

Corporate Responsibility

Review 2007

- 03 Overview
- 05 Highlights
- 07 Approach
- 08 Our businesses
- 11 Environment
- 19 Workplace
- 27 Marketplace
- 35 Health & Safety
- 41 Community
- 46 Action planned for 2008
- 47 Commentary
- 48 Feedback
- 49 Index



We're committed

We recorded a number of environmental performance improvements, including reduced water usage.



Environment

We continued our long term commitment to enhance employee skills, and engaged over 8000 colleagues via our colleague surveys.



Workplace

We extended our range of customers' surveys, enhanced our customer communications and refreshed our global procurement approach.



Marketplace

We improved our health and safety reporting by introducing a new scorecard system. Our RIDDOR incidents fell by 9% on a like for like basis.



Health and safety

We continued to demonstrate a significant commitment to support our local communities, with significant involvement in South Africa, Taiwan and Australia.



Community

- 03 Overview
- 05 Highlights
- 07 Approach
- 08 Our businesses
- 11 Environment
- 19 Workplace
- 27 Marketplace
- 35 Health & Safety
- 41 Community
- 46 Action planned for 2008
- 47 Commentary
- 48 Feedback
- 49 Index

Welcome to our fifth Corporate Responsibility Review.

Rentokil Initial plc operates in 49 countries across the world's major economic zones and employs around 79,000 people. We're committed to acting responsibly and supporting our customers to enhance their own reputations for responsible behaviour.

Quick Links

- [Rentokil Initial Annual Report 2007](#)
- [Rentokil Initial Corporate Responsibility](#)
- [Rentokil.com](#)
- [Initial.com](#)
- [Ambius.com](#)
- [City-link.co.uk](#)

Overview



Rentokil Initial is on a journey of reinvention. Today, the company is based upon strong local management who are empowered to deliver what's right for customers in their own culture or market. Together, we continue to modernise the company, focus it on core abilities and strengthen each division in a manner that is compatible with its needs.

In 2007 there was further process change which will make us a more efficient organisation and more responsive to customers' needs; new and enhanced services were launched; and we begun operations in Brunei, the Baltic region and more recently in India. At the same time we continued to strengthen our existing businesses through acquisition, particularly in those markets that enjoy the highest growth potential, and sold the electronic security business in Europe and North America. The company is now moving forward but there is much more that we can achieve. In particular, the company is focused on strengthening customer service in City Link and restoring it to financial health.

In all our actions, we have acted responsibly towards our employees, customers and others with an interest in our business.

As you'll see throughout this Review, in 2007 we stepped up our corporate responsibility activities. We extended the measurement and range of actions to boost colleague engagement, enhanced health and safety measurement processes, and continued to demonstrate our commitment to enhance the skills of our employees.

The development of employee skills is a long term objective that is driven within each business to ensure that the training we provide matches the needs of our employees and is sufficiently flexible to quickly meet developing market needs. For example, in 2007, Initial Facilities Services launched the UK's only accredited training programme on 'the understanding and prevention of MRSA' to support our employees working in hospitals, while Skills for Life training programmes support those employees in need of numeracy and literacy skills with the

03 Overview

- 05 Highlights
- 07 Approach
- 08 Our businesses
- 11 Environment
- 19 Workplace
- 27 Marketplace
- 35 Health & Safety
- 41 Community
- 46 Action planned for 2008
- 47 Commentary
- 48 Feedback
- 49 Index

Overview continued

03 Overview

- 05 Highlights
- 07 Approach
- 08 Our businesses
- 11 Environment
- 19 Workplace
- 27 Marketplace
- 35 Health & Safety
- 41 Community
- 46 Action planned for 2008
- 47 Commentary
- 48 Feedback
- 49 Index

associated benefits at work and in their home life. We underlined our commitment to developing skills in 2007 when Initial Facilities Services, our largest employer, became one of the first companies to sign up to the UK Government's Skills Pledge.

Other notable achievements included:

- Rentokil becoming the first pest control company to register Carbon Dioxide under the EU's Biocidal Products directive – three years in advance of its mandatory implementation date.
- Introducing new processing facilities which will significantly enhance water and energy saving within European Textiles and UK Washrooms
- As a result of these and other initiatives, we reduced our CO₂ per employee by 15%

- Enabling our customers to be more sustainable and responsible in their own businesses – examples include Enviro-Fresh's water saving service and the Risk and Contamination Programme for hospital textile services in France.
- Refreshing our global procurement framework to enable us to address social and ethical issues within a cost effective procurement approach.
- Working with the Hong Kong Government to enhance public health by recruiting and training 1200 people to become pest controllers working across the region's network of streets.

Whilst these have represented some of our achievements, we have also had a less than satisfactory situation which was a decision by the French Competition Council that some activities within our textiles business in

France between 1997 and 2002 breached competition law. We have learned from this experience, introducing targeted training and communications in the area of competition law compliance to ensure that the required business behaviour is fully understood by all employees.

In 2007, for the third year running, we were amongst the leading 100 companies in the **Business in the Community** Corporate Responsibility Index. In addition, we're pleased to report that we continued to be ranked in the top ten companies out of the 70 worldwide companies included in the Support Services sector of the **Dow Jones Sustainability Index** – our overall score improved by almost 5% compared with 2006. More examples of independent recognition are featured in the Highlights section.



Throughout this Review, we describe new initiatives, as well as updates on existing ones. Corporate Responsibility activities continue to be of increasing importance to our management and employees, who are identifying new areas where they can develop initiatives that meet both our strategic objectives and our stakeholders' needs.

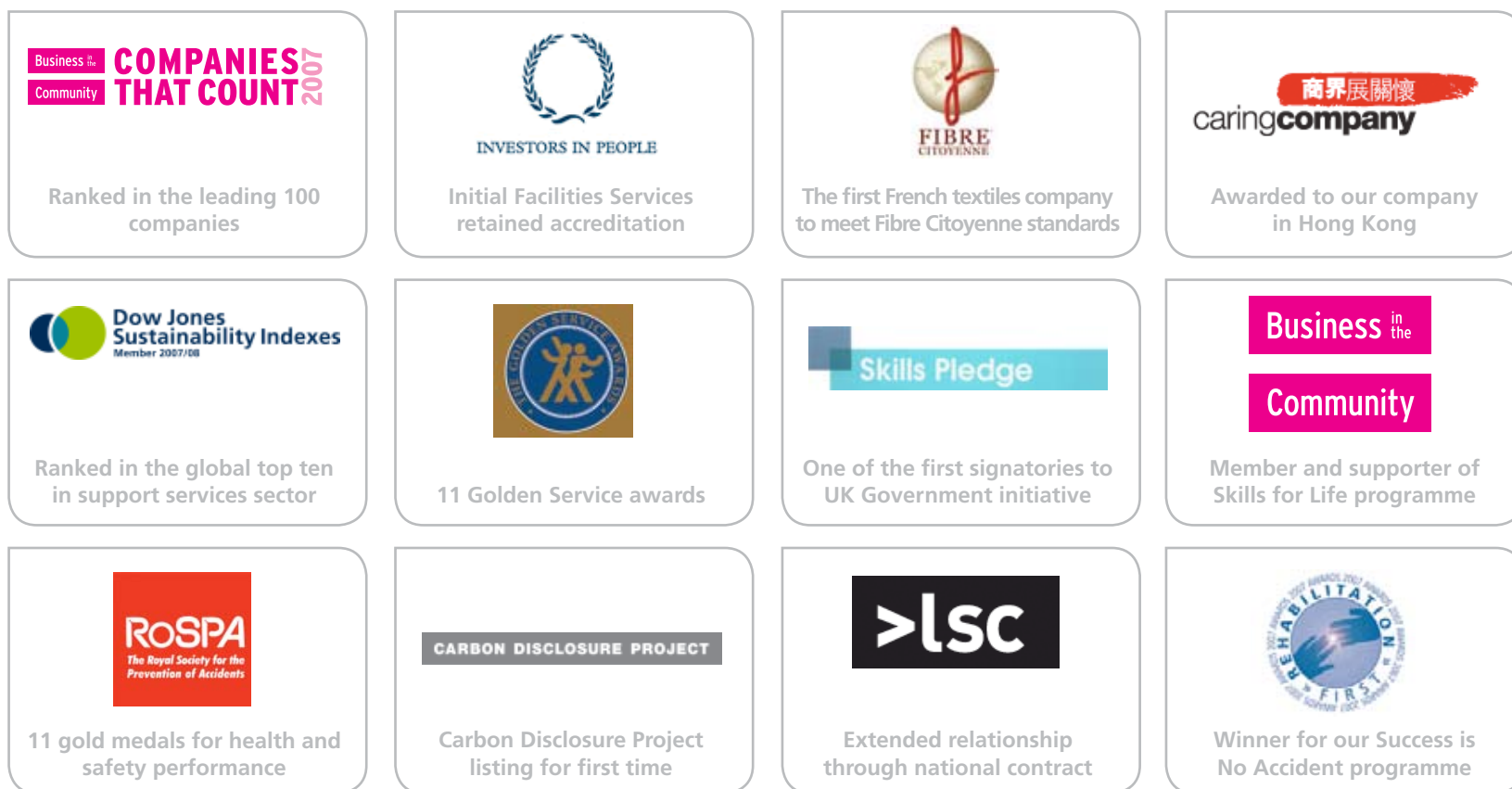
Finally, we believe that the integration of responsible business practices within an organisation has a positive impact on the bottom line – actions which enhance the environment or improve health and safety of employees, can also reduce cost. Therefore, by behaving responsibly we protect and improve our reputation and our brands, while reducing cost and risks for the benefit of all concerned. It has unmistakable logic. Everyone has a role to play and we want everyone to play their part. At Rentokil Initial, our global commitment is being translated into local progress.



Highlights

Third party recognition provides an objective view of the effectiveness of our corporate responsibility approach.

Taking part in award programmes and Corporate Responsibility indices gives us the opportunity to compare our activities against others. Below are some of the organisations that recognised our achievements.



Highlights continued

Key Performance Indicators			
KPI	2006	2007	Year On Year Change
CO ₂ Emissions	3,870	3274	15.5% Improvement
Water Consumption	14.91	14.40	3.4% Improvement
Work Related Accidents	244	222	9% Improvement
Scorecard Management System	Not Launched	76%	Not Applicable
Total Colleague Engagement Score	68	72	6% Improvement

Set out above are those performance indicators that we consider to be key, both in terms of the successful implementation of our business strategy, and in what our stakeholders expect of a business such as ours.

KPI Notes (for further explanations please go to the relevant section in this Review):

- CO₂ emissions – calculated as kilograms per employee
- Water consumption – calculated as litres used per kilogramme of textiles washed
- Work related accidents – based on UK Riddor reporting of all businesses except City Link, which had major acquisition activity of Target Express former City Link franchisees
- Health & safety scorecard management system – based on % business units populating this system
- Colleague engagement score based upon 8000 people surveyed across Rentokil pest control, Ambius, Specialist Hygiene, and some Support Services and central functions. Scores are calculated by Hayes Group based upon answers to 5 key questions within the annual survey.

Company Action List	
• CO ₂ emissions reduced	✓
• Water consumption down	✓
• First pest control company to register carbon dioxide under the EU's Biocidal Products directive – three years in advance of its mandatory implementation date.	✓
• Introducing a global procurement framework to address social and ethical issues within a cost effective procurement approach.	✓
• Reviewed our Code of Ethics	✓
• Delivered competition law compliance training for over 1000 managers worldwide	✓
• Provision by Initial Supplies of a waste electrical equipment recycling service to our UK companies	✓
• Improved product stewardship across Pest Control, covering four key areas – fumigation, termites, authorised product list and technical competence	✓
• Appointed one of the preferred suppliers for pest control and products to the 2008 Beijing Olympics and working with the Hong Kong Government to enhance public health across the region's network of streets.	✓
• Improved colleague engagement by 6%	✓
• Delivered Initial Textiles France's 20th annual customer survey	✓
• Reduced work related accidents in UK on a like for like basis	✓
• Introduced health and safety scorecard management system	✓

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

Approach

Rentokil Initial combines the strengths of a global organisation with the flexibility of local businesses, operating within a focused divisional structure.



