



Delivering our promises

Welcome to our **Corporate Responsibility Report 2011**

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Welcome to our 2011 Corporate Responsibility Report

Rentokil Initial plc operates in almost 60 countries across the world's major economic zones, employs over 66,000 colleagues with revenue of £2.54 billion at actual exchange rates (£2.49 billion in 2010).

The group is committed to acting responsibly with all its stakeholders and supporting its customers in their own efforts to develop responsible behaviour.

Stakeholders

Key stakeholders for this report include customers, colleagues, suppliers, the investment community and those third parties who are interested in the non-financial aspects of the company's performance in 2011.

We communicate with our colleague stakeholders on a wide range of issues. We have a formal engagement process directly with colleagues as well as on their behalf with the European Forum. Increasingly, we are engaging with our major customers on our corporate responsibility activities and performance. In addition, we participate in major corporate responsibility evaluation surveys, and, where practical, ensure the results of these submissions are published on our corporate website for all stakeholders to review.

We aim to communicate our corporate responsibility performance with openness and transparency, so that our stakeholders understand the progress we are making.

Our approach

Our corporate responsibility approach is aligned to our business strategy, thus ensuring it is embedded within our company. This year, for the first time, we have reported on our corporate responsibility actions in the context of our five main strategic thrusts. The scope of this report includes data and actions from our worldwide operations.

Quick links

To review the Rentokil Initial Annual Report & Accounts for 2011, please **click here**.

For further information about the group's operational activities, please click on the relevant website:

www.rentokil.com
www.initial.com
www.ambius.com
www.city-link.co.uk
www.rentokil-initial.com





Alan Brown
CEO
Rentokil Initial plc

Introduction

2011 was a year of tough economic conditions in many of our markets. At the same time, environmental disasters – floods in Australia and Thailand, an earthquake in New Zealand and the tsunami in Japan – meant that our colleagues around the world had to face significant challenges at work, as well as in some instances, at home. 57 colleagues lost their homes and possessions in the Thailand flooding and were housed in our Bangkok branch for several weeks. As always, we pulled together and supported one another.

Even with challenges such as these, I am pleased to be able to say that we have continued to enhance our corporate responsibility standards and our performance across all the various elements. Our aim is to achieve a best in class position in all of our areas of greatest impact. There is still some way to go before we can confidently make this assertion on an ongoing basis but we made good progress in 2011.

This year we have begun to structure our corporate responsibility reporting in the context of our business strategy and our five strategic thrusts. These are our promises – areas which we focus on to improve the performance of our business for the benefit of all stakeholders. This is the language which our colleagues understand and we feel that it is important to deliver the reporting of our corporate responsibility activities within the same context. In other words, responsible business practice is at the heart of our business plan, not a separate strategy.

Rentokil Initial has focused on building upon a culture of responsible behaviour. We have bolstered the introduction of our three values – Service, Relationships and Teamwork – that were identified by colleagues. These are now well understood. Examples of this alignment include divisional training and colleague recognition programmes.

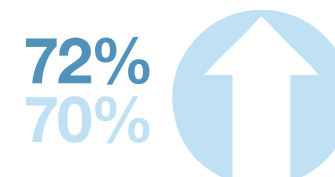
Great teamwork is vital to the success of our company. It's what makes our business units tick. Through colleagues working together, with the right training and tools, we deliver a great service for our customers. Throughout 2011, we delivered a high level of service across our business units and have begun to take the next steps towards delivering a high standard of proactive customer care.

Our Code of Conduct, communicated across all divisions during 2011, has been reinforced with the introduction of our Anti-Corruption Policy. This provides all our colleagues with clear statements of what is expected of them in their behaviour to colleagues, customers and suppliers. We have provided training on this policy and have changed our contractual templates in our supply chain management.

All of our divisions have worked to gain greater engagement and enablement of colleagues. I am pleased to see the results of this work come through in the responses to our third worldwide Your Voice Counts colleague engagement survey. Of the 35 questions asked, 30 scores improved with no declines.

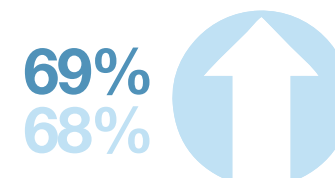
Colleague engagement

Up 2% points year on year



Colleague enablement

Up 1% point year on year



One of my areas of particular focus is health & safety. Our overall performance has shown significant improvement in 2011 for both lost time accidents and working days lost (16.3% and 20.7% improvement respectively, compared with the previous year). For both these measures, the targets set for 2011 have been met and exceeded. In addition, in 2011 we focused activities on five business units where performance was unacceptable. I am pleased to report good progress in each of these units.

I am also pleased that our environmental performance continues to improve with both emissions and water consumption reducing year on year.

Finally, in 2011, for the seventh successive year, Rentokil Initial was amongst the leading 100 companies in the Business in the Community Corporate Responsibility Index, published in the UK and Australia. In addition, I'm pleased to report that we continued to be ranked in the top ten of more than 60 worldwide companies in the Support Services sector of the Dow Jones Sustainability Index. We also participated in the Carbon Disclosure Project.

I hope that this report will help you understand how our corporate responsibility activities are integrated into our overall business strategy. In executing this strategy, it is of paramount importance that we work responsibly with all of our stakeholders and do what we say we will do – delivering our promises.



CO₂ emissions

1% reduction in CO₂ emissions in 2011

1%



Water efficiency

5.4% reduction in water usage in 2011

5.4%



State of Service

Improving trend 2011

98%
97%



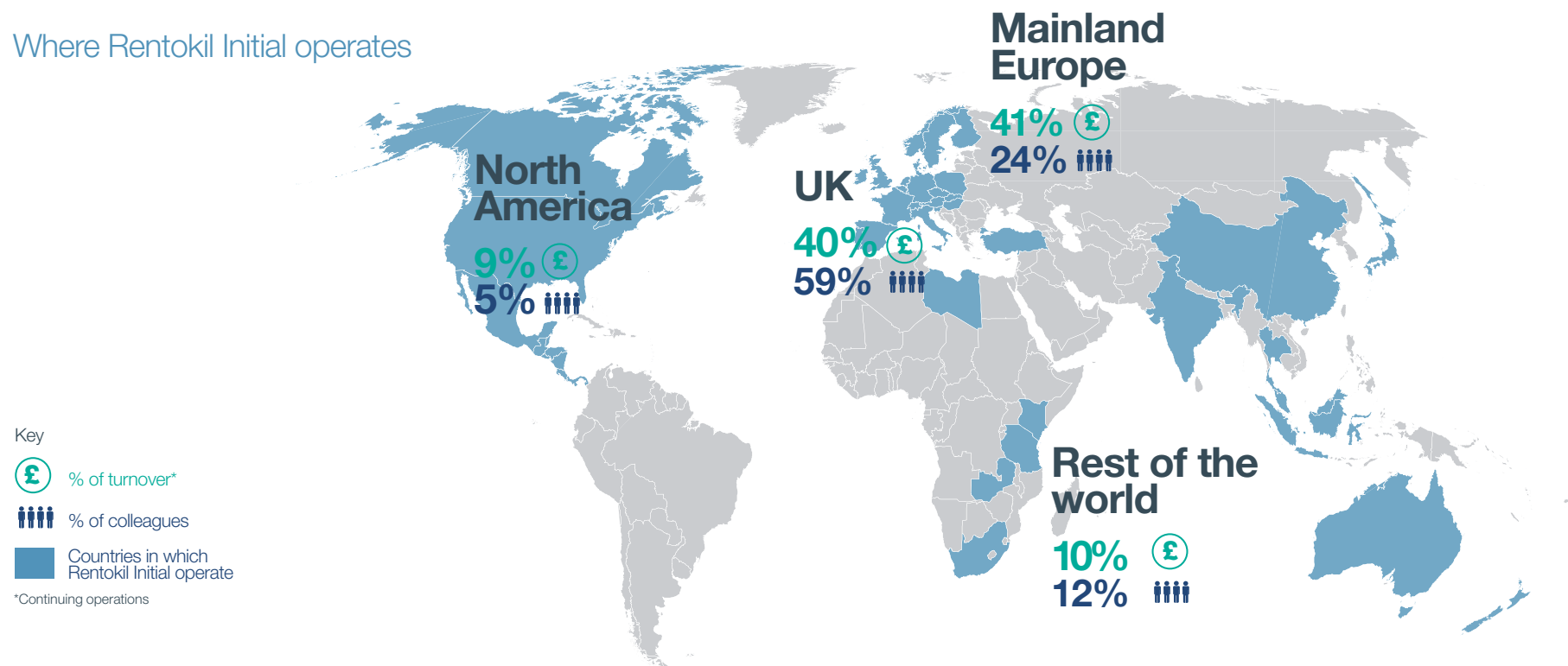
Health & Safety

Lost time accident rate improves in 2011

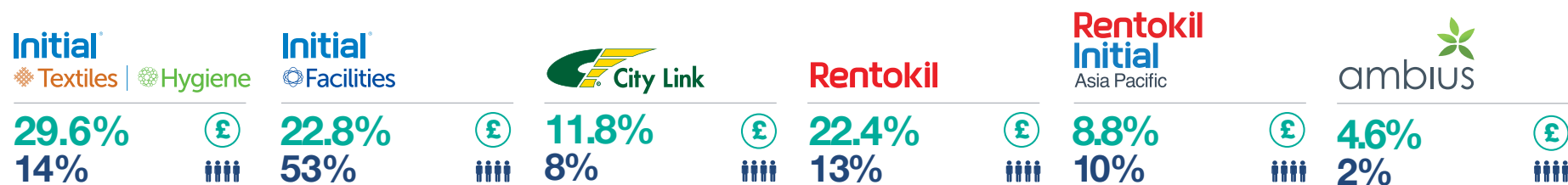
16.3%



Where Rentokil Initial operates

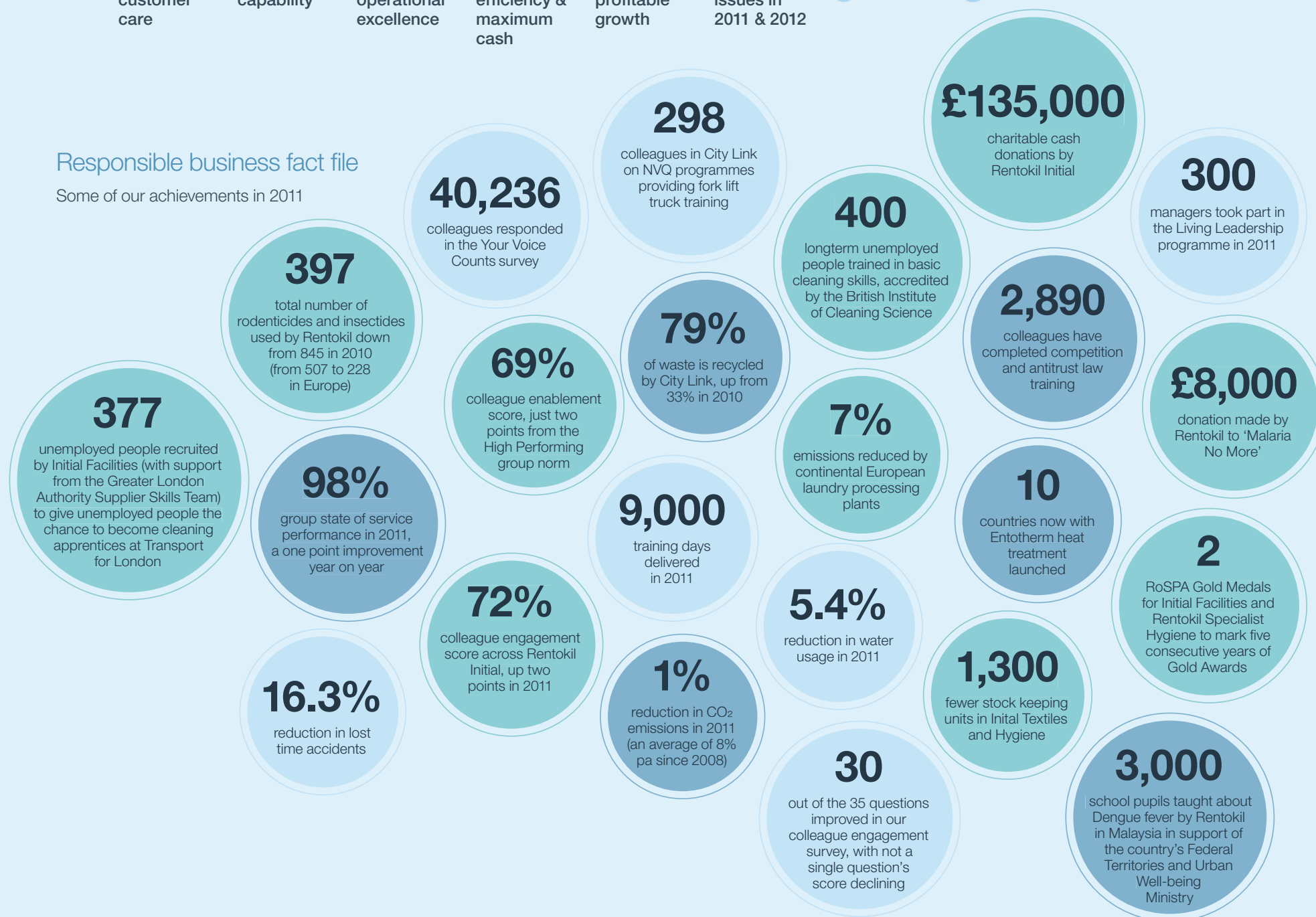


Rentokil Initial divisions



Responsible business fact file

Some of our achievements in 2011





Approach and governance

Aligning corporate responsibility with our business strategy

Approach

The company's approach to corporate responsibility recognises both the needs of stakeholders and the business imperatives. Over the past year, much time has been devoted to consider both the approach and the strategy. To ensure engagement with colleagues and their full commitment to the approach, corporate responsibility has been established within the context of the company's five strategic thrusts.

This report sets the company's corporate responsibility policies, processes, performance and examples of actions within this context, but at the outset, it describes the management and governance of its activities.

In delivering its products and services, Rentokil Initial seeks to act responsibly. It operates globally with many local businesses, organised within a divisional structure. This approach facilitates global strength with a local response that is flexible to market needs and conditions in almost 60 countries. The divisions are responsible for a consistent approach within all their local businesses, as well as setting and implementing appropriate strategic direction, including corporate responsibility standards, based around the company's vision, mission and values.

As the basis for understanding its required behaviours toward colleagues and stakeholders, the company undertook a significant project in 2009 to establish its vision, mission, and values, aligned to its business activities and strategic plan.

In 2011, more rigorous corporate responsibility (CR) governance and management procedures were developed and a new CR strategy was embedded within the company's business plan. This is aligned to the five strategic thrusts and ensures that colleagues know what is expected of them across all business processes. This alignment is described as the Rentokil Initial Way, shown graphically on the **next page**.

