley Industries, a wholly-owned subsidiary. We purchase a wide variety of hardware and equipment such as rodent traps, insect light traps and bird protection devices which are designed internally and either manufactured in-house or sourced externally from specialist suppliers.

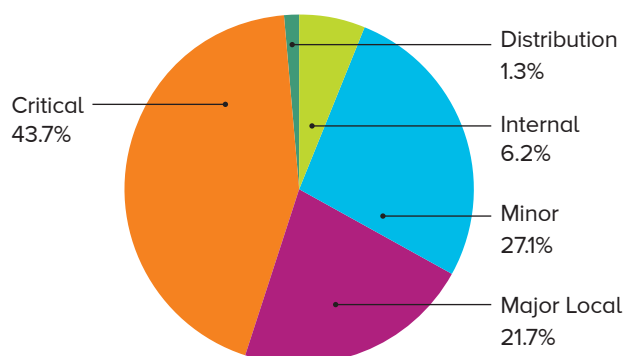
Spend in Initial Hygiene includes washroom equipment such as soap dispensers, feminine hygiene units and consumables such as soap and paper. Most of the Hygiene equipment is designed in-house and manufactured by external suppliers in Europe and Asia under the Initial brand, while metal dispensers are manufactured at Dudley Industries. Liquid consumables for these dispensers are manufactured at the RIS factory, while sourcing of paper products is from certificated suppliers which are optimised by global location.

The Protect & Enhance category includes (a) Ambius (worldwide) in which plants and pots are sourced locally; (b) Workwear (France) which is supplied through the in-house sourcing company as well as external suppliers; and (c) Property Care (UK) which utilises branded equipment and chemicals purchased from mainstream UK suppliers, which are considered to be low risk and not considered any further in this report.

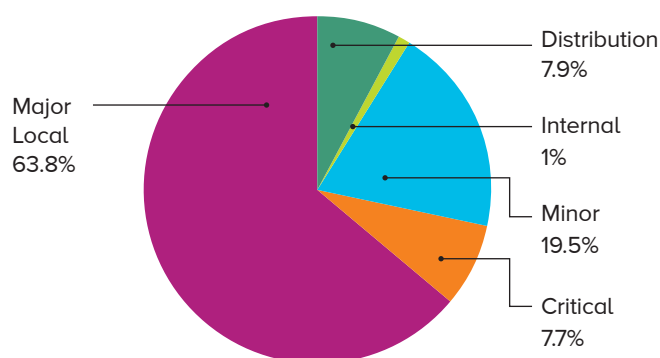
The scope of this report includes all suppliers to the central supply chain and major country suppliers who supply directly to their local market.

An external Supplier Code has been developed to align the standards of suppliers with the internal Code of Conduct. The Supplier Code outlines the standards and

Hygiene Suppliers Breakdown



Pest Control Suppliers Breakdown



controls that are expected from all suppliers of goods and services to the global group, and audited against. All contracts and agreements for the supply of goods and services by both individuals and companies will include a clause requiring compliance with the Supplier Code from March 2019, in addition to the specific clauses that relate to bribery and corruption and modern slavery.

External suppliers are classified as **(a) critical suppliers** 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 local suppliers** with a significant proportion of spend for a single country or region; and **(c) minor local suppliers** representing the majority of suppliers in number, but a lower proportion of the category spend.

Due diligence processes in relation to supplier management

In all sourcing decisions, compliance with Rentokil Initial standards for corporate social responsibility (CSR) is used as a go/no-go gate rather than as 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 an existing supplier, they are given the opportunity to address and resolve the issue, with our support where required.

Audits for Hygiene Suppliers

Most of the hardware and equipment used across the global Hygiene category is bespoke Initial-branded equipment supplied by medium-sized manufacturers based around the world as illustrated in the table below. These suppliers are classified as Critical as they supply multiple countries with products that have a long lead-time for substitution. They are audited on a prescribed frequency based on their performance trend and level of risk. Products manufactured in China, Malaysia and Vietnam are perceived to have a higher element of risk from a modern slavery perspective, and are therefore assigned a more frequent audit cycle, however, it is never forgotten that there are modern slavery risks in every country.

Audits of critical suppliers are conducted by a Product Quality Manager against the Rentokil Initial Supplier Standard, which details the standard of performance and compliance required to supply products to the Company. All potential new suppliers' manufacturing sites are audited during the final selection stage, and existing suppliers are audited on a risk-based frequency. The risk assessment considers supplier criticality and previous results, and varies from a one-year to four-year audit cycle. 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 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.

Audits for Pest Control Suppliers

Suppliers of bespoke Rentokil-branded products such as Lumnia Insect Light Traps are classified as Critical and audited in the same process as the Hygiene products. The majority of spend in the Pest Control category is with major international chemical companies such as Bayer and BASF, who have their own stringent management and control systems. These suppliers are classified as Major Local Suppliers and are not audited

unless they are in a high-risk country or a potential issue concerning CSR, product quality, or security of supply is identified.