Our approach towards corporate responsibility emphasises local action to match the needs of our individual businesses, while ensuring that we adhere to group-wide policies on health and safety, conduct, environment and product management.

Globally, our Chief Executive is the board director responsible for corporate responsibility including health and safety. The group board reviews at least annually our progress related to corporate responsibility matters. The Company Executive Board has executive authority for reviewing all aspects of corporate responsibility, implementing action in our divisions and reviewing performance.

Since 1999, a broad range of global policies have been in place, these have been updated at various times since and are available on our website www.rentokil-intial.com

They cover health and safety, environmental management, employee matters, relationships with customers and suppliers and involvement with communities.

In 2007, the company revised and updated its code of ethics and has published an updated statement of principles. To provide easy access to all company policies and procedures for employees, we developed an extensive online Company Library which is available to our employees via the company's intranet.

We also reviewed our training requirements in respect of competition/ antitrust law. To reinforce compliance with the law and that the required business behaviour is fully understood and actively embraced by all employees, we commissioned Integrity Interactive to produce an online training programme being taken by all our management

and sales staff. We see this programme as an important means of underlining a proper understanding of what is appropriate competitive behaviour in an increasingly regulated area.

To date, over 1000 managers and sales staff have completed interactive training and the senior managers have attended seminars to further explain the need for compliance with this important area of the law. New joiners and others who have yet to complete the course will receive training throughout 2008.

In 2007, we articulated our vision and values across all of our businesses.

Our corporate vision is to be:

- the 'brand of choice' in every market we serve;
- a trusted provider of services for business and residential customers; and
- a leading international business, providing excellent customer service.

Our values – people, passion, pace, performance and pride – reflect the way we want to work, and what our employees, customers and business partners can expect of us for more details see the section on our website: www.rentokil-initial.com

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

Our businesses

Rentokil Initial is one of the largest support services companies in the world. Its businesses operate in a wide range of markets including textiles and washroom services, pest control, interior landscaping, cleaning, facilities services and parcel delivery. It is a service organisation, predominantly in the business to business sector.

The company's services are available in 49 countries and it employs around 79,000 people. In 2007, annual turnover was £2.22 billion. The table below shows the constituent parts of the company's geographic spread, split by the turnover of continuing operations.

Geographic area – continuing operations	% of turnover	% of employees
UK	49	64
Continental Europe	35	21
North America	7	4
Asia Pacific	7	10
Other	2	1

More detailed information about the geographic spread of all the company's businesses can be found on the corporate website www.rentokil-initial.com

Under the corporate umbrella sit several brands representing consistent quality of service in specific market sectors. These include Rentokil (global), Initial (global), Pink (Australia), JC Ehrlich (USA), Presto-X (USA), City Link (UK), Calmic (Japan and Indonesia) and Ambius (global), which is the new brand name, launched in 2007, for our plants and interior landscaping business.

Over the past three years the Rentokil Initial group has been reorganised into a worldwide structure for each service segment (with the exception of Asia Pacific, which operates on a regional structure). During this period, our operational activity has been focused on ensuring the benefits of this service-based approach are realised.

This has included integrating the internal technical expertise into each division (previously a group function). Such change ensures that technical expertise as well as product and service development is better placed to respond to customer led or regulatory driven changes. Our approach ensures each brand operates to the highest international standards, with responsibility for each brand's relevant product stewardship, including labelling, instruction and information sheets, and technical advice to both customers and service technicians.








The following table shows the sizes in 2007 of these businesses in terms of revenues and numbers of employees:

	% of turnover	% of employees
Initial Textiles & Washrooms	27	12
Initial Facilities	26	57
City Link	19	10
Rentokil	14	7
Ambius	5	3
Rentokil Initial Asia Pacific	7	10
Other inc South Africa and Central	2	1

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

Our businesses continued

This page provides more detail on our businesses and their brands, describing the scope of the business, the products and services offered, the nature of their operations and their key corporate responsibility impacts for each sector.

 Initial	 Initial	 Initial	 Rentokil The experts in pest control	 ambius	 City Link	 Rentokil Initial Asia Pacific
Facilities services	Textiles services	Washroom and dust mat services	Pest Control, property care & specialist hygiene services	Interior plants services	Express parcel delivery services	Pest control, washrooms services, and other services
<p>This specialist facilities business is the UK's leading contract cleaning company, operating a wide range of facilities services to organisations of all sizes and in all business sectors. It delivers high quality services tailored to customer needs.</p> <p>Specialist businesses operate within the catering and hospital service areas.</p> <p>Dedicated teams operate on clients' premises, cleaning offices, shops, transport termini and schools on a regular basis. In addition, the business manages the procurement and delivery of integrated services.</p>	<p>It provides a total business solution including work wear, reception wear and other types of specialist garments (cold room, high visibility), and flat linen. The business offers a rental service and will collect, repair, clean and return each item in time for the start of business.</p> <p>It operates in 17 European countries including France, Germany, Netherlands, Belgium, Spain, Switzerland, Czech Republic and Austria.</p> <p>Its operations consist of laundries and distribution depots.</p>	<p>It provides a full suite of corporate washroom solutions such as auto-rolls, air fresheners, female hygiene services and 'no touch' hand dryers.</p> <p>Its operations consist of laundries for autorolls, the manufacture of washroom equipment (often electric), and mobile installers and service technicians</p> <p>Enviro-Fresh, a separate business unit, offers a specialist service to reduce water usage in men's urinals by up to 90%.</p>	<p>It provides effective and innovative pest control solutions including fumigation and rodenticides. Its customers are traditionally in the commercial and industrial sectors around the world, but increasingly include both residential and public sectors.</p> <p>Its operations include technical services, field biologists, entomologists and local service technicians.</p> <p>The Rentokil brand also operates Specialist Hygiene, Rentokil Property Care and Consumer Products divisions.</p>	<p>Ambius is the new brand name for our interior plants landscaping business.</p> <p>It operates in 15 countries providing plants to enhance business environments, either on a rental and maintenance or on a purchase and maintenance basis. They can range from a single plant or tree to displays for the largest atrium. Its customers include facilities managers, interior designers and architects.</p> <p>In addition, it provides ambient scenting, artwork, and has commenced the provision of fresh fruit for its customers' staff.</p> <p>Its operations include greenhouse facilities and mobile service technicians.</p>	<p>City Link operates in the UK and is one of the leading providers of express parcel delivery services.</p> <p>It offers an internet tracking system and integrated despatch process to provide customers with continuous information on delivery progress, delivering on average some 340,000 parcels per day. It offers a guaranteed time for deliveries and achieves reliability rates in excess of 98%.</p> <p>Its operations include parcel hubs, which are linked to local delivery depots, supported by a range of distribution vehicles.</p>	<p>This is our only business based on geography – enabling us to expand our services across this fast growing region.</p> <p>It operates in 16 countries and has recently opened operations in Brunei and India.</p> <p>It provides pest control, washroom, dust mat, electronic security, IT hygiene and tropical plant services. Its operations are structured in the same manner as for their peer service brands.</p>

Our businesses continued

Key corporate responsibility areas of potential impact

Our key potential corporate responsibility impacts are areas of management focus for each service offering.

We have split these potential impacts between those that affect all service offerings and those that are specific to the nature of certain service offerings.

Potential impacts – all services:

- **Resource management:** Waste products
- **People:** Health and safety – employees, customers and general public; Leadership development; Employee engagement because of mobile schedules; Technical skill development
- **Marketplace:** Customer service delivery
- **Community:** Employee volunteering

Potential impacts – specific services:

- **Resource management:**
 Water usage – Textile services; Washroom services; Interior plants, artwork and scents
 CO₂ – process derived – Textile services; Interior plants, artwork and scents
 CO₂ – vehicle derived – Textile services; Washroom services; Pest control, property care & specialist hygiene; Interior plants, artwork and scents; Express parcel delivery services
 Toxic materials – Textile services; Washroom services; Pest control, property care & specialist hygiene
- **Marketplace:**
 Responsible sourcing – Textile services; Washroom services; Pest control, property care & specialist hygiene; Interior plants

We're Committed

- 03 Overview
- 05 Highlights
- 07 Approach
- 08 Our businesses
- 11 Environment**
- 19 Workplace
- 27 Marketplace
- 35 Health and Safety
- 41 Community
- 46 Action planned for 2008
- 47 Commentary
- 48 Feedback
- 49 Index

Environment

In 2007, our companies recorded a number of improvements to their environmental performance. We reduced water usage and CO₂ emissions and put in place a range of local initiatives. These include new textiles & washroom services processing facilities in Belgium, France, the Netherlands and the UK which increase water recycling, and the new City Link HGV fleet which produces lower CO₂ emissions and operates more efficiently.

Environment

In our environmental management, we have been active in reducing CO₂ emissions, and water consumption. We have developed management initiatives to improve fuel efficiency and improve environmental management in our global pest control business. We have also helped our customers improve their own environmental footprint, through activities such as reducing water consumption and management of waste recycling.

While overall our environment footprint is not large, in certain businesses the potential effect on the environment is more significant therefore our management approach is to focus on those key areas, in particular:

- Use of energy in laundry and washroom processing plants
- Use of water in laundry plants
- Use of energy by our vehicle fleet
- Chemicals used as part of our services or processes

To support our businesses, the company's environment policy includes good-practice procedures to adopt. These procedures are set out in the environment section of our website www.rentokil-initial.com and set specific requirements and provide checklists, examples and supporting material for each business.

CO₂ emissions

In 2007, our total CO₂ emissions were 258 million kilogrammes, equal to 3,274 kilogrammes for each employee. This compares with our 2006 emissions of 271 million kilogrammes, equal to 3,870 kilogrammes for each employee. We have therefore reduced our emissions per employee by 15.5% year on year.

The past three years have seen significant changes in our business structure – with significant investment in the pest control, parcels and Asia Pacific divisions, while divesting Style Conferences, Manned Guarding and Electronic Security, and closing the UK textiles facilities. These had significant impacts on our energy usage. Consequently, we started calculating our KPI of kilogrammes per employee in 2006.

Performance

Our environmental KPIs focus on energy, and hence CO₂ emissions, for both our processing plants and our vehicles, together with water consumption in laundry plants.

CO₂ emissions

3,274

kilogrammes / employee

15.5%

decrease (year on year)



Water consumption

14.40

litres used per kilogramme washed

3.4%

decrease (year on year)



In addition, we have improved the quality of our collection of energy usage information significantly – this year nearly 92% of the carbon emissions stated is based on actual figures (2006 – 83%), with the rest being based on realistic estimates. In terms of coverage of our businesses around the world, the figures stated represent around 95% of turnover, in line with 2006.

Previously, emissions reporting focused on our major European businesses (especially the textiles laundry plants). This amounted to over 90% of the total energy used within the European operations. On this basis of reporting, our CO₂ emissions reduced by 21% between 2000 and 2005.

