

## Modern Slavery Statement 2017

### Introduction

This statement has been made in accordance with the Modern Slavery Act 2015 and details the steps taken by Rentokil Initial plc and its subsidiaries (the Company) within the UK during the financial year ended 31 December 2017 to prevent slavery and human trafficking occurring in any of our businesses or supply chains.

The Company strives to maintain the highest standards of ethical behaviour and governance compliance, and recognises its responsibility to manage its 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 to work together to mitigate any areas of concern.

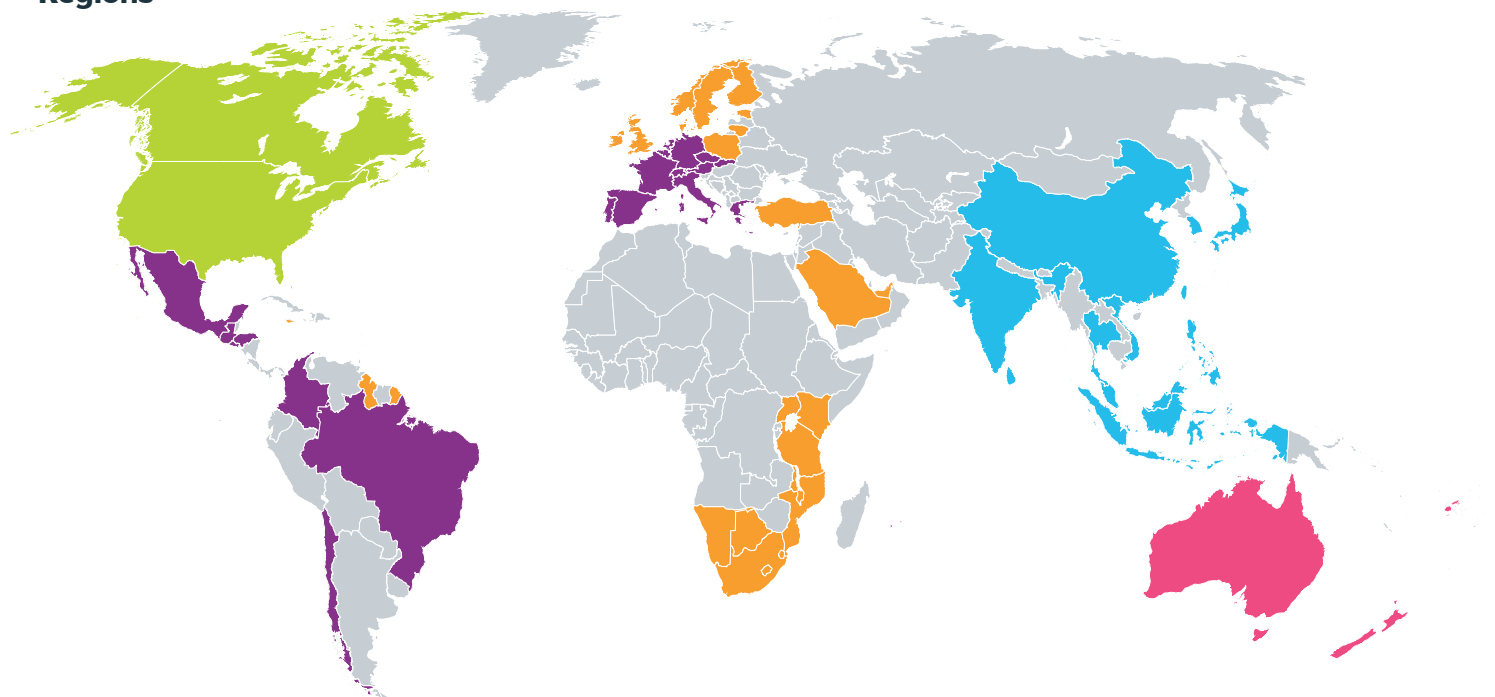
### Our business

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, Property Care in the UK and Workwear in France).