Supplier audits for Protect & Enhance Categories

a) Ambius

The majority of products supplied to the Ambius business are locally grown plants and locally manufactured pots which are seen as low risk and classified as major local or tactical/minor local suppliers. Some specialist plants are sourced from Asia and Latin America, which is minor spend, but as we have little visibility of working practices in these supply chains we will audit the distributor in 2019. One critical supplier in the US sources plant pots from their own factory in China, which is scheduled to be audited in March 2019.

Ambient scenting products are sourced from the US from a factory which has been frequently audited in recent years and represents a very low risk in modern slavery terms.

b) Workwear

The Company's French Workwear business specialises in the supply and maintenance of garments such as workwear and personal protective equipment. Most garments are supplied through Cawe, the in-house sourcing company based in Strasbourg. Cawe has been certified to Fairtrade standards by the Max Havelaar and FLO CERT organisations since 2007, and is audited by external auditors every year to ensure that it guarantees producer and worker rights by banning child labour, slavery, and forced labour. Cawe

also participates in the Fibre Citoyenne programme managed by Yamana, which ensures the sustainability of the textiles supply chain, including environmental aspects, social compliance, corporate governance and consumer security. Audits of the Cawe sub-contractors are carried out by the Workwear Quality Manager, or by the Worldwide Ethic Alliance (WethicA), an independent third party. All of the major Cawe suppliers have been fully audited at least once and are visited at least once per year by the Workwear Quality Manager and Production Manager.

Other external suppliers to the French Workwear business have similar industry-specific accreditation from organisations such as Max Havelaar, Fairtrade and Yamana.

The area of procurement that has been identified as most at risk across the Group is the purchase of flat linen (eg. tablecloths) from suppliers in Pakistan, Bangladesh and India for hotels and provided to hotels and restaurants in France. This represents 5.8% of the direct spend of the France Textiles business, and 0.7% of total direct spend of the Group. We only work with suppliers who have global CSR accreditations such as the Business Social Compliance Initiative (BSCI) and/or have been audited and passed by WethicA. The Company reduced its exposure to this flat linen sector in 2017 through the disposal of eight laundries in France which supplied flat linen to the French healthcare sector.

Supplier Audits during 2018

The table below details the audits carried out at Critical suppliers in recent years, and those planned for 2019.

Audits of Critical Suppliers				
		Supplier Audits		
Country of Manufacture	Critical Suppliers	2012 - 2017	2018 Actual	2019 Plan
UK	12	36	6	7
Malaysia	1	4	1	0
France	2	1	1	1
USA	2	3	2	0
China	3	8	2	1
Netherlands	4	6	0	2
Spain	3	2	1	2
Poland	2	2	0	1
Belgium	1	1	0	0
Germany	1	1	0	1
Vietnam	1	3	0	0
Portugal	1	2	0	1
Romania	1	0	1	0
Slovakia	1	1	1	1
Czech	1	1	1	0
	36	71	16	17

Note : Major multinational companies who supply their own proprietary branded products for use within Rentokil Initial are not audited. Examples include pest control chemicals from suppliers such as Bayer and BASF and batteries from suppliers such as Duracell and Panasonic. These products can be substituted at short notice where required.

Audits of major local suppliers are carried out if any aspect of their operation is considered a medium or high risk, including product quality, delivery performance or compliance with our CSR standards. In 2018, we had 85 suppliers classified as major local suppliers (annual spend over £0.5m). We carried out 37 comprehensive audits of these suppliers between 2012 and 2017, and eleven audits in 2018. There are fourteen audits planned for major suppliers in 2019, with others to be added as required. We have approximately 2,500 minor local suppliers who are managed by the local business teams.

Audit non-compliance in 2018

Two areas of non-compliance were uncovered and addressed during audits in 2018. A critical supplier in Malaysia was found to be withholding the passports of migrant workers. These have now been returned to the workers and a lockable storage facility provided for safekeeping of passports and other key documents, with the key held by the worker, who has free access to the locker. In the second area of non-compliance, interviews on the factory floor at three suppliers in China revealed

that the suppliers did not check that national insurance payments had been paid, leaving the employee potentially vulnerable without insurance. These checks are now being carried out and all insurance payments are being made.

These findings and the actions taken to resolve them are shared with Suppliers during audits, in order to improve their own audit protocol by including checks into similar issues.

Further steps

We recognise the extremely complex nature of modern slavery and we will continue to monitor our operational practices. We have identified the following as key actions for 2019:

- Review of major suppliers in lower spend indirect procurement categories such as cleaning, haulage and security to ensure compliance within these high-risk areas;
- Continuing discussion on modern slavery with Procurement Managers at the 2019 global conference including a review of progress to date and key issues raised;
- Further roll-out of the on-line training module across the Group to raise awareness of Modern Slavery.

This statement was approved by the Board of Directors of Rentokil Initial plc, Rentokil Initial UK Limited and Rentokil Initial 1927 plc, and signed on their behalf.



Andy Ransom
Director
Rentokil Initial plc
21 February 2019



Daragh Fagan
Director
Rentokil Initial UK Limited
21 February 2019



Daragh Fagan
Director
Rentokil Initial 1927 plc
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