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

Environment

continued



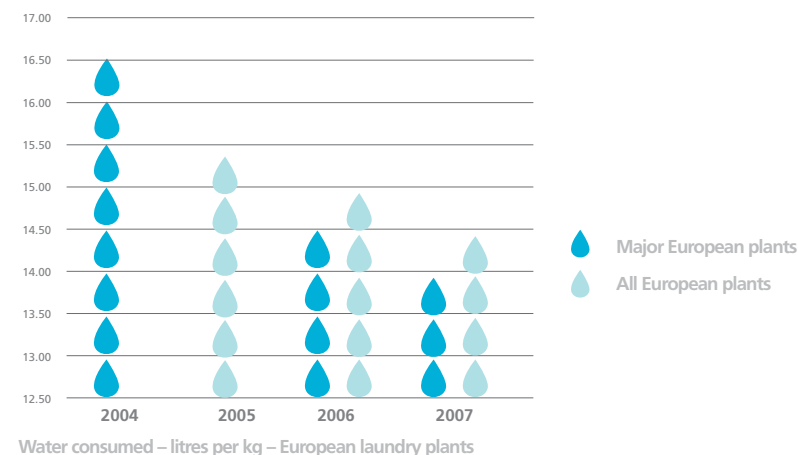
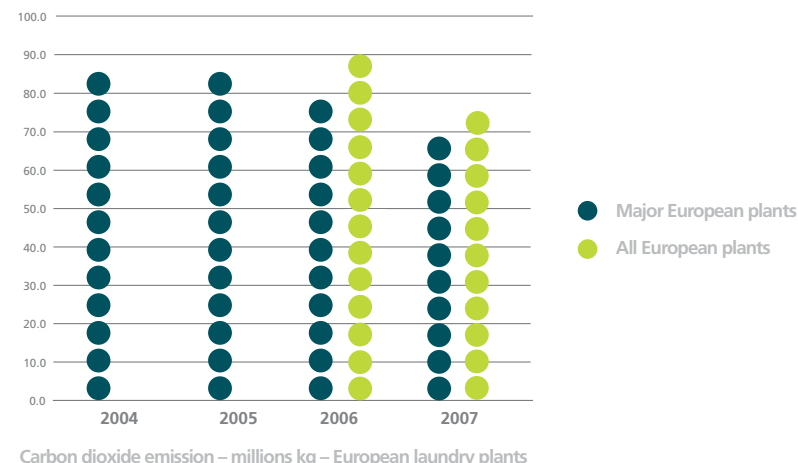
Our reporting now includes all fuel used in our fleet – 16,632 vehicles around the world – an increase of 1,034 over last year's 15,598, as a result of the City Link acquisitions. Throughout our businesses around the world, 76% of the fuel used in our vehicles is diesel (71% in 2006), and 100% in our UK service vehicle fleet.

However, our major source of CO₂ emissions remains our textiles processing plants. These are currently responsible for 29% of our CO₂ emissions (2006 – 33%). Right, we show the trend in emissions for our major European textiles plants (France, the Netherlands, Germany and Belgium) for which we have long term data showing 18.8% reduction in emissions since 2004 (2006 – 12.4%), and for all our European textile plants (including the smaller plants in Austria, Czech Republic and Spain).

Water consumption

As with CO₂, previous measurements of water have focused on those of our major European textiles laundry businesses. Between 2000 and 2005, water consumption fell by 14%, due to initiatives to reduce and reuse water in our textiles plants. From 2006, we incorporated water consumption data from all our European laundry plants. In 2007, their water consumption, based on kilogrammes of laundry washed, fell by 3.4% to 14.40 litres (2006 – 14.91 litres).

This improvement has been the result of major capital expenditure and management initiatives in laundry processing.



- 03 Overview
- 05 Highlights
- 07 Approach
- 08 Our businesses
- 11 Environment**
- 19 Workplace
- 27 Marketplace
- 35 Health & Safety
- 41 Community
- 46 Action planned for 2008
- 47 Commentary
- 48 Feedback
- 49 Index

Environment

continued

Management initiatives

Perhaps the most significant initiative in 2007, given its impact on energy and water consumption was the opening of the state of the art laundry processing plant in Lokeren, Belgium. This was opened by the Belgian Minister of Foreign Affairs, Karel De Guch, in October. Costing €15.3 million, this plant has environmentally-friendly water treatment equipment, reusing up to 50% of pumped water. This project had multiple phases, starting with a research tour of leading laundry organisations in France, Germany and the Netherlands, before forming the basis of a new concept, which was then further developed by in-house teams, made up of specific functional areas. As well as reducing water usage, the project also resulted in reductions in the use of process chemicals.

In a similar series of initiatives, Initial Washroom Services in the UK has opened 3 new processing plants for the processing of cabinet roller towels and dust mats. Their work with the suppliers of their new Revolution equipment and the chemicals used in the processing has meant that rates of water recycling of up to 90% are being achieved with a third of the volume of chemicals previously used.

Other management initiatives designed to improve the management of our environmental impacts include:

- the gaining of ISO14001 by Initial Facilities Services,
- the provision by Initial Supplies of a waste electrical equipment recycling service to our UK companies to meet their Waste Electrical and Electronic Equipment (WEEE) directive responsibilities,
- and a range of improved horticultural practices by Ambius operating companies, particularly focused on recycling water within their plant greenhouses.

“The Lokeren processing facility is one of the most advanced in Europe. It has been designed to enable us to deliver the quality of service our customers demand – now and in the future – and to meet the best standard environmental practices.”

Henry Chandler
Divisional Managing
Director, European Textiles
& Washroom Services



Environment

continued

Fuel efficiency

A key area where employee involvement can improve our corporate responsibility performance is ensuring our drivers act responsibly when driving. Not only does this improve safety, but also energy efficiency.

One action that helps is to ensure our company car drivers are aware of energy efficiency at the time of choosing their vehicles. To assist them, our procurement team is categorising company cars based on whole life costs. These include fuel consumption (and servicing costs). As a result, company car users can compare energy usage costs when they make their choice.

This activity focuses on choosing energy efficient vehicles. But, as relevant, is to help our drivers develop their own energy efficient driving techniques. This is particularly important for our professional drivers. One example is City Link. In 2006, it introduced Driver Assessors who trained its HGV drivers to drive more efficiently, leading to more fuel-efficient driving techniques which include effective gear changing. In 2007, this assessment programme was extended to its collection and delivery licence drivers.

Other businesses are undertaking similar programmes. Our Australian operations continue to recognise the most economical driver each month. This scheme encourages drivers to reduce their speed and use more efficient routes to reduce CO₂ emissions. Similarly, some of our businesses have introduced an 'ECO Driving scheme' to help improve driving technique and reduce the amount of fuel used. As an example, in Switzerland, 32 drivers were trained in efficient driving in 2007 using a series of theory and practical exercises.

Clearly, encouraging our drivers to be more energy efficient has to be matched by our businesses purchasing more fuel efficient vehicles. Our Australian operations have a policy of buying service vehicles converted to run on liquefied petroleum gas. Similarly Ambius in Belgium has switched to service vehicles fuelled by compressed natural gas.

City Link has already introduced an HGV fleet with Euro 3 engines, and in 2007 introduced 50 Euro 5 vehicles which produce even lower CO₂ emissions whilst continuing to be highly efficient operationally. In addition, City Link is trialling electric vehicles in its West London depot, and aims to introduce at least 20 such vehicles into the low emission zones around the capital.



- 03 Overview
- 05 Highlights
- 07 Approach
- 08 Our businesses
- 11 Environment**
- 19 Workplace
- 27 Marketplace
- 35 Health & Safety
- 41 Community
- 46 Action planned for 2008
- 47 Commentary
- 48 Feedback
- 49 Index

Environment

continued

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

Environmental Management

Within our worldwide pest control business, technical advances in 2007 included the introduction of a new RADAR rodent device, the development of a new extranet to support customers, the launch of Luminos 1 a new device to control airborne insects and the development of a new global technical centre which will launch in early 2008.

However, over and above these advances, a key task is to ensure that globally there is an aligned approach with empowered local management to address their business needs (often determined by the climates and cultures in countries where we operate).

To do so the pest control division established a global technical team, covering the four areas that were regarded as being key to the success of the business – fumigation, technical competence, authorised product list and termites.

The strategic objectives of this team include the following:

- Creating teams of consistently competent, capable, engaged technical colleagues.
- Enabling effective technology and best practice transfer worldwide
- Developing or enhancing technical standards, ensuring consistent and safe operational practices and product stewardship

The pest control division's global commitment is to define, review and implement a consistent technical approach worldwide. Their local progress around the world has been to build and develop a technical network based on involvement, communication, mutual problem solving and collaboration.

The benefits of this approach are already becoming apparent.

- The development of the authorised product list has ensured a standardised format and best technical practice for all Rentokil services.

- The fumigation approach has ensured all our teams adopt a hierarchy of risk approach, which, combined with higher levels of skills in the technician teams, minimise the risk of toxic substances being used unless absolutely necessary. Its extensive approach in this important area has meant that the company is the only service provider to have successfully registered carbon dioxide under the Biocidal Products Directive – which is due for enforcement in 2010.
- The development of the business's RADAR rodent units has meant they can now be used across a wide range of environments (including wet areas), and are now available across Europe. When combined with the business's "Pest Connect" and Pest Net Online services – this "next generation" pest control service offers new levels of reassurance and due diligence support for customers with high care needs such as pharmaceutical and food producers, especially those with multiple sites.

"Our global technical team is an important factor to enable us to achieve recognised world leadership in pest control. As well as delivering consistent best practice service delivery, it enables us to transfer technological advances from one continent and use them globally."

Dr Peter Whittall
Divisional Technical
Director, Rentokil



Environment

continued

“We have identified water consumption as one of our customers’ CR performance indicators – not only does Enviro-Fresh reduce their water consumption but also reduces costs.”

Mark Gillespie
Managing Director
Enviro-Fresh

Market developments

As a company, many of our services help customers achieve better environmental standards to meet their own corporate responsibilities. The following are just a few examples of how we are helping our customers improve their own environmental footprints.

Reducing water consumption

On average, office workers in the UK use 35 litres of water per day and 86% of this is due to flushing toilets. Our Enviro-Fresh business offers customers a service, called Eco-clear, that can help significantly reduce urinal water usage. If installed in just 10 urinals, this could save up to 90% of water used or approximately 2,890,800 litres of water per year (equivalent of one Olympic sized swimming pool).

In addition, Enviro-Fresh’s service provides added benefits in terms of improving hygiene and helping to prevent blockages. To improve the knowledge and understanding of these issues, Enviro-Fresh commissioned a report on water usage, which was published with a foreword from Envirowise. For businesses, the importance of conserving water is demonstrated by the decision of J Sainsbury to introduce the service across its 750 sites in Great Britain and Northern Ireland.

Improving public health in China

With the world’s attention focused on Beijing for the Summer 2008 Olympic Games, the city aims to meet the highest level of public health expectations of both visitors and competitors. Rentokil Pest Control in China has been selected as one of the preferred suppliers for both pest control service and product to 2008



Beijing Olympics. One of the key factors in our selection was our unique indoor fumigation technology – using chemicals with a lower toxicity than either salt or sugar, but extremely effective against cockroaches and bed bugs. Over 350,000 leaflets were delivered to residents over the winter highlighting our technology as part of a consumer education programme.

In a similar manner, our Hong Kong business is working with the Hong Kong Government to enhance public health. In early 2007, the business recruited and trained 1200 people to become pest controllers working across the region’s network of streets. This was one of our biggest contract gains in 2007, and of particular importance was that the start up had to be completed within six weeks.

Recycling waste

Wherever possible, we develop initiatives to help customers reduce their waste generation. Initial Facilities Services is introducing biodegradable waste bags for use by our cleaning staff on customers’ premises. In addition, we have introduced schemes and systems to help customers segregate their waste and improve recycling. For Norwich Union, waste segregation undertaken by our cleaning and maintenance staff has resulted in reducing waste going to landfill by 13% by weight.

As part of this focus, we have introduced Ecologic for our Facilities Services clients. This is a service, including an integrated software programme that involves a waste audit, waste planning, implementation (including employee communication), tracking and reporting. The results are a continuous improvement process that offers our clients cost saving in

Environment

continued



resources used, savings on waste disposal, “duty of care” management and waste management reporting.

In the parcel delivery market, packaging is a significant waste issue for customers and carriers alike. City Link introduced a formal recycling system at its hub in 2006. All wooden pallets, and damaged metal pallets, are recycled. Other procedures are in place to recycle paper, cardboard and plastic, together with toner cartridges. As a result, the total waste sent to landfill has been reduced by 50%.

In the medical sector, waste often has another impact – the risks of disease contagion. Such waste requires special handling. Initial Medical Services provides specialist clinical waste management services, and over 40% of the waste handled requires special treatment, including high temperature incineration.

Creating environmental awareness

Sometimes there are wider audiences in terms of environmental awareness than the business sector. In these instances, we work with other stakeholders to communicate the issues and influence behaviour.

One example is our support for the Universities Federation for Animal Welfare (UFAW), set up to investigate ways of improving animal welfare whilst controlling rodents. This identified three areas of potential improvement: education to raise awareness of the need to consider animal welfare, regulating the design of traps and registration of products, and research into more humane methods of control.

