

## Corporate responsibility

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During the past year we have focused on ensuring that our values are embedded worldwide. They have now been built into the performance development review programme and “Your Voice Counts”, the group’s colleague engagement survey. Embedding values is not an instantaneous process, but we are confident that it is well underway. Seventy-nine per cent of colleagues who responded said they had a “good understanding of our values” in the colleague survey undertaken in September 2009.

This is important because the company’s strategic plan is based on the “colleagues-customers-shareholders” value equation. By mobilising colleagues behind the core “service, relationships, teamwork” ethos we will enhance performance for the benefit of all stakeholders and ensure we work together more effectively and responsibly.

### Governance

The chief executive is the board director responsible for corporate social responsibility matters, which are reviewed at least once a year; executive authority lies with the Company Executive Board.

A major overhaul of corporate responsibility related policies was undertaken in 2009 and new policies, including a new Code of Conduct, are available on [www.rentokil-initial.com](http://www.rentokil-initial.com). In addition, training continued of managers and sales specialists in respect of competition/antitrust law. To date, almost 3,000 employees have completed this training which is now part of induction programmes.

In 2009 Rentokil Initial continued to be placed in Business in the Community’s “100 Companies that Count” corporate responsibility index and within the Dow Jones Sustainability Index. Its Carbon Disclosure Project submission also achieved an above sector average performance.

Key non-financial performance indicators reviewed by the board are as follows:

Key Performance Indicators	2009	2008
CO <sub>2</sub> emissions tonnes <sup>(i)</sup>	<b>293,574</b>	323,330
Emissions in tonnes per £m turnover on a total company basis	<b>116.04</b>	134.16
Water consumption units <sup>(ii)</sup>	<b>12.37</b>	14.02
Colleague engagement score	<b>71%</b>	n/a
Sales colleague retention	<b>63.5%</b>	54.6%
Service colleague retention	<b>74.4%</b>	74.2%
Lost Time Accident Rate (LTAR) <sup>(iii)</sup>	<b>1.53</b>	1.8

(i) Total CO<sub>2</sub> emissions reported on a total company basis.

(ii) Water consumed – litres per kilogramme of textiles processed in continental European plants.

(iii) LTA equals accidents per 100,000 hours worked. LTAR equals six-monthly moving average for LTAs.

### Workplace

In 2009 we continued implementing the group’s “OneHR” strategy to deliver greater consistency of approach, systems and sharing best practice across the group.

### Colleague engagement

In 2009, for the first time, the group undertook the colleague engagement survey “Your Voice Counts” across every division and country in which it operates. Over 30,000 colleagues responded – a 63% response rate. The overall colleague engagement score for the group of 71% puts Rentokil Initial on par with the respected General Industry Norm of Hay Group (the independent company which delivered the confidential survey). Action plans, flowing from this survey, are now in place across the group. Our colleague enablement score of 68% is 1% above the General Industry Norm and on par with the Hay’s High Performance Companies’ Norm. In the survey colleagues were asked to respond to a standard 30 questions or statements. The table below shows the survey results on issues relating particularly to corporate responsibility matters.

Question	% Favourable	% Neutral	% Unfavourable
I feel proud to work for the company	74	20	6
The company is customer focused	74	17	9
Finding better ways to meet customer needs is a high priority	78	16	6
Company places high priority on health and safety	75	15	10
Colleagues know what is expected of them	89	8	3
Poor performance is not accepted	74	17	9
Colleagues are treated with respect	72	16	12

The survey also showed a number of specific areas for improvement. These included; developing a breadth of “management styles” i.e. feedback, coaching, appropriate empowerment; greater focus on learning and development; and overall engagement levels in City Link and group functional roles.

### Skills development

The company’s commitment to skills development enhances the capability of colleagues and supports the delivery of customer service. For example, Initial Facilities Services’ (IFS) programmes deliver accredited training for its employees as part of Train to Gain across a wide range of training requirements. These include numeracy and literacy skills, customer service and administration as well as developing English language skills for Speakers of Other Languages (ESOL). These programmes are assessed by Ofsted, the UK’s education regulator. Its 2009 report said that the overall effectiveness of the provision is satisfactory, with key strengths being good development of work skills and personal effectiveness. The business has established a Learning Champions network, which focuses on building awareness and understanding of the business’s commitment to the UK government’s Skills Pledge initiative launched in 2008.

In 2009 IFS’s Learning and Development team delivered 4,661 days of training across the businesses, an increase of 55% on the previous year. Under the Train to Gain initiative, 419 employees achieved a National Vocational Qualification, an increase of 25% on the previous year.

The team has also been working with Asset Skills, the Sector Skills Council for facilities management, housing, property, planning, cleaning and parking. In 2009, one of Asset Skills’ projects was the Women and Work project, an initiative to help women across nine sectors secure better training to fulfil their potential. Over a two-year period this scheme aims to give up to 10,000 women across the sector the chance to train for a new job or progress within their company into higher-skilled, better paid jobs. IFS participated in this matched funding project to provide women in the business with

further development opportunities. This gave more women access to courses, for example its First Line Manager course, in order to develop the individual for potential promotion in the future.

