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Protecting People. Enhancing Lives.

Helping to make Malaria No More.
See page 29.

2014 Corporate Responsibility Report

Image by Maggie Hallahan courtesy of Sumitomo Chemical

Protecting People. Enhancing Lives.

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Rentokil Initial is focused on services that protect people and enhance lives. Protecting people from the dangers of pest-borne disease, the risks of poor hygiene or from injury in the workplace. Enhancing lives with services that protect the health and wellbeing of people, and the reputation of our customers.

We are a global leader in the provision of route-based services including pest control, hygiene, workwear and plants. These are delivered through five strong regional businesses: North America, Europe, UK & Rest of World, Asia and Pacific.

Operating in over 60 countries, we employed 28,731 colleagues at the end of 2014 (2013: 26,220). By living our values of Service, Relationships and Teamwork our colleagues deliver outstanding and consistent customer service and build long-term customer relationships.

Throughout the world, demand for higher standards of public health, stricter food safety legislation and compliance with workplace safety regulations are driving demand for our services. We Protect People and Enhance Lives.

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For further information on our CSR performance and activities please visit www.rentokil-initial.com

Introduction

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In 2014 we unveiled our new plan to deliver sustainable, profitable growth – THE RIGHT WAY. It is focused on ensuring that we maximise the potential of our strong regional businesses, using the unrivalled expertise of our people, our category strengths and lean operations. One year on and I'm delighted at the progress we've made in many areas.

We articulate the plan as 'Enabling the RIGHT People to do the RIGHT Things in the RIGHT Way' – acting responsibly in the way we treat our colleagues and customers, and the way we deliver our services are at the heart of this approach. I believe that Rentokil Initial is a values-focused organisation which takes seriously its responsibilities to all stakeholders.

Ensuring 'Everyone Goes Home Safe' is our number one responsibility. Safety is the first item on the agenda for the Board, Executive Leadership Team and other management meetings. Our performance showed continued improvement in many areas during the year and, for the first time, our Group Long Term Accidents rate fell to below one. We will not stop here of course and in 2015 we will introduce our Golden Rules for Safety.

I'm pleased to report that levels of customer service have remained very high in 2014 – improving to 99% State of Service (target: 95%+) – and that our pipeline of innovation, particularly in pest control, is making excellent progress. Customer satisfaction, as measured independently using the net promoter system, also remained high with many countries improving their scores, driven by many new initiatives, including:

- **New products** – such as our Signature range with its anti-microbial surfaces to protect people from the spread of germs
- **Better tools** – we have become one of the world's largest users of Google+ social media and Hangouts – enhancing colleague communications and best practice sharing
- **World class training** – we continue to invest in the expertise of our people. Colleagues undertook over 66,000 courses on our U+ network in 2014, developed by our in-house 'university' team
- **Acting responsibly** – in France, Initial is a leader in employing colleagues with disabilities; in the UK, aerosols were eliminated from our new air freshener range

Ensuring 'Everyone goes home safe' is our number one responsibility.



- **Supporting community health and education** – we taught over 3,000 young people in India, Africa and Indonesia about hand hygiene and basic pest control

Details of these and many other initiatives can be found throughout this Report.

The RIGHT Way is about making Rentokil Initial a stronger and more focused company to work for or to do business with. To achieve this we have introduced a differentiated strategy with the objective of delivering shareholder value through growth in revenue, profits and a significant uplift in free cash flow over the medium term.

Operational efficiency and route density are key themes for the Company, where our drive to act responsibly and protect the environment and our colleagues is aligned with operational efficiency objectives. With over 15,000 vehicles on the road, fuel accounts for approximately 75% of the Company's total energy costs. We have introduced new technologies to maximise route efficiency (page 25), focused our sales and marketing and acquisitions strategy to build customer density. Similarly, our use of Hangout video conferencing reduced business travel costs in our Australian business by c. 40% in 2014 (see also pages 8-9).

We're also among the leaders in the use of Google Apps technology – using Apps, social media and Hangout video conference features to improve operational efficiency. This has also transformed the way colleagues interact and reduced time spent travelling to meetings. In Australia, the business estimates that savings on hotels and travel for non-service personnel reduced by c. 40% in 2014.

Internal social media supports lead-sharing and technical support as well as colleague engagement and recognition. We're becoming a smarter and more efficient organisation.