Similarly, we helped set up the Campaign for Responsible Rodenticide Use. Its purpose is to encourage

responsible use of rodenticide and reduce secondary poisoning to wildlife. This included the widespread promotion of a code of good practice under the banner ‘Think Wildlife’.

In 2007, Ambius joined the UK Green Building Council. The business is already a member of similar organisations in the USA and in Australia. Ambius will work with the Council to enable architects and developers to find ways of managing buildings in a sustainable, and environmentally friendly fashion. In particular, they will provide information about the benefits of interior and exterior landscaping to the work and lifestyle of those people occupying the buildings.

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

We're Committed

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

Workplace

In 2007, our companies built on their long term commitment to enhance employee skills with over 650 people working towards NVQ or Skills for Life training qualifications. Over 8000 employees were surveyed as part of the company's colleague engagement process and this year's results showed improvements in scores across the board. Initial Facilities Services was one of the first companies to sign up to the UK Government's Skills Pledge.

Workplace

In our workplace management, our employee development programmes ranged from leadership training and management development to training for the disadvantaged in terms of Skills for Life. We introduced our vision and values, consulted over plant closures and supported the implementation of the UK Government's Agenda for Change in the NHS. We surveyed our colleagues over an ever increasing range of our businesses.

It is easy for companies to say their employees are their most important asset – but in our case, this may be truer than most – as the quality of the service we provide depends on the commitment, motivation and skills of our employees. 49% of our operating expenses in 2007 were represented by our employee costs (54% in 2006).

As a result, our approach has always been to adopt responsible positions as an employer. In particular, we want to continuously improve the quality of skills at all levels, including those individuals who might otherwise be disadvantaged in pursuing their own skill development needs and aspirations.

To support local businesses, we have eight 'Employment Good Practice Guides'. These set our standards, often beyond those set by local employment laws. They can be found on our website www.rentokil-initial.com

Management initiatives

Whilst our human resource management and employee development is delivered at a business level, there are common themes being developed across all our divisions around the world.

During 2007, we introduced our corporate vision and values. These have been used extensively in most of our operations. For instance, in our newly opened Shared Service Centre in Dudley, its management used the values as the basis for developing team spirit, and to identify what each team needed to do to ensure it delivered its promises – both to other companies within the group and to those external customers it serves on their behalf.

Performance

Colleagues engaged in Skills for Life or National Vocational Qualifications training in 2007

655

In 2007, 8,000 colleagues in Rentokil and Ambius were surveyed to measure colleague engagement:

"Opportunity to achieve career goals in the company"

6%
improvement



"I get a fair return for what I give to the company"

4%
improvement



"I have the tools and equipment I need to do a high quality job"

9%
improvement



"I believe that action will be taken as a result of this survey"

7%
improvement



"Individuals are treated with respect within the company"

7%
improvement



Workplace

continued

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

Our Asia Pacific division introduced the values at its regional conference, and all 14 countries launched them to their teams in their own individual style. As an example, our Malaysian team did so with exercise and jogging activities to promote a healthy lifestyle, to encourage staff to stay healthy in order to achieve the values.

This year has seen significant acquisitions and the sale of the electronic security business in Europe and North America. Our approach with acquisition and divestment has always been to ensure employees are treated fairly and responsibly.

In City Link, a significant integration programme is underway, following the buy back of 19 franchisees and the purchase of Target Express. The programme involves 500 different job titles, 11 different payrolls and 21 different trading entities.

As part of the modernisation of the UK Initial Washrooms business, we opened new processing centres in Reading, Birmingham and Glasgow, while closing older plants at Bradford and Chorley. As part of this process we undertook extensive consultation, including visits to each branch by the business's Managing Director to meet the staff and to answer questions personally from our employees affected by the plant closures.

Some management initiatives require influencing customers to help address workplace issues. Initial Hospital Services engages with NHS Trusts regarding the Government's Agenda for Change in the NHS, designed to introduce new ways of working and the extension of roles. Its outcomes affect employee sickness pay, holiday entitlement, rates of pay and hours of work. Where a Trust has not introduced this Agenda, the business offers best



practice examples based on experience with other Trusts. To support Trusts it has developed an Agenda framework, based on NHS guidelines, to show them how it could be implemented. The business has ongoing dialogues with local union representatives as part of this process and has consulted with national unions to establish the best way forward to introduce a fair and reasonable scheme.

Other management initiatives of note include Initial Facilities Services' successful retention of its Investor in People accreditation across its businesses, and the accreditation by the Association of Chartered Certified Accountants of the training programmes it runs for its accountancy and administration staff. The business also gained accreditation from the Institute of Leadership and Management.

Initial Facilities Services (IFS) is also participating in the Women and Work Project – the Asset Skills Sector Pathway Initiative. This involves assisting a total of 1000 women to improve their current job or progress to a more responsible one. This is achieved through training, in the areas of literacy or numeracy, supervisory and leadership. To date, IFS has provided a total of 100 of its managers to this project, 50 of whom have already been involved in leadership activities. This project continues into 2008.

Workplace

continued

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

Diversity is not an area for which we collate data at a central level. This is because our operations in different parts of the world e.g. USA and France face legislation that prohibits their requesting such information from their employees. Nevertheless, it is collected in some of our businesses, such as Initial Facilities Services which promotes equality of opportunity and collates data relating to the ethnic background of its employees. Its workforce ethnic statistics as at August 2007 were as follows:

	% of turnover
White	61%
Black – African, Caribbean and other	24%
Eastern European	6%
Indian sub continent – Indian, Pakistani, Bangladeshi	3%
Chinese	2%
Other	4%



Employee engagement

Understanding employees' needs and views and providing appropriate forms of communications and recognition is an essential activity in a people based business.

One of our ongoing methods of understanding employees' views has been through the European Forum – our Works Council covering all our European employees. During 2007, subjects discussed in the Forum included the consultation on the sale of our electronic security business, our strategic direction and objectives, our Health and Safety Business Scorecard and its implementation, and our progress on corporate responsibility.

In addition, over the past year we have introduced a series of employee surveys to assess levels of motivation and satisfaction.

These programmes started in autumn 2006, with the Rentokil and Ambius businesses undertaking "Your Voice Counts" – a colleague engagement survey. This was repeated in 2007 and delivered significantly improved results. Overall, the colleague engagement score improved by 6%. More details are provided later in this section.

Similar surveys have been undertaken for the first time in 2007 in City Link. Of particular relevance for City Link was the high percentage of employees regarding themselves as a "supporter of change" at a time when this business was experiencing considerable levels of change due to business integration. Meanwhile, in Initial Textiles & Washroom Services a colleague engagement survey has been developed, starting in Benelux, its largest region.

Workplace continued



We have a success rates
for Skills for Life courses
of over
66%
compared with LSC's
target of 50%



In 2007
300 employees
have achieved their
Level 2 NVQs.

Employee development

Rentokil Initial is committed to the long term development of the skills of its employees. It is critical to ensure the workforce is trained to meet the changing needs of the marketplaces in which the company operates.

One of the key initiatives is the long standing relationship between Initial Facilities Services and the Learning and Skills Council (LSC). Continuing for over three years, at first this relationship involved cleaning staff in the UK. It has since been extended to include employees from Initial Catering Services and Initial Hospital Services with an increased range of qualifications.

The company's skills development programmes involve NVQs for operatives, Modern Apprenticeships and Skills for Life (focusing on numeracy & literacy). Through 2007 more than 650 employees were

supported with NVQ or Skills for Life training. Extensive workplace training, specific to the operational roles of employees, is also provided as standard across the company. For instance, new pest controllers are given ten weeks of training in the field when they join the company.

Within Initial Hospital Services, the Initial First programme has secured agreement to deliver 500 NVQs at levels 2 and 3, and to offer NVQs in Business Administration at these levels. To date nearly 300 employees have achieved their Level 2 NVQs, and in its MRSA prevention training (see also in the Marketplace section), it has already trained 100 managers and supervisors, in a total of 10 hospitals, who are now cascading this training to their workforce.

Under the Skills for Life programme, we deliver skills provision in ways which best match the individual and business. On entry to a programme, the individual will undertake an initial assessment to ascertain at which level the tutoring should take place and if they require specialist support (for example, employees with dyslexia are signposted to local providers of this support).

We have always provided Skills for Life support on a self referral basis, encouraged by the local manager, as opposed to being mandatory, and we believe this makes a significant difference to employee participation. Delivery sessions are on the basis of matched time by both the business and the employee.

We have success rates for Skills for Life courses of over 66%, compared with LSC's national target of 50%.

There is rigorous programme monitoring, with an annual self assessment review produced for discussion with the LSC. This covers both evaluation of the efficacy of the training programme and aspects such as the profile of the employee base to ensure diversity requirements are met. In addition, to ensure programme quality is maintained, audits are scheduled from Ofsted, the UK's education standards authority.

Within Initial Facilities Services, its UK Cleaning business has been active in promoting SMARTclean to its customers. This converts previous evening and night time cleaning into a day based cleaning schedule. This pattern of working provides far greater opportunity to provide training – both on and off the job – to operatives, and it is expected that this form of cleaning schedule will complement the development of Skills for Life training.

- 03 Overview
- 05 Highlights
- 07 Approach
- 08 Our businesses
- 11 Environment
- 19 Workplace**
- 27 Marketplace
- 35 Health & Safety
- 41 Community
- 46 Action planned for 2008
- 47 Commentary
- 48 Feedback
- 49 Index

Workplace continued

“The Learning and Skills Council welcomes the ongoing involvement and commitment from Rentokil Initial, in engaging nationally, their workforce development strategy. We thoroughly support the work that Rentokil Initial is undertaking and are extremely pleased that they have signed the National Skills Pledge which endorses their commitment to delivering high quality learning & development opportunities to all staff within the business.”

Hilary Chadwick, Director,
Learning and Skills Council



As a result of Initial Facilities Services' commitment to training its employees to gain skills and qualifications, in particular in the areas of literacy and numeracy, it became one of the first companies in the UK to sign up to the UK Government's Skills Pledge. In acknowledging the company's agreement to sign up to this pledge, Alan Johnson, the Secretary of State for Education and Skills commented that

“by signing the Skills Pledge...you show that you recognise the benefits and importance of having a fully qualified workforce.”

Similar activities have been undertaken by City Link. Since 2006, its national hub at Wednesbury has worked in partnership with Dudley College to provide NVQ Level 2 and basic literacy and numeracy support, together with English language training for employees who do not have English

as their first language. The success of this programme has led the business to decide to replicate it in its new hub (acquired as part of the Target Express acquisition).

Also in City Link, its Driver Excellence programme is a new programme supporting drivers, starting with a 3 day induction event. Success targets relate to retention and performance. Supporting this programme are initiatives such as its driver assessor programme, its safety and security video and its alcohol and drugs testing policy (all discussed in more detail in the health and safety section).

Ambius has adopted a different approach to match its needs, introducing the “Ambius University” in the latter part of 2007. This is a centre of learning excellence for all employees, intended to deliver high quality training in all the languages used by its employees.

Within France, companies are required to spend a certain percentage of their wage bill on training. The amount specified is dependent on the size of the business. For Initial Textiles, the required amount is 1.7%. However, because of its overall commitment to learning and development, the actual level of spend on training is 3.5% of its wage bill. This is believed to be higher than any other company in its sector and a statement on the importance of retaining employees.

Reward and recognition of employees' performance is equally important for employee satisfaction and motivation. Rentokil Initial in Australia has a series of such initiatives, including programmes to recognise specific achievements – for example PeopleSmart covering areas such as health and safety. Similar programmes are in place in Initial Facilities Services.

Effective employee communication is also a critical success factor and these are undertaken in different ways throughout the group to match the needs of the business and individual employees.

At a group level, in 2007 the company launched a new employee magazine – Horizon – which is available via the worldwide Intranet home page and divisional intranets. This is available in five languages. This complements e-mails on matters of significant importance from the senior executive team.

Divisional communications mixes face-to-face meetings, e-mails, news on divisional intranets, on-line newsletters and printed publications. The Asia Pacific division has continued with “Rising”, its own printed magazine, used to draw together staff across the region, and other businesses have continued with their existing publications

Workplace

continued

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

or launched new ones. In 2007, Initial Washroom Services and Rentokil have begun a series of radio programmes which are accessible by employees via the mobile phone or internet.

