

## Modern Slavery Statement 2019

### Introduction

This is the fourth statement on Modern Slavery made by Rentokil Initial plc and its subsidiaries (the Company) describing the work that has been done during the financial year ended 31 December 2019 to minimise the risk of enforced labour and human trafficking occurring in any of our global businesses or supply chains. The statement is made in accordance with the UK Modern Slavery Act 2015.

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 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 resolve any aspects of non-compliance.

### Our Business

Rentokil Initial plc is a global leader in the provision

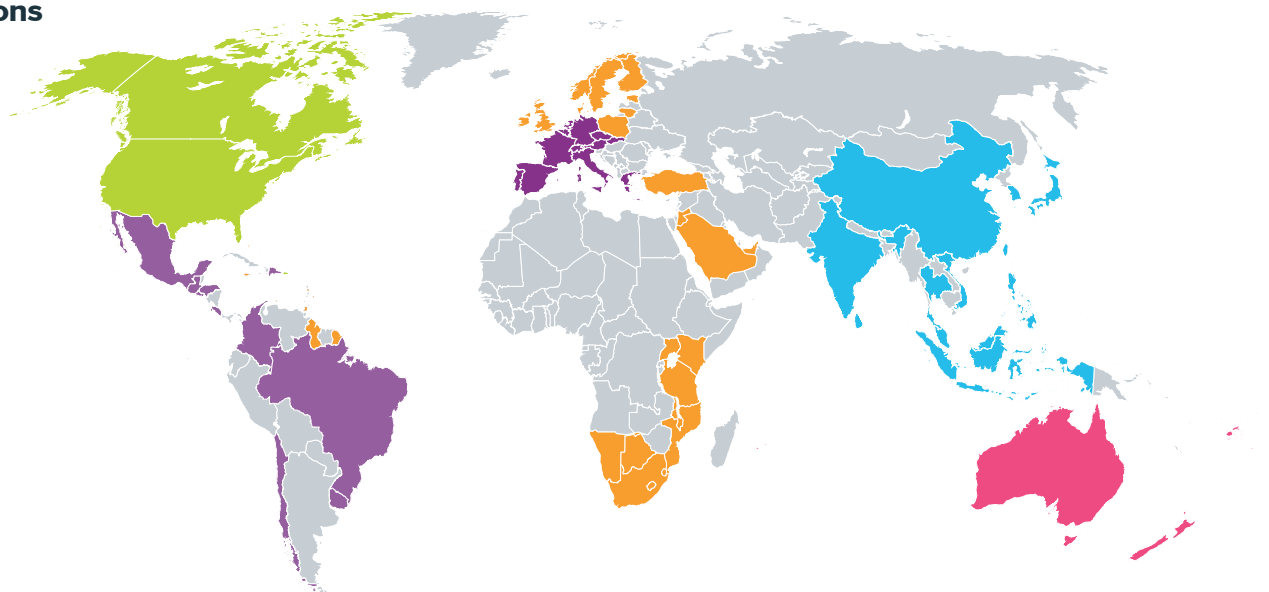
of route-based services which protect people and enhance lives. Throughout the world, demand for higher standards of public health, stricter food safety legislation and compliance with workplace regulations are driving demand for our service expertise.

The Company operates in 81 countries, including a number of emerging markets and countries that we have entered in recent years through acquisition, such as Uruguay, Jordan and Sri Lanka, with 42,933 colleagues employed at the end of 2019 (2018:39,480).

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


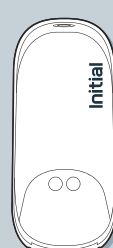

- five geographic regions – all operating on a low cost, single country operating structure; and
- three categories of business: Pest Control, Hygiene and Protect & Enhance (which includes the global Ambius business, France Workwear and UK Property Care in the UK).

### Regions



NORTH AMERICA	EUROPE	UK & REST OF THE WORLD	ASIA	PACIFIC
<b>Main business lines:</b> Pest Control services and products, and Plants (Ambius).  8,624 colleagues	<b>Main business lines:</b> Pest Control, Hygiene and Workwear (France); plus Plants and Dental services.  6,846 colleagues in Europe, 1,857 in Latin America.	<b>Main business lines:</b> Pest Control and Hygiene; plus Plants, Property Care, Specialist Hygiene and Dental services.  7,770 colleagues.	<b>Main business lines:</b> Pest Control and Hygiene.  15,624 colleagues.	<b>Main business lines:</b> Pest Control, Hygiene and Plants (Ambius).  2,212 colleagues

### Businesses

Rentokil Pest Control	Initial Hygiene	Protect & Enhance
<p>Global leader in commercial pest control services.</p> <p><b>Operates in</b></p>  <p><b>80 markets</b></p> <p><b>(No1. in 55)</b> with leading positions in the UK, Europe, Asia, Pacific and South Africa</p> <p><b>(top 3 in 70+ markets).</b></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><b>Market leader in</b></p> <p><b>22 of the 46 markets</b></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><b>Property Care</b></p> <p><b>UK market leader in the provision of woodworm, damp proofing and dry rot services.</b></p>  <p>Also includes Dental Services (Europe).</p>

### Customers

Our customers range from large multinational organisations such as global food producers to hotel chains, industrial goods businesses and restaurants, through to national and local businesses, and residential customers. c.80% of customers are commercial.