Other businesses have also developed formal skills development frameworks. Rentokil has introduced its own Academy – a virtually based programme underpinning the business’s “Experts in Pest Control” positioning. Ambius has established its Ambius University, which has developed six major programmes, with training communications in nine languages.

### Health and safety

The company’s health and safety approach focuses on colleagues, customers and those individuals who may be affected by the company’s operational activities. During 2009 there were nine major incidents reported and, for the first time in several years, we have to regrettably report fatalities – two colleagues and one member of the public – for which we have conducted full investigations.

The company’s approach to health and safety is backed by internal health and safety management requirements, based around OHSAS 18001. The company also developed and communicated a new health and safety policy statement during the year. In common with the group’s drive to use a more standard approach to business processes, the group is developing measurable approaches to critical elements of workplace health and safety, such as over working at height and conducting risk assessments.

Health and safety is a regular item on the company’s board agenda. Businesses report to the main board on their lost time accident rate (LTA) against individual targets. LTA performance improved significantly in 2009 with European Textiles and Washrooms, Rentokil, Initial Facilities Services, Asia and the group all exceeding their 2009 LTA rate targets. The company also measures Working Days Lost Rate, a measure of severity. Our performance against these KPIs is shown below.

Health and Safety: Key Performance Indicators	2009 Performance Improvement ▲ Deterioration ▼	2009 Target √ – achieved x – not achieved	2008 performance
Number of Lost Time Accidents (injuries and illnesses)/100,000 hours worked	1.53▲	1.60√	1.82
Working Days Lost because of Lost Time Accidents/100,000 hours worked	39.68▼	n/a	39.26

The company has identified the 21 priority businesses that accounted for approximately 75% of the total lost time accidents and working days lost across the group in 2008. These businesses have been included in the group and divisional health and safety plans and were targeted for improvements in 2009. As a result, LTA performance improved significantly in 2009 in the majority of the priority businesses with 17 of the 21 businesses achieving their 2009 LTA rate targets.

An alternative perspective is provided by the external health and safety awards gained in this area. Rentokil won the UK’s Royal Society for the Prevention of Accidents “RoSPA” Gold Award. City Link (two awards), Rentokil Specialist Hygiene and Initial Facilities Services were also RoSPA Gold Award winners.

In addition the “Success Is No Accident” programme, which originated in the UK, is now being rolled out in key overseas territories. In the UK it significantly improved the effectiveness of the accident reporting processes and led to significant reductions

in reportable accident rates. The programme provides an early reporting and management action process together with colleague rehabilitation programmes.

### Environment

In 2009 Rentokil Initial improved on its environmental performance showing reductions in water usage and CO<sub>2</sub> emissions. The company has improved its performance every year for the last six years.

As most service delivery takes place on customers’ premises our overall property environmental impact is relatively limited. Nevertheless, we are active in areas of significant potential environmental impact such as energy and water in washroom processing plants; energy consumed by vehicles; and chemicals used in our services.

In compiling this year’s environmental data the company has continued its use of an information system linked to its accounting system. This has continued the improvement of the quality of collection of energy usage data across the group. In 2009 the commitment to providing this data has increased significantly, and our total emissions data is based upon operations representing almost 100% of the company’s operations.

In addition, for this year, we have modified the normalised reporting of CO<sub>2</sub> emissions. Previously this was based on kilograms per employee. This has been changed to tonnes per £million of turnover, so that it is in line with the proposed Carbon Reduction Commitment Energy Efficiency Scheme that is being introduced by the UK government from April 2010, and with the normalised measures used in the Carbon Disclosure Project.

In addition we have updated our emissions conversion factors, in line with the latest guidance from DEFRA which includes all forms of greenhouse gases in the factor (previously only CO<sub>2</sub> in its own right was included). This has resulted in revised figures for 2008.

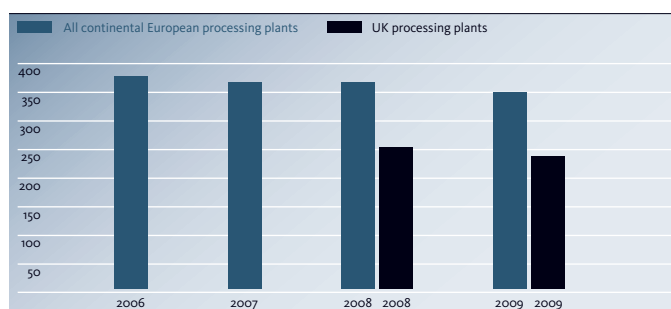
### Greenhouse gas emissions

In 2009 Rentokil Initial’s total CO<sub>2</sub> emissions were 293,574 tonnes compared with 323,330 tonnes in 2008, reported on a total company basis. In the previous years, the data had not covered 100% of the operations – for example, the 2007 data had covered about 82% of operations.

In 2009 Rentokil Initial decreased its emissions per £million turnover from 134.16 tonnes in 2008 to 116.04 tonnes in 2009 – an improvement of 13.5% year-on-year.

Our textiles laundry plants are responsible for 65% of the company’s CO<sub>2</sub> property and process emissions (2008 – 63%).