As well as enabling employees to develop appropriate levels of skills, from a business perspective, these approaches offer market related benefits such as improved customer care, better skilled operatives, and improved productivity and efficiency.

Management development

In 2006 we introduced a talent development programme, focusing on leadership development at group level. This comprised a performance and development review with supporting guidelines in English, Dutch, French, German and Spanish.



In 2007, this programme was taken up and rolled out across the individual businesses. Their nature is specific to the needs of each business. For instance, City Link has developed an integration training portfolio which includes cultural change training for management teams in every region, together with providing coaching programme for its regional directors.

Similarly, Initial Facilities Services has introduced a Management Skills programme of four main workshops, with the content mapped to the critical business needs, our values and the 12 leadership competencies. Over 300 employees have already attended these workshops since the second half of 2007.

Initial Facilities Services has a team of seven learning and development officers who provide support for line managers. Their focus has been on developing managers and improving



their retention, resulting in 80% of managers being retained. As part of this "Step Ahead" programme, performance development reviews have been introduced down to middle management – a total of 5000 managers.

In order to support managers on site, the UK cleaning business introduced a Clean Mate training and reference guide to all customer areas in 2007. It has been designed with images and graphics to support those managers of hygiene operatives for whom English is not their first language.

Initial Facilities Services also held a Product Awareness Day. This event gave our managers the opportunity to meet suppliers and hear about new innovations and products linked to SMARTclean, our daytime cleaning initiative.

Workplace

continued

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

Employee Engagement

"Our first survey took place in 2006 – we took the results and acted upon them – and as a result, the survey in 2007 showed improvements across the board, particularly in the UK and the Netherlands. Our leaders are more visible to colleagues and aspects such as performance management and communications are much improved."

Andy Hobart

Divisional Managing Director,
Rentokil and Ambius

In a new, major approach within the pest control and plants division, employee surveys occurred in Rentokil, Ambius, Specialist Hygiene, and some support services and central functions, with "Your Voice Counts".

Such is the importance of acting upon the results from these surveys that the bonuses for the senior management in these businesses are not paid, even if financial performance targets are met, if the employee engagement targets are not achieved.

Within the pest control and tropical plants division, the 2007 survey reached over 8,000 people and delivered a response level of 93%. The questionnaire was communicated in 16 different languages, including five for South Africa.

The questionnaire, managed by Hay Group to preserve confidentiality of responses, asked employees for their views on:

- their overall experience of work;
- the support available to them in their current job;
- how they viewed their current work;

- their management and leadership; and
- our company.

The 2007 survey results showed employees were more positive in nearly all areas with the overall employee engagement score increased from 68 to 72 points.

Specific focus is upon the "big 5" elements, seen as key to indicate the level of employee engagement. These include stating that

"individuals are treated with respect within the company"

7% year on year improvement

"I have the tools and equipment I need to do a high quality job"

9% year on year improvement

"I have the opportunity to achieve career goals in the company"

6% year on year improvement

"I believe that action will be taken as a result of this survey"

7% year on year improvement

"I believe I get a fair return for what I give to the company"

4% year on year improvement

Those businesses that had undertaken the "Your Voice Counts" survey for the first time in 2007 showed lower results on nearly all the questions. This may reflect the quality of follow up action that was undertaken after the 2006 survey. Results were made available and communicated to everyone in the division.

Management teams were tasked with taking the necessary action to respond to the results of the survey. Initiatives that occurred ranged from enhanced communications to new uniforms.

We're Committed

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

Marketplace

In 2007, we extended our range of customer surveys across our businesses, extended our customer communications with over 75 local websites in 15 languages and refreshed our global procurement approach to consolidate our purchasing and introduce a better governance framework.

Marketplace

In 2007, our companies have made significant customer service improvements, introducing a dedicated high dependency pest control team in the UK, establishing our UK Shared Services Centre and launching 75 customer websites in local languages. In supply chain, we continued to lead the textiles rental business for ethical, environmental and labour standards amongst our suppliers.

Our individual businesses are responsible for developing relationships with customers and suppliers, while working closely together to refresh our global procurement approach where appropriate. In addition, we have Good Practice Guides, available on our website www.rentokil-initial.com under the health and safety and people sections.

There is also guidance for our businesses around the world to make sure they have a thorough and practical understanding of our policies on ethical business behaviour towards both customers and suppliers. The guidance helps reinforce our standards and allows us to better measure our performance against them. Associated with this is a formal annual sign off by each business as part of our internal controls process, which covers responsible business practices.

Customers

In our approach towards responsible relationships with our customers, we have introduced a series of management and people-related initiatives to address their service needs. Also, we have a series of market related developments by which we use our global knowledge to develop a series of product and service innovations to meet customers' sustainable and responsible business requirements.

Management initiatives

Most of our businesses have long-term customer relationships. These are built on open dialogue with customers to address their changing service requirements.

Extensive use is made of customer surveys to monitor and enhance customer relationships. The Initial Textiles and Washrooms division undertook its first pan-European

Performance

Independent, customer satisfaction surveys are carried out by many of our businesses:

Customer of Initial Textiles France

87%
regard our deliveries as efficient

Customers of Ambius, North America

88%
believe we meet their expectations

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, the customer satisfaction was above 7 (out of a maximum 10).

The business in France operates from over 60 locations. In its 2007 survey, involving nearly 2,000 responses, 79% of customers (74% in 2006) were confident in their service personnel and 87% (the same as for 2006) regarded our deliveries as efficient and effective.

Customer service is of great importance to Initial Facilities Services. In 2007 it received 11 Golden Service awards, particularly for its Lancaster Cleaning division, demonstrating external recognition of the commitment to service made by the management and frontline teams.



Marketplace

continued



In March 2007, what had been known as our Tropical Plants division was re-branded to Ambius. The roll out of the new brand across 11 countries took place in 2007 and will be completed in 2008. However, the development was much more than simply adopting a new name. The first step was to run a series of workshops with customers and employees to identify opportunities for service enhancements and to develop the proposition and name.

As a result, when launching the new brand in each country, the Ambius team have also rolled out a new culture and an expanded service line up to match market needs including artwork, scenting and fruit delivery (which is being trialled in a number of countries). Major customer programmes were held in each country to ensure that the new values and proposition were communicated clearly. Feedback from employees has been exceptionally

positive. In the UK, Ambius won the award for Best Rebrand at the Corporate Communications awards.

Ambius's operation in North America has been undertaking customer surveys for some years. In its most recent survey of nearly 6,000 customers, 88% of responses indicated they believed that Ambius met its customers' overall expectations.

The Ambius survey also identified those service features that customers regarded as important and measured the levels of satisfaction against each of them. The survey results were also used to generate league tables for their branches across the United States and Canada, and fed into the business's continuous improvement programme.

Increasingly we are seeing our companies moving to accredited management system to support their

customer quality approaches. City Link has had its quality management system accredited to ISO 9001 for the past eight years. In 2007, Initial Facilities Services extended its partial accreditation to the whole division with enhanced quality systems in all its businesses.

In 2007, to improve the effectiveness of aspects such as customer query handling and customer billing we opened the new shared services centre for the UK businesses.

As part of its role, this centre provides support for customers through improved IT systems to support management processes, such as customer billing and tracking of customer complaints. These improvements in processes means that better measurement can be achieved which leads to improved practices. The measures it uses to establish its own effectiveness include percentage

delivery of promises to end customers, elapse time from customer query calls to resolution of the query and customer satisfaction levels with follow up actions.

As part of the development of the centre, the management team demonstrated their commitment to conveying what the company's values mean to the employees in the centre, and how they are expected to deliver them to customers. The new team development programme – "Deliver Your Promises" – involved all 350 employees in dedicated meetings to communicate the values and highlight the need to meet customer expectations.

- 03 Overview
- 05 Highlights
- 07 Approach
- 08 Our businesses
- 11 Environment
- 19 Workplace
- 27 Marketplace**
- 35 Health & Safety
- 41 Community
- 46 Action planned for 2008
- 47 Commentary
- 48 Feedback
- 49 Index

Marketplace

continued

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

Our people and our customers

In a people based business, ensuring that the right quality of service is provided to our customers can be down both to the training of our people and to having the right people in the right place for our customers.

At the start of 2007, our Asia Pacific division was challenged to recruit and train 1200 people in Hong Kong to become pest controllers working across the network of streets. The business rose to the challenge and is now working with the Government of Hong Kong to help protect public health. The division demonstrated the flexibility and commitment needed to put in place quickly the necessary resource, without compromising on customer service or quality.

Rentokil pest control in the UK has undergone a significant amount of restructuring over the past two years.



This was driven by the need to understand our customers' needs better and deliver an enhanced service. This resulted in recognition of customer groups' differing needs. As a result, in 2007 the company launched a dedicated 'High Dependency' technician team which is focussed on the specific needs of specialist sectors, such as food and pharmaceutical companies whose pest control demands are very specific and demanding.

The UK operation also developed sector specific customer offers, which have been converted into support material for front line colleagues to help them meet the demands of those customers much better. This programme has been internally branded as 'Pointers' and is being extended as a range of operational excellence initiatives.



"The restructuring of our UK business was designed to create a more customer focused and people orientated company. Out of this came our 'high dependency' team; an initiative very much welcomed by our customers in these high risk sectors."

Jed Kenrick,
Managing Director,
Rentokil UK

Marketplace

continued



Initial is the first and only organisation in France to be certified to Risk Analysis for Bio Contamination conformity

Marketplace developments

For many of our businesses, our services support customers' development of their own sustainability and responsibility approaches. Our own responsibility is to anticipate these new customer needs, which arise through new legislative requirements, environmental or health related changes.

A good example of environmental changes creating new customer needs is that of the impact of climate change on the activity of previously under-active pests, and the consequent increased level of threat.

Now that pest control is structured as a single business, it is uniquely positioned to identify worldwide trends in the development of pests and the relevant sources of treatment. This has enabled our pest control business in parts of Europe to identify damage being found in properties due to termites (previously

a sub tropical and tropical pest) and to be ready with solutions. It has advised its clients of their potential risks, and has appropriate treatment services available in anticipation of these needs. Similarly, the business has identified the increased activity of bed bugs. Around the world the company has seen an increase of this pest, particularly impacting the hotel industry, due to increased travel and a warmer climate.

As a result, Rentokil has developed a customer's guide for the hospitality industry, enabling their employees to become more aware and better able to identify bed bugs, and take the appropriate action.

There are two health related change examples. Initial Hospital Services, providing hygiene and facilities services to the UK's health and social-care organisations, has developed learning and development support for this sector. It has set up the Initial

First Learning and Development programme. This includes two programmes that offer infection control training for both its own staff and those of its customers. The courses enable participants to achieve the ncf Certificate in Infection Control and the only nationally accredited qualification into 'the understanding and prevention of MRSA'.

The health division of Initial Textiles in France has achieved renewal of its ISO9001 certification together with a certificate of conformity of its operations to RABC (Risk Analysis for Bio Contamination) standards. This service to health care organisations includes assurance of separation of clean and soiled textiles, together with swab testing of linens, work surfaces, delivery vehicles and linen trolleys. Initial is the first and only organisation in France to be certified to RABC conformity.

Similarly, Asia Pacific's Initial Hygiene's MedixAir, which uses ultraviolet light to sterilise and improve air quality, is used by the Singapore Heart Foundation in its Heart Wellness Centre to protect heart surgery patients, as well as in several Malaysian hospitals. MedixAir offers protection from all forms of infection carried in the air.

Also in Asia Pacific, the development of the Taiming Fumigation Technology results in the introduction of a new form of fumigation process with significantly lower levels of toxicity, and as such is particularly safe for use in residential properties such as those in China.

