

## CORPORATE RESPONSIBILITY

Over the last three years, our approach to corporate responsibility has developed alongside our continuous process of business improvement. We have seen improvements in central activities such as our governance processes and our procurement and health and safety management as well as business-based activities – developing colleague engagement, enhancing employees’ skills, understanding customers’ expectations and improving environmental management. They represent a global commitment aligned with local progress.

Significant progress was made in 2007. Our corporate responsibility performance indicators are shown below:

KPI	2007	2006	Change
CO <sub>2</sub> emissions (kilogrammes per employee)	<b>3,274</b>	3,870	15.5% improvement
Water consumption (litres used per kilogramme of textiles washed)	<b>14.40</b>	14.91	3.4% improvement
Work-related accidents – like-for-like basis (UK RIDDOR reporting)	<b>222</b>	244	9% improvement
Health & Safety scorecard management system (% business units populating this system)	<b>76%</b>	Not launched	Not applicable
Total colleague engagement score (surveyed across Rentokil and Ambius)	<b>72</b>	68	6% improvement

Details can be found in the full Corporate Responsibility Review 2007, which can be accessed via [www.rentokil-initial.com](http://www.rentokil-initial.com). Following are highlights from each key reporting area.

### OUR MANAGEMENT APPROACH

Our Company Executive Board reviews all aspects of corporate responsibility. This year, we have articulated

our new vision and values statement, updated our code of ethics (and published a statement of principles), and reviewed our competition/antitrust law training, (supported by an online training programme – completed by over 1,000 managers and sales staff to date).

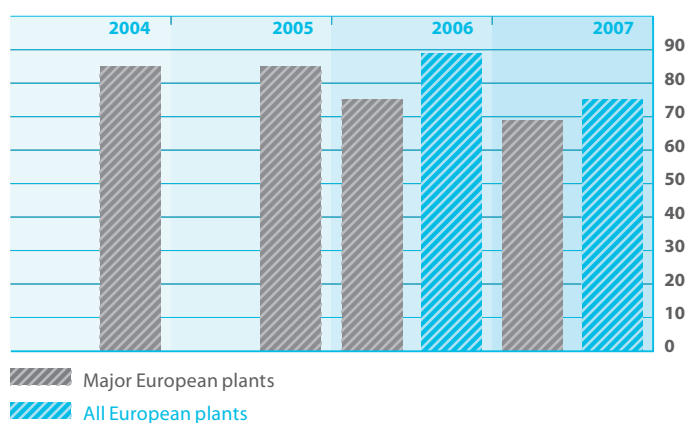
### ENVIRONMENT

This year, improvements in a number of areas have resulted in both cost efficiencies and environmental improvements. We invested in new textiles and washroom services processing facilities and introduced a new and more efficient HGV fleet in City Link (supported by introducing Driver Assessors, helping HGV drivers to drive more economically).

Our total CO<sub>2</sub> emissions in 2007 were 258 million kilogrammes (271 million kilogrammes in 2006), equivalent to 3,274 kilogrammes for each employee (3,870 kilogrammes in 2006). This represents a 15.5% improvement (year-on-year).

We have also improved the accuracy of our reporting. 91.5% of data is based on actual figures (2006: 83%). 29% of our CO<sub>2</sub> emissions came from textiles processing plants, where there have been significant process improvements since 2004 (reducing both CO<sub>2</sub> and water consumption) as shown below:

### CARBON DIOXIDE EMISSIONS – MILLIONS KG EUROPEAN LAUNDRY PLANTS

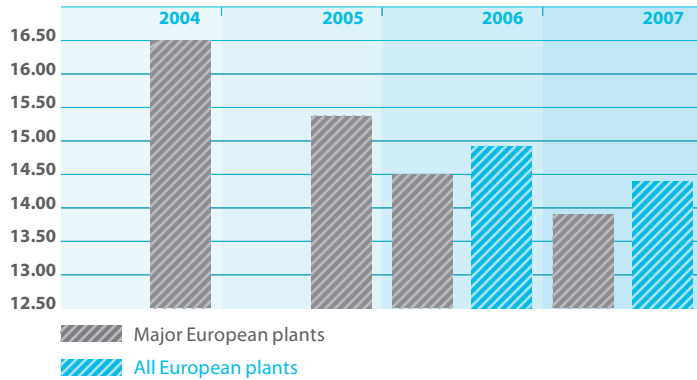




### PUTTING VALUES INTO ACTION

Our UK shared service centre in Dudley (West Midlands) opened in 2007. It provides customer, financial and human resources services for our UK operating businesses. From the outset, the management has explained our company's values to the centre's employees (visit [www.rentokil-initial.com](http://www.rentokil-initial.com) for more information), and demonstrated how they are expected to deliver them to customers. As part of its role, the centre provides support for customers with improved IT systems linked to improved management processes, covering customer billing and tracking of customer complaints. These improved processes means that better measurement can be achieved which leads to improved practices and customer satisfaction.