Our vision

To be the best at what we do by doing what's right for our colleagues and customers

Our mission

To deliver the essentials to our customers in pest control, hygiene, textiles, facilities, plants and parcels through our local network of over 1,000 branches, by our teams of experts

Our values



Service

We are passionate about delivering excellent service to every customer



Relationships

We value long lasting relationships with our colleagues and customers



Teamwork

We work together with our colleagues to deliver great results

Our strategic thrusts

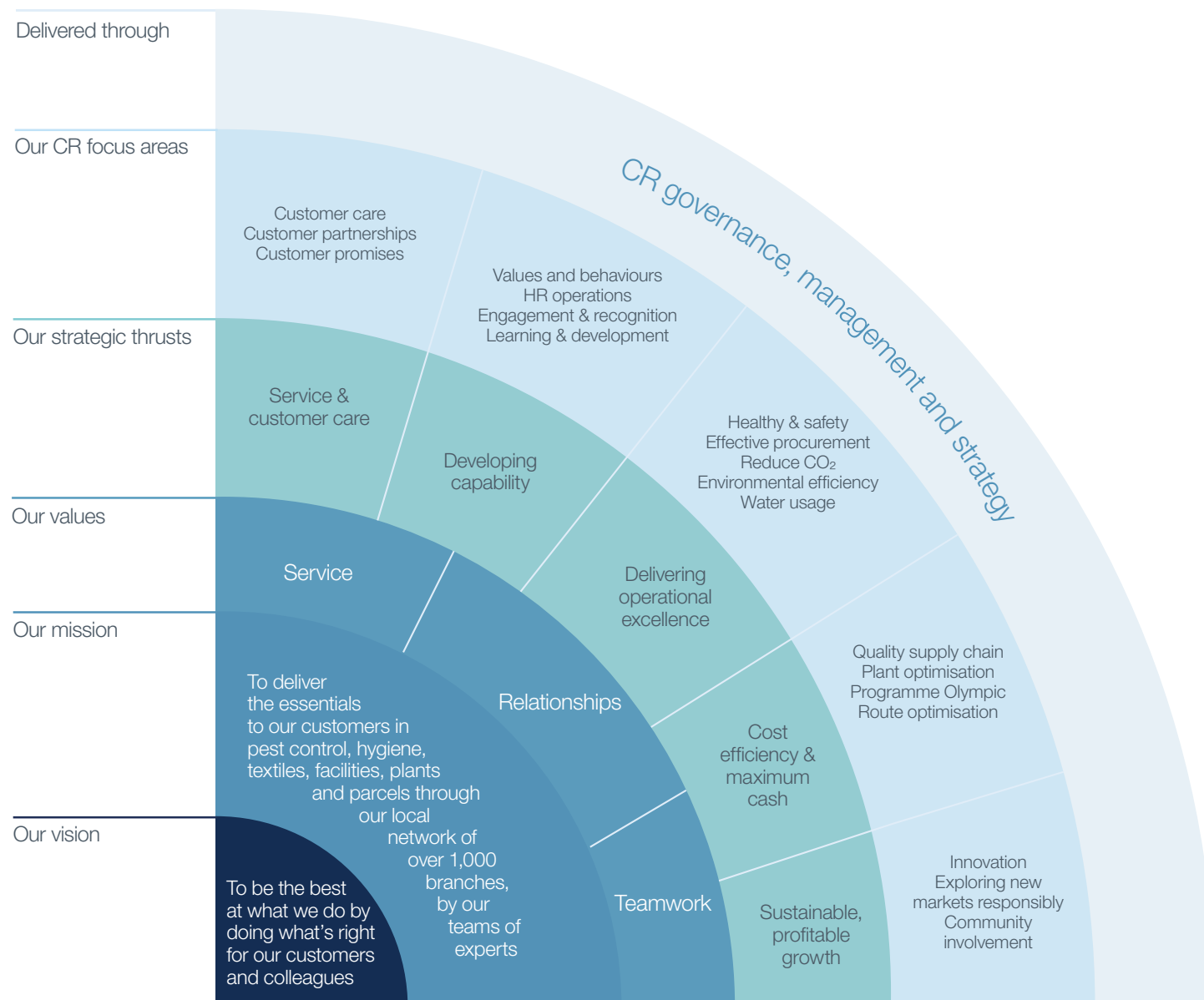
- Delivering outstanding customer service and customer care
- Capability
- Operational excellence
- Cost & cash
- Profitable growth

Having communicated its values, the company's focus has been to ensure that they (and the required behaviours) are embedded through the business so that the responsible culture builds over time. In its annual colleague survey, eight out of ten colleagues said that they had "a good understanding of our values".

The 2011 **Annual Report & Accounts** shows the five strategic thrusts with actions undertaken and outlines 'what' stakeholders can expect from the company within each strategic thrust in 2012. As part of the Rentokil Initial Way we show in this Report 'how' the activities are delivered responsibly, their alignment to our mission, vision and values; and what key responsible business actions are undertaken.

The Rentokil Initial Way

The Rentokil Initial Way aligns our mission, vision and values with our business plan and CR focus areas. It delivers an integrated approach to corporate responsibility.



Governance

Managing the group's approach towards corporate responsibility requires operational adherence to group-wide policies in areas such as health & safety, business conduct, environment and product management; while enabling divisional initiatives that meet the needs of individual businesses.

Of particular relevance to governance is ensuring business continuity processes are fully effective in the event of a serious mishap. Without such processes being in place, corporate responsibility and business sustainability may be damaged. Business continuity management is a subject that has received much investment by the group over the past two years. Indicative of the quality of the approach adopted was the award for 'Best Business Continuity Approach' won at the Strategic Risk Awards in May 2011. This award was for organisations that could demonstrate they had "initiated or implemented a well thought-out new business continuity approach in 2010 that reflected current challenges".

There are five main areas of corporate responsibility governance:

1 Clear ownership

Globally, the Chief Executive takes personal responsibility for corporate responsibility. Corporate responsibility matters are discussed at every executive board meeting, in particular health & safety, which is the first item on every agenda. The executive board has executive authority for reviewing all aspects of corporate responsibility, implementing action locally and reviewing group and divisional performance. The group's Board of Directors review progress related to corporate responsibility matters at least once a year.

A Safety Health and Environment board reports on a regular basis to the Board through the Company Secretary. This board includes representatives from all parts of the group. Its actions include developing standard working methods backed up with appropriate training for our colleagues in these areas, as well as sharing good practice across the group. In 2011, a UK Policy Group was established to review and implement new people-related policies.

2 Annual performance indicators

Key Performance Indicators are outlined in this report's main sections and published annually. These range from health & safety measurements to colleague engagement and carbon emissions. Where available we publish data over four years to enable stakeholders to view performance over time. Operationally, a balanced scorecard is used in some divisions to measure aspects of responsible business practice on a monthly basis, structured by colleagues, customer and shareholders.



Our approach to business continuity management was awarded 'Best Business Continuity Approach' at the Strategic Risk Awards 2011

3 Robust policy framework

There has been a robust framework of policies related to corporate responsibility for many years. They cover health & safety, environmental management, people matters, relationships with customers and suppliers, and involvement with communities.

These are reviewed regularly to ensure they meet current good practice and legislative needs. The last major overhaul of group policies took place in 2010 and culminated in a new Code of Conduct (embracing the Code of Ethics) in early 2011 which was communicated to all colleagues in local language. This followed the distribution of the full Code of Conduct document and Management Guide to all operational managers (Work Level 3) and above from late 2010. It articulated the standards the company expects from all managers and where to go for further information.

The policies and the Code of Conduct were made available to all colleagues on the company's group intranet and external website: **rentokil-intial.com**.



In 2011, the group introduced its anti-corruption policy to ensure that the company has appropriate systems and procedures in place to prevent bribery and corruption.

This policy supplements the Code of Conduct to ensure appropriate ethical conduct is applied throughout the world. It is designed to ensure that throughout the company appropriate steps are in place to ensure compliance with the company's ethical standards and the law.

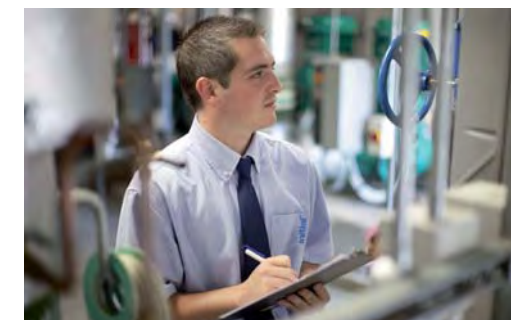
4 Systems, processes and training to ensure adherence

Adherence to these codes and policies is monitored partly through the group's internal control framework but also through the constant reinforcement of ethical business behaviour by operational management, led by clear signals from the top.

As a check to the organisation's effectiveness at behaving responsibly the group operates a Speak Up system, which is a confidential reporting process allowing colleagues to raise any concerns. Speak Up is available to colleagues at all locations worldwide, and includes international freephone numbers. Response to any call from a colleague is addressed first by an independent external service, offering local language dialogue, and then through a process managed by the Internal Audit function acting as an independent internal resource. All concerns, however resolved, are reported to the group's Audit Committee.

The procedures have been enhanced by producing a set of standard criteria for the self assessment of business units control environments. If controls are stated not to be in place, the business unit is given some further time to remedy and put them in place after which the unit will be audited. In addition, increased focus is being placed upon open control issues.

In 2011, there were 28 'control incidents' reported (31 in 2010 and 30 in 2009). All incidents were investigated and satisfactorily resolved, with the initial referrers being advised of the outcomes.



Adherence to the corporate responsibility approach is also achieved both through group and divisional actions, particularly through training. Actions include:

- Providing training to develop responsible behaviour regarding competition and antitrust law, amongst managers and sales specialists. Established since 2007, the training reinforces compliance with the law and the required business behaviour. It comprises an online training programme, covering four elements including EU competition law, antitrust law and global competition principles and practices. To date, 2,890 colleagues have enrolled and 1,958 have completed this training. New colleagues joining the relevant functional areas undertake this course as part of their induction training.

1,770 colleagues participated in training relating to anti-corruption and bribery

- Providing training to develop awareness and understanding of the issues relating to bribery and anti-corruption was introduced in 2011, when 1,770 colleagues participated with a further 1,063 colleagues in process. To minimise opportunities for bribery in the supply chain – an area of considerable risk for many companies – the procurement team introduced contract templates with anti-bribery and corruption clauses, for use across the company's worldwide supplier base.
- Developing training programmes within divisions to reinforce expected behaviours in line with the values – an example is Initial Facilities' STaR Team Integration Programme, referred to in more detail in the Developing Capability section.
- Ensuring that all businesses meet their legal and fiscal responsibilities in the areas in which they operate, through the Internal Control Self Assessment system.
- Procedures to ensure formal compliance with divisional policies. An example is Rentokil Pest Control's Pink Note system. These notes explicitly prohibit or mandate activities, detailing the risks and relevant operational issues. The notes cover issues that could harm staff or customers, or damage reputation or revenue.

5 Regular communication and recognition

Internal communications across the group has continued to focus on areas of corporate responsibility such as health & safety, skills, customer care and product stewardship. The communications programme also recognises achievements such as membership of the Dow Jones Sustainability World Index, awards, and colleagues who have gone the extra mile for other colleagues or customers. Some examples of these colleague achievements are included within this report.

The company's values are reinforced throughout the communications programme, for instance:

- The use of divisional newsletters to reinforce to colleagues the importance of adhering to the group's values in their behaviours.
- Recognition schemes developed by divisions which ensure alignment and reinforcement with the values.
- Embedding the values by integrating them into Performance Development Reviews and the Your Voice Counts colleague survey.

Developments in Corporate Responsibility are reviewed as part of the discussions that occur at the group's European Forum. This Forum comprises colleague representatives from all European businesses, including trade union representatives for those businesses where collective bargaining agreements are in place.





Our strategic thrust
Delivering outstanding service and customer care

In 2011 Rentokil Initial maintained its high levels of customer service and began to create a differentiated position through proactive customer care which goes beyond the expected to a service that will ‘delight and even surprise customers’.

The breadth and depth of initiatives under way provide the opportunity for the company to become truly world class at customer care. Key elements are the Customer Voice Counts, Prospect to Cash initiatives (part of Programme Olympic) and the customer care programme in City Link. In the following pages further details are provided.

2011 Highlights

- Group State of Service increased by 1% point to 98% in 2011
- Introduced a major programme of customer care activities and investments in City Link
- Launched divisional Customer Promise programmes
- Introduced a standard measurement of customer satisfaction (Customer Voice Counts) through an independent third party
- Proactive product stewardship – the total number of rodenticides and insecticides used by Rentokil down from 845 in 2010 to 397 by year end (from 507 to 228 in Europe), and from 2,300 to less than 1,000 by Initial Textiles and Hygiene

Policies and management



Customer related group policies on service performance, gifts, bribes and facilitation payments are covered within the Code of Conduct and the Anti-Corruption Policy. Group wide training is provided for required behaviours relating to competition laws and anti-corruption. These activities are reinforced by a formal annual sign off of compliance by each business head as part of the group's internal controls process. Group policies are available on the group's intranet and corporate website.

Structured divisionally, each business develops appropriate responsible customer relationships, focusing at a local level on the specific needs of customers and markets. Within each division,

there is a high degree of focus on customer management processes, sometimes to an externally accredited standard. Both Rentokil's and Initial Facilities' quality management systems are certified to ISO 9001 – the latter covering its operations in facilities services, catering services and project management.

Management of customer service is monitored through standard measures (in place since 2008). Customer satisfaction is measured through Customer Voice Counts or CVC, based on the Net Promoter System, identifying both loyal and unhappy customers. Other measures include state of service and customer retention levels.

The trends over the past four years are shown below. These measures are reviewed on a regular basis at all levels in the company – board, division, country operations and branches.

Performance indicators

KPI	2011	2010	2009	2008
State of Service	98%	97%	98.1%	88.5%
Customer Voice Counts (CVC)	6%*	19%	n/a	n/a
Customer Retention	83.9%	83.9%	80.8%	81.0%

- State of Service is the total number of service visits performed divided by the total number of visits due
- The CVC score represents the net balance of those customers promoting our service compared with those neutral or not promoting.
- *CVC score for 2011 is based on a more extended measurement (including City Link and Initial Facilities) than for 2010
- Customer Retention is the reciprocal of closing portfolio (after reductions and terminations) as a percentage of opening portfolio

Delivering our promises in 2011



Deliver high standards of customer care in City Link

In 2011, Rentokil Initial began its investment in technologies and training to deliver the highest standards of customer care. The Customer Care programme in City Link is bringing state of the art technology to Rentokil Initial, enabling the company to assemble all the information necessary to look after a customer regardless of how the customer makes contact.

There are a number of initiatives introduced into City Link. For instance, it has implemented an intelligent network call-routing solution. This provides up to 500 customer care agents to choose from at any given time across the business' network with the ability to react in a more sophisticated way to customer calls and changing call volumes. The solution also retains the capability for customers with specific one-to-one call handling relationships to be routed only to selected agents or groups of agents as required.

Natural language voice recognition has been used to avoid the pitfalls of a 'press one for this, two for that' scenario. The system can 'talk' to the customer and ask 'please tell us why you're calling?' It is smart enough to identify words and able to do things such as look up in real time the status of a parcel without the customer having to speak with a customer service agent. Ultimately it offers customers a choice, either to speak to someone in person or use the automated system during busy

periods. Within six weeks of implementation the average speed of answer had reduced significantly to less than one minute.

As well as improving customers' experiences by telephone, it is implementing customer service solutions that provide real-time feedback on customer satisfaction enabling the business to respond instantly to customer complaints or concerns. After a customer has dealt with City Link on the phone, they will be asked if they want to give feedback on how the business has dealt with their call. 100% of calls are recorded so the system will give the opportunity to listen to their concern or complaint and if appropriate they can be called back instantly.

The telephony solutions are linked to a web-based customer service tool that tracks every customer contact made with City Link via phone, email, web chat or letter. Directly accessible by customers, it gives them real-time information. Customers are also able to directly raise or escalate any outstanding issues if they are not happy with the progress or service they're getting.

To back up the new technology solutions, in 2011 City Link undertook a reorganisation of its customer care teams, introduced training and incentive programmes, and launched the Join the Conversation campaign to encourage colleagues to participate with new ideas.

The Join the Conversation campaign encouraged colleagues to participate in the customer care programme



Enhance customer engagement

Customer engagement takes place every day in the company as a matter of course. However, a number of initiatives are enhancing the company's performance.

- The Prospect to Cash initiatives (part of the company's Programme Olympic designed to drive operational excellence) are driving much greater customer intimacy. This has delivered excellent results through proactive management of complaints and following up on the root causes of complaints. The customer contact management initiatives ensure that regular and consistent customer reviews are carried out. The new complaint management system, introduced into UK pest and hygiene businesses, has helped to cut the number of complaints received by 50%. The challenge now is to roll out these initiatives across the organisation together with the technology that supports them.
- The Customer Voice Counts (CVC) survey conveys – by business unit, by branch and sometimes by colleague – what customers really think about the company. The results are, above all, a call to action. CVC, based on the Net Promoter System, assesses customer satisfaction and the extent to which existing customers will act as advocates for each business. Its collation has been outsourced to one provider to ensure consistency. This was extended across all the company.
- Key to successful implementation is the communication of results and the action taken upon them. As is the case for other divisions, Initial Facilities publishes its own divisional results quarterly and picks out for special praise those businesses performing particularly well. In 2011, these included Eden Catering and Initial Healthcare. Asia Pacific identified that the most common comment across the division was that of poor communication from the businesses. They successfully addressed this by launching several business improvement initiatives across all functions.
- Segmented customer propositions were launched in 2011 to ensure customer services match the specific needs of specific customer groups such as food processing companies or retailers. Initial Textiles businesses in France, Germany and the Benelux developed a core value proposition – providing 'The fabric of better business'. This underpins five service offerings tailored to specific customer and end-user segments: Keep Me Clean addressing the basic need to provide customers' staff with clean work wear; Protect My People providing customers' staff with safe and healthy work wear; Protect My Product for customers which must protect against contamination and comply with particle-control standards; Brand Image for customers whose staff help to project brand images; and Healthcare for customers in the health sector which must comply with strict health regulations and standards.