### Regions



#### NORTH AMERICA

**Main business lines:**  
Pest Control services and products, and Plants (Ambius).

#### EUROPE

**Main business lines:**  
Pest Control, Hygiene and Workwear (France only); plus Plants and Dental Services.

#### UK & REST OF THE WORLD

**Main business lines:**  
Pest Control and Hygiene; plus Plants, Property Care, Specialist Hygiene and Dental Services.

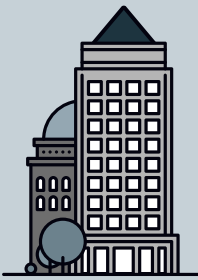
#### ASIA

**Main business lines:**  
Pest Control and Hygiene.

#### PACIFIC

**Main business lines:**  
Pest Control, Hygiene and Plants (Ambius).

### Categories

Rentokil Pest Control	Initial Hygiene	Protect & Enhance
<p>Global leader in commercial pest control services.</p> <p><b>Operates in 70 markets</b></p> <p>(No1. in 44) with leading positions in the UK, Europe, Asia, Pacific and South Africa.</p> <p>Number two in 13 markets and number three position in 8, including North America and a rapidly expanding presence in Central and Latin America.</p>	<p>One of the world's leading commercial hygiene services company.</p> <p><b>Market leader in approximately half of the 44 markets of operation (top 3 in 35+).</b></p> <p>Provision of high-quality washroom products and services for hand, air, in-cubical and floor hygiene.</p>	<p>Plants (Ambius) – the global leader in the provision of office plants.</p> <p><b>Property Care UK market leader in the provision of woodworm, damp proofing and dry rot services.</b></p> <p>Workwear – provision of workwear to businesses in France.</p> <p>Also includes Dental Services (Europe).</p> 

### Our Supply Chain

The Company operates in 70 countries, including a number of emerging markets and countries that we have entered in recent years through acquisition, such as Chile, Honduras and Mozambique.

Group Procurement reviews annual global spend for major businesses and tracks supplier numbers by category and 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.

External suppliers are classified as: (a) **critical suppliers** which represent a high proportion of category spend, supplying unique products to multiple company markets

and a long lead time to substitution if required; (b) **major local suppliers** with a significant proportion of a single country's category spend; and (c) **tactical or minor local suppliers** representing the majority of suppliers in number, but a lower proportion of the category spend.

The major spend in the Pest Control business 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, and the internal Rentokil Initial Supplies (RIS) factory in Kirkby, UK. The Pest Control business also includes hardware and equipment such as rodent traps, fly killers and bird protection devices which are designed

### Supplier classification by number of suppliers and percentage of category spend in 2017

	Pest Control excluding North America		Pest Control North America		Hygiene		Protect & Enhance	
	No. of suppliers	Category spend (%)	No. of suppliers	Category spend (%)	No. of suppliers	Category spend (%)	No. of suppliers	Category spend (%)
Internal supplier	3	4%	2	1%	2	7%	3	27%
Critical supplier	13	31%	4	30%	24	48%	6	22%
Distributors	5	21%	1	6%	1	3%	-	-
Major local supplier	7	7%	68	53%	27	24%	8	26%
Tactical/minor supplier	560	37%	634	10%	445	18%	698	25%

and manufactured in-house (where this offers a competitive edge), or sourced externally from specialist suppliers.

Spend in the Hygiene business covers washroom equipment such as soap dispensers and feminine hygiene units, and consumables such as soap and paper. The majority of the Hygiene equipment is designed in-house and manufactured by external suppliers in Europe and Asia under the Initial brand. 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 main Protect & Enhance businesses are: (a) Ambius (worldwide) in which plants and pots are sourced locally; (b) Workwear in France which is supplied through an in-house sourcing company as well as external suppliers; and (c) Property Care in the 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.

### **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 a high standard 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 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 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 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).

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.

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.

#### **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:

- a) Dignity at Work;
- b) Group Diversity and Inclusion Policy;
- c) Equal Pay;
- d) Human Rights Policy;
- e) Supplier Standards; and
- f) Group Procurement Policy.

All of these, apart from the Group Procurement Policy, are available on our website at:

**[rentokil-initial.com/responsible-delivery/policies](http://rentokil-initial.com/responsible-delivery/policies).**

Standard contracts used in the supply of goods include a clause that the supplier shall establish and maintain appropriate business standards, procedures and controls to ensure compliance with the Company's Code of Conduct. This includes the requirement to publicise the Code to all of the supplier's employees, directors and its own suppliers and that they all comply with its provisions. Standard consultancy agreements for the supply of services by both individuals and companies also include a clause requiring compliance with the Company's Code of Conduct. In 2018, we will strengthen this compliance by requiring all critical and major local suppliers to confirm their compliance to a new Supplier Code of Conduct that will be based on the Company's Code.

### 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 are not considered for selection and are discontinued when areas of non-compliance are discovered.

In recent years, two critical suppliers have been deselected when areas of non-compliance have been discovered - one Workwear supplier who failed to rectify issues identified during an external CSR audit by the Worldwide Ethic Alliance (WethicA), and one Hygiene hardware supplier who refused to disclose details of his second-tier suppliers and his procedures to ensure their compliance to our standards. There have been no major areas of non-compliance uncovered in 2017, although follow-up meetings were held with a number of Asian suppliers to address some areas of concern, which have now been corrected.