### Company risk assessment

The majority of the revenue earned by our business is through route-based service activities carried out by full-time employees of the Company and therefore under our direct control. We mandate the highest employment standards in all countries of operation, as outlined in the Code of Conduct described below. The products used in the performance of these services are an essential but minor component of the operation, making up between 5% and 15% of the service cost, depending on the business category. Nevertheless, these products are sourced through our own dedicated supply chain from suppliers who are robustly audited before being commissioned, and regularly thereafter on a risk-based frequency.

The Company's Group Risk Committee have concluded that the risk of modern slavery occurring in our immediate lines-of-business is low, but that we cannot be complacent. There is always a risk of modern slavery occurring in areas of our operation where we have less visibility of our second-tier suppliers and their standards and values. Examples of these areas include short-term employment of casual labour, second- and third-tier suppliers of components to our main suppliers, and support services such as cleaning and security.

### 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 2019, 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 90% (one percentage point above the global 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.

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 Code; and
- f) Supplier Management Standard.

All of these are available on our website at [rentokil-initial.com/responsible-delivery/policies](https://rentokil-initial.com/responsible-delivery/policies).

During 2019, over 16,000 Core Corporate Compliance training courses were completed by colleagues on the U+ online system.

Compliance to the specific policies listed above, as well as to the Code of Conduct, is checked and validated each year through a Letter of Assurance process, which is cascaded down through the Company from the Chief Executive. All senior managers are required to sign a letter 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 is not complying to the Code. Details must be provided of any areas of non-compliance or uncertainty. The Audit Committee reviews the Letter of Assurance process and outcome.

### 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, Supplier Code and Human Rights Policy.

Employees or third parties are able to 'Speak Up' by using a dedicated phone line or email address 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 on 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 Company's Audit Committee.

The effectiveness of the Speak-Up process is validated during our 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 2019

The Audit Committee also receives a regular report of matters reported via Speak Up, our internal whistleblowing process. The number of Speak Ups in 2019 was 65. This is an increase on previous years, but the nature of the matters reported indicates that this increase is likely to be the result of better awareness of the Speak Up facility rather than a worsening of the internal control environment. The majority of Speak Ups relate to routine employee and employment matters.

### Modern Slavery Awareness training during 2019

The following training was carried out in 2019 across the Group:

1. The on-line training module for Modern Slavery Awareness that had been launched in 2018 by the U+ Training Academy was rolled out across the Company. An additional 1,947 colleagues have undertaken the on-line course in 2019, of whom 87% passed the assessment test at the end of the module.
2. Procurement Managers from all major markets received refresher training on the key aspects of modern slavery during the Global Procurement Conference in March 2019 as part of the introduction of the Supplier Code.
3. Participation by the Global Product Quality Manager in the Ethical Trade and Human Rights Forum in 2019 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 consumable 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 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 in the UK. 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 mainly 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 locally in relatively small quantities and not considered further in this report.

An external Supplier Code has been developed to align the standards of suppliers with the internal Code of Conduct. The Supplier Code is available on our website in 13 languages ([rentokil-initial.com/responsible-delivery/ri-supplier-code-of-conduct](https://rentokil-initial.com/responsible-delivery/ri-supplier-code-of-conduct)) and outlines the standards and controls that are expected from all suppliers of goods and services to the global Group. All contracts and agreements for the supply of goods and services by both individuals and companies now include a clause requiring compliance with the Supplier Code in addition to the specific clauses that relate to bribery and corruption and modern slavery, and awareness of the code is checked during supplier audits.

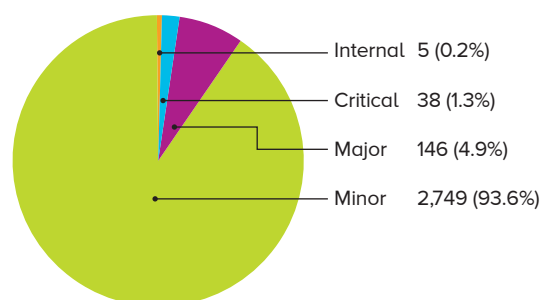
### Due diligence processes in relation to supplier management

In all sourcing decisions, compliance with Rentokil Initial standards for a responsible and sustainable business approach is used as a go/no-go gate rather than as a 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 a new or existing supplier, they are given the opportunity to address and resolve the issue, with our support where required. It is important that suppliers are made aware of the specific issue and the actions considered necessary to remedy the situation. Penalising the supplier directly by removing business, or not awarding a contract, is most likely to harm their employees who we are trying to help. Examples of corrective actions are included later in this statement.