During the year we retained membership of the Dow Jones Sustainability World Index. Our environmental performance continued its long-term improvement trend with both emissions and water consumption reducing year on year. Our European Workwear plants continue to benefit from recent investment and delivered annual improvements of 5% in energy efficiency and 2% in water consumption in 2014.

In 2012, we set a target of a 10% improvement in emissions on a normalised basis by 2016. I am pleased to say that we have exceeded this target with a reduction of 13% by the end of 2014 compared with 2011 levels, and since 2009, this improvement has amounted to 20%.

The title of this report is 'Protecting People, Enhancing Lives'. This is what we do each and every day in more than 60 countries through the skills and motivation of our people. I'd personally like to thank them for their commitment in 2014 to serving our customers.









I look forward to updating you on our progress in delivering our plan – The RIGHT Way – in 2015.

Andy Ransom
Chief Executive
Rentokil Initial plc

Keeping our Promises

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In 2014 we identified a series of promises to colleagues and customers which form the basis of our responsibilities. They set out what colleagues and customers can expect from the Company. Starting with our commitment to safety, our promises also include a commitment to delivery, expertise, responsiveness, being candid and open, honesty and being responsible. Throughout this report we align our activities to these promises.

	Our Colleague Promises	Our Customer Promises
We are Safe 	We ensure a safe working environment	We provide safe products rigorously tested for their efficacy
We Deliver 	We deliver a career that provides job satisfaction	We deliver service you can rely on
We are Experts 	We provide training and development to build your expertise	We provide expertise in our services and products to ensure real peace of mind
We are Responsive 	We listen and respond to any concerns you may have	We respond rapidly to your needs
We are Candid 	We ensure you have a clear role and recognise your performance in delivering it	We make honest recommendations that are right for you
We are Open 	We keep you informed about your company and things that may affect you	We deliver the insight and information to help you make informed decisions
We are Honest 	We treat you with respect and integrity	We strive to be open, honest and accurate in everything we do
We are Responsible 	We encourage a sustainable workplace	We make environmentally responsible decisions

Workplace

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Service colleague retention –
up 3% points year on year



Sales colleague retention –
up 2% points year on year

The Company operates a unified HR functional community, developing company-wide policies and sharing best practice consistently across the world.

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Performance in 2014

 **66,000**

66,000 U+ online courses undertaken by colleagues

 **30+**

30+ hours of U+ content developed

 **2 hours**

Two hours of U+ video content

 **90+**

90+ hours of translated U+ content



Our approach

Rentokil Initial is committed to workplace practices that follow best practice and are based on equal opportunities for all colleagues, irrespective of age, gender, race, colour, sexual orientation, disability or marital status. The Company's policy is to recruit, appoint and promote on merit. As at the end of 2014 the Company employed 28,731 colleagues. Across the Company, approximately 36% of employees were female, 24% of our senior managers and 25% of our Board.

The Company operates a unified HR functional community, responsible for developing company-wide workplace policies – these are available to colleagues via the intranet and the corporate website. Group-wide policies are developed and evaluated against best practice, while Region and Country HR Directors take responsibility for policies falling under local legislation.

The HR community is also responsible for developing and implementing company-wide people initiatives. Key to this activity is to share good practice consistently across the group – for instance, through the use of the Company's Google+ social media channels. The HR community also recognises its role in developing the Company's culture and performance management as well as ensuring behaviour in line with the Company's Code of Conduct.

Delivering our Colleague Promises

1. Learning and development through U+

At the heart of our colleague promise is a commitment to learning and skills development.

U+ is Rentokil Initial's in-house learning and development 'university'. Now in its third year, it delivers programmes through various channels, chosen to reflect the needs of colleagues including online courses via the U+ portal; face to face and team-based programmes; bespoke training modules for specific roles; and induction programmes for new colleagues.

U+ has an established governance system to ensure learning plans align to business requirements. A global learning and development community ensures that the benefits of U+ are maximised in every country, while an in-house content development team ensures fresh content is available to meet the needs of the Company and is matched precisely to Company (rather than generic) requirements. The programmes are developed with proven local learning and development partners and are supported by local business champions, to ensure appropriate targeting and maximising usage.

The content development team created over 30 hours of original training content in 2014, two hours of video content and over 90 hours of translated content.