- Divisions have developed a range of online channels to support customers. The development of websites and customer extranets has been a continuous development over the past three years and websites are available worldwide for customers to access our brands in their local language. Online communication is increasingly an essential means for our business to engage with customers, providing service information and addressing customer enquiries. Indeed, the development of customer websites has been growing rapidly since 2008. In 2011, there were over 150 customer websites available in local languages (120 in 2010). In addition, customer specific service delivery extranets, such as PestNetOnline, enable major Rentokil customers to monitor service delivery, with improved reporting and monitoring for customers, whether at multiple locations or one major location. This addresses many of our customers' needs, including those such as meeting regulatory reporting requirements.

**Rentokil Initial
websites attracted
20m visitors in 2011**



Build long-term customer partnerships

Partnerships arise typically where customers have introduced longer term contracts. As a result, these enable more customised service delivery to be developed, as well as offering the opportunity for investment to change the scope of the service.

Scores for train and station cleanliness improved by 15%



- Initial Facilities provides soft facilities management services for eight London tube lines. The partnership with Transport for London utilises a better understanding of train running times and passenger usage patterns to reduce inefficiencies. Service improvements have been achieved with mystery shopper scores for train and station cleanliness improving by 15%, and a 20% reduction in depot graffiti.
- Rentokil Korea was invited to train the Samsung Tesco (Homeplus) technical managers responsible for general operations including pest control and frontline subcontractor audits. The customer wanted to enhance its employees' perceptions and awareness of pest control. The training sessions covered practical information on how businesses could safeguard against pest infestation. During the training session, Rentokil introduced the latest version of its PestNetOnline application. Positive feedback from the participants focused on how the session helped them gain a better understanding of pest control across their business areas.
- Initial Facilities provides total facility management services for 14 Xerox UK sites. The goal of Xerox's 'Energy Challenge 2012' programme was to set several targets to lower its greenhouse gas emissions. These have been met and exceeded. The Initial Facilities team contributed to this achievement with initiatives such as a structured programme of research and development which included exploring the application of renewable and micro generation technologies and establishing pilot projects involving the use of passive building heating and cooling systems. It is systematically replacing plant and equipment on a phased basis with more flexible, scalable and energy-efficient solutions.
- Devonshire Square, near London's Liverpool Street Station, offers a campus environment including a retail destination that meets residents', workers' and retailers' aspirations alike, with a range of restaurants, bars and shops. Initial Facilities undertook a project with Juniper (London's leading food waste reducing operation) to introduce and manage the food waste from Devonshire Square's restaurants. The project included putting in a programme of education for the Square's food retailers to ensure that the food waste effort was maximised. The result was that food waste re-cycling was increased by more than 25%.



Implement proactive product stewardship

Product stewardship involves considering the environmental and health & safety impacts of a product (or a service) through its entire lifecycle. In Rentokil Initial's case, this requires each division to consider each of the products used in its service delivery to ensure that customers (and their employees as well as their own customers or visitors) are not adversely affected through the use of these products or services. In many instances, divisions need to anticipate the impact of the latest legislation and have service offerings available for its customers as soon as the legislation comes into force.



- Whilst legislation can take a long time to take effect, anticipating future legislation can be important for customers. At the forefront of legislative review is Rentokil, particularly because of toxic substances used in its service delivery. Leading this work is Rentokil's European Technology Centre (ETC). It worked extensively on the EU's Biocidal Products and REACH Directives. The former resulted in the approval of its non-anticoagulant rodenticide, Alphachloralose, and product registration for its RADAR (mouse unit) application. Both first in their field, they demonstrate how proactive regulatory review can benefit customers. Because regulation may differ worldwide, the ETC's role continues in different regulatory regimes. RADAR has recently been approved for use by US regulatory authorities.
- Rentokil works with other organisations, such as the Universities Federation for Animal Welfare (UFAW) and the Campaign for Responsible Rodenticide Use (CRRU), to ensure pest control related environmental impacts are mitigated.
- Effective product stewardship can also involve raising awareness amongst other service providers. An example is Ambius' Continuing Professional Development (CDP) programme with RIBA for architects and interior designers. It is designed to stimulate awareness of the role that interior planting can play in defining space, cooling environments, improving productivity and alleviating sick building syndrome.
- Equally important is ensuring that products available to service technician colleagues are fit for purpose and most effective. Rentokil has placed great importance in developing its Authorised Product List (APL). The selection of 'which bait is best' is made at ETC, through a rigorous evaluation procedure which includes input and field testing from our global network of technical managers. This approach ensures unacceptable toxic products are not used, chemical compliance aspects are controlled and excessive dosage avoided. Preliminary APL work in the USA enabled a reduction from 2,286 stock keeping units (SKUs) in 2007 to 338 in 2011. The North American experience has been applied across all of the division's worldwide operations, with the total number of rodenticide and insecticides used down from 845 in 2010 to 397 by year end (from 507 to 228 in Europe).

Initial Textiles and Hygiene has also placed great importance on managing its SKU range and introducing tight controls. In 2011 it reduced its hygiene SKUs from 2,300 to below its target of 1,000, introduced new reporting and governance capability, and identified a clear set of actions for 2012 including the completion of the country level reductions. This has reduced the range of paper and soaps as well as the range of plastic and metal products.

Stock keeping units

Rodenticides and insecticides

55% reduction

Hygiene products

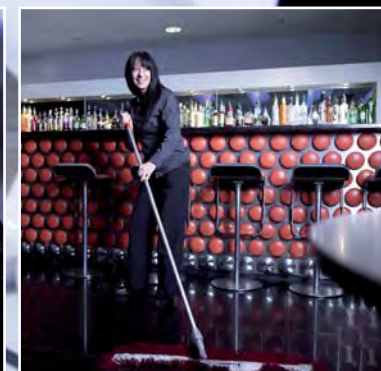
56% reduction



Heather Jones

Cleaning Manager Initial Facilities

Heather has proven herself to be a tremendous asset to Initial Facilities for over ten years and she is very highly regarded by colleagues. Her customer, the prestigious Harvey Nichols in Manchester, also clearly holds her in high regard – she has won their 'Best External Contractor Award' for both 2010 and 2011.



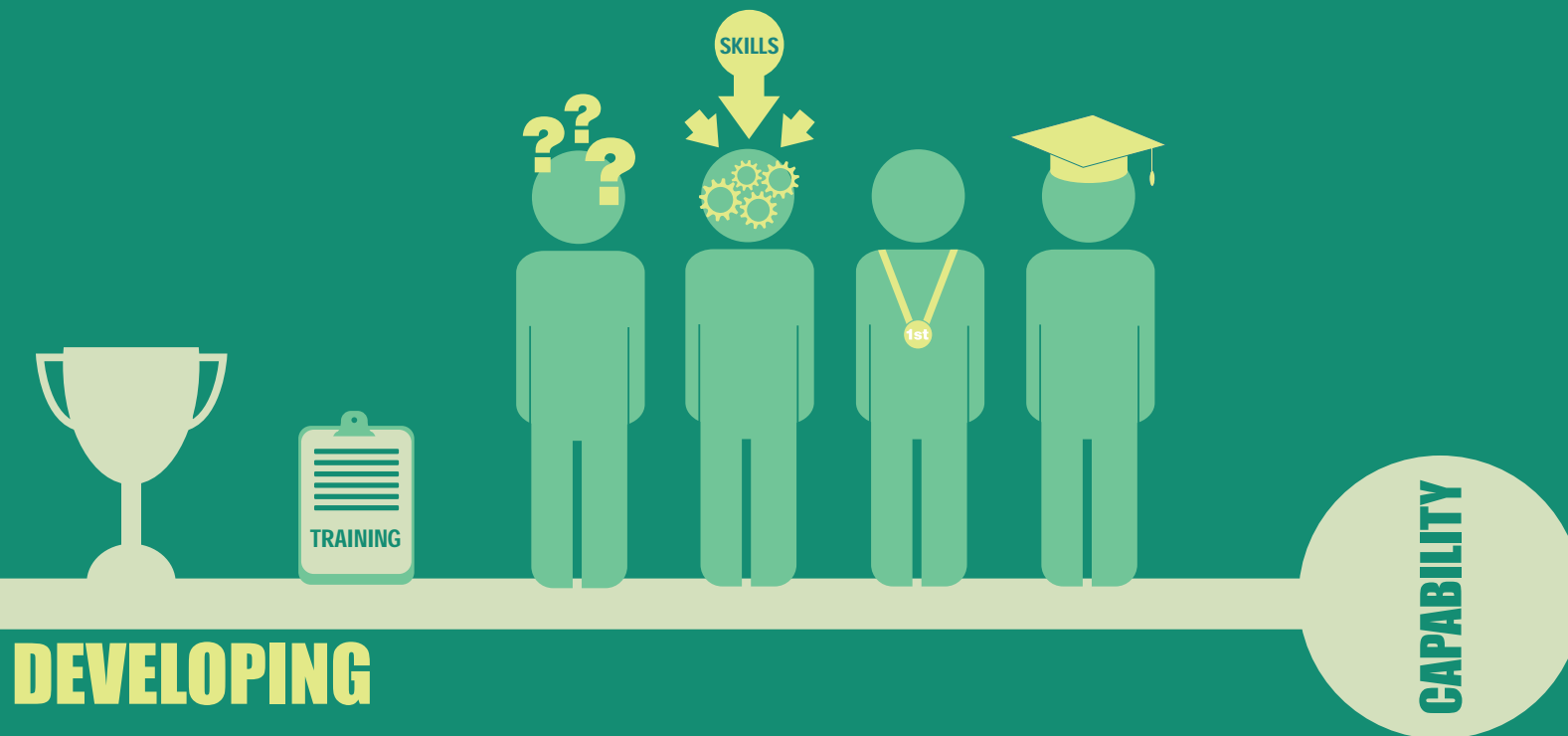


Dawn Pickering

Manager Initial Facilities

Dawn Pickering is now in her twenty-fourth year working in domestic services at Barnsley Hospital and she has established a system that ensures health & safety is the number one priority. Dawn was instrumental in helping Barnsley Hospital to be shortlisted as a finalist in the 2011 Golden Service Awards as the Best Cleaned Premises – Healthcare.





Our strategic thrust
Developing capability

As a customer service organisation, enhancing colleagues' skills, together with their commitment and motivation to achieving high standards of customer service, is critical to business success. To deliver this, a wide-ranging HR programme has been developed and has begun to be implemented across the group.

The company has continued to listen to colleagues through its Your Voice Counts survey and significantly enhanced skills development and colleague recognition.

2011 Highlights

- Improved colleague engagement and enablement in 2011
- Over 9,000 training days delivered – the most ever achieved
- People Services programme designed and ready for rollout
- Recognition schemes adopted by all divisions
- Learning & Development governance framework agreed

Policies and management

The Code of Conduct is the cornerstone of group level policies, and includes guidance on the company's expectations of the behaviour of colleagues and their managers. This Code builds on a range of policies relating specifically to colleagues and people with whom they come into contact (available via the group intranet and **rentokil-initial.com**) including:

- Code of ethics
- Fundamental rights of employees
- Equal opportunities and diversity
- Job security and wealth creation
- Code of employee remuneration
- Training and employee development
- Relationships with customers and suppliers.

Performance indicators

KPI	2011	2010	2009	2008
Colleague engagement score	72%	70%	70%	n/a
Colleague enablement score	69%	68%	68%	n/a
Sales colleague retention	65%	64%	63.5%	54.6%
Service colleague retention	72%	76%	74.4%	74.2%

- Colleague engagement and colleague enablement scores are based upon all colleagues surveyed across the company. Scores are calculated by Hay Group based upon answers to questions within the annual Your Voice Counts survey.
- Sales colleague and service colleague retention is the reciprocal of total sales and service colleagues leaving in the year as a percentage of the sales and service head count at the beginning of the year

The company's Human Resources strategy utilises a single HR functional community in a unified team, with divisional HR directors taking responsibility to ensure best practice is shared across divisions in a consistently fair manner.

In 2011, the HR function ran its first annual awards to recognise achievement and share best practice.

Currently, we have worldwide data for managers that are Work Level 3 (operational management) and above. These total 2,420 worldwide, and of these, 30% are female. For the UK we have data for managers that are in the Work Level 1 (operatives) and 2 bandings. These total 36,635 in the UK and 50% of these are female. The company's policy is to recruit, appoint and promote on the merit of the individual.



Delivering our promises in 2011



Create high awareness of the company's values and behaviours

The company's values of Service, Relationships and Teamwork were identified by colleagues in conjunction with the launch of the strategic plan at the beginning of 2009. They are aligned across the company's activities. They continue to underpin the company's HR programmes such as the Performance Development Review process and Learning & Development programmes. Colleagues' perceptions and attitudes towards these values are measured annually by Your Voice Counts. In 2011, eight out of ten colleagues said that they had "a good understanding of the company's values". Actions to embed the company's values have continued in all divisions during 2011.

- Initial Facilities' Learning & Development team introduced its STaR Team Integration Programme to identify and demonstrate the appropriate behaviours relating to the values of Service, Teamwork and Relationships, resulting in improved individual, team and business performance. More than 2,000 UK colleagues committed to attending a STaR programme course as part of the pilot phase ahead of full launch in 2012.
- Actions within divisions are also focused on developing systems to help managers communicate and engage with their teams. In Initial Textiles and Hygiene, the focus has been to introduce balanced scorecard measurement for its senior managers to assist them achieve better alignment between business objectives and individual goals.
- Communications channels were enhanced in 2011. This included the launch of a new Group Intranet and intranets for the Initial Facilities, Rentokil UK and City Link businesses. New divisional newsletters were also launched such as Spirit (Rentokil division) and City Linked. The company also made greater use of video and social media linked to the Google email platform to enhance communications.

Eight out of ten colleagues said that they had "a good understanding of the company's values"



service



relationships



teamwork

Improve the efficiency, effectiveness and consistency of HR across the company

The focus of the HR functional team continued to be the improved quality of HR systems and processes. The global grading and performance management programmes have been fully implemented and cover all levels of the company. The company also developed its People Services function which will launch in early 2012.

- Rentokil Initial People Services is a programme of activity to improve the efficiency, effectiveness and consistency of HR across the company by creating country-based teams of experts responsible for providing consistent, compliant and quality HR services – from authority to recruitment and payroll to learning and development.
- The People Services centres will use fit-for-purpose systems and processes. This will deliver a single point of contact for accessible, easy to use, responsive People Services that will provide an effective repository for data and reduce administration time.
- There are three core tools within People Services: Workday (which will also drive payroll); e-recruitment; and a new learning management system.

- The next steps are to conduct a pilot in the UK and Spain of the integrated People Service programme during Q1 2012, from which we will take feedback and measure benefits before preparing our rollout plans for other countries in Q2 and beyond.

During 2013 and 2014, the key aims are to continue the rollout of People Services across the 17 largest countries and initiate regional rollouts for smaller countries; build on the delivery of the People Service programme and strategic HR investments; automate more HR processes and integrate HR processes with other relevant business processes.

In addition the HR team established a UK HR policy group to review existing policies and procedures to standardise and harmonise them across all divisions. Areas reviewed include policies concerning:

- Maternity and paternity
- Retirement
- Disciplinary, grievance and capability
- Company cars.

Work is currently under way to standardise policies relating to:

- Contracts of employment vetting
- Expenses
- Equal opportunities
- Redundancy
- Absence.