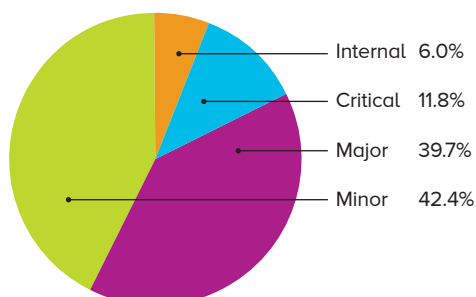
### Supplier risk assessment

External suppliers are classified as (a) **Critical Suppliers** (38 in 2019) 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 Suppliers** (146) with a significant proportion of spend in a single country (over £0.5m) or region and/or suppliers of generic products that can be substituted at short notice; and (c) **Minor Local Suppliers** (c.2,800) representing the majority of suppliers in number, but a lower proportion of the category spend.

#### Number of suppliers



#### Percentage spend



### Supplier classification in 2019

Critical Suppliers are audited on a prescribed frequency based on their performance trend and level of risk. The risk assessment considers manufacturing location, product criticality, supplier reliability, management capability and previous audit results, and varies from a one-year to four-year audit cycle.

Products manufactured in India, Malaysia and Indonesia are perceived to have a higher element of risk from a modern slavery perspective, and are therefore assigned a more frequent audit cycle. It is, however, never forgotten that there are risks of enforced labour and poor treatment of workers in every country. The level of risk in each country of manufacture is assessed against the percentage spend with suppliers in that country (see below).

Country of manufacture	Percentage spend	Risk of modern slavery*
USA	57.4%	Low
UK	13.7%	Low
France	10.2%	Low
Malaysia	3.8%	High
Netherlands	3.6%	Low
China	3.2%	Med
Italy	2.6%	Low
India	0.9%	High
Indonesia	0.9%	High
Poland	0.7%	Med
Australia	0.6%	Low
Singapore	0.5%	Med
Ireland	0.4%	Low
New Zealand	0.3%	Low
Czechia	0.2%	Med
Spain	0.2%	Low
Germany	0.2%	Low

\*Assessed using the Global Slavery Index 2018, based on estimated victims per 1,000 population.

### Assessment of risk against spend in country of manufacture

#### Supplier audits

Audits of all critical suppliers are conducted by a Product Quality Manager against the Rentokil Initial Supplier Management Standard (re-issued in 2019), which specifies the required standards of product quality, regulatory compliance, factory management and delivery performance as well as adherence to environmental, social and governance (ESG) standards. The audits start with two sections which focus on corporate social responsibility (CSR) and modern slavery, (a) within the factory concerned, and (b) through the supply chain into the factory.

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.

#### Supplier audits for pest control and hygiene products

Critical Suppliers are mostly medium-sized manufacturers producing bespoke equipment to internal specifications under the Initial and Rentokil brands. The manufacturers are based around the world as illustrated in the table on page 6, and subject to a high level of audit scrutiny. The majority of these supply products for Hygiene (17), nine are dedicated to Pest Control, and eight supply to both categories.

The table on page 6 details the audits carried out at Critical suppliers in recent years, and those planned for 2020. A total of 23 audits were carried out in 2019, of which 11 were Critical Suppliers. Note that "Other Supplier Audits" include potential new suppliers that do not meet the required standards.

In total, six major non-conformances were raised, covering design and capabilities prior to production, quality control, product testing, control of non conforming materials and Health and Safety. These have all now been resolved. Of the 52 minor observations raised during these audits, two were in section covering CSR - Internal Controls, and 12 in CSR - Through the Supply Chain. When addressing the companies highlighted with issues relating to responsible and sustainable business approach through the supply chain, firstly, the importance of checking all suppliers at all levels is stated, the current regulations and our questionnaire and approaches are shared. The suppliers are then monitored via a follow-up or second audit. The internal responsible business issues are addressed on a one by one basis.