- 03 Overview
- 05 Highlights
- 07 Approach
- 08 Our businesses
- 11 Environment
- 19 Workplace
- 27 Marketplace**
- 35 Health & Safety
- 41 Community
- 46 Action planned for 2008
- 47 Commentary
- 48 Feedback
- 49 Index

Marketplace continued



New Rentokil websites
have generated an
increase in online
enquiries by over
230%



In terms of helping customers reduce their own environmental impacts, Initial Facilities Services' introduction of SMARTclean – a day-time cleaning service – has not only resulted in a more visible presence of its operatives contributing to a more customer focused service, but also helps reduce heating and lighting costs that occur during evening and night time cleaning. Another example where our service helps our customers to address their own environmental impacts is that of Enviro-Fresh, already referred to in the environment section, which results in a significant water consumption reduction in business premises.

Initial Catering in the UK has responded proactively to enable its end users to choose healthier options. In its Autograph school catering business, it has introduced its own dedicated healthy eating range, "Balance". This is a range of foods offering guaranteed

healthy options – including essential nutrients and lower in "bad" fats, sodium and sugar. All dishes in the range have been analysed by the company's registered nutritionist.

Helping young people to make the right eating choice can be more challenging. In school catering the responsibility is shared between caterers, school and parents. Initial Catering's schools division has introduced a new on-line system across its 53 London Borough of Croydon schools where it provides catering. This system enables parents to go on-line, pay for their child's school meals, view the menu their child has chosen for that day, as well as view the following day's or week's menu and send messages to the school's cook. As a result parents can have a direct input into their children's choices for their school meals.

Improved customer communications

Over the last 18 months, we have developed our online presence to match the needs of our customers, prospective new customers and other stakeholders. The objectives were to make the brand websites more responsive and tailored to customers' needs and to establish an effective and prominent presence on the web.

Today, all our brands have developed their online strategies and, by the end of 2007, we had over 75 new websites supporting local businesses. The new sites include 32 Rentokil sites, 15 Initial sites, 11 Ambius sites, and 27 sites in Asia Pacific.

As an example of the impact of our improvements, collectively the Rentokil sites have increased the number of online enquiries by over 230% year on year. In the UK, web based sales

enquiries for Rentokil, now exceed the number of enquiries generated by the business directories that previously acted as the main marketing channel for the group.

To drive the project, the company appointed a web steering group to co-ordinate the requirements and progress on site development for each brand. Over 18 months, the team developed sites in 15 languages including Chinese, Korean and Thai.

- 03 Overview
- 05 Highlights
- 07 Approach
- 08 Our businesses
- 11 Environment
- 19 Workplace
- 27 Marketplace**
- 35 Health & Safety
- 41 Community
- 46 Action planned for 2008
- 47 Commentary
- 48 Feedback
- 49 Index

Marketplace

continued

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

Supply chain

Management initiatives

For many years, we have had good practice procedures for our businesses to use in their procurement activities. These have been designed to build on the independent approaches of our businesses, achieve best value and avoid unnecessary risk. These include having a written procedure to show that an open and fair procurement process is in place. We have worked with existing and potential suppliers, and our employees, to further develop the good management practice.

Whilst our approach towards procurement has been to ensure responsibility is within businesses at a local level, we have recognised the need to develop greater co-ordination across the group.

The principles behind our new procurement functional approach are to have a global approach that can be implemented at a local level with consistent quality, and with a consistency of governance. This will give procurement a higher priority and improve procurement competencies.

The new approach involves a divisional structure, but matrix category responsibility with divisional leads and lead buyers (operating within businesses) with specific category responsibilities, as well as a global sourcing capability in Asia Pacific and a small central team.

There is a joint responsibility for procurement effectiveness with divisions owning the specification and compliance and the procurement team owning the supplier selection process and ensuring the professionalism and development of buyers.



The benefits of the approach will be both improved purchasing quality and cost effectiveness and the development of a governance and procedures framework, of which the examples following for Initial in France would form part.

“Introducing our global procurement approach serves two purposes. Firstly, it enables us to consolidate our purchasing and gain leverage as a result. Secondly, and just as importantly, it allows us to introduce better governance of our procurement including greater consistency around supplier screening. We are building on the good practice demonstrated by companies such as Initial Textiles in France.”

John Green

Group Procurement
Director, Rentokil Initial

Marketplace

continued

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index



This global approach builds upon best practice activities already in place within our businesses. One example is that of the procurement approaches adopted by Initial Textiles in France. The business procures textiles both on its own behalf and also on behalf of our companies in the Czech Republic, Spain and Belgium, with direct textile imports into its central warehouse.

Initial Textiles has nearly 200 suppliers in France, with the top 20 suppliers representing 80% of its purchases. It has a supplier contract that requires its suppliers to meet ethical, environmental and labour standards. To ensure they meet these standards, it uses Wethica (World Ethical Audits) standards to make assessments of its suppliers (unless they already have ethical assurance such as SA8000). These visits last for two days with each supplier, after which a report is issued, identifying areas that are

acceptable, need improvement or are unacceptable. The supplier then has three months, to undertake any necessary improvements, before a follow up assessment.

In addition to these audits, Initial in France requires all its suppliers OEKOTEX certification, which details the environmental nature of the textile products. This ensures that the business has traceability for its textile products, covering weaving, bleaching and dyeing processes.

Initial is certificated as a member of "Fibre Citoyenne" – "Fibre Citizen" – run by Yamana, a French NGO, which encourages companies in France involved in the textile industry to have sustainable development practices. To achieve this certification, the business demonstrated that it has these policies in place and implemented across the business, and to highlight the benefits

of sustainability proactively to its major customers.

Initial was the first company from the French textiles services industry to be certificated to Fibre Citoyenne standards.

Other examples of our businesses pursuing responsible supply practices include that of Initial Catering which has been active in two key areas. Firstly, to proactively reduce the road miles travelled by our food in conjunction with Brakes, its main supplier. As well as the Brakes initiatives the business is also encouraging its catering managers to source fresh produce locally both to support their communities and further reduce food miles. Secondly, the business offers a comprehensive range of Fairtrade products from coffee to orange juice to chocolate and only stocks Fairtrade coffee beans for use in its espresso machines.

We're Committed

- 03 Overview
- 05 Highlights
- 07 Approach
- 08 Our businesses
- 11 Environment
- 19 Workplace
- 27 Marketplace
- 35 Health & Safety**
- 41 Community
- 46 Action planned for 2008
- 47 Commentary
- 48 Feedback
- 49 Index

Health & Safety

By the end of 2007, over three quarters of Rentokil Initial businesses were reporting Health and Safety against a new standard 'scorecard' system. Our UK 'Success is no Accident' programme was awarded the title of 'Rehabilitation Initiative of the Year', while the number of RIDDOR incidents fell by 9% on a like for like basis. The impact of the "Success is No Accident" programme has seen a 62% reduction since 2005 in time taken to refer UK employees for rehabilitation.

Health & Safety

In 2007, we introduced our Health and Safety Business Scorecard across all our companies as part of a long term commitment to drive improvements in health and safety management. Within our UK operations, our "Success is no Accident" programme has improved our analysis of accident causes and trends and reduced referral time for treatments. It won the "Rehabilitation Initiative of the Year Award" for employers. Our UK reportable incidents have shown a 9% reduction on a like for like basis.

Health and safety is one of our highest priorities. It plays a key role in delivering our business success by helping to protect our employees' safety, and by improving health and safety management, reducing potential insurance claims and staff absence costs.

Over the past year we have implemented two major management initiatives, which are described below. These are backed by our health and safety standards, available on our website www.rentokil-initial.com which includes good-practice procedures that managers in each business must meet.

Management initiatives

Business Scorecard

One of the challenges of a multi-national company is to ensure that issues involving legal responsibility across the group are addressed in a consistent and cost effective management approach. In previous years we had a programme of reviewing each business's performance against the company's good practice procedures. However, we recognised this did not provide for sufficient consistency of measurement or reporting.

As a result, during 2007, we introduced the web based Business Scorecard system to ensure individual businesses are more accountable for improvements in performance. All businesses are required to report on

their Health and Safety and compliance with processes, using web-based scorecards.

By the end of 2007, 76% of our businesses had introduced the new scorecard system meaning that it now plays a significant role in enabling us to review how well our company-wide health and safety approach is put into practice.

The scorecard process is used to provide assurance at all business levels as to the adequacy and effectiveness of health and safety management. It enhances existing health and safety performance measurement and reporting processes, and helps drive overall performance improvements across the organisation. It can also be used to provide assurance to our customers.

In requiring our businesses to populate this scorecard, we have learned many lessons that are being taken on board. Looking ahead, our challenges include establishing an understanding of what a "good" health and safety performance looks like in our businesses, to enable setting group and divisional improvement targets. The scorecard process is part of the long term commitment to drive improvements in health and safety management.

Performance

For our health and safety management, our KPIs focus on numbers of work related accidents that occur in the UK and the percentage of businesses worldwide that have populated our new health and safety scorecard system of management.

Numbers of work related accidents in UK in 2007

9%

improvement
(year on year on a
like for like basis)



Percentage of business units worldwide populating the scorecard management system

76%

in its first year

Health & Safety

continued

Success is No Accident

Whilst the scorecard helps our management of the process, we need to keep our standards up to date, and we regularly update them. Recent additions have included 'moving machinery', 'working high up' and 'working with chemicals'. We are also aware of other emerging risks such as 'occupational stress'.

Nevertheless, our records show that nearly 50% of reported Lost Time Injuries are due to manual handling and slips, trips and falls. Many of these will have been preventable, and the challenge is to develop a better understanding of the issues.

Within the UK, a new programme – Success is No Accident – was introduced. This provides an information source about all work-related accidents and near misses, including injuries while driving (or being driven) on company business. It has been heavily promoted within our UK businesses, and this has had the added benefit of creating greater awareness about accidents and their causes.

The programme uses a free phone line to make sure all employees can report the circumstances of any incidents. This triggers an automatic e-mail to be sent to each business's health and safety manager. As a result, there can be a prompt and appropriate investigation.

The programme can also advise any customers involved about the circumstances.

The programme helps better analyse accident trends, identify causes and ensure quicker and more efficient referrals for physiotherapy or other rehabilitation services. The latter is an important aspect of this programme, and in 2007 the company won the Rehabilitation Initiative of the Year – Employer Award. A more detailed description is to be found later in this section.

In addition to improving the quality of internal management processes, some of our businesses are seeking external accreditation for their approach. Initial Facilities Services has received the OHSAS18001:1999 accreditation for its health and safety management system.

Reportable incidents

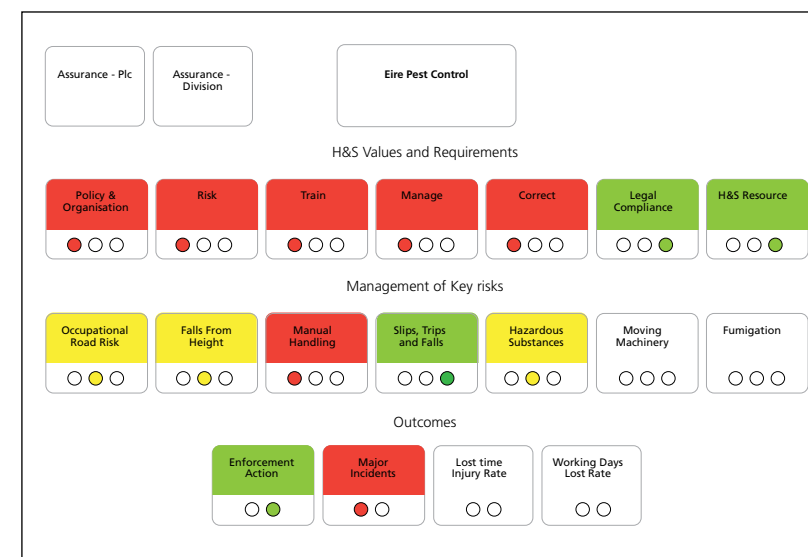
In 2007, the number of UK reportable incidents continued to decline with a 9% like for like reduction in incidents. In addition, for this year's Review we have extended reporting to include the former City Link franchises, recently acquired.

Two years ago, within the UK, we introduced a loss-control incentive programme to improve risk management and encourage the businesses to take responsibility for managing health and safety. This included upper and lower

benchmarks (based on the previous year's performance) for the number of accidents reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR). If the number of accidents went above the upper benchmark, the business would be penalised, and rewarded if it went below the lower benchmark.