Rentokil Initial adopts a strict policy to ensure that all colleagues are legally entitled to work. In the UK for instance, Initial Facilities which is the company's largest UK employer, operates a sophisticated document pre-screening system to check the credentials of prospective security employees, all of whom need to be licensed to work in the industry. The system – one of the most advanced of its kind – allows the company to check the validity of passports, visas and driving licences (over 2,300 kinds of documents across 190 countries) to make sure they are authentic before a candidate enters the interview process. Checks are also carried out on colleagues transferred to Initial Facilities under TUPE regulations. The company actively supports the Home Office as part of its commitment to ensure its workforce is legally entitled to UK employment.

The company actively supports the Home Office as part of its commitment to ensure its workforce is legally entitled to UK employment



PeopleServices
Delivering the People Essentials

Build colleague engagement and enablement

Colleague engagement is an outcome of many activities from listening and taking action to colleague development and recognition. Rentokil Initial listens to colleagues formally every year through its Your Voice Counts survey (now in its third year on a group-wide basis). The results are fed back to colleagues and action plans developed. Results are also communicated to the European Forum, with representatives of all the company's European operations.

Your Voice Counts is distributed in local languages and undertaken on a confidential basis by Hay Group Insight.

Summary of the 2011 Your Voice Counts survey results:

- 40,236 colleagues participated on the survey (up 21% on the previous year)
- Colleague engagement up 2% points year on year (at 72%, 3% points above the Global General Industry norm)
- Colleague enablement up 1% point year on year (at 69%, 3% points above the Global General Industry norm)
- In 2011, the scores for 30 out of the 35 questions improved, with not a single question's score declining
- Continued steady improvement in Ambius, Initial Facilities, Initial Textiles and Hygiene and Rentokil Pest Control (which now has a world-class score on Engagement)
- Customer focus improving – in line with service industry norms
- Sales colleagues markedly more motivated
- Signs of increasing line manager effectiveness – with good improvements to 'coaching' scores
- A number of high performing attributes including managing performance, training, removing barriers to effectiveness, job clarity and providing channels for colleague feedback
- "Belief that action will be taken after this survey" rose three points to 59% (now at the General Industry norm).



Colleague engagement up 2% points year on year



Your Voice Counts performance	2011	2010
Colleagues who participated	40,236	33,364
Colleague engagement score	72%	70%
Colleague enablement score	69%	68%

Enhance colleague skills and offer development opportunities

Skills development is critical to business success and according to the Your Voice Counts survey colleagues in Rentokil Initial believe they receive high quality training to do the job (scoring 7% points above the Hay Group High Performing norm). The numbers of days training across the group was up significantly on 2010. Actions included the launch of a new graduate programme and developing an Apprenticeship model. Almost 300 managers attended the Living Leadership programme which won a Personnel Today award for excellence in Learning & Development.

- As an indication of the focus on skills development, the group delivered over 9,000 days of training in 2011, significantly more than 2010, and the company aims to increase skills development in 2012.
- In 2011, for the first time, a unified structure was introduced for all Learning & Development activities across Rentokil Initial. This manages the day to day activities through a Learning & Development (L&D) Council (representatives from all divisions) and steering group (the executive board). Future L&D activities will take place under a new group-wide brand, U+.

- Increasingly, delivery will be through a new online learning management system (developed in 2011 and to be piloted in Q1 2012). The prototype for this model has been tested by Ambius, which has nearly 900 users registered for its online learning programmes.

- Also within this structure lies responsibility for vocational training within the UK operations. This approach combines meeting business needs as well as the educational needs of colleagues, and benefits from utilising existing government initiatives. The schemes introduced in 2011 include Apprenticeship Frameworks and custom-designed values programmes for frontline colleagues.

- An example of vocational training includes City Link's fork lift truck scheme, which has trained 298 colleagues on NVQ programmes, 53 of which have been successful so far.

- Following the UK success of Living Leadership in 2011 (almost 300 managers taking part), in 2012 the company plans to deploy the Living Leadership programme in the US and mainland Europe, including master classes on people matters, finance, customer care and operations. It will also consolidate the current Work Level 4 (WL4) management programmes, which include the EDP, Executing Strategy in Action, and Leader in Me programmes.

- In 2011, the Executing Strategy programme was launched and received excellent feedback from the 26 WL4 managers who attended and ran the inaugural Aspiring Managers programme with 11 delegates in Rentokil – it will be running again in January 2012.

- The company will deploy apprenticeships and the first pilots of values programmes in the UK in 2012, and implement divisional and UK-specific programmes such as the City Link driver academy, recognised customer service qualifications for City Link people, and recognised supervisory qualifications.

- The second factor to ensure that skills development meets the market's appropriate goals is the external recognition of the skills of our colleagues. Sian Pritchard (pictured) of Initial Facilities Catering won Primary School caterer of the year at the Educatering Awards 2011. The award recognises the achievements of the Cook in Charge at Ysgol Henblas in increasing the uptake of meals at the school, from 23% in 2009 to 76% in 2011.

- In 2011 the company launched its first formal graduate scheme. It received 650 applications, 60 candidates attended assessment centres and 16 were hired.



Initial Facilities Catering won Primary School Caterer of the Year at the Educatering Awards 2011



- For the second year running, Initial Facilities were winners in the Asset Skills Team Clean Challenge. Ann's Angels, a team from the Division's Commercial Sector, were Gold team winners in Scotland, and Silver team winners for the UK, whilst Katriona Smith was judged Best Supervisor in Scotland. Team Clean Challenge is held every year for employers in the cleaning industry. It highlights the good training within the industry and demonstrates cleaning is a skilled job that requires solid technical knowledge and leadership.

Future Learning & Development activities will take place under a new group-wide brand, U+



Implement colleague recognition programmes

Colleague praise and recognition is an important part of colleague engagement and a real boost to service delivery. In 2011 the company undertook focus groups amongst colleagues to articulate a set of principles for recognition in Rentokil Initial. From these came a series of new initiatives to make praise and recognition more effective and ensure that colleague achievements are acknowledged and communicated in a timely manner.

- A variety of recognition schemes are now in place across the company's operations such as the SPIRIT awards in Rentokil, Initial Hygiene New Zealand's SHINE awards, Star awards in the IT function and CLASS awards in City Link. The company has also presented its first awards for HR and IT as well as health & safety.

- One of the new schemes launched in 2011 was the Initial Facilities Extra Mile awards which resulted in over 100 entries. Winners were identified in eight categories including Excellence in Health & Safety, Community Engagement, Outstanding Customer Experience, Lifetime Achievement and Unsung Hero.
- The Rentokil Initial Rewards scheme, which enables participating UK colleagues to achieve discounts at major retailers, was introduced on a limited basis in 2010 and extended in 2011 across all UK businesses. Nearly 30% of UK colleagues entitled to join the scheme have done so. The scheme is also used for e-card recognition and colleague appreciation.





Debra Roberts

Cook Initial Facilities

Debra, cook in charge at Ysgol Beaumaris School, is known to pupils, teachers and parents alike as 'Aunty Debbie'. It's perhaps the best sign of the high regard in which Debra is held and the extent to which she has become a key part of school and community life. Debra voluntarily runs an afternoon cookery club where she teaches pupils about nutrition.





Moore Adebimpe Ramos

Cleaning Operative Initial Facilities

Moore Adebimpe Ramos, 'Bimpe' to her colleagues, is winner of Initial Facilities' Staff Engagement Award for 2011 largely due to her focus and determination to always do the best job possible. Her quick reactions in cleaning up water that was running through the ticket hall, escalators and onto the Bakerloo Line platform following a fire incident minimised service disruption to the public.





Our strategic thrust
Delivering operational excellence

Operational excellence is important to the company's strategy to ensure long-term business sustainability. Its focus is on better utilisation of materials, equipment, processes and people. It covers minimising the company's environmental impacts; ensuring a healthy and safe working environment for our colleagues and having an effective supply chain.

It is a long-term programme, involving a range of actions during 2011 at group and divisional levels – some new, and some enhancing prior years' actions.

2011 Highlights

- Health & safety improves – lost time accident rate reduced by 16.3% and working days lost rate reduced by 20.7%
- Continued improved environmental performance – reductions in water usage by 5.4% and CO₂ emissions fell by 1%
- Emissions reduced by 7.6% for continental European laundry processing plants
- Ambius achieves Planet Positive certification in Europe and USA
- Initial Facilities improves customer waste management by 5% for Aviva
- City Link waste recycling improves to 79%, up from 33% in 2010
- Initial Textiles and Hygiene renews focus on supplier quality and service, and delivers supplier innovations

Policies and management

In Rentokil Initial, ensuring operational excellence is more than an aspiration. The company set up Programme Olympic to address a wide range of issue areas that were considered to be important for long-term sustainable performance such as procurement.

The group's policies relating to operational excellence and corporate responsibility are to be found on the corporate website and they cover customers and suppliers, environment and health & safety policy and management requirements.

In some areas, the company's impacts are relatively limited. For example, as much of the group's service delivery is on customers' premises, our property environmental impact overall is relatively limited. Similarly, with regard to the group's supply chain, very few products are sourced from the developing world. As a consequence, for these two areas, and also that of health & safety, our focus is on those specific areas where the company's potential impact is regarded to be of greater significance. These include:

Environment

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

Health & safety

- Trips and falls
- Working at height
- Road traffic incidents
- Manual handling.

Supply chain

- Managing the supply of textiles from developing countries.

A Safety Health and Environment (SHE) committee has been in place since 2010. Its focus is on health & safety standards on a worldwide operational basis. However, since the impacts for both environmental management and supply chain management vary significantly between the different divisions, there is an additional focus on establishing divisional protocols and local business approaches. As a consequence, the company's actions in this area are led by operational management.



A safety, health and environment committee has been in place since 2010, reporting at every Board meeting

Performance indicators

Environment

The group's environmental KPIs focus on energy, and hence CO₂ emissions, for its global operations, covering properties (including textile processing plants) and vehicle fleet, together with water consumption in processing plants.

Health & safety

For health & safety, the company has had a long-term focus on its lost time accident rate (LTA – a frequency measure) and introduced its working days lost rate (WDL – a severity measure) as a formal KPI from 2011 onwards.

Performance area	2011	Improvement Δ Deterioration ∇
CO ₂ emissions – group wide	104.74 tonnes / £m turnover	1.0% Δ
Water consumption – European textile plants	11.75 litres used per kilogramme washed	5.4% Δ

- CO₂ emissions – calculated as tonnes per £m turnover on total group basis (year on year change)
- Water consumption – calculated as litres used per kilogramme of product processed in all European plants (year on year change)

Performance area	2011	2011 Target	2010	2009	2008
Number of lost time accidents	1.44 Δ 16.3%	1.63	1.72	1.53	1.82
Working days lost	36.16 Δ 20.7%	43.35	45.63	39.66	n/a

- Number of lost time accidents (injuries and illnesses) / 100,000 hours worked – group LTA
- Working days lost because of lost time accidents / 100,000 hours worked – group WDL

**CO₂ emissions
reduced by 1%
and water usage
by 5.4% in 2011**



Delivering our promises in 2011



Reduce carbon emissions in key impact areas

The company's focus is to improve carbon emissions and its impacts in two areas – its premises and process plants and its vehicle fleet in each division. Property and vehicle efficiency is largely driven by group actions, and the company reports its carbon emissions in two categories.

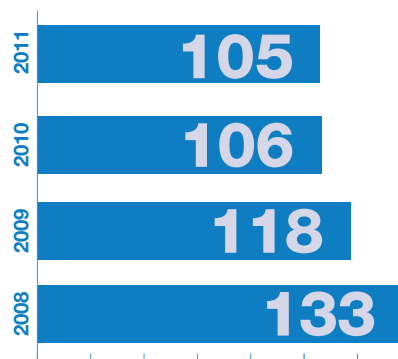
Scope 1 & 2 emissions – property and vehicles

Rentokil Initial's principal emissions KPI is normalised CO₂ emissions, based on tonnes per £million of turnover, in line with the reporting for the UK's Carbon Reduction Commitment (CRC) and the Carbon Disclosure Project. In 2011 Rentokil Initial decreased its emissions per £m turnover by 1.0% year on year (at an average reduction of nearly 8% per annum since 2008). Within the reduction in normalised CO₂ emissions is an increase in vehicle fuel emissions. This is due in part to City Link's switch from sub-contractors (who pay for their own van and fuel) to employed drivers, with a 20% increase in use of owner drivers, resulting in increased vehicle fuel usage being reported.

The company's total emissions data is based upon operations representing 98% of the company's colleagues (98% in 2010). The four-year trend of normalised emissions (excluding Scope 3 emissions in the conversion factors used) is shown on the right.

Average reduction in emissions of nearly 8% per annum since 2008

Emissions in tonnes per £m turnover



Rentokil Initial's total CO₂ emissions were 266,488 tonnes for 2011 compared with 263,856 tonnes in 2010, reported on a total company basis.

Emissions reporting covers all energy used in company owned property and all fuel used by the worldwide fleet of vehicles. Throughout the group, 71% of the fuel used in vehicles is diesel (69% for 2010), and 98% of the fuel used in its UK service vehicle fleet is diesel (97% in 2010).

Consolidated property portfolios and the Green IT initiative resulted in lower energy usage in the property portfolio. For example, City Link's property estate has reduced from 97 depots in 2009 to 69 at the end of 2011. In addition, the Green IT initiative (including the move to Google Cloud IT) has resulted in reductions in the numbers of servers (now four data centres cover all worldwide operations, a reduction of 80 to 90% of the original server population) and printers in each business.

Vehicle fuel consumption has benefited from fuel efficient vehicles and route optimisation, although it has increased year on year (in part due to the City Link vehicle fleet changes). Higher fuel efficiency vehicles have been purchased and GPS systems introduced to improve route optimisation. The introduction of a common standard for hand held PDAs has enabled more effective linkage between the front and back ends of the group's businesses, offering consistent IT approaches leading to operational efficiencies. In addition to improving route planning, divisions have piloted the use of vehicles with different types of fuel. Rentokil in Oslo has provided its surveyors with the electric powered Peugeot iOn. If the pilot is successful, the division will extend the use of this vehicle to other cities in the Nordic region.

Initial Textiles and Hygiene continues improvements in laundry processing plants' energy usage and water consumption, representing 69% of all property emissions (2010 – 66%) and 33% for all Scope 1 and 2 emissions (2010 – 32%). Emissions reduced by 7.6% for continental laundry processing plants, but increased slightly by 0.6% in UK plants. The latter was due to a fall in volumes processed together with operational changes to enhance quality to meet customer service needs.

Rentokil Initial publishes its emissions data in the Carbon Disclosure Project (CDP). In 2011 it completed its fifth successive CDP submission, obtaining a disclosure percentage of 64% in the CDP Leadership Index above the sector average and amongst the top 20 companies in the industrial sector. Full details can be found on cdproject.net. The following shows the company's intended CDP reporting in 2011 for Scope 1 (derived directly as a result of energy combustion) and Scope 2 (consumed through indirect combustion) emissions. The group does not report on Scope 3 emissions (derived from activities external to

our processes), with the exception of air travel, which is reported upon in a limited manner.

In addition to reporting publicly via CDP, UK operations also report their property energy and emissions data via the UK's Carbon Reduction Commitment Efficiency Scheme performance league table. The period covered is different to the company's financial reporting and the data reported for April 2010 to March 2011 shows a carbon intensity of 35.6 tonnes of CO₂ e per £m of UK operational turnover, based on emissions of 18,120 tonnes of CO₂ e.

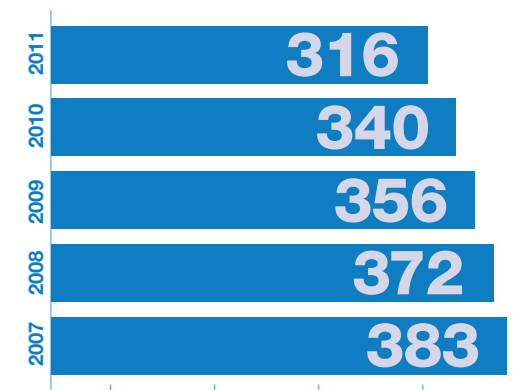
Divisional actions focus on those operational areas are key to their own success. For Textiles and Hygiene, key impacts are energy and water consumption. As a result, the company reports on CO₂ emissions for its European textiles operations. The laundry processing plants are the company's major source of emissions within the group, representing 69% of the group's CO₂ property and process emissions (2010 – 66%) – and just over 33% for all sources of Scope 1 and 2 emissions (2010 – 32%).