In 2014, with access to the U+ online system rolled out beyond its initial pilots and a significant enhancement in new content, colleagues undertook 66,000 U+ online courses. U+ provided learning programmes in health and safety, sales, code of conduct, legal and finance, together with business-specific content for instance pest control technical training and best practice capture. U+ also extended its offering into leadership development.

2. Management development

The Living Leadership programme addresses the needs of experienced managers worldwide. It runs for six months and aims to deepen their knowledge of the skills, knowledge and behaviours required to lead in 'The RI Way'. It features three modules – the Collaborative Leader, the Commercial Leader and the Innovative Leader. In line with this the Company identified in 2014 a set of leadership 'team rules' to guide behaviour of the Company's leadership team.

For less senior managers, the Company has introduced Managing the RI Way. This programme is designed to provide supervisors and team leaders with role-specific knowledge and help them to develop as managers, based around the Company's promises and values. The programme comprises six modules, designed both to provide the essential core learning lessons, whilst providing the opportunity to develop local programmes if appropriate.

3. Consistent policy and values induction

U+ has also developed a global induction and compliance programme. Covering five modules, the interactive programme is available in local languages. The Induction Module has a specific chapter around local information, allowing country personalised material. The four compliance modules cover priority compliance topics (Code of Conduct, Anti-Bribery and Corruption, Competition Law and Securing Information & Protecting Privacy). The objective of the programme is to ensure the Company achieves the standards of professionalism and conduct expected by all its stakeholders and helps to embed the Company's values of Service, Relationships and Teamwork.

4. Technical training

Our Technical Academy is designed to deliver professional industry-accredited training to service colleagues through coordinated training courses, Technical Performance Assessment training and support through the Technical Field Consultant network. In 2014, our UK operations delivered 2,000 days of technical training in pest control, property care and hygiene services. There are four levels of training:

Level 1 – Within six weeks of joining

- Induction to the Company
- Understand the job
- Comply with legal / industry requirements
- Technical sign off
- Externally-endorsed qualification

Level 2 – Within six months of joining

- Successful completion of Level 1
- Industry-recognised qualification or externally endorsed by a respected industry awarding body
- Practical assessment or examination

Level 3 – On sponsorship by manager

- Successful completion of Level 2
- Good quality assurance and technical performance assessment scores
- Industry-recognised qualification or externally endorsed by a respected industry awarding body
- Practical assessment or examination

Level 4 – High level industry expert

- Successful completion of level 3 and any other prerequisite qualifications
- Industry-recognised qualification or externally endorsed by a respected industry awarding body
- Practical assessment or examination



1,000

Over 1000 sales colleagues enrolled on sales performance coaching



250

250 sales colleagues took part in sales excellence training



200

200 sales colleagues undertook negotiation training



5. Extensive Sales training

In addition to the extensive training activities undertaken across Rentokil Initial at country level, the global Sales Faculty provides specialist support for the development and execution of key sales training programmes which are delivered through a network of sales training professionals across the Group.

The Sales Faculty now has an extensive curriculum which caters for every role in the sales organisation, and offers a blended approach to learning, combining in-field coaching with classroom and online strategies to offer a flexible range of solutions.

In 2014 sales training support was delivered in every market, highlights include:

- Over 1000 sales colleagues are now enrolled into the new Sales Performance Coaching methodology supported by new tablet based application
- 250 sales colleagues took part in the training of the Rentokil Initial Sales Excellence (RISE) Training Programme, which offers a contemporary and structured approach to selling in the competitive environment
- 200 sales colleagues took part in the new RISE Negotiation Programme which is designed to improve negotiation planning and practice. 34 senior sales colleagues also attended a more intensive external negotiation programme in recognition of the scale and complexity of their customer interactions

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UK graduate Programme



2015: 100+
2014: 50

6. Supporting our colleagues

In 2014, Rentokil Initial appointed Mercer as its global benefits partner to evaluate and audit current practices, add governance and then build a best practice programme in areas such as wellbeing. The programme, which commenced in the fourth quarter, includes access to the Mercer Gold service to support local HR managers to make enhanced decisions on benefits through best practice advice.

In the USA, the Company has introduced a Wellness programme for its colleagues. Part of this was the 'Road to Reading', representing the journey from Santa Fe Springs in California to the home office of Reading in Pennsylvania. Colleagues were encouraged to form a team of 10, whose task was to walk 10,000 steps a day over the course of 10 weeks (representing the distance between the two locations). The programme used the American Heart Foundation's campaign website to track their progress and to compete against other teams.