**WATER CONSUMED - LITRES PER KILOGRAMME OF TEXTILES WASHED – EUROPEAN PLANTS**



Also, our businesses have focused on delivering technical advances that improved product stewardship and provided environmentally friendly services to customers.

In Pest Control, we established a global technical services team, covering four key areas – fumigation, termites, authorised product list and technical competence. Benefits include an authorised product list ensuring best technical practice and fumigation based on risk hierarchy (minimising risks of use of toxic substances). As part of the approach to improve the quality of our technical services, we are the only service provider to have successfully registered carbon dioxide under the Biocidal Products Directive, due for mandatory application in 2010.

To help customers to adopt more environmentally friendly practices, we have launched a new service through Enviro-Fresh which can significantly reduce urinal water usage. Rentokil has been appointed as one of the preferred suppliers to the 2008 Beijing Olympics – a key factor was our unique indoor fumigation technology, using chemicals with extremely low toxicity. In Hong Kong we are working with the Government to enhance public health, involving the recruitment and training of 1,200 people as pest controllers. Supporting Initial Facilities Services’ customers to reduce waste generation, we have introduced Ecologic – enabling customers to undertake waste audit, waste planning, tracking and reporting.

**PEOPLE**

Our focus on our people activities is in two areas – improving the quality of engagement and developing their skills.

**COLLEAGUE ENGAGEMENT**

In late 2006, Rentokil and Ambius businesses undertook “Your Voice Counts” – a colleague engagement survey. Repeated in 2007, it was communicated in 16 different languages, reaching over 8,000 people and achieving responses of 93%. Significantly improved results were achieved – overall colleague engagement score improved by 6%. Similar surveys have been undertaken in 2007 in Initial Textiles in France and City Link, where a high percentage of employees regard themselves as a “supporter of change” at a time of considerable change.

**DEVELOPING EMPLOYEES’ SKILLS**

The Talent Development programme, introduced in 2006, focusing on leadership development, is being rolled out across individual businesses appropriate to their needs. In City Link, this includes cultural change training, reflecting its intent to be employer of choice in its sector.

Initiated in 2004, Initial Facilities Services’ national contract with the Learning and Skills Council covers cleaning staff in the UK and employees in Initial Catering Services and Initial Hospital Services. In 2007, over 650 people in these companies were working towards NVQ or Skills for Life training qualifications. Initial Facilities Services is also participating in the Asset Skills’ Women and Work initiative, supporting a total of 150 supervisors to improve their literacy or numeracy skills. In addition, Ambius is introducing its “Ambius University” to deliver high quality training in multiple languages.

The business was one of the first companies to sign up to the UK Government’s Skills Pledge.

## CUSTOMERS

Our individual businesses are provided with guidance to make sure they have a thorough and practical understanding of our policies on ethical business behaviour towards both customers and suppliers.

Extensive use is made of customer surveys to monitor and enhance customer relationships. The Initial Textiles and Washrooms division undertook its first pan-European customer survey in 2007, building on its French business's experience of undertaking surveys for 20 years. Some 31,000 customers in 16 countries were contacted to participate in the survey. Overall, customer satisfaction was well above 7 (on a scale from 1 to 10).

In early 2007, the rebranding of the plant rental business to Ambius was based on customer outputs from workshops, identifying opportunities for service enhancements, service proposition and naming. These inputs built upon the longstanding customer survey experience in Ambius's North America operation (its most recent survey was of nearly 6,000 customers) whose results became part of its continuous improvement programme.

In 2007, we opened our new multi-million pound UK Shared Services centre, offering improved management processes, such as customer billing and tracking of customer complaints. These processes included improved customer service delivery measurements.

Focus on customer service can require restructuring of service delivery teams. This was the case with our UK Pest Control business, which launched a dedicated 'High Dependency' technician team focused on the needs of specialist sectors, such as food and pharmaceutical companies. Similarly demanding customer hygiene requirements led Initial Textiles in France to achieve certification of its operations to RABC (Risk Analysis for Bio Contamination) standards – the first and only textiles organisation in France to be certified to RABC standards.