The chart to the right shows the trend since 2007 for continental European laundry processing plants, showing 7% reduction in emissions (2010 – 4.6% reduction). In UK plants, there was an increase of 0.6% in emissions in 2011, following a reduction in 2010 of 2.5%.

Investment in processing plant continues in all plants (see [page 49](#) for details). The differences between the continental European and European plants is due to the introduction in 2008 of more energy efficient processing plants in the UK, together with product differences – the UK plant processes only roller towels.

Emissions from these plants are reported in terms of kilogrammes of CO₂ emissions per tonne of laundry processed. This is in line with that used for water consumption, which is also a key focus of operational excellence in these plants. This has also been a focus for investment in more efficient equipment.

Kgs of CO₂ emissions per tonne of product processed – continental European plants



Emissions by scope

Tonnes of CO ₂ e	2011	2010	2009
Scope 1 emissions	228,115	223,220	254,588
Scope 2 emissions	38,373	40,638	44,201

Scope 3 emissions – air travel

Business air travel data is captured for the group's head office and UK operational managers – UK colleagues represent nearly 60% of worldwide employees. The figures for kilometres travelled and related CO₂ emissions are provided by our UK travel management supplier and are as follows:

Air travel emissions

UK operations	Kilometres travelled	Related CO ₂ tonnes emissions
2011	6,805,402	867
2010	5,310,299	656
2009	6,053,487	725
2008	7,389,797	870
2007	6,791,197	794
2006	6,834,932	815

Implement greater water efficiency

Water consumption, based on kilogrammes of laundry washed in continental European processing plants, fell by 5.4% to 11.75 litres (2010 – 12.42 litres) in 2011 (an average reduction of 5% per annum since 2008).

The chart to the right shows the trend in water consumption for the continental plants. The UK plants perform at roughly twice the efficiency of the older European plant, benefitting from newer processing equipment and differing product mixes. The performance of the UK plants was 6.23 litres per kilogramme of laundry washed for 2011 (5.85kg for 2010).

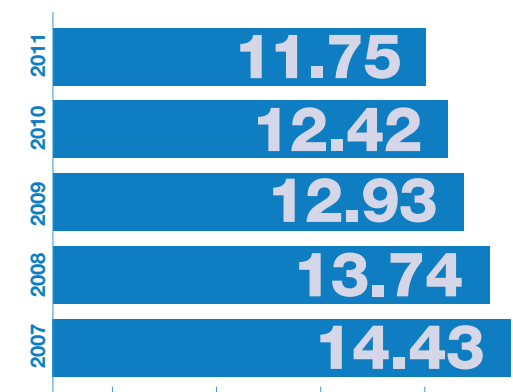
Water consumption was reduced by 5.4% in 2011, an average reduction of 5% per annum since 2008

Water consumption is also a consideration in Ambius, but generally plants supplied to clients are shipped ready planted from third party nurseries.

The exceptions are Ambius' operations in Australia and New Zealand, where the division owns its own greenhouses, because quarantine regulations restrict plant importing. Their water consumption is small compared to the laundry processing plants.

80% of the waste water in our largest German production site is recycled

Water consumed – litres per kg of textiles processed – continental European plants





Improve waste management

Many divisions are addressing material utilisation and waste management. This includes both their own waste management and managing waste on behalf of their customers.

- Initial Facilities supports its major facilities services customers by assisting them in their own waste management. Examples include its work with London Underground (featured earlier in the Customer Care section) and with Aviva and Nissan. Its transport business, Initial Transport Services, has been innovative in helping its rail customer, First Capital Connect, address the issue of food waste in a trial involving ten stations. Wormeries have been introduced to convert food waste into a bio-rich, high quality compost and concentrated liquid feed. Its customer's staff will use the fertiliser to feed plants and trees around the stations.

- Initial Hygiene UK has tackled the particularly challenging subject of nappy and feminine hygiene waste, with a trial programme in conjunction with a partner that opened its first absorbent hygiene product waste recycling plant. The plastics output of the recycling will be used for products such as roof tiles, seed trays and wood substitute products, whilst the absorbent fibres are reclaimed as green energy fuel or sterilised and recycled for use in corrugated board, blow moulded packaging, and as fillers in the road and construction sectors.

Examples of the waste recycling performance for a variety of businesses are given below.

Percentage of waste recycled

	% recycled in 2011	2010
City Link	79%	33%
Rentokil UK	4%	4%
Initial Facilities – Aviva	85%	80%
Initial Facilities – TfL	88%	66%
Dudley Industries Ltd	88%	82%
Initial Hygiene UK	25%	3%
Austrian, Czech, Belgian, German and Netherlands processing plants	32%	32%

**46% increase
in recycling by
City Link from
2010 to 2011**



Improve our health & safety performance, particularly in five key businesses

Health & safety actions comprise a mix of group, divisional and local initiatives. The group level initiatives are under the direction of the SHE committee. It reviews health & safety performance regularly. It focused in 2010 on 21 priority businesses, but with improved group-wide performance in both LTA and WDL rates, the number of priority businesses has been reduced to five in 2011. These are subject to close scrutiny in terms of the action plans in place and deliveries against the targets in these plans.

In addition, the SHE committee regularly reviews the performance of group initiated programmes such as Success Is No Accident and Drive Smart.

Health & safety actions at group level cover a wide range of capability development, performance and process projects. Capability development projects include:

- Running half day health & safety leadership coaching workshops for all senior management in Initial Facilities and Pacific divisions
- Producing task/risk based safety videos for integration into training programmes and colleague briefings

- Introducing a new SHE intranet site to improve good practice sharing
- Running SHE workshops for SHE managers and co-ordinators in Asia.

Performance-based projects include:

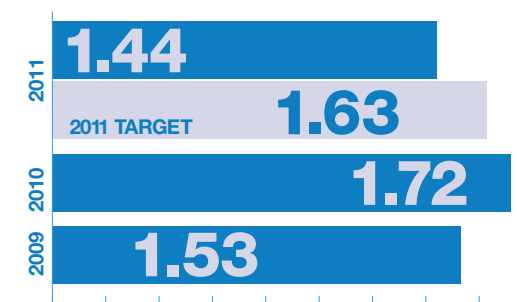
- Regular SHE management reviews with the 'Big 5' priority business units, which represent over 50% of the total lost time accidents and working days lost across the group in 2010 and had unsatisfactory LTA and WDL rates. These reviews include monitoring the implementation of agreed action plans.
- Local actions reflect specific divisional operational needs. They include e-learning programmes in Initial Catering, Wellness Days in South Africa and Don't Look Away in City Link.
- Drive Smart, introduced in 2010 for the UK and covering 6,000 drivers, is directed at reducing accidents, and also has the benefit of reducing fuel consumption. The programme also ensures drivers are eligible to drive through regular automatic licence checks whilst providing a suite of online assessments and e-learning solutions to support our colleagues.

Process-based projects include:

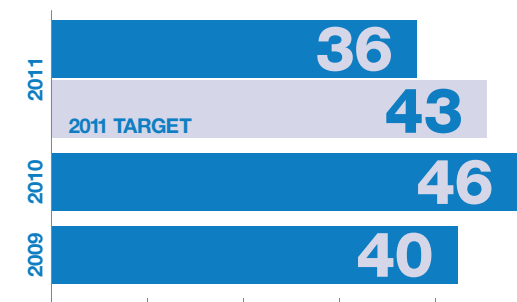
- Developing and implementing 'iLead' – the new behavioural management process in Initial Facilities and Pacific divisions
- Developing and implementing new group policy and standard multi-language tools to enable all business units to carry out consistent and effective investigations, including root-cause analysis
- Further implementation of Success Is No Accident, the group's award-winning incident management system, and ensuring that it is fully aligned with the new standard multi-language reporting and investigation tools
- Concluding the pilots for the new SHE health check process which enables all business units to proactively measure SHE compliance and performance. The process will have a phased implementation from 2012.

As can be seen from the moving average charts, the group's performance has improved significantly during 2011, and has met and exceeded the 2011 targets for both the LTA and WDL rates.

12-monthly moving average
for Lost Time Accident Rate



12-monthly moving average
for Working Days Lost Rate



Regrettably there has been a fatality, which involved a company vehicle. A French Textiles and Hygiene service driver was involved in a road traffic accident when leaving a customer's premises. Sadly, the pedestrian involved was fatally injured. After investigation, the driver was found not to be at fault.



Divisional level actions focus on addressing their individual health & safety needs. Local actions reflect specific divisional operational needs:

- City Link has introduced Green Road 360 in 280 of its vehicles with the objective of reducing collisions and hence reducing claims and insurance premiums. The system provides drivers and fleet managers with real-time feedback and reporting on drivers' abilities, including manoeuvring and driving patterns, impacting on both conscious and unconscious driving behaviour. An additional benefit from the system is a reduction in fuel consumption.
- City Link continues with Don't Look Away, designed to make colleagues more aware of potential hazards and unsafe working conditions, and encourage the reporting of near-miss incidents. The campaign achieved a 13% decrease in all accidents from 2010–2011. The business won the Corporate Safety Award at the 2011 National Courier Awards.
- The scheme also featured in the business' submission for a RoSPA award, receiving a Gold Award for the third year in succession. Initial Facilities and Rentokil Specialist Hygiene were awarded a Gold Medal to mark five consecutive years of Gold Awards.
- As important as having the right systems in place is ensuring that colleagues are aware of their required actions if an incident occurs. An example is the action of three City Link drivers when one of their colleagues suffered a heart attack when loading a vehicle at their depot. Two colleagues gave CPR, whilst the other contacted the emergency services. The paramedics attributed the survival of the heart attack victim to the prompt action by the three colleagues, who received a special award at the business' Excellence Awards event.
- Initial Facilities has introduced a revolutionary training device on a trial basis within their catering contracts. Back Track, designed to alert colleagues to potential workplace back injuries, helps users to identify when they are putting themselves at increased risk of back injury due to poor lifting technique or poor posture. Feedback has been very positive, with many users commenting how the device has alerted them to unsafe leaning and stooping habits. To further help modify behaviour, extra manual handling training was given to individuals involved in the trial.
- The Asia Pacific division is introducing its Drive Safe campaign, to promote its Asia-wide Zero Tolerance Policy on the use of motorcycle helmets and seat belts while driving. This campaign includes a video advert, safety talks, quizzes, newsletters and posters highlighting the need for consistent seat belt and helmet use.

The Don't Look Away campaign won the Corporate Safety award at the 2011 National Courier Awards



Use effective procurement and share best practice across the group

The company's procurement is divided between categories that are common across the group, such as vehicle and IT purchases, and those that are specific to divisional requirements, such as textiles purchases. Group procurement includes an Asia purchasing hub, which is also proactive in identifying suppliers that offer innovative solutions relevant to individual divisions.

Eden, the school catering company, purchases all of its perishable produce locally

Divisional procurement takes account of specific regulatory requirements, as well as responsible sourcing, when dealing with developing country suppliers. It also has the responsibility of ensuring stock availability for those divisions for whom supply of product on time to customers is an essential part of customer service. Examples of divisional actions include:

- Regulatory management in both Rentokil and Ambius is undertaken jointly by technical and procurement departments to specify the products to be used, and their constituent ingredients. Rentokil's technical teams oversee regulatory management for both pest control products and washroom products such as fragrances used in washrooms and in office receptions.
- Where sourcing of certain product categories represents a high social risk, such as materials used in the rental and laundry business, the supplier approval process has been designed to take into account products which may have been sourced from a 'countries to watch' list compiled by organisations such as Amnesty International. In such instances, the supplier contract includes meeting ethical, environmental and labour standards. The Textiles procurement department uses ACTE (formerly known as Wethica – World Ethical Audits) together with OEKO-TEX certification, which details the environmental nature of the textile products. Approaches such as this are the building block for ensuring strong supplier

relationships, as well as meeting customers' needs for a responsible supply chain. An example of a more explicit form of supplier partnership arose in New Zealand where the local manufacturer of chemical pest control products agreed to provide a banner on their trucks' side curtain to get across the message of the importance of using professional pest management expertise.

- In the Initial Textiles and Hygiene division, renewed emphasis has been placed on quality and service within the supply chain. A European Quality Manager has been appointed, whose task is to ensure key suppliers have systems in place to deliver quality products and resolve any customer complaints. Major suppliers are being visited to develop closer relationships and ensure their expertise is used to the maximum effect. This includes achieving innovation from suppliers, such as the enhanced module on the feminine hygiene unit, whose operating life has been increased to 190,000 applications – a threefold increase – and an improved operating temperature range.
- Of considerable importance in the UK is sourcing from small or medium sized (SME) companies. Eden, the school catering business, uses SME suppliers to support its initiative to purchase perishable produce locally. Elsewhere in Initial Facilities, small local window cleaning contractors are used to support geographic service delivery.

- Group procurement actions include the use of analyses such as whole life costing (when considering the purchase of vehicles for the company's fleet) and optimising technical requirements (developing the supply agreement for UK office equipment took into account the Green IT initiative, leading to reductions in printer and consumable requirements). Group actions include investment in a Supply Chain Academy, developed by Accenture, to ensure consistency of procurement standards for all procurement teams, underpinning the group's procurement strategy. Courses are available in six languages and include topics such as 'Sustainability in Suppliers' and 'Procurement Best Practices'.





Mark Hardie

Service Technician Rentokil Specialist Hygiene

Described by a customer as “one in a million”, Mark always looks to go the extra mile for his customers. He approaches his work with a ‘can-do’ attitude, as can be seen in these pictures where he donned a safety harness and was lowered into a flour silo at a bakery to carry out specialist cleaning, expertly.



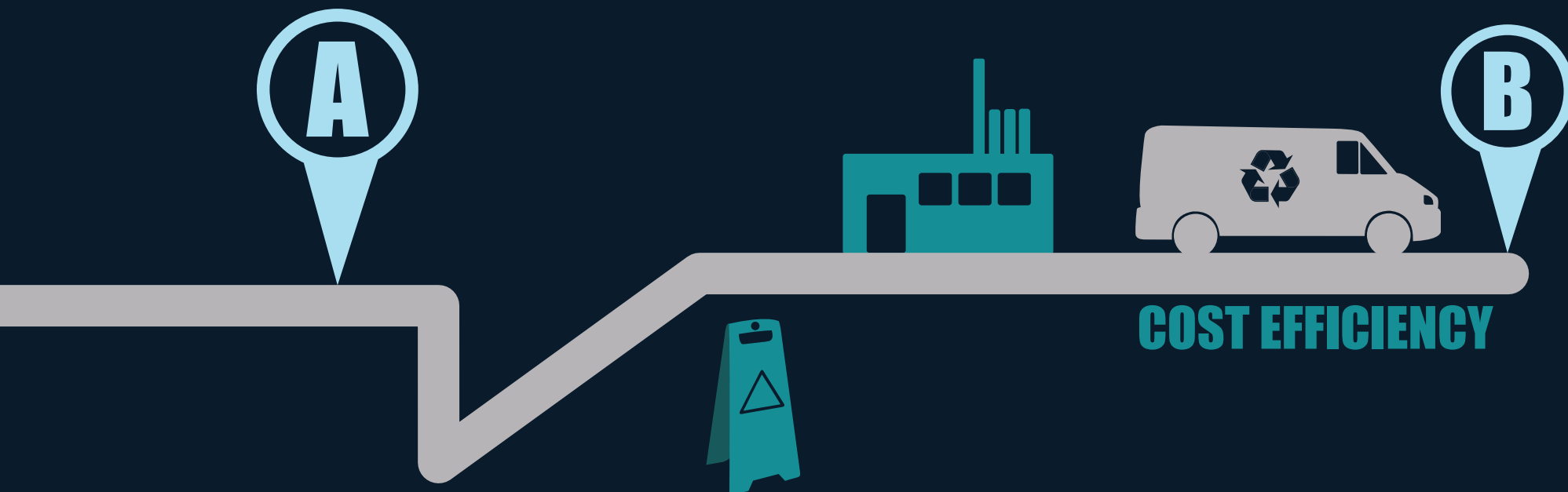


Barbara Lunn

Assistant Manager Initial Facilities

Nothing is ever too much trouble for Barbara. For over 40 years she has tirelessly served her customers, a role she continues to this day as she works alongside the supervisory team at the Barnsley NHS Foundation Trust and daily manages the duties of around 100 colleagues. Using technology to record how effective our services are, Barbara is seen here using a swab to measure the essential cleanliness of hospital surfaces.