Initial in France has a programme raising colleagues' awareness of the issues of disability, and ways in which colleagues with disabilities can have adjustments in their working environment to enable them to operate without any disadvantage. The French operation has been proactive in this area and employs over 5% of colleagues with some form of disability (compared with the French average of around 3%).

7. Graduate programme

In 2014, Rentokil Initial maintained its graduate development programmes, and continued to develop internship and trainee programmes. In the UK, we have 50 graduates in the current scheme and this will rise to over 100 in 2015. It has also encouraged colleagues to participate in career days in schools and colleges.

8. Becoming an effective, social enterprise

With the majority of its workforce operating remotely visiting customers, Rentokil Initial has utilised the latest technologies to free up time to spend more time with customers, create virtual communities to share knowledge and make the Company more productive. At its heart is Google Apps, which has been implemented across the Company.

Freeing up time to spend with customers

Google Hangouts have transformed the way colleagues interact. This reduces time spent travelling to branch meetings – colleagues can take part in video meetings from locations close to customers. In Australia, the business estimates that savings on hotels and travel for non-service personnel reduced by c. 40% in 2014.

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Colleagues can now hold virtual training sessions with others across the world, without needing to fly them to a central location. Hangouts have reduced the need for physical meetings, saving time, money and energy. They have also been used in other ways. Technicians now have onsite consultations via Hangouts with their line managers, seeking advice on difficult issues that they are facing. By being able to share images and videos of specific job challenges, the technician can tap into their manager's years of experience. Technicians claim it is like having a virtual manager by their side.

The adoption of Hangouts has been so successful that colleagues spent more than two million minutes engaged on the forum in 2014, sharing best practice and collaborating.

Creating virtual communities to share knowledge

Google+ has changed the way the Company communicates and recognises colleagues as well as sharing sales leads and best practice. With fewer physical branches and, today, more employees based at home, hot-desking or out on the road, the Company uses Google+ to create local team spirit in a virtual world.

Technicians now share some of their challenges, either to seek some advice or to gain further information. They can post pictures or stream videos of the problem and receive responses in real time. Lessons can be shared immediately with the whole virtual community.

Sales leads are also posted onto communities along with the actions pursued. Managers can post daily updates, highlighting star performers and providing relevant information. It is also a far more transparent process. Colleagues feel far more informed and engaged and, as a result, the number of leads has risen dramatically. In UK pest control alone, leads grew by about a quarter in 2014. Google+ is also a good platform to share success stories. One recognition event in 2014 was attended by 88 people, but photos and posts from the event reached 38,000 views within two days.

Using Apps to boost productivity

One of the most visible ways in which working practices have changed is through the development and use of a series of Apps for smartphones and tablets.