### Supplier audits for Pest Control and Hygiene

Suppliers of hardware and equipment in the Pest Control and Hygiene categories are mostly medium-sized companies, manufacturing bespoke, branded products for multiple countries across the Company. These are classified as critical suppliers and audited on a prescribed frequency, depending on their performance trend and level of risk. Products manufactured in China, Malaysia and Vietnam are perceived to have an element of risk from a modern slavery perspective, and are therefore assigned a more frequent audit cycle.

Audits of critical suppliers are conducted by the Global 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 to three 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.

Critical suppliers in the Pest Control category include a number of major international chemical companies who have their own stringent management and control systems and are therefore not audited.

Major local suppliers are audited by Regional Quality Managers (trained by the Global Product Quality Manager). These audits are conducted according to the Rentokil Initial Supplier Standard. Non-critical major suppliers are reviewed using an audit questionnaire, and a site audit is only carried out where potential issues are highlighted.

### Supplier audits for Protect & Enhance Categories

#### a) Ambius

Ambius is a world leading interior landscaping business which installs and services flower displays, replica foliage, Christmas decorations and ambient scenting.

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 2018. One critical supplier in the US sources plant pots from their own factory in China, which is scheduled to be audited in 2018.

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, our 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 WethicA, an independent third party. All of the major

Cave 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 is the purchase of flat linen from suppliers in Pakistan, Bangladesh, India, Egypt and China, which represents 6.8% of the spend in the Workwear business. The majority of the purchases in these countries are from suppliers with global CSR accreditations such as the Business Social Compliance Initiative (BSCI). In 2017 the remaining minor suppliers of products such as terry towels were audited and passed by WethicA or validated against equivalent accreditations. 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.

### 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 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 Company's Code of Conduct and Human Rights Policy.

Employees or third parties are able to 'Speak Up' by 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 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 Audit Committee.

#### Reported incidences during 2017

Rentokil Initial plc discloses the number of Speak Up incidents annually in its Corporate Responsibility Report. For the financial year ended 31 December 2017, no reports of any incidents associated with the Company regarding violation of human rights of individuals were made (2016: nil).

#### Audit activity during 2017

The following table details supplier audits carried out in recent years on behalf of the Global Procurement function and those planned for 2018.

Classification	Line of business	No. of Suppliers	Average value per supplier (£000)	2014 to 2016 Audits	2017 Audits	2018 Planned
Critical supplier	Hygiene	26	1,052	24	5	11
	Pest Control (ex NA)	17	642	15	3	6
	Protect & Enhance	6	1,005	4	8	2
Major local supplier	Hygiene	2	209	6	7	2
	Pest Control (ex NA)	75	261	3	5	2
	Protect & Enhance	8	1,131	2	9	3
Tactical/minor supplier	Hygiene	445	21	9	-	-
	Pest Control (ex NA)	560	17	-	-	-
	Protect & Enhance	648	13	4	-	-

Notes:

1. Pest Control figures exclude North America as it is supplied through branded global chemical suppliers or distributors who are considered to be low-risk.
2. The high average spend for major local suppliers in Protect & Enhance are mainly workwear suppliers to France.
3. Supplier classification is reviewed annually, therefore the number of audits reported is different to last year in some categories.

### Training undertaken during 2017

The following training was carried out in 2017:

- Procurement Managers from all major markets received training on the requirements of the UK Modern Slavery Act, following up on training carried out in 2016. The training included new material and discussions on experiences across the Company since the last session and sharing of best practice. The local Procurement Managers have subsequently re-confirmed that no major risks have been identified in their markets.
- The Senior Leadership Forum (SLF) (c. top 25 senior leaders from across the Company) received training on the reality of modern slavery in the world today, the potential risks to Rentokil Initial and the reporting requirements of the Modern Slavery Act in the UK.
- The Europe Region Executive Team received similar training to the SLF with specific reference to Europe and the Workwear businesses, which included Germany, Austria, Netherlands and Belgium at that time (prior to their disposal in June 2017).

### Further steps

We recognise the extremely complex nature of modern slavery and we will continue to monitor our operational practices, and have identified the following as key actions for 2018:

- Continuing discussion on modern slavery with Procurement Managers at the 2018 global conference including a review of progress made and issues raised.
- To raise awareness of modern slavery across the operating companies by training colleagues responsible at a local level for commissioning subcontractors or temporary labour in the key issues around modern slavery.
- To produce a Supplier Code, adapted from the Rentokil Initial Code of Conduct, to apply more directly to suppliers of goods and services, and to request all major suppliers to sign acceptance of this Supplier Code.

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



**Andy Ransom**  
Director  
Rentokil Initial plc  
22 February 2018



**Daragh Fagan**  
Director  
Rentokil Initial UK Limited  
22 February 2018