Our strategic thrust
Delivering cost efficiency & maximum cash



Cost efficiency actions support a sustainable and successful company. Actions include better utilisation of colleagues' capabilities and the company resources.

Many practical applications are a process of continuous improvement. The commentary highlights 2011 examples and actions at divisional level, although some group level interventions act as a stimulus to achieve company-wide objectives.

The company's focus on improving its cost efficiency in the environmental area covers improved property and vehicle energy usage and material utilisation and better utilisation of colleague capabilities.

2011 Highlights

- Waste reductions in Dudley Industries, Rentokil UK and European laundry plants
- Property energy usage improves by 10%
- Textiles and Hygiene plant energy efficiency programme delivers 5.3% improvement
- Success Is No Accident now extended to operations in North America
- Rehabilitation scheme passes 30 year combined saving of time injured and off work
- Trials of route optimisation tools in three businesses underway

Policies and management

Cost efficiency, by its very nature, focuses on business performance. Corporate responsibility impacts on cost efficiency in terms of how the company's resources are used in a more sustainable, long-term manner.

Policies that relate to cost efficiency have already been referred to in previous sections. They relate to the means by which the effectiveness of colleagues is addressed, including how their health & safety is managed to reduce colleagues' absence; how raw resources are utilised in the most effective manner, including reducing waste; and how manufacturing processes are managed.

'Maximum cash' focuses on financial management of debtors and creditors. Recognising that a loyal and supportive supplier base is important, the company's UK operations have signed up to UK Government's Prompt Payment Code. This code ensures that suppliers are consistently paid within terms agreed at the outset of each contract.

Performance indicators

Performance indicators relevant to 'cost efficiency' have been featured in previous sections, including environmental performance, colleagues' skill development and health & safety performance. However, additional performance indicators relating to energy usage are shown below.

As commented upon earlier, the reduction in the vehicle energy efficiency in 2011 is due in part to the switch by City Link from sub-contracted vehicles and drivers to in-house owned vehicles and employed drivers, leading to an increase in fuel consumption reported.

10% improvement in property energy consumption between 2010 and 2011



Performance indicators

Performance area	Improvement Δ Deterioration ∇	2011	2010	2009	2008
Property energy consumption – thousand kWh per £m turnover	10.4% Δ	173.4	195.7	224.9	246.8
Vehicle energy consumption – thousand litres per £m turnover	5.0% ∇	25.2	24.0	26.0	30.4

Delivering our promises in 2011



Use energy more efficiently

Energy usage is a relatively small element in the company's total overheads, but it may represent a high percentage of the company's profit before tax.

As a controllable overhead, even small improvements in its efficiency can have a dramatic impact on the company's bottom line profit. Consequently, the company's efforts on energy usage have focused on how its property portfolio can be more effectively utilised and how vehicle utilisation can be optimised.

Property-related energy usage represents an increasingly small percentage of total energy costs – down from 36% in 2009 to 26% in 2011. This is due to a variety of actions, including:

- Consolidations in the company's property portfolio – many businesses now share office space with other divisions in the same location
- IT innovations, including 'Cloud' computing, inaugurating four global data centres reducing the numbers of servers

- Ongoing investment in the Textiles processing plant has resulted in improved energy efficiencies over the past four years (and 5.3% improvement this year) as can be seen in the table below.

Vehicle energy (petrol and diesel) is of greater significance in terms of cost efficiency, representing 74% of the total energy costs (compared with 69% in 2010 and 59% in 2009). Actions taken to improve the cost efficiency of vehicle utilisation include:

- A focus on whole-life costing in company vehicle procurement which includes the fuel consumption element. As a result of this, the company has switched its UK fleet – for both personal and commercial use – to diesel-fuelled vehicles. In 2011, 71% of the fuel used in the company's worldwide vehicle fleet is diesel (69% in 2010 and 2009), and 98% in its UK service vehicle fleet (97% in 2010 and 95% in 2009).
- Introduced to 6,000 drivers in UK operations in 2010, Drive Smart's objective was to reduce the number of accidents, but it has also had effect of reducing fuel consumption through

better driving behaviour. Drive Smart continued to support drivers and new employees through online assessments and e-learning together with further training, assessments and support for drivers at higher risk.

The company has switched its UK fleet – for both personal and commercial use – to diesel-fuelled vehicles



KwH energy per kg of laundry processed	2011	2010	2009	2008	2007
Mainland Europe plants	1.68	1.77	1.82	1.90	1.94
UK plants	1.16	1.20	1.24	n/a	n/a



Improve materials management

Managing physical resources and material usage is a critical aspect in achieving improved cost efficiency. Materials management covers:

- Resource utilisation during the course of normal business, with the objectives of either re-using resources, or reducing waste that arises.
- Resource disposal at the end of the useful life of the resource involves one of three forms – recycling, landfill disposal or incineration disposal, with decreasing levels of cost efficiency as the process moves away from recycling.

For each division the challenge of these different materials management processes is to achieve the optimal balance between operational effectiveness and cost efficiency:

- Much of the company's product-based services involve the re-using of resources. Examples include the provision of floor mats and auto towel rolls, which are constantly re-used, and repaired, if appropriate. Rentokil has introduced its plastic re-usable bait insert, replacing the previous cardboard inserts. The impact of this change was both to improve the cost efficiency of these bait boxes, but also to eliminate the need for the waste inserts to go for incineration because of the toxic residue.

- Rentokil and Initial Textiles and Hygiene divisions have focused on reducing the numbers of SKUs (stock keeping units) to reduce the amount of waste arising. This approach ensures higher utilisation of stock, and avoids scrapping of out-of-date or under-utilised stock. Rentokil's approach in reducing the size of its Authorised Product List achieves this objective. In addition, it benefits the business by directing its technicians to the most effective pesticides, and ensures that the bait is used in the correct quantities, avoiding waste product being left in situ. Initial Textiles and Hygiene have also been focused on reducing the SKUs held in that division, reducing from 2,300 to less than 1,000. This activity has been combined with an initiative to link the division's warehouses across Europe to ensure that stock can move more easily between countries. The outcome has resulted in improved stock availability and improved responsiveness to customer demand.

- Change in processes can also help reduce waste. Ambius UK saves 120,000 pieces of paper per annum with its 'Connect' programme, using handheld PDAs to enable a paperless reporting system for its customers. It aims to convert all 3,500 of its UK customers to paperless service reporting.

- A measure of the cost efficiency of materials management is the waste generated. The first chart to the right shows the

waste generation efficiency of key UK operations (including Dudley Industries, which manufactures equipment for the washrooms servicing operations).

- A similar measure for the continental European processing plants, which have high material re-use and repair, is the normalisation of waste generated against the amount of laundry processed, in line with the normalisation used for these plants for emissions and water. This is shown in the second chart below.
- Ambius has been particularly focused on ensuring better materials management. Containers are made from a variety of materials, each with different environmental

profiles. Research carried out in the Netherlands on plant containers reviewed both their manufacture and end-of-life disposal and recycling. As a result, the division is selecting plant containers that are easy to recycle, as well as taking into consideration the extent of recycled materials used in their manufacture. Whilst the division aims to reuse its tropical plants, in the event that this is not possible, rather than send for waste disposal, these plants are often donated to schools, or, if not suitable, shredded for composting.

- Initial Medical Services exports its collection of amalgam from dental surgeries for recycling – nearly 20 tonnes were exported from the European operations.

	Waste generated kgs/ £000s turnover – 2011	2010
City Link	7.88	5.14
Rentokil UK	8.40	9.27
Dudley Industries Ltd	13.40	16.75

	Gms of waste generated/kgs of laundry processed – 2011	2010
Austrian, Czech, Belgian, German and Netherlands processing plants	51.9	64.7



Effective rehabilitation and training

Actions in this area focus on supporting colleagues to deliver the required service levels in the most effective manner. Group level actions include providing rehabilitative support for colleagues off work as a result of a work-related illness or injury to enable them to return to their work as quickly as practically possible. Similar group level action involves providing colleagues with the appropriate health & safety training to enable them to carry out their work without risk to themselves or the public. At divisional level, the focus includes enhancing colleagues' basic capabilities, including numeracy and literacy, to assist them to conduct their work in the most effective manner.

Key colleague capability actions include:

- Group level actions include Success Is No Accident. This programme has been in the UK since 2007, and was designed to significantly improve the effectiveness of accident reporting and reduce accident rates. In addition, the scheme ensures quick and efficient referrals for rehabilitation services. This rehabilitation programme has substantially reduced the number of days lost as well as generally improving employee relations and morale.
- Success Is No Accident was extended in 2011 to cover businesses in North America having been extended in prior years to cover businesses in Eire, Australia and New Zealand.
- As was noted earlier, health & safety is a key focus for the company's management and group actions in 2011 have provided specialist training programmes for colleagues. These programmes include a focus on some of the company's key health & safety risks, such as manual handling and working at height. Such programmes impact upon cost efficiency by helping to reduce insurance claims (with a longer term impact on insurance premiums) and reducing colleagues' absence rates – especially where skeletal muscular injuries arise.
- The Rentokil Academy has further progressed its activities in 2011, retaining the primary focus on developing the capability and productivity of front-line leaders and front-line colleagues in both sales and service roles. The curriculum has been extended to build on the great foundations laid down in the previous programme structure, which built skills in management and leadership with innovative approaches such as emotional intelligence in the context of leading front-line teams and further enhancing learning by developing programmes that focus on functional skills in sales and service delivery. In 2011 these programmes reached around 600 colleagues in 20 countries with over 2,000 days of management training delivered by skilled professional trainers.
- In Initial Facilities, one aspect of building colleague capability has been that of providing numeracy and literacy training. This is in

recognition that in certain parts of the UK, some of the business' cleaning operatives may be recent immigrants with a limited education and who may struggle with the English language. This training offers more than a good feeling for such colleagues. It is an essential factor in ensuring they conduct their work in the most effective manner, enabling them to read and understand instructions about the use of cleaning chemicals and equipment, as well as ensuring their full understanding of health & safety procedures. In 2011, a total of 7,000 training days were undertaken in Initial Facilities.

In 2011, a total of 7,000 training days were undertaken in Initial Facilities





Implement improved efficiency in European laundries

Steam-free laundries

The first steam free laundry was launched in Sweden last year. The laundry operates with the lowest possible energy consumption which can currently be achieved worldwide. In 2012, two more laundries will be converted to this technology in The Netherlands and Sweden. The laundry in Lingen, Germany has been converted using similar technology to decentralise the steam generation to a local generator at the point of use which maximises its conversion efficiency and minimises losses.

Reducing resource consumption

In France processing plants have made visible progress on environmental issues, reducing water consumption by 4.6%, gas/oil consumption by 6.1% and electricity consumption by 3.4%. We have commissioned projects to the value of €760,000 to improve our environmental situation at a number of our French plants, including Firminy (fire fighting water retention), Beaumont (new chemical product storage, and water pre-treatment plant) and Chambéry (effluent network modifications).



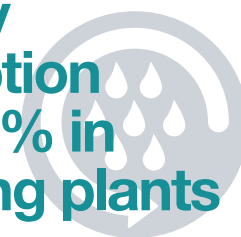
Machinery efficiency

In the UK, Initial has worked closely with major machinery manufacturers to develop more energy efficient machinery and working practices. These include microprocessor controlled burners which increase steam conversion efficiency and reduce the emission of particles from the boiler chimney. Investments include Gem Trap Technology that reduces natural gas usage by 8% and treatment of boiler feed water that reduces gas usage by a further 4%.

The company has also installed new processing equipment for both Cabinet Roller Towel and Dustmat processing, which has fewer moving parts than existing laundry machinery and requires less horsepower. The new Kannegiesser CRT Revolution machines contain all processes in one continuous operation, where conventional laundries would need three separate pieces of equipment.

The new range of processing equipment described above has also reduced fresh water usage by 50% against the use of conventional laundry machinery.

In France, electricity consumption fell by 3.4% in processing plants



Improve route optimisation

In 2011 the company invested in three pilots to enhance 'route' and 'round' optimisation – within City Link, UK Pest Control and Initial Textiles and Hygiene. Route optimisation ensures that branches have the optimised range and number of customer routes organised from its location. Round optimisation ensures that each driver has the optimal delivery 'round' from customer to customer.

Initial Textiles and Hygiene's services are delivered across Europe by more than of 2,000 vehicles, with drivers from a network of about 80 branches. The interval of visits to customers and variety of products, creating a very complex planning situation. In the past, the planning of service routes was done by each branch itself. The introduction of route planning and route sequencing technology within the pilot vehicle fleet led to savings of up to 8% on the miles travelled and enhanced management information.



In UK Pest Control, the focus has been on optimising the efficiency of home-based technicians by improving the effectiveness of the route planning and customer allocation. In the past, technicians have planned their own routes, based on their understanding of customer needs, visit frequencies and duration patterns. For UK Pest Control, over 40% of its cost base is made up of its technicians, including the costs of their vehicles and fuel, making around half a million customer visits each year. Through intelligent territory design, optimised capacity utilisation and manpower and work planning, customer requirements could be met more effectively, with fuel and resource savings. As a result of the utilisation of advanced planning systems, work capacity has been optimised, the importance of service, driving time and skills have been considered, and the work is more evenly distributed, whilst honouring customer visit preferences.

As a result of the successful trials, route optimisation programmes are now being implemented across all our route-based businesses and are expected to deliver a significant reduction in distance travelled, and also in fuel used, without impairing customer service.



**Route planning
and sequencing
technology
pilot helped to
save up to 8%
on the miles
travelled**





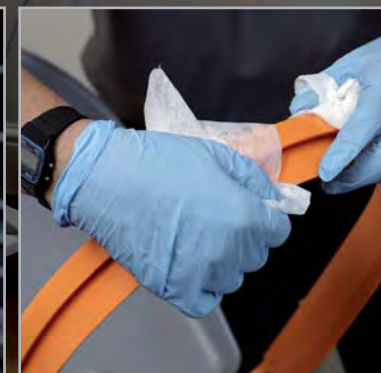
Chris Kelly

Senior Service Technician Initial Medical Services

Chris has been 'Employee of the Month' many times. Always conscientious, professional and incredibly efficient, Health & Safety comes first as he collects medical waste and needles from a small clinic. Chris has great experience and knowledge and uses both to the full. He always has a smile on his face too!