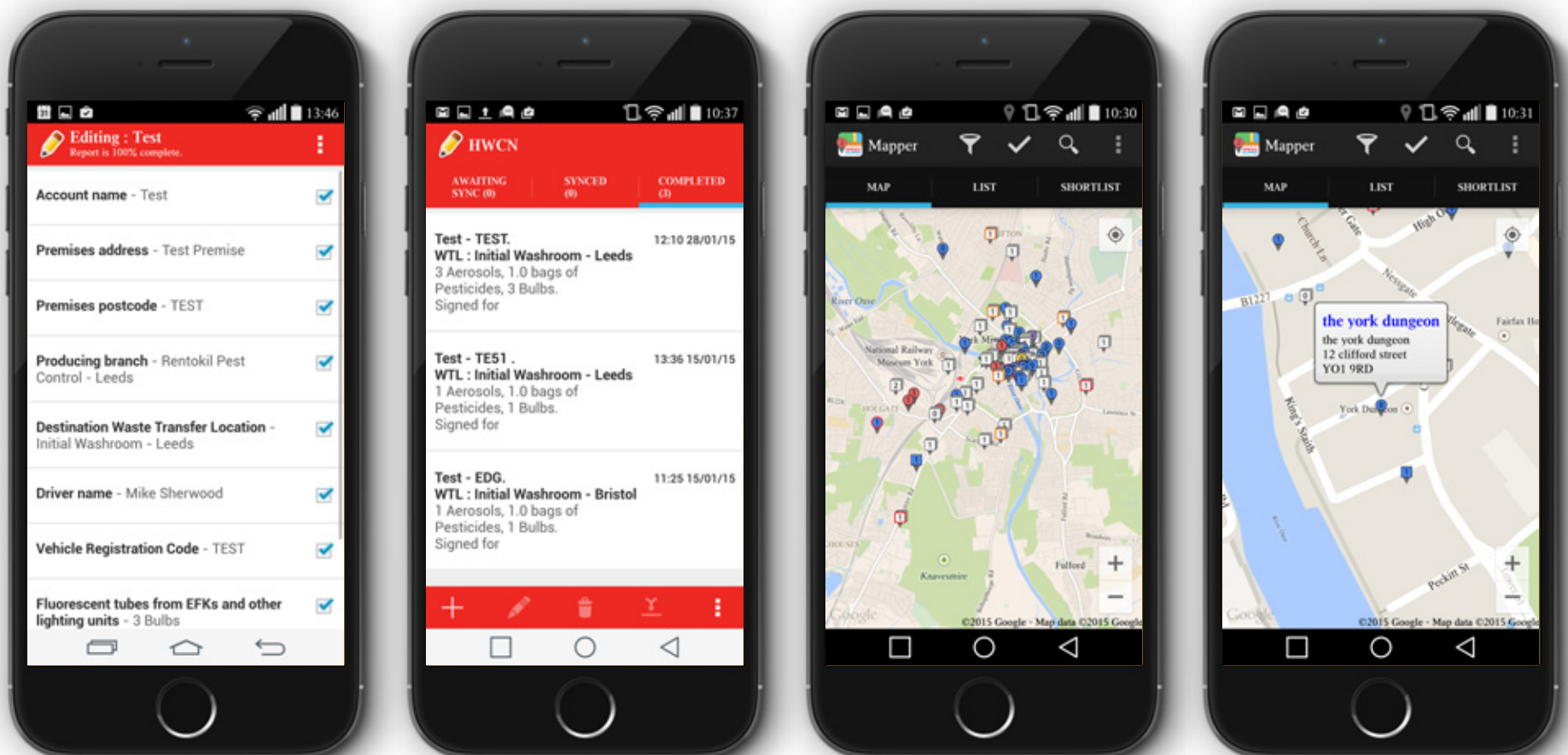
Rentokil Initial has service level agreements with key customers, such as supermarkets, restaurants and retailers, specifying terms such as the number of visits per month and the time between an emergency call out and a return visit. The Speed Mapper App has been developed in-house to overlay Google Maps with coloured icons marking the location of every customer and their current service status. It allows technicians to check the locations of key customers and the terms of their service level agreements. They can then plan their days more efficiently, by focusing their attention on certain post codes. For example, if they've had to

make an emergency customer call, they can quickly see which other key clients or pending follow up calls are in their immediate vicinity.

Speed Mapper has reduced drive time and improved efficiency and colleague engagement. It has also improved the level of service to customers. Technicians used to spend about 30% of their time in vehicles. That has dropped to about 22% in the UK which has pioneered Speed Mapper, with benefits for fuel use and emissions generation.

Similarly, the Speed Reporter App, developed in-house, has transformed the use of documents and paperwork. It allows colleagues to access Google Documents remotely and to edit collaboratively if required. Also, technicians in the field can use 'pre-written' text in their customer reports to cover familiar scenarios. They can appraise the situation, and produce a report as they tour the site adding the relevant pre-written information or advice. On completion of a site visit, they can update the report and email directly to the customer without leaving the premises, saving time and improving service.

To date, 18 Apps have been shared, including a document scanner, WhatsApp and Evernote, that organises all notes and documents, and Skitch, that allows users to mark up documents and then share them.



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Health and Safety



Below 1

Group LTA Rate –
now below one for the first time



27.08

Group WDL Rate –
6.5% deterioration over 2013

Health and safety performance in Rentokil Initial has continued its progress towards world class standards.

Our approach

Our health and safety approach comprises both central and country-level programmes, with a strong focus on operational protocols and action taking. Policies which underpin these programmes are available on the Company’s website, including the health and safety policy. The primary focus areas are where its potential impact is regarded to be of greater significance, including: workplace transport; working at height; occupational road risk; fumigation and machinery safety.