Note: Major multinational companies who supply their own proprietary branded products for use within Rentokil Initial are assumed to be low-risk from a modern slavery perspective as they are major international companies with their own rigorous audit procedures. 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 with alternatives at short notice where

Audits of Critical Suppliers					
			Supplier audits		
Country of manufacture	Critical Suppliers	Risk of modern slavery*	2018	2019	2020 plan
UK	13	Low	6	5	8
Malaysia	2	High	1	0	2
France	1	Low	1	0	1
USA	2	Low	2	0	2
China	3	Med	2	0	2
Netherlands	4	Low	0	1	3
Spain	3	Low	1	2	0
Poland	2	Med	0	1	2
Belgium	1	Low	0	0	0
Germany	1	Low	0	0	1
Vietnam	1	High	0	0	0
Portugal	1	Low	0	0	0
Romania	1	Med	1	0	1
Slovakia	1	Med	1	1	0
Ireland	1	Low	0	1	0
Czechia	1	Med	1	0	0
<b>Total Critical Suppliers</b>	<b>38</b>	<b>Critical audited</b>	<b>16</b>	<b>11</b>	<b>22</b>
<b>Other supplier audits</b>			<b>16</b>	<b>12</b>	<b>TBC</b>
<b>Total audits</b>			<b>32</b>	<b>23</b>	<b>22+</b>

\*Assessed using the Global Slavery Index 2018, based on estimated victims per 1000 population.

required. They are audited if a potential issue is identified concerning responsible business standards, product quality, or security of supply.

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 responsible and sustainable business approach.

### Supplier audits for Protect & Enhance categories

#### a) Ambius

There are three critical suppliers in this category, one of which is a supplier of ambient scenting products in the US from a factory which has been frequently audited in recent years and represents a very low risk in modern slavery terms. Our supplier of plant pots in the US sources from their own factory in China. They were audited in 2019 and a number of improvements were requested which have now been implemented and the supplier has been retained on a one-year audit cycle.

The majority of the plants in the Ambius business are sourced from local growers and distributors. Our main supplier for UK and Europe Ambius has committed to having all of their growers certified under GlobalGAP (Good Agricultural Practices) scheme. This certification will resolve poor visibility of working practices in the high risk regions where specialist plants are sourced from Asia and Latin America.

#### b) Initial Workwear (France)

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 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. Cawe is also a member of the OBSAR (Responsible Buyers Observatory). We participate actively in a working group in charge to specify the ESG indicators, related to the workwear industry, for the buyers to put in the tenders. The goal of the group is to provide a clear tool capable of calculating the ESG impact of a workwear from the raw material till the recycling process.



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

An area of procurement that remains a high risk is the purchase of flat linen (eg. tablecloths) from suppliers in Pakistan, Bangladesh and India for hotels and restaurants in France. Following various divestments, this now represents less than 3% of the direct spend of the France Workwear business, and 0.25% of total direct spend of the Group. We only work with suppliers who have global responsible business accreditations such as the Business Social Compliance Initiative (BSCI) and/or have been audited and passed by WethicA.

### Areas of non-compliance and corrective actions in 2019

Following the two areas of non-compliance in Malaysia and China that were uncovered in 2018 during audits and successfully resolved, as reported in last year's statement, there were two further issues discovered in 2019:

1. An important supplier of aerosols to the Asian market had been withholding the passports of their migrant workers. This was picked up by our Regional Product Quality Manager in Singapore during an audit of their factory site. Following extensive discussions to help them understand the issue and its importance to Rentokil Initial, they have now returned the passports, with great fanfare and publicity on their website.
2. An audit of a supplier of plant pots for our Ambius business revealed poor working conditions, with a number of non-compliances including: not all staff were aware of the unions and their function, limited first aid facilities, limited checks on suppliers with

respect to our responsible and sustainable business approach, all of the staff were not covered by social insurance and there were concerns raised on the amount of overtime being worked. A follow up meeting was held to close out most of the issues with a meeting arranged for March 2020 to address the outstanding issues including the review of contract and further improvement to the current staffing facilities.

These findings and the actions taken to resolve them are shared with other suppliers in the region 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, and have identified the following as key actions for 2020:

- Further investigation into suppliers of services in the high-risk indirect procurement categories such as cleaning, haulage and security to ensure compliance.
- In-depth discussion focussed on the high-risk manufacturing countries with Procurement Managers at the 2020 global conference. This will include providing training to suppliers on modern slavery in these high-risk countries using our in-house on-line training module.
- Further roll-out of the on-line training module across the Group to raise awareness of Modern Slavery, focussing on Europe and the US, where take-up has been lower than other regions.
- More involvement and collaboration with external agencies or NGOs to gain from their experiences, share our knowledge and possibly utilise their training packages to expand our influence.

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  
19 February 2020



**Daragh Fagan**  
Director  
Rentokil Initial UK Limited  
19 February 2020



**Daragh Fagan**  
Director  
Rentokil Initial 1927 plc  
19 February 2020