FILL MORE FULL
Producers
CLINICAL
TERNATIVE TREATMENT
OR
INCINERON

Initial
Medical
Services



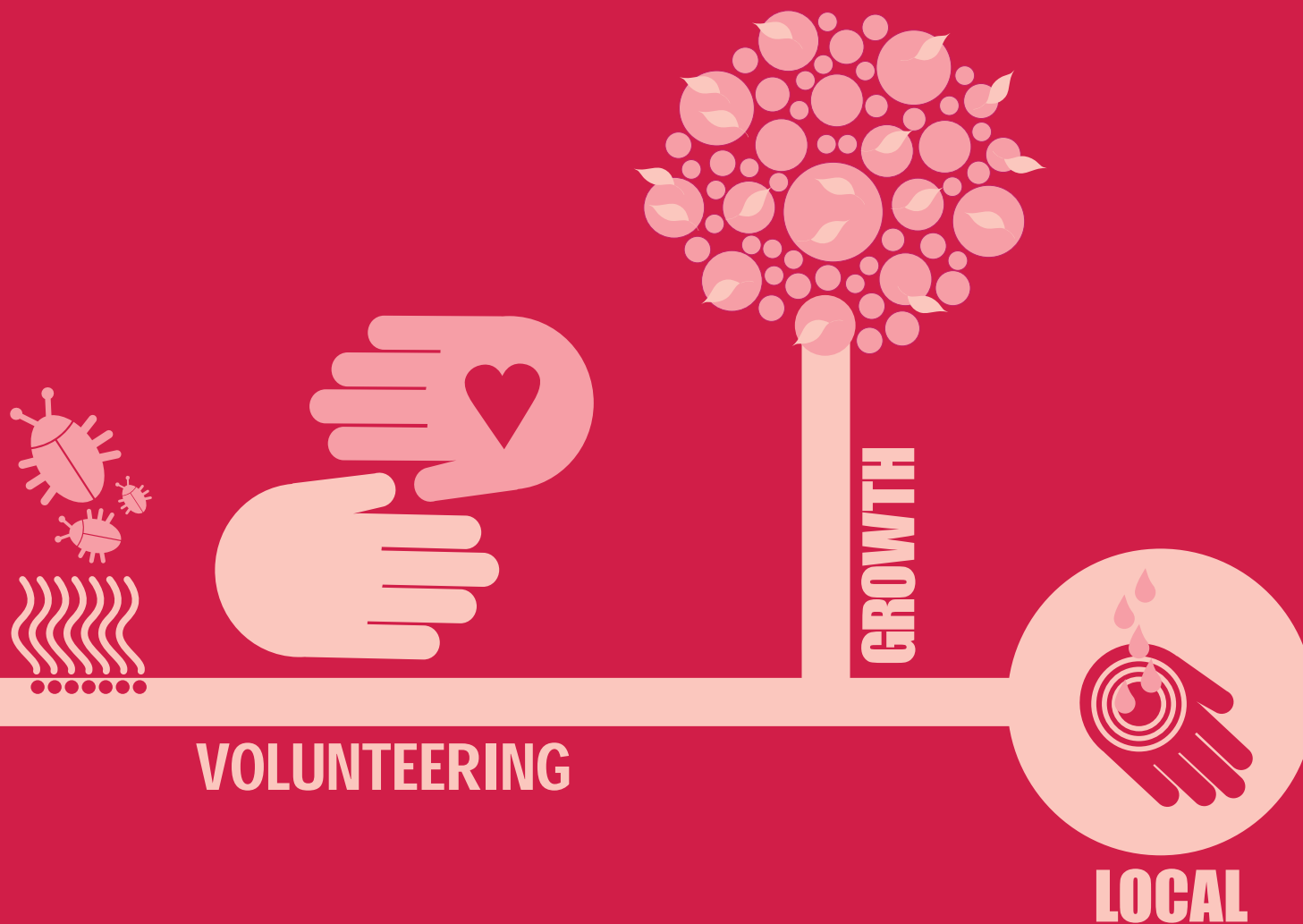


Michael Rolls, Marcin Antkiewicz, Lewis Jones & Mark Hardie

Technicians Rentokil Specialist Hygiene

It takes a very special team to deal with a house that hasn't been cleaned for 21 years. It took them two weeks, working ten hours a day, to complete the job. They made 26 trips to a municipal waste and recycling centre in a large lorry that took about a tonne of rubbish per trip.





VOLUNTEERING

LOCAL

Our strategic thrust
Delivering sustainable, profitable growth

Growth is a strategic thrust consisting of many ongoing actions, occurring at both group and divisional levels.

Examples of 2011 actions in the areas of service and product innovation, acquisitions in developing markets and social and community leadership are described over the following pages.

2011 Highlights

- Entotherm – a heat treatment which is effective against bed bugs, moths and beetles – is now offered in ten countries with a further six countries due to complete training
- Entosite – a solution using natural predators to remove a pest problem without the use of chemicals – launched in 2011
- Development of a natural rodent repellent, manufactured without chemicals
- Development of UltraProtect, which addresses the hygiene needs of customers where alcohol-based gels are unsuitable
- Libyan colleagues safely evacuated after the Libyan pest operation was suspended
- Cause-related marketing programmes introduced to support business objectives and fund social needs
- Ambius won the Plantscape Industry Alliance Judge's Award for the Most Outstanding Overall Project in 2011 for its Living Green Wall at Longwood Gardens, Pennsylvania

Policies and management

Developing profitable growth opportunities is a focus in many spheres in Rentokil Initial. Such opportunities arise from innovative business approaches, through acquisitions and new business start ups in developing markets, and through social and community leadership. In all these spheres, it is essential that the company acts in a responsible manner.

In this respect, a key policy is the Code of Conduct, launched across all worldwide operations in 2010. The Code underpins the company's expectations of colleagues' business behaviour. The Code can be found on the www.rentokil-initial.com.

Social and community leadership is considered to be important to secure the goodwill of key stakeholders. This includes colleagues that are contributing to their own valued causes as well as stakeholders such as local authorities and governments. For these external stakeholders, community leadership helps secure their trust that the company operates responsibly in all its actions.

The company's social and community leadership activities consist of three approaches.

The first is charitable cash donations, which tends to be made at a group or divisional level.

The second is community support, often a combination of value in kind donations with colleagues volunteering and generating cash donations, and tends to be undertaken at a country level.

The third is community investment, usually at a country or divisional level, and likely to be a combination of financial support, business support (such as cause-related marketing) and employee volunteering.

Colleagues' active participation is particularly important in the selection of schemes to be supported. This selection usually relates to where the local business operates and where colleagues live and work. The company has launched its Helping Hands scheme to match colleagues' own fund raising for charities and causes of their choice.

Community relations governance

The company has begun to add greater governance around its community relations programme. The development of Helping Hands, the new brand and programme for community activities, delivers a single Helping Hands team to co-ordinate activities (with representatives in every division), ability to track and monitor community activity (with an approval process to seek additional funds), clear rules (available to all on the company's intranet) and greater communication to colleagues of the programme and results. The first Helping Hands supported activities took place in 2011 and this will be further developed in 2012.

Performance indicators

In 2011, Rentokil Initial's charitable donations amounted to £135,000 (£130,000 in 2010). This amount excludes any assessment of value in kind donations or provision of management time but it includes donations made as part of the group's matched giving scheme.



Delivering our promises in 2011



An innovative heat treatment, effective for bed bugs and moths has launched in ten countries

Introduce customer-focused innovations

Innovation in the service industry involves both product development and service delivery enhancement. The importance of innovation to help deliver enhanced customer benefits is a key element in the company's business strategy, impacting across all divisions. This innovation may be generated internally, as is often the case with IT based innovations; or externally, through partnerships with leading edge suppliers. Its success in this area is demonstrated by the increasing number of independent awards being won for the quality of their service delivery.

- During 2011 Rentokil built upon its capability in technical innovation. It continued to develop its vector control expertise, developed several innovation partnerships and begun to roll out its award-winning Entotherm product.
- Entotherm – a heat treatment which is effective against bed bugs, moths and beetles – is now offered in ten countries with a further six countries due to complete training. The company has launched consistent training protocols worldwide with harmonised equipment standards.
- During 2011 the company also upgraded its Luminos fly killer range for commercial customers reducing eight SKUs to two, providing a single unit for wall mounting or ceiling suspended and CB global electrical standard (accepted in 45+ countries)
- Entosite was launched in 2011 to provide a solution using natural predators to remove a pest problem without the use of chemicals. It was first used at Europe's largest indoor primate enclosure at Edinburgh Zoo where thousands of flies covered large glass viewing areas. 30,000 parasitic wasps were used against house flies over six weeks and resulted in a 98% reduction in 30 days. The technique was showcased by the zoo at the annual British Association of Zoos and Aquariums conference.
- In 2011 the company developed a natural rodent repellent, manufactured without chemicals, which works by irritating sensory organs. Trials show that it is very effective in changing behaviour. It has now been passed for UK use by HSE.
- Knightsbridge Guarding has introduced Security Through E Partnership (STEP), a web-based communication tool tailored to the exact needs of each customer. It enables the sharing of information such as floor plans, details from monthly management meetings and performance on key performance indicators. It also includes an incident management forum where security officers, clients and other interested parties can disseminate information and record actions taken, and the reason why these decisions and actions were taken. In another service delivery innovation, it has introduced a pre-screening system to check the authenticity of credentials (including the validity of passports, visas and driving licences) of prospective

colleagues, all of whom need to be licensed to work in the security industry.

- Sanitact Green is an environmental treatment for feminine hygiene bins, used first in Dunedin, New Zealand, which is renowned for hot summer temperatures. These often led to unpleasant bin odours. Feedback to the pilot was positive. It was phased in gradually to all New Zealand branches. Then in 2010 and 2011, it was introduced in Fiji, and subsequently has been successfully evaluated in Trinidad – both countries with hot climates.
- Innovating new products often starts by selecting a world-leading product developer. The company formed a partnership in Australia with ETG, which originally provided symbiotic bacteria to the horticulture industry and whose belief is 'every product we make must benefit the environment in some way'. As a result a range of washroom products have been developed jointly, including bio sanitisers and alcohol-free hand sanitisers. Rentokil Initial products produced in partnership with ETG feature environmentally friendly characteristics. The partnership continues research and development of customised washroom service solutions, by employing cutting edge technology to provide customer-centric products and services.

Implement innovative business approaches

Increasingly the company's innovative developments revolve around meeting its customers' environmental and social needs. As such, the divisions need to consider both the needs of customers and ensure that the innovations meet the company's standards for responsible practices. In addition, when developing these opportunities and discussing them with customers, individual businesses have to assure them that the products and services on offer have been developed in a manner that is compliant with regulatory and technical standards.

Where partnerships with third parties have been initiated as part of the product development process, the businesses ensure that the partner companies have the same standards for responsible business practices that are applied within Rentokil Initial. This is particularly the case where the products being developed involve the use of chemicals which may have environmental impacts.

- Innovation occurs in service delivery as well as in product development. A particularly striking example of innovative service delivery meeting a customer's social needs arose in 2011 at Cheltenham in the UK with Initial Facilities' retention of its cleaning contract at the General Hospital. The basis for retaining this contract included establishing a new Training Academy on site to provide new and refresher training; introducing a PRIDE team for the cleaning of corridors, public areas and toilets (delivering a high level of cleaning and customer service throughout the day); and funding the Trust to employ a part-time Infection Control Nurse, focused on the cleaning service. In addition, to meet the Trust's environmental needs, the business introduced microfibre cleaning and ozone laundry technologies to reduce the amount of chemicals being used on site and improve infection control, including viruses and super bugs.
- Ambius is providing its innovative ambient scenting system – Microfresh – for both the communal areas of the three luxury Montcalm hotels in London and individual, customer-selected scenting for each guest room. The latter is a feature that the Montcalm management believes “could really enhance the customers' experience.” Of course, in selecting the fragrances, it is paramount that they should not induce any allergies from which hotel customers may suffer, and testing the fragrances before public use is an essential element of responsible business practice.
- Another Ambius innovation is its Living Wall – a wall that is free standing or part of a building that is partially or completely covered with a vegetation facade. It has been installed by Ambius for customers such as the Baylor Cancer Centre in Dallas, and for Hilton's Embassy Suites in Chicago. As well as being visually appealing, the General Manager for Embassy Suites commented that “the green wall assists in reducing noise levels as plants absorb sound and improves energy efficiency by moderating indoor temperatures and humidity levels”. Such is its success that Ambius won the Plantscape Industry Alliance Judge's Award for the Most Outstanding Overall Project in 2011 for its Living Green Wall at Longwood Gardens, Pennsylvania.
- Programme Olympic, the company's wide-ranging business improvement programme, features four innovative business approaches. These are: use of indoor sales teams to free up surveyors and technicians; Advance – a tablet PC to more accurately survey and communicate with customers; the use of Atlas to add consistency into the company's bids and tenders; and enhanced e-commerce and online customer communication.



Ambius won the Plantscape Industry Alliance Judge's Award for the Most Outstanding Overall Project in 2011 for its Living Green Wall



In Germany Rentokil's free iPhone app 'iSchädling' was downloaded 1,346 times within the first four weeks



- City Link introduced its VanCam system during 2010 and 2011 and completed fitting a pilot fleet with these miniature cameras in 2011. The worth of this innovation was proven when a van driver in Slough in the UK was assaulted by a thief, who demanded the van's keys. The vehicle was tracked to a site three miles from the incident. The VanCam showed that the thief had abandoned the vehicle after spotting the camera fitted above the rear door, and nothing was stolen. In addition, the VanCam image of the thief enabled the police to confirm the thief's identity. VanCam was introduced by City Link to provide added assurance to its customers about the security of their goods whilst in transit.
- Initial Textiles and Hygiene adopted a partnership approach to address the needs of customer sectors where traditional alcohol-based sanitising products are in decline, such as education and correctional facilities. It formed a four-year partnership with Byotrol plc, the developer of anti-microbial hygiene technologies, covering 16 European countries and multiple products. Other innovations in the division's product range include a new premium range of stainless steel soap dispensers. These are not only aesthetically pleasing, but feature rounded edges with no seals to eliminate dirt collecting, and are covered in an anti-bacterial varnish. Both this product and the Byotrol range of products help the division to address its customers' social and environmental needs.
- To support customers encountering a potential pest problem, Rentokil in Germany published the free iPhone app 'iSchädling'. This app offers the world's first free professional service to help people identify their pest problem. It was downloaded 1,346 times within the first four weeks, ranked 38 out of 13,058 apps within the App Store administrative section and attained the very positive app rating profile of a four to five star rating.
- In 2012 the company intends to create a central Innovation and Marketing team which will enable the sharing of best practice and drive further product and service innovation across the group.



Responsible approach to acquisitions and operations in developing markets

Ensuring due diligence is essential for the success of acquisitions and business start ups. However, this is even more important where such actions are occurring in developing countries. In these countries, the business practice standards may be at a lower level than may be commonly accepted in the developed world. For the company to acquire businesses in such environments, it is important that sufficient investigations are in place to ensure that its existing high standards of responsible business practice are not adversely affected.

Once these operations get underway, it is equally important that the new Rentokil Initial operations practice business behaviours that match the requirements of the Code of Conduct. These behaviours extend to circumstances when civil unrest requires the company to terminate the business operation, leaving indigenous colleagues without ongoing employment.

The company made acquisitions during 2011 in Mexico and Turkey, and has been exploring business opportunities in the Middle East.



We took immediate action to support Thai colleagues and customers following the worst flooding for 50 years

- The company's pest control operation in Libya is an example of an operation that suffered from civil unrest – in this case because of the Libyan revolution. The business had been set up to improve public health through the control of the rat population around the cities of Tripoli, Misratah and Benghazi. This contract was extended as part of an emergency response team with the UN and the WHO to support the local community in Tobruk following an outbreak of bubonic plague. The teams in Libya consisted of both Libyans and Britons. It was essential that the Rentokil division adopted a responsible approach towards both groups. The Britons were transported out of the country at the outset of the revolution. Having maintained contact and support for both colleagues and customers during the revolution, the company was able to restart employment and operations smoothly in Q4 2011.
- Santia provided fumigation and pest control, water treatment and hygiene, and fire safety and prevention services. It was owned by Connaught plc. Not only was it necessary to conduct a due diligence investigation, given the position of its previous parent, but, just as importantly, it was essential to ensure the workforce was adequately consulted about its new owners, and were brought into the Rentokil Initial team from the outset as colleagues. To achieve this a series of briefings were undertaken by the senior management team to ensure colleagues had face to face contact on the day of

announcement and given the opportunity to have any questions answered. This was followed with detailed documentation including Q&As and regular ongoing updates.

- During 2011, the company took immediate action to support colleagues and customers following natural disasters in Australia, New Zealand, Japan and Thailand. The following example, from Thailand, is an example of how colleagues reacted.



Thailand Supporting colleagues at a time of crisis

In 2011 Thailand encountered the worst flooding crisis in 50 years. It started in Northern Thailand and hit Greater Bangkok in October, see pictures left.

Two Rentokil Initial Bangkok branches were affected, especially the Thonburi Branch with more than one meter of water in the building. The homes of more than 90 colleagues were inundated, destroying personal assets and belongings.

The Thailand Managing Director, along with the Flooding Crisis Management Team, worked through days and nights to help colleagues in dealing with this crisis both mentally and physically. Temporary shelter was arranged for 68 people and some family members at a building which had been recently leased for the purpose of integrating three branches in Bangkok. Sets of survival kits were distributed and a service technician was provided with temporary accommodation so that he and his family could welcome their new born baby into a comfortable home. The team cooked meals during weekend and provided comfort throughout the crisis.

Build social and community leadership, locally

Community leadership is at its most evident when individual businesses utilise their inherent skills and resources to the benefit of the local communities in which they operate. In the case of Rentokil Initial there are several businesses that have shared their knowledge and skills with the communities, to the benefit of the public at large.