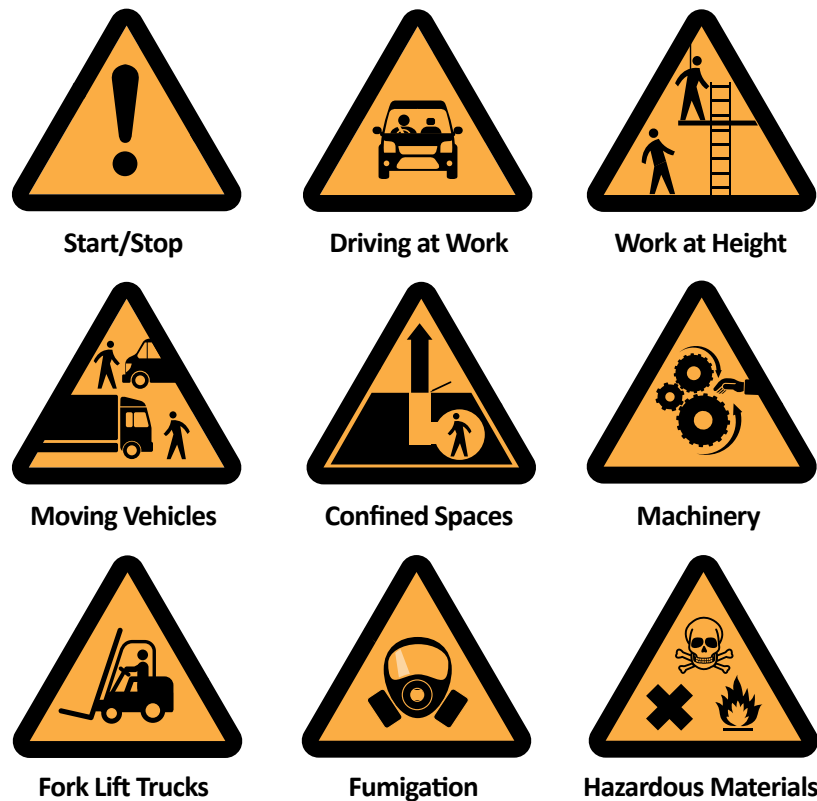
The Company’s safety, health and environment (SHE) function comprises group, regional and country leaders, recognising variable regional issues, reflecting differing cultures and legislation, as well as operational capability, especially in emerging markets. The team is responsible for establishing group level policies, programmes and initiatives. It leads implementation of group initiatives such as SHE Golden Rules, Success is No Accident, SHE Health-Check audits and the development of the group’s SHE learning and development curriculum. It also reviews priority businesses (originally 21 under-performing businesses, now reduced to three) and reports monthly to the Executive Leadership Team and to the Company’s Board at every meeting.

The Company is focused on developing operational and functional capability to deliver improved performance. In 2014, over 100 health and safety courses (including language variations) were developed on U+ and it developed its Golden Rules for the main risks as a means of setting global standards. The Company’s operational approach is based around OHSAS 18001, an international standard for health and safety management, and in 2014, Australia, New Zealand and Spain achieved formal OHSAS accreditation.

Regrettably there were two fatalities in 2014 – in Thailand involving a company vehicle and a motor cyclist and in South Africa involving a company vehicle and a pedestrian. Both the motorcyclist and pedestrian died as a result of these collisions. Both incidents were thoroughly investigated and learning has been applied elsewhere in the Company, as appropriate.

The Company’s health and safety performance has shown continued improvement over time for both Lost Time Accidents (LTA) and Working Days Lost (WDL) over the last five years, as can be seen in the table to the right. In 2014, the LTA rate was 0.99 (an improvement of 11%), with 62% of the group’s reporting units achieved an LTA rate below one for the first time. However, in 2014 the WDL rate deteriorated by 6.5%, largely due to performances by the USA and France businesses.





In 2014 the Company developed nine Golden Rules for health and safety



Developed unique multi-lingual training to build colleague capability and increase awareness

Delivering our Colleague and Customer Promises

Health and Safety is our first promise to colleagues and customers.