### UK and continental European processing plants

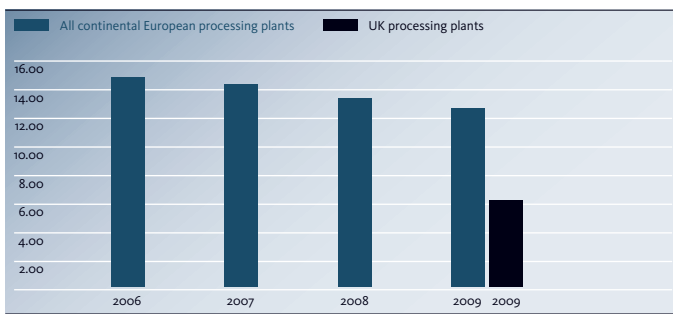


## Water consumption

Our main source of water consumption arises in our European textiles laundry businesses. In 2009 the water consumption, based on kilogrammes of product processed in all the company's continental European processing plants, fell by 5.9% to 12.93 litres (2008 – 13.74 litres).

The company has also introduced new processing plants into the UK Washrooms business for roller towels and mats which operates at a far higher level of efficiency for water consumption. In 2009, its first full year of operation, its performance indicator of tonnes per kilogramme of laundry washed was 6.32.

### Water consumed: litres per kilogramme of textiles processed in continental European and UK processing plants



## Reducing waste

Many of our businesses have proactive waste management procedures – both for themselves and for their customers. At an individual business level, there are several examples of our businesses taking initiatives that directly related to their operational environments.

The result of these initiatives has been a significant increase in the focus on waste recycling. Out of a total of 1,810 tonnes of waste generated by City Link in 2009, 17% was recycled, with the remainder being sent to landfill. This level is being steadily improved upon. Rentokil Pest Control in the UK generated 412 tonnes of waste, of which 32% was recycled, and Initial Facilities Services' waste recovery services on behalf of its client, Aviva, resulted in a recycling rate of 74% based on waste generated of 4,904 tonnes.

In 2009 the company launched “Be a Hero Waste Zero” across the group to promote good practice, including posters, stickers, leaflets, newsletters and a website to provide ideas for waste reduction and recycling.

On a larger scale, a ground-breaking waste picking facility, believed to be one of only two in operation in the UK, was introduced at Nissan's plant in Sunderland by Initial Industrial Services. Annual recyclable materials has increased by 30% and reduced waste disposal cost by £70,000 per year.

## Marketplace

Improving customer service remains a significant priority. In addition to other customer service measures the Net Promoter Score system was rolled out as a group measure of customer satisfaction across all divisions during 2009.

Direction and management of our marketplace activity is determined by individual businesses. Rentokil's and Initial Facilities Services' quality management systems are certified to ISO 9001.

Eden Services – one of the UK's largest school catering providers – working in partnership with Croydon Council, received the Food for Life catering mark for 96 primary and special schools within the Croydon area. More recently the catering business has received the Red Tractor award for local sustainable ingredient sourcing.

Future regulatory developments that may affect our services for customers are monitored by the company. One example relevant to Rentokil is the EU Biocidal Products Directive. In 2009 the company was the first in Europe to achieve a product registration under the Directive for its RADAR mouse control unit (which stands for Rodent Activated Detection and Riddance), after five years of effort. This ensures that across the EU customers can continue to have an effective regulated product to tackle rodent infestations.

## Product stewardship

Much of our work in this area is undertaken by Rentokil, developing new products to minimise potential impacts, such as the mouse monitoring unit, which helps reduce the amounts of pesticide to be applied. Similarly it undertakes comparative product evaluation, such as on fly killers which are tested against competitors' products to ensure they are maximising their effectiveness for customers.

Public health is an important customer issue for Rentokil around the world. Its contract to improve public health in Libya through control of the rat population involved placing 150,000 rodenticide bait boxes in three cities. To help further improve Libyan public health, the business has been working with national and local government to address key public health issues, as well as supporting a public awareness campaign. The local team also responded within hours to support the local population in Tobruk when an outbreak of bubonic plague, carried by rodents and insects, had been identified.

## Supply chain

Our procurement policies are developed at a divisional and local level. Where supply categories represent a high risk we adopt more stringent approaches to address key issues.

For instance, textiles purchased for our laundry business often emanate from “at risk” countries principally in Asia. The procurement department in our textile business in France and elsewhere in Europe ensure that their suppliers meet stringent ethical, environmental and labour standards. Procurement in European Textiles is an area of significant focus for the company in 2010.

The company also recognises that fragrances used in air fresheners and odour control can require close scrutiny. Suppliers are required to adhere to guidelines that were developed in conjunction with the company's toxicological consultants, specifying constituents for use in areas of short-term exposure and for those for continual or long-term exposure.

## Community

Rentokil Initial's community engagement consists of three separate approaches: charitable cash donations (often linked to employees' initiatives); community support; and community investment. Community support and investment is locally rather than centrally driven. Charitable cash donations amounted to £150,000 (£142,000 in 2008). This excludes value in kind donations or management time. A full breakdown of community initiatives can be found in the corporate responsibility report 2009.