- Initial Facilities works with the national employment charity Tomorrow's People to help get back into work individuals such as vulnerable young people, lone parents, ex-offenders and people with health problems, (including depression, and alcohol or drug addiction). Since the partnership with Tomorrow's People started in 2009, Initial Facilities has trained more than 400 long-term unemployed people in basic cleaning skills, accredited by the British Institute of Cleaning Science. Of these, 154 people have been placed in permanent employment. 85% of them stayed on after 13 weeks and about two-thirds are still in work after a year. Initial Facilities gave permanent contracts to 60 people. To mark the success of this collaboration, Initial Facilities and Tomorrow's People won the 2011 Business Charity Awards: Employment Scheme section, for 'the company that has aided a charity or charities by offering employment, training, work experience or similar support to beneficiaries'.
- A similar programme was launched by Initial Facilities Transport Sector (with support from the Greater London Authority Supplier Skills Team) to give unemployed people the chance to become cleaning apprentices. It has recruited 377 unemployed people and up to 40 places have been made available on the new Cleaning and Support Services Apprenticeship for railway cleaning staff at Transport for London. The scheme is being run in a partnership between Jobcentre Plus, the National Apprenticeship Service and the GLA's Supplier Skills Team.
- The Malaysian business supported the country's Federal Territories and Urban Well-being Ministry when it launched its Anti-Dengue campaign, which was also targeted at schools and social network users. Dengue fever has seen increased penetration in the Federal Territories, with the second highest number of cases being reported in 2011. The three-day campaign involved 3,000 pupils and 150 canteen operators from ten schools. Rentokil colleagues taught them through lectures and interactive sessions about the prevention of Aedes mosquito breeding and how to detect symptoms of Dengue fever. The canteen operators were also educated on how to keep their work areas clean and rodent free.
- The company's South African business undertakes a range of social and community activities. These include providing educational sponsorship for a teenager through James House, a home for abused and abandoned children of the Hout Bay community in the Western Cape, and supporting the Embo Self-Help Project, Durban, in the Kwa-Zulu-Natal. For the latter, the country's Ambius business donates plants that have been returned from customers that cannot be resold. The project resuscitates the plants and nurses them back to life before reselling them back to Ambius at a reduced cost compared with normal suppliers. This provides funding for the project and assists in developing plant nursery skills in the community. The Zenzelini Trust continues to be successful in assisting employees who have HIV/AIDS related illnesses by providing them with nutritious food parcels. The fund has been registered as an independent trust fund, in line with South African legislative requirements. Over R112,000 was raised by South African colleagues' initiatives including their monthly contributions.

Since the partnership with Tomorrow's People started in 2009, Initial Facilities has trained more than 400 long-term unemployed people in cleaning skills, accredited by the British Institute of Cleaning Science



Rentokil donated nearly £8,000 to Malaria No More



- In several instances individual businesses have used cause-related marketing techniques to achieve business objectives with both internal and external audiences. Rentokil made donations to 'Malaria No More' for every Your Voice Counts questionnaire completed by its colleagues and donated nearly £8,000. City Link had a similar initiative, although in this case, the donations (over £3,000) went to the business's charity of the year, Make-A-Wish Foundation. Other divisions are conducting more traditional, customer-focused, cause-related marketing. For every Christmas tree sold in 2011, Ambius donated £5 to Greenfingers, a charity creating gardens for children's hospices.
- To help the public better manage the potential threats posed by wasps and to be more wasp aware, Rentokil in the UK created UK WaspWatch, a pioneering interactive map, to log wasp hotspots around the country. Whenever a person logged a wasp or wasps' nest sighting onto the map, the business donated 25p to The Anaphylaxis Campaign. Anaphylaxis is a severe wasp allergy. The objective of the programme was to help identify where wasps are at their worst and at the same time support people who are living with wasp allergies.

- Other examples of community leadership revolve around the company's colleagues raising funds for charities or causes that matter to them. These include City Link's three man team from its Business Support Centre that cycled from Land's End to John O'Groats (887 miles in 12 days) raising over £3,000 for the Make-A-Wish Foundation. Similarly, the controller of the company's Preston depot cycled from Preston North End FC to Glasgow Rangers FC (190 miles in three days) raising more than £1,200 for Derian House Children's Hospice, where his late brother had spent time and received care. Also supported was the Movember campaign where colleagues in Australia, New Zealand, USA and the UK took part. Finally, Ambius colleagues completed propagation of trees and plants as part of Tree Planting Day on 31 July in Australia. They attended the Warrandyte State Park supporting the volunteer group Friends of the Warrandyte Forest.



The Anaphylaxis Campaign
Helping people with severe allergies live their lives





- The Helping Hands scheme plays a strong role in providing added motivation for colleagues. Helping Hands was introduced in 2011 and will be rolled out worldwide in 2012. Charities supported by this matched giving scheme in 2011 include: Macmillan Cancer Support, Age UK, Marie Curie Cancer Care, CLIC Sargent, British Red Cross, Devon Air Ambulance, National Autistic Society, Pancreatic Cancer Research Fund, Cancer Research UK, Alzheimer's Society, Ovarian Cancer Action, Make a Wish and Birmingham Children's Hospital.

**Rentokil
Initial**



Supporting the Daintree Rainforest Conservation



For five years, Rentokil Initial in Australia has been helping to conserve the Daintree Rainforest in North Australia. This rainforest area is considered to be one of the most significant regional ecosystems in the world. The rainforest possess one of the greatest concentrations of primitive flowering plants in the world and contain more plant taxa with primitive characteristics than any other tropical forest. Of the 19 most primitive plant families worldwide, 12 are found in the Daintree.

Rentokil Initial has supported the rainforest through a regular and ongoing corporate giving programme across the operations in Australia.



The Ambius (Plants), Pink (Hygiene) and Rentokil (Pest Control) divisions of Rentokil Initial in Australia, all individually and collectively support the work of Rainforest Rescue with ongoing corporate contributions and various other programmes that raise money. For instance, Ambius offers the installation fees on a special range of Australian Rainforest plants.

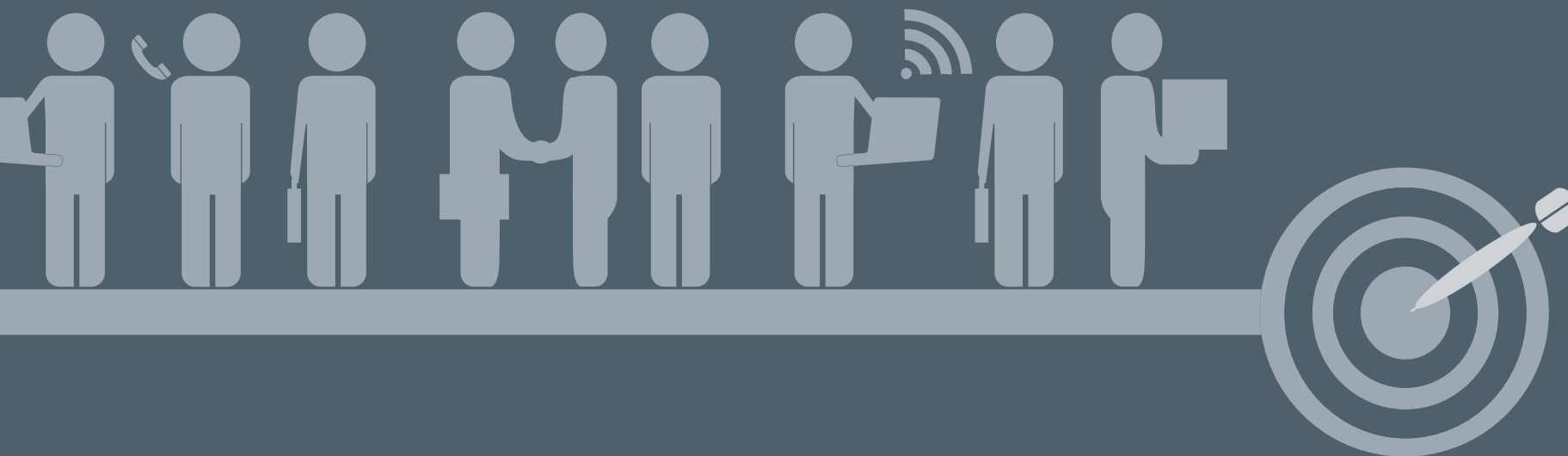
Since Rentokil Initial in Australia began these contributions back in 2006, the three divisions have collectively contributed to purchasing eight rainforest properties of high conservation value in the Daintree, for lifetime conservation. These protected properties provide habitat for 122 threatened species of plants and animals, such as the endangered cassowary.

Rentokil Initial in Australia has provided funds to purchase eight rainforest properties of high conservation value in Daintree for lifetime conservation



Key issues for 2011

The following table reviews those key Corporate Responsibility challenges faced in 2011 with a summary of action taken.



Key issues in 2011

Health & safety

Identified long-term challenges

Effective health & safety management across the group



Focus for 2011

Greater management focus throughout 2011 to address deficient performance in 2010, and to achieve targets, especially within the five business units

Scorecard will be replaced with a branch SHE health check system in 2011

Progress in 2011

Programmes successfully implemented in the five key business units with poorest health & safety performance in 2010

Health & safety number one on every management review agenda across the group

Concluded pilots for the SHE health check audit process

Health & safety intranet site launched

Task/risk based safety videos produced for Pest Control and Ambius

Developed and implemented new group policy and standard multi-language tools

Extend our safety culture globally

Continued development of Success Is No Accident in the new countries including French Textiles

Success Is No Accident was extended in 2011 to cover businesses in North America and Spain having been extended in prior years to cover businesses in Eire, France, Libya, Australia and New Zealand

Improve risk management and encourage UK businesses to take greater responsibility for managing health & safety

Continue to develop and implement initiatives such as Drive Smart to ensure health & safety is closely aligned with risk management at a business level

Implementation of programmes at business level across the group and improved feedback from colleagues about the company's commitment to health & safety

Safety Leadership training workshop developed and trialled in the UK and Australia

Don't Look Away campaign introduced in City Link – winner of the Corporate Safety Award at the 2011 National Courier Awards

Environment

Reduce our CO₂ emissions

Benchmark comparison will be developed in 2011 for introduction in 2011/2012

CO₂ emissions reduced by 1% (average 8% reduction per annum since 2008)

The Rentokil Initial Way was developed and will lead to greater use of targets and benchmarks over time

Product management

Focus ongoing to improve sales effectiveness and ensure customers' needs are identified and met

Global Sales Leadership Team established and plan developed to improve effectiveness and drive sales tools and training programme

Significant progress in product stewardship with reduction in SKUs in areas such as rodenticides and hygiene products

Customer segmentation developed and launched



Marketplace

Identified long-term challenges

Ensure customer service delivery meets customer expectations

Focus for 2011

Launch customer promises to support customer care agenda

Progress in 2011

On target state of service of 98% achieved

Investment in customer care in City Link improved service and care performance in 2011

Customer Promises launched in Textiles and Hygiene, City Link and Rentokil Pest Control

Procurement activities with consistent quality and consistency of governance

Launch centralised procurement team

Further development of central procurement team and of Asia sourcing hub for Hygiene products

Governance

Enhance the understanding of ethical behaviours across the company

Ongoing focus to ensure code of conduct is embedded across all divisions

The communication of Code of Conduct took place to all employees in local language completed – reinforced through additional local communications and new employee briefings

Workplace

Developing colleague engagement in mobile operations

Maintain high participation rate and improve engagement

Significant increase in participation rates and 2% point increase in Colleague Engagement across the group delivered in 2011

Initiatives underway to improve engagement in City Link include Driver Training, incentives and communication. The Join the Conversation programme took place across the business encouraging participation and involvement in the customer care improvements

Introduced Apprenticeship and Graduate recruitment schemes

Awards and recognition

Here are some of the organisations that recognised our achievements during 2011

Business in the

Community

Member and supporter of
Skills for Life programme



'Best Business Continuity Approach'
won at the Strategic Risk Awards 2011

**National
Courier
Awards**

Health & safety award for City Link's
Don't Look Away campaign

Business in the
Community

**CORPORATE
RESPONSIBILITY
INDEX**

Ranked in the leading
100 companies



Initial Facilities and Rentokil Specialist
Hygiene both won prestigious Gold
Medals – following five consecutive
years of Gold Awards



Since partnership with Tomorrow's
People started in 2009, Initial
Facilities has trained more than
400 long-term unemployed
people in basic cleaning skills



Awarded this independent mark
of quality that guarantees the food
bought meets high standards of food
safety and hygiene, animal welfare
and environmental protection



Initial Facilities finalist in five categories
and Rentokil Specialist Hygiene won
Best Specialist Hygiene category



Ambius received 11 awards
plus the Judges' Award for
its Living Green Wall



City Link for the third consecutive year

CARBON DISCLOSURE PROJECT

Carbon Disclosure Project listing
for the fifth consecutive year



Rentokil Initial is a signatory
to the Business in the
Community's Mayday Summit



First French textiles company to
meet Fibre Citoyenne standards



Ambius receives certification
as a planet positive company



Award for excellence in Learning
and Development for Living
Leadership – almost 300 managers
attended the programme in 2011



Ranked in the global top ten
in support services sector



Rentokil Initial was proud to
support the annual National
Apprenticeship of the Year
awards – Higher Apprenticeship



Key issues for 2012

The following tables shows those key Corporate Responsibility challenges described in line with the Rentokil Initial Way and identifies our areas of focus in 2012.



Key issues for 2012



Customer service and customer care



Areas of long-term focus

Differentiate the company through proactive customer care

Achieve 98% state of service

Improve customer satisfaction through Customer Voice Counts
(the group's survey of customer satisfaction) process

Link reward to customer satisfaction

Focus for 2012

Following the successful introduction of customer care initiatives in City Link, the company will begin to roll out best practice initiatives across the group in 2012, including call centre technology and organisation

The group will also roll out proactive customer account management processes following successful trials conducted within the UK Pest and Hygiene businesses in 2011

Company bonus rewards will be linked to achieving high levels of customer satisfaction, as measured through CVC

Capability



Maintain high levels of colleague skills development

Roll out new governance programme for colleague and management development, and launch new online learning system

Build management capability and pipeline

Deliver more than 6,000 days of training including increased use of apprenticeship model

Enhance colleague engagement through recognition and incentives

Deliver recognition awards in every division and function

Improve the efficiency of HR operations

Launch People Services, a new HR operations programme



Operational excellence



Areas of long-term focus

Continue to improve the group's health & safety performance and further strengthen the SHE culture across the group by:

- Increasing visible leadership on health & safety and enhancing colleague engagement
- Building organisational and individual health & safety capability
- Improving management of key risks such as working at height and occupational driving
- Improved measurement and reporting; recognition and sharing of best practice

Focus for 2012

Implement iLead behavioural management process

Build capability through the development of in-house safety videos and standard training programmes for working at height & safety leadership

Improve management of occupational road risk by implementing the Drive Smart driver risk management programme in North America Pest and Ambius, France Textile and Hygiene and Germany Textile and Hygiene

Develop global behavioural telematics strategy to help support drivers to reduce collisions and improve performance and fuel economy

Phased launch and implementation of the Health & Safety Healthcheck audit process

Extend the implementation of the Success Is No Accident incident management system into Benelux, Germany and Spain

Implementation of group SHE awards to recognise and promote best practice

Cost and cash



Reduce key impact areas (CO₂ emissions and water)

Continue to reduce CO₂ emissions and water usage through the implementation of local initiatives to drive performance improvement (including extension of European laundry stream-free operation in 2012)

Growth



Procurement activities with consistent quality, and consistency of governance

Introduce a standard and centralised textiles procurement model for Europe

Launch first hygiene range from Asia sourcing hub

Feedback

In this report we have described how the group's corporate responsibility approaches link to the strategic thrusts we have established across the group. We have also described how our individual businesses have made progress, particularly in customer service and colleague engagement.

As we continue to implement the group's strategic plan we will constantly consider our corporate responsibility impacts and how these should be addressed to ensure we have responsible and sustainable practices throughout our organisation. A continuing priority is to ensure our Code of Conduct, together with our revised corporate policies, are communicated and embedded throughout the group.

I hope you have found our Corporate Responsibility Report informative and would welcome your views on this or our approach to corporate responsibility in general.



Alan Brown

Chief Executive

With Board responsibility for Corporate Responsibility

If you have any comments or questions about our activities, please write to:

[Paul Griffiths](#)

Company Secretary

Rentokil Initial plc
2 City Place
Beehive Ring Road
Gatwick Airport
RH6 0HA