1. Improving Workplace Transport Safety

A new Workplace Transport Safety (WTS) programme was initiated globally after the death of a colleague in a French processing plant in late 2013. Minimum standards were defined for pedestrian and vehicle segregation. Workplace transport safety was reviewed at all 700 premises. In addition, a standard vehicle specification has been implemented for installing reverse assist and alert equipment on commercial vehicles over 3.5 tonnes. This programme was completed in 2014, having involved significant investment – in excess of £1.5 million in France alone.

2. Delivering the essentials of health and safety training

In 2014 the safety leadership team worked with operational teams to produce a large portfolio of practical training courses with the objective of better management of the essentials of health and safety.

These included:

Dealing with major risks:

- Working with explosive atmospheres – video training providing an essential level of awareness of explosive atmospheres
- Safe working in roof voids – video training, available in many languages, designed to train colleagues who need to work safely in roof voids
- Ladder safety – video training designed to train colleagues on how use and check ladders
- Work At Height video case study – following a fall from height incident in our Belgium Specialist Hygiene business in 2013, this case study shares the story of the injured colleague and his manager and outlines the serious consequences of this accident and the learning outcomes
- Workplace transport safety – enables colleagues to effectively manage risks arising from, and associated with, workplace transport in operational sites, with emphasis on how to achieve a ‘safe site’ using various best practices

Improving effectiveness of critical risk control procedures:

- Risk Assessment – training modules, available in 13 languages, aimed at improving risk assessment capability. Included are two 3D interactive hazard awareness modules, where learners enter a virtual residential and industrial site and complete a number of tasks

- Success Is No Accident – video training designed to enable users to access and operate the company-wide Incident Reporting & Management System
- SHE Health Check audit system – video training designed to show users how to access and operate the SHE audit / assurance system

Work is under way to complement this ‘Essentials’ portfolio with modules on working at height, safe driving and the new SHE Golden Rules.

In addition, the Company has implemented new ‘Lock Out Tag Out’ programmes to improve the safety of machinery maintenance practices across the Workwear and Hygiene categories.

3. Improving driving behaviours in France and USA

The introduction of Trimble, a vehicle telematics system, is being used to improve driver behaviours in order to reduce collisions and improve fuel efficiency. The system was trailed in North America and Europe and by the end of 2014 was fitted in over 2,000 vehicles. The information for managers includes driver safety scores and league tables as well as real-time in-cab feedback for drivers enabling them to improve their own driving behaviour. This is delivering improved information to identify training needs and so supporting improved driver performance. In France, the system has assisted in reducing the number of accidents.

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Activities in 2014



Implemented enhanced global minimum operational standards for fumigation



CEO awards for safety launched



Nearly four years without a lost time accident at Dudley Industries

4. Introducing more ergonomic plant in cleanrooms

The washers and dryers acquired for the new Eindhoven cleanroom processing plant have been chosen with colleague health in mind. When colleagues load a bin they load it downwards and on the other side when they unload, the bin stops higher up, so that it drops easily into a bin on the ‘clean’ side (pictured left). This was designed to minimise the amount of stooping and bending that colleagues would need to do, improving manual handling and reducing risk of strained backs.

5. Delivering improved SHE performance in Australia

In 2007, the Company’s Australian operation was regarded as a priority for action because of its under-performance in health and safety. At the outset, a poorly implemented set of SHE procedures was identified as being the first place to start improvement initiatives. Subsequently in the intervening years there has been significant progress, with management focus being a key driver, supported by increased health and safety resources, together with the use of incentives and building a culture of safety first and increasing accountability at all levels, including absence management. There has been a focused program of key activities over the last eight years, resulting in improvements in 2014 in both LTA (down by 59%) and WDL (45%). The operation is now in a position to set the challenging target of a reduction in LTA by 11% by the beginning of 2016. This will involve more proactive management, a focus on more transparency of performance results and greater accountability.

6. Delivering improved SHE performance in manufacturing

Whilst the Company’s two manufacturing operations – Rentokil Initial Supplies (RIS) and Dudley Industries – are relatively small, their management recognises the importance of effective health and safety management in a manufacturing site, where poor performance can rapidly affect productivity. As a result of the management’s leadership focus, by the end of 2014, Dudley Industries had achieved nearly four years without a lost time accident, whilst RIS has achieved just over a year without a lost time accident.

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Delivering services to our customers, responsibly

Rentokil Initial invests in an active programme of innovation and service improvements to exceed our customers' expectations.