Below is an example of the Scorecard in use in one of our businesses



Health & Safety

continued

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

Because of the number of acquisitions and disposals in the UK, this scheme was suspended during 2007. But it is regarded as a successful and effective scheme and will recommence from January 2008. We will report on it in next year's Review.

Nevertheless, the central loss-control fund, which was part of this scheme, remained in place. Businesses can use this to fund their projects, including support for accident investigation training for managers, driver risk assessment training, manual handling training for porters and IOSH managing safely courses for managers & supervisors.

In looking at our UK performance in terms of accident rates, in 2007 we have increased our reporting with the inclusion of the former City Link franchises.

Therefore, our reported accident rate increased significantly compared with our increase in full time equivalent employees (FTE's).

No. of work related incidents	
2003/2004	310
2004/2005	347
2005/2006	291
2006/2007	390
Exposure (FTE's)	
2005/2006 vs. 2004/2005	8% up
2006/2007 vs. 2005/2006	10% up
Change in Accident Rate	
2005/2006 vs. 2004/2005	16% down



Within the former City Link franchisees, the quality of health and safety management was lower than in the main City Link business. This business has now a far larger health and safety team – 9 in 2007 compared with only one in 2005 – and are addressing the necessary required improvements.

However, on a like for like basis, the accident rate for the remainder of the company (excluding City Link, with its acquisition of Target Express and its former franchisees) fell from 244 by 9% in 2006/2007.

The current trend in the RIDDOR numbers remains positive – see the graph on the following page. We believe that with the full implementation of "Success is No Accident" in UK businesses, employees are aware of the need to ensure that all incidents are collected and recorded and managers are able to focus on underlying causes to prevent re-occurrences.

As part of the Health and Safety Business Scorecard programme we introduced two common group wide measures for work-related accidents/ill-health called the Lost Time Injury Rate (LTIR) and the Working Days Lost Rate (WDLR). The LTIR is a monthly frequency measure and the WDLR is a monthly measure of the severity of injuries and illnesses. We are still evaluating the reliability and accuracy of this data for scorecard reporting purposes. We will be using the data for internal and external benchmarking purposes in 2008 in order to set divisional improvement targets in 2009.

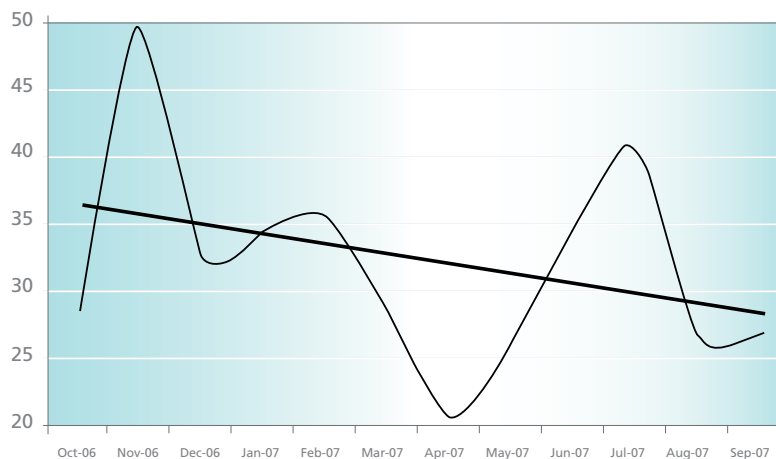
Health & Safety

continued



“Introducing our health and safety scorecard has meant we are able to more effectively manage this area internationally, benefiting both our people and our bottom line.”

Andrew Macfarlane
CFO, Rentokil Initial



RIDDOR Reportable Incident within Rentokil Initial (UK) for 2006/07

Our people and health and safety

In 2007, several of our UK companies had success in the Royal Society for the Prevention of Accidents (RoSPA) awards. Initial Facilities Services, Initial Washroom Service, Specialist Hygiene and Rentokil Pest Control each won a RoSPA Gold Medal Award in 2007. Rentokil has now won this award for eight years in a row. Initial Facilities Services also won the British Safety Council's International Safety Award.

Perhaps most significantly in 2007 was the achievement of City Link, which decided to enter these awards. At their first attempt it gained a total of 7 RoSPA Gold Medals.

Initial Facilities Services has introduced an absence management programme, designed to address in particular long term absence. This includes identifying what can be done proactively to avoid

these situations and determining what help and support can be provided to get such individuals back to work as soon as possible.

In City Link, a safety and security video has been introduced. This provides interactive training for drivers, who also have a three day workshop training programme. City Link has also introduced an alcohol and drugs testing policy, combined with on line counselling support. This reflects its duty of care to both the public and its employees. This approach aligns with its driver assessor programme, which was recently accredited by the Vehicle and Operators Service Agency (VOSA). Along with its other duties, VOSA campaigns to improve health and safety and training amongst drivers. City Link's assessors achieved some of the highest levels of accreditation from VOSA for both their HGV assessment and their collection and delivery vehicles assessment.

Health & Safety

continued

Health & Safety Management

In 2007, the company won the Rehabilitation Initiative of the Year – Employer Award, in recognition of its “Success is No Accident” programme (running in its UK businesses for the last year).

“Success is No Accident” has two main objectives:

- to reduce the total cost of risk through improved monitoring and analysis of accidents and any subsequent employee absence,
- and, to provide for faster and more effective referral of our employees to our occupational health provider, dramatically reducing the delay in providing physiotherapy and other rehabilitation services.

In addition it enables better analysis of incident/accident trends. This helps identify root causes and prevent re-occurrences by business, region and branch.

It uses a web-based accident reporting system to enable more effective and efficient management of accident and near miss information. This was developed in conjunction with software providers Effisoft, and works in tandem

with our insurer (Zurich Insurance), who support it with their “Able to Work” rehabilitation programme.

The project focuses on the swift rehabilitation of employees injured at work through accident reporting using a call centre with dedicated freephone numbers to enable employees to report accidents on an around the clock basis. Employees benefit with an improved recovery rate from injuries and improved morale. From a company perspective, the benefits include reducing absence from work, and reducing probability and size of subsequent claims.

To ensure our employees were aware of the new service, information packs were given to employees explaining how the system operated and what the escalation process was in the event of an accident. Leaflets and cards were designed and sent to employees in wage packets or handed out to individuals through branch networks. Posters were used in branches and depots to inform employees.

The success of the programme is best determined by the improvement in our rehabilitation performance. In 2007, we referred 145 employees for rehabilitation on average 8 days after accident notification. Compared with 2005, this is a 253% increase in referrals and 62% reduction in the reporting delay. This was an even greater improvement when contrasted with the period between 2002 and 2004, when only six cases were referred

for rehabilitation. These referrals were often delayed several months after the accident date, following advice from the insurer's claims handlers.

Our success in the use of this system in the UK has led to our commitment to it being extended on a global basis during 2008/09.

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

What to report

Please report all accidents and near misses. If you are injured or a near miss or suffer an accident we want to help to make sure:

- You are okay
- It doesn't happen again

What should I report?

- All accidents and near misses that result in injury, or injury to you or a colleague at work, and report any 'near accidents' which threaten the company business.

What is a near miss?

- A near miss is an event that could have injured you, a colleague or a customer at any point, but it was avoided by luck.

When should I report?

- Please call the numbers as soon as possible. If at all possible, please contact the health and safety team by email or online system if you are injured.

At work

When at work, please carry the folder and at all times, if you require another copy, please ask your manager.

Success is no accident!

While at work, if you...

- Have an accident
- Witness an accident or a colleague
- See a near miss (something that could or has happened)

Please call the helpline on FREephone **0800 358 1531**

If you have any questions please, in the first instance, contact your supervisor / manager or alternatively the health & safety team.

Success is no accident!

New incident reporting – how you can make a difference!

We're Committed

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

Community

In 2007, our local businesses once again demonstrated a significant commitment to support their local communities. In South Africa we support people who are impacted by Aids/HIV. In Taiwan we backed a Government public health education campaign. Ambius in Sweden has created and donated a rainforest exhibit in its Natural History Museum for educational purposes, while in Australia we saved a 17,500 square metre block of actual rainforest, working with Rainforest Rescue.

Community

We continue to provide support for organisations that aim to improve the quality of life in society, and have been active in providing gifts in kind through our operating companies. We continue to provide support to the Daintree Rainforest Rescue programme in Australia and the Thusanang development centre in South Africa.



商界展關懷
caringcompany

Our activities in the community are led by the local management of each business. They focus on activities which benefit their local community and meet their business needs and strategy. Their focus is upon our responsibilities to communities where we work and our employees live.

Management initiatives

During 2007, our charitable donations amounted to £107,000. These donations exclude any assessment of gifts in kind or provision of management time. Much of these donations were made as part of our matched giving scheme. This has been operational for many years to support our employees' own fund raising for charities and voluntary groups. However, there were fewer requests which led to lower donations than in recent years.

Although the matched giving scheme has a worldwide reach, we found that take up was focused largely in the UK. To broaden the scope of our scheme and to bring it more to the attention of our worldwide employee base, the Board agreed at the end of 2007 to introduce a new scheme called "Helping Hands". This is likely to increase the awareness of our matched giving scheme, and we will report on its launch in next year's Review.

Alongside activities such as matched giving, we are also active supporters of bodies that aim to improve the quality of life in our society, including Leonard Cheshire Disability and the Safer London Foundation (SLF). The SLF was established with three corporate supporters, one being Rentokil Initial, and was extended with a Foundation Club in 2006.

Among the schemes supported by Rentokil Initial through the SLF are:

- The AHOY Centre, which provides diversion sailing courses for young people excluded from school and on the cusp of offending. The young people are referred to AHOY by Youth Offending Teams.
- Spires Street link, which offers support for homeless people and street sex workers.
- Streetbeatz, which offers excluded young people an interactive two day workshop with police officers with the aim of breaking down the barriers between young people and the police.

In a similar example of our businesses' involvement with the wider society, our Hong Kong operation was awarded the "Caring Company Award" to recognise

our contribution to our communities. This reward is an initiative of the Hong Kong Council of Social Service for cultivating corporate citizenship and designed to help develop strategic partnerships between business and social service sectors.

Donations, often in the form of gifts in kind, were made by many parts of Ambius' operations in 2007. The beneficiaries included children's hospitals and schools for children with disabilities in Sweden, as well as elderly people's homes and the association of seriously ill people in Finland. Similar examples of community support occurred in Denmark, Netherlands, UK, USA, Canada, Norway and Belgium.

In a different format, the Initial Hygiene business in Taiwan supported their government with the provision of 50,000 public washroom evaluation stickers. These were posted in public

Community

continued

“‘Care for people’ and ‘Care for the community’ are core values that helped us gain the caring company award in Hong Kong. This award is a great affirmation of the contribution made by our staff for the community.”

David Liu

Divisional Managing Director,
Rentokil Initial, Asia Pacific



areas, such as libraries, hospitals and shopping malls. The purpose of the support is to help increase the awareness of the public of the importance of having a good quality washroom environment. This is the second year where our Initial Hygiene team has supported the Taiwanese government in this scheme.

Market related initiatives

As was noted previously, much of our community activities are in the form of gift in kind activities, backed by our local businesses and the energies of our employees.

An example of this occurred in our Taiwan pest control business. In the summer of 2007, there was an outbreak of Dengue Haemorrhagic Fever caused by Aedes mosquitoes in Kaohsiung, in southern Taiwan. To support the local community affected by this outbreak, our local Taiwanese

employees conducted free inspections and treatment for the control of mosquitoes for schools in the area.

On a larger scale, Ambius' North American business is setting up its "Energise the Senses Programme" with the Los Angeles branch of The Covenant House, the largest privately funded non-profit agency in North and Central America. This provides shelter and other services to homeless young people.

There are two key elements to the programme. The first is the "Covenant House to Work" programme in which young people will be introduced to the interior landscape sector through their participation in workshops run by our employees. The second will be having Covenant House's young adults considered for internships within Ambius.

In addition, the company will provide attractive, well maintained interior plants to improve Covenant House's interiors. As part of Ambius's involvement in these areas, members of its team have attended specialist horticultural therapy at Rusk Institute's Glass Garden, and it has consulted with the American Horticultural Therapy Association to ensure that their donated programme met the rigorous requirements of this association.