A key element of customer service includes high quality customer communications, including online. Today, we have 75 new websites in local languages supporting our customers.

## SUPPLY CHAIN

In 2007, we refined our procurement approach to offer greater structure and co-ordination of purchasing across the group. This builds upon best practice approaches such as those of Initial Textiles in France, which has a supplier contract that requires its suppliers to meet ethical, environmental and labour standards, and uses WethicA (World Ethical Audits) supplier assessments and requires its suppliers to provide OEKOTEX certification, providing traceability for textile products. The business was the first French textiles services company to be certificated as a member of "Fibre Citoyenne" – "Fibre Citizen" – encouraging sustainable development practices in the textiles industry.

The principles behind our new procurement approach are a global approach, implemented locally with consistent quality and governance, as well as a global sourcing capability in Asia Pacific. The benefits of the approach will be both cost effective purchasing and a better governance and procedures framework.

## HEALTH AND SAFETY

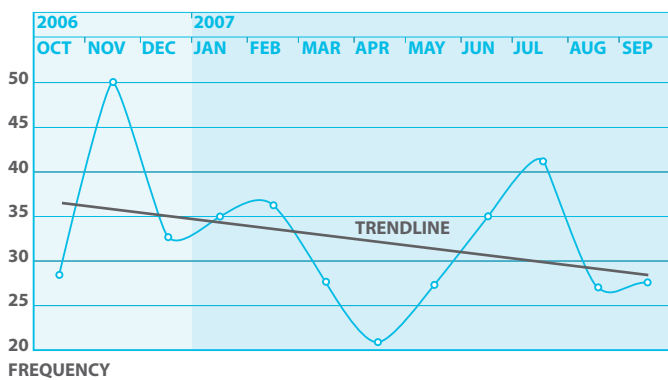
Health and safety is one of our highest priorities. All multi-national companies are challenged to ensure their legal responsibilities are addressed in a consistent and cost effective management approach.

To address this challenge, our new on-line business scorecard system was introduced to provide assurance about the effectiveness of our health and safety management, drive performance improvement and provide assurance to customers. In its first year, the scorecard was rolled out to 76% of companies in the group.

We need also to manage the results of accidents that occur. Within the UK, a new programme – Success is No Accident – was introduced which helps understanding of accidents and their causes, and ensures more effective referral for rehabilitation services. In 2007 this programme won the Rehabilitation Initiative of the Year – Employer Award.

The trend for the number of UK reportable incidents (RIDDOR) to improve continued with a 9% like-for-like reduction in incidents, and the RIDDOR trend remains positive, as shown below.

**RIDDOR REPORTABLE INCIDENT RENTOKIL INITIAL (UK) FOR 2006/2007**



Our UK companies continued to be successful in the Royal Society for the Prevention of Accidents (RoSPA) awards, with City Link gaining a total of seven RoSPA Gold Medals.

**COMMUNITIES**

Our community activities are led at a local level, and focus on activities which benefit their local community and meet their business needs and strategy.

Charitable cash donations amounted to £107,000 in 2007 (2006: £198,000), largely as a result of our matched giving scheme. Alongside these donations, we actively support bodies that aim to improve the quality of life in our society,

such as the Safer London Foundation. Our Hong Kong operation was awarded the “Caring Company Award” to recognise our contribution to Hong Kong communities. In Taiwan, where there had been an outbreak of Dengue Haemorrhagic Fever, our local pest control employees conducted free inspections and treatment for the control of mosquitoes in local schools.

Our most effective community initiatives tend to be those where employees are actively engaged in long-lasting programmes.

The Daintree Rainforest Rescue sponsorship programme in Queensland has been supported by our Australian business for several years. We participated in their “buy back and protect forever” with the purchase of a 17,500 square metre block of rainforest and provide support through a wide range of initiatives.

For three years, we have supported the Thusanang Development Centre in South Africa, through the donation of a 21-acre property to develop community projects. Its main beneficiaries are the squatters in the Olivienhoutbosch community. In recognition of our commitment to this project, the business was recently presented with a Merit Award Certificate for “Devoted and Unselfish Service above Self”. We also support The Zenzeleni Trust to provide support and benefit for HIV/AIDS infected or affected colleagues. The business and employees provide funding. Thirty-four volunteers have received training at HIV/AIDS workshops, to enable them to assist HIV/AIDS affected and infected colleagues including counselling.