 99%

Enhanced customer service – state of service reaches 99% in 2014 (target: 95%+)



Overall customer satisfaction remains in line with 2013 with measurement extended in North America



New No-Touch hygiene range developed to reduce cross-contamination risk in the washroom

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Delivering our customer promise

1. Enhancement of Customer Service

Delivering the highest standards of customer service is at the heart of our customer promise. In 2014 the Company increased its state of service delivery to 99% (target: 95%+) and developed its new customer promise. Customer research helped to identify the seven most important customer experience elements.

The Company measures customer satisfaction through its Customer Voice Counts (CVC) system (based on the industry standard Net Promoter System). Performance is reviewed quarterly at all levels – Executive Leadership Team, region, country and branch level. The numbers of customers contacted through CVC has increased from around 60,000 in 2011 to over 100,000 in 2014. In 2014, the CVC score, including extended coverage in North America, maintained a high +26 score (in line with 2013).

2. World class digital platforms

During 2014, Rentokil Initial continued its investment in building new world-class digital platforms.

Customer websites: Customers often obtain service information via digital channels. Globally, there are over 160 local language customer websites available, offering advice, help lines and safety information. In 2014, the Company undertook a series of initiatives to boost its online performance. For instance, it launched new customer websites for pest control in the UK, Australia, North America and France using a template which will roll out globally. Performance since launch has been excellent. In the first six months of 2014, the UK saw a 33% year-on-year increase in organic traffic and a 22% increase in total pest control enquiries. In December 2014, our North America business had a 34% increase year on year in total website enquiries.

Customer extranets: Rentokil's PestNetOnline extranet was updated in 2014 with myRentokil offering added smartphone access and new reporting features. myInitial, myMedical and e-billing were launched at the start of 2015 and myAmbius is under development. Each of these products are aligned so that users can access each of the extranets through a portal with a single user name and password. They are currently available in four markets but will be rolled out across the majority of our territories during 2015.

PestConnect: Our new remote monitoring system was rolled out across 200 locations in the Netherlands and Belgium providing 24/7 monitoring for pest problems on customer sites in between customer visits. Initially launched for monitoring the risk of mice, devices for the monitoring of rats will be added during 2015.

Our approach

The Company focuses on providing pest control, hygiene and workwear services via its Rentokil and Initial brands. These are our primary service categories. In some countries we offer additional categories – for example, a plants service through our Ambius brand as well as specialist medical and hygiene services. All services are route-based.

There is a range of customer-related policies, performance measures and training to define how service standards are delivered to a consistent level. Group policies and training relating to competition and anti-corruption laws are also enforced and include issues such as gifts, bribes and facilitation payments.

Individually, each country operation develops a responsible customer approach and management process for its market. A number of businesses have

their quality management systems certified to ISO 9001, including Rentokil and Initial Medical Services. The Workwear cleanroom processing plants all have ISO9001, as well as ISO 146441-1 which relates specifically to its pharmaceutical customer requirements. The Company's two UK manufacturing sites – Rentokil Initial Supplies and Dudley Industries – are registered with SEDEX, which offers customers a simple and effective way to manage ethical and responsible supply chain practices.

The central Marketing and Innovation function works alongside country operations to coordinate the development of our service offering and how it is marketed to our customers. The programmes are aligned to the three principal categories and are governed through Category Boards made up of senior operational and functional colleagues, and chaired by the CEO.

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3. Innovation and product stewardship

The Company's Marketing & Innovation function works in conjunction with local country teams to research customer needs and develop new products to meet those needs. It also reviews service delivery processes to provide more effective and sustainable product stewardship approaches. The following examples are just some of the development work and some product developments, now under patent, which may provide new sustainable product and service solutions in the future.

HygieneConnect

The importance of handwashing in the washroom is readily acknowledged as a means of reducing infection, but its practice can be improved in most organisations. Rentokil Initial undertook a series of trials using washroom sensing in 2014 as a means of helping those customers that wish to encourage

washroom users to regularly wash their hands. The sensors detect individuals using the washroom facilities, and those that subsequently wash with soap. The digital meters show the percentage of individuals washing their hands – and these together with prominent posters help raise awareness. By communicating the percentage of users that had washed their hands, the Company has seen hand washing compliance increased by over 30%. The Company launched the world's first remote monitor and display system to improve hand hygiene