In an unusual activity that both reflects concern for the community and awareness of the impact of climate change, Ambius employees in Sweden created a rainforest exhibit in the Swedish Museum of Natural History, with the objective of helping explain to visitors how the rainforest works. As well as providing all the plants for the rainforest, the business is servicing and maintaining the exhibit as part of its donation.

Our people and the community

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

One example is that of the Daintree Rainforest Rescue programme in Queensland, Australia. Our Australian business wanted to develop a programme that has long term positive environmental benefits and could be linked to the community and its customers. It was also seeking a programme where it felt that its support could make a big difference year after year.

Their chosen activity was to support this programme. This involved supporting their "buy back and protect forever" of a 17,500 square metre block of rainforest with a cash sponsorship of \$A35,000 and a wide range of

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

Community

continued

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

initiatives, including, as first corporate sponsor, supporting Rainforest Rescue with two media events – one in Sydney and one locally in Cairns, Queensland. In addition, the business helped to build awareness of the programme by creating “thank you” cards to give to customers, and communicating the activities to employees and customers through newsletters, internet and the business’s own intranet.

In a different approach, the establishment of the Shared Service Centre in Dudley, UK, has made the company one of the biggest employers in the area with over 350 employees located at the centre. The management of the centre is now working with agencies such as Working Links and Business in the Community to get disadvantaged individuals (as well as those recovering from illness) back into employment locally.



The community initiative that has been operational for the longest is the Zeneleni Trust in South Africa. A full update on the progress of this initiative is provided later in this section. However, the success of the programme has created requests from other organisations for support from our South African operation. One example is that of Rat Alert. This is an initiative taken by an NGO, Men on the Side of the Road (MSR), designed to create employment opportunities and develop skills and training amongst the unemployed.

This has been initiated due the major rodent infestations facing Cape Town and surrounding areas. The organisation’s founder saw the opportunity to create employment by addressing this problem, based on a successful model in India. The unemployed are given training in order to make a positive impact on

the rodent problem. Initially focused in Cape Town, the City Council is also involved in this project. The project has two phases. First is to create awareness of the City’s rodent problem and the initiative taken by MSR. Second is to deploy people to identified hot spots. The unemployed will be provided with basic training and our own employees provide them with health and safety training as well as providing basic pest control documentation.



“I continue to be impressed by the continuing commitment of our employees to provide support and benefit our colleagues who are either HIV/Aids infected or affected.”

Mike Salter
Managing Director,
Rentokil Initial,
South Africa

Community

continued

03	Overview
05	Highlights
07	Approach
08	Our businesses
11	Environment
19	Workplace
27	Marketplace
35	Health & Safety
41	Community
46	Action planned for 2008
47	Commentary
48	Feedback
49	Index

Community Support

Our South African business first became involved with the Thusanang development centre three years ago, when it donated the use of a 21-acre property in Blue Hills to develop projects to respond to the community's specific needs. The main beneficiaries are the large community of squatters in Olivienhoutbosch.

Designed to empower and transfer skills to 30 African beneficiaries per quarter, the centre has four major goals:

- Encourage individuals to take responsibility for the improvement of their community;
- Recognize the dignity and value of all useful occupations;
- Mobilize self help activities and collective work to improve the quality of life;
- Encourage the development of human potential to its fullest, within the context of the local culture and community.

To achieve the above objectives, the centre runs a number of activities, including:

- Care and welfare, including providing day care and after care centres and a people with Aids project
- Skills development, including agricultural training, computer literacy courses, sewing and bead making and pottery

In recognition of the long term commitment and involvement of our South African business in this project, the business was recently presented with a Merit Award Certificate for Devoted and Unselfish "Service above Self" to the Community from the Rotary Club of Midrand, Gauteng.

Alongside the success of this project, our employees in South Africa established The Zenzeleni Trust to provide support and benefit HIV/Aids infected or affected colleagues. The business provided an initial seed corn donation and now the Trust receives a monthly donation from 337 colleagues within the South African business.

In an effort to assist colleagues at "grass roots" level, thirty-four volunteers offered their services as Champions and received training at HIV/Aids workshops. The aim is for these volunteers to assist HIV/Aids affected and infected colleagues in whatever way possible, on a totally confidential basis. In addition, these Champions have received a three day training course, covering many aspects relating to HIV/Aids, including role-play workshops dealing with counselling techniques.



Julian Kassen of Rentokil Initial in South Africa receives the certificate from Motale Phirwa, President of the Midrand Rotary Club

Action planned for 2008

Area	Identified long term challenges	Action planned for 2008
Health and safety	Effective health and safety management across the Group	<ul style="list-style-type: none"> • Ensure our Scorecard system achieves over 95% implementation • Set improvement targets and objectives for health and safety management • Undertake H&S audits to assess the accuracy and reliability of data compilation for scorecard reporting purposes
	Extend our safety culture globally	<ul style="list-style-type: none"> • Commence implementation of Success is No Accident on a wider company basis
	Improve risk management and encourage UK businesses to take greater responsibility for managing health and safety	<ul style="list-style-type: none"> • Reintroduce our loss-control incentive programme in UK
Environment	To reduce our CO ₂ emissions	<ul style="list-style-type: none"> • Gather information on the current vehicle fleet • Develop procurement procedures to deliver fuel efficiency and ensure emissions are reduced
	Product management	<ul style="list-style-type: none"> • Ensure our list of authorised pest control products is operating effectively on a global basis
Marketplace	To have procurement activities with consistent quality, and consistency of governance.	<ul style="list-style-type: none"> • Implement the new global procurement approach across all divisions, with the global sourcing capability in Asia Pacific and a small central team.
Workplace	Developing colleague engagement in mobile operations	<ul style="list-style-type: none"> • Continue annual colleague surveys • Continue linking management bonus in Rentokil and Ambius to survey scores and implementation of actions
CR Governance	Enhance the understanding of ethical behaviours across the company	<ul style="list-style-type: none"> • Publish and promote the revised code of ethics to all managers

This table reviews those key corporate responsibility challenges we believe we are facing and for which we will be taking group wide actions. In addition to these challenges and actions there will be others addressed at divisional and country levels.

Commentary

The scale and reach of Rentokil Initial's approach and commitment to responsible business practice is remarkable. It is so encouraging to see a company ensure its core values are translated and acted upon to mobilise business for good in 49 countries. The range of business interventions, for example, to ensure fuel efficiency and reduction of water usage demonstrates that simple solutions to climate change are often the most effective. The company's commitment to developing the talent and skills of its worldwide workforce to meet market needs is inspiring and a model for others to emulate.

Both in the marketplace, and in its response to wider community issues, it proves that well managed programmes, underpinned by rigorous measurement, can have long term impact on the wider community and ensure sustained business performance.



Stephen Howard,
Chief Executive
Business in the Community

Feedback

In this report we have described the corporate responsibility approaches we have established across the company and the positive responses made by our individual businesses to adopt these, and use them to address their specific business needs. We hope you have found it informative.

We are aware that there may be areas where our performance can be improved. We are committed to address these areas in order to continue to develop responsible and sustainable practices throughout our organisation.

We welcome your views on this report and our corporate responsibility.
If you have any comments on or questions about our activities, please write to:

Paul Griffiths
Company Secretary
Rentokil Initial plc
12th Floor
Portland House
Bressenden Place
London
SW1E 5BH
United Kingdom.

Index

03 Overview			
05 Highlights			
07 Approach			
08 Our businesses			
11 Environment			
19 Workplace			
27 Marketplace			
35 Health & Safety			
41 Community			
46 Action planned for 2008			
47 Commentary			
48 Feedback			
49 Index			
	Action list – 2007	6	
	Actions planned for 2008	46	
	Agenda for change in NHS	21	
	Ambius		
	community	42, 44	
	customer surveys	29	
	employee development		
	employee surveys	26	
	fuel efficiency	15	
	Green Building Council	18	
	rebranding	29	
	water consumption	14	
	Your Voice Counts	22	
	Asia Pacific – customers	30	
	Australia		
	community	43, 44	
	fuel efficiency	15	
	Biocidal Products Directive	34, 16	
	Board responsibilities for CR	7	
	Business in the Community – commentary & CR Index	4, 5, 47	
	Business turnover and employee profile	8	
	Campaign for responsible rodenticide use (CRRU)	18	
	Caring Company Award	42	
	City Link		
	customers	29	
	employee development		
	employee engagement	22	
	fuel efficiency	15	
	health and safety	39	
	management development	25	
	waste management	18	
	Code of ethics	7	
	Community	41-45	
	charitable donations	42	
	gift in kind	42	
	helping hands	42	
	Competition / antitrust law	7	
	Corporate responsibility impacts	10	
	Corporate responsibility governance – 2008 actions	46	
	Customer communications	32	
	Customer websites		32
	Daintree Rainforest Rescue		43, 44
	Dow Jones Sustainability Index		4, 5
	Eco Driving – fuel efficiency		15
	Ecologic – waste management		17
	Employee communications		
	employee e-zine (Horizon)		24
	employee radio		25
	employee magazine (Rising)		24
	Employee consultation		21
	Employee development		23-25
	Employee diversity		22
	Employee engagement		22
	Employee surveys		26
	Enviro-Fresh		
	water consumption		4, 17
	customers		32
	Environment		11-18
	awareness		18
	CO ₂ emissions		4, 12-13
	KPIs		13
	public health in China		17
	public health in Hong Kong		17
	waste management		17
	water consumption		13, 14
	2008 actions		46
	European Forum		22
	Fairtrade		34
	Feedback		48
	Fibre Citoyenne		5, 34
	Fuel efficiency		15
	Health and safety		35-40
	accident rate		38
	business scorecard		36
	central loss fund		38
	KPIs		36
	lost time injury rate		38
	working days lost rate		38
	2008 actions		46

Index

03 Overview			
05 Highlights			
07 Approach			
08 Our businesses			
11 Environment			
19 Workplace			
27 Marketplace			
35 Health & Safety			
41 Community			
46 Action planned for 2008			
47 Commentary			
48 Feedback			
49 Index			
HIV/Aids	45	OEKOTEX certification	34
Hong Kong – community	5, 42	Our operations – scope, products and services	9
Hong Kong – customers	4, 30	Overview of 2007 activity	3-4
Initial Catering		Pest control high dependency teams	30
customers	32	Rehabilitation Initiative of the Year Award	5, 40
supply chain	34	Rentokil	
Initial Facilities Services		environmental management	16
health and safety	39	customers	30, 31
Investor in People	5, 21	employee surveys	22, 26
ISO 9001	29	Reward and recognition	24
ISO 14001	14	RIDDOR	5, 37, 39
customers	32	RoSPA Award	39
OHSAS 18001	37	Rotary Club, South Africa	45
Women and Work project	21	Safer London Foundation	42
employee development	23-24	Shared service centre	
management development	25	community	44
Initial First Learning and Development	3, 31	customers	29
Initial Hospital Services		South Africa	
customers	31	Rat Alert	44
employee development	23	Thusanang Centre	45
Initial Medical Services – waste management	18	Zenzeleni Trust	44, 45
Initial Supplies – WEEE recycling	14	Success is No Accident	38, 40
Initial Textiles and Washroom services		Taiming Fumigation	31
customers – Risk Analysis for Bio Contamination	4, 31	Taiwan – community	42, 43
customers – surveys	28	Talent development	25
supply chain assessment	34	Third party recognition	5
new UK processing facilities – water consumption	4, 14	UFAW – animal welfare	18
ISO 9001	29	Vehicle & Operators Service Agency (VOSA)	39
ISO 14001	14	Vision & Values	7, 20-21
KPIs – summary	6	WethicA	34
Learning & Skills Council	5, 23	Workplace	19-26
Leonard Cheshire	42	KPIs	20
Lokeren laundry – water consumption	4, 14	Skills for Life	3, 23
Marketplace	27-34	Skills Pledge (UK Government)	5, 24
customer surveys	28, 29	2008 actions	46
supply chain	33-34	Zurich Insurance	40
2008 actions	46		
Modern Apprenticeships	23		
MRSA	3, 31		
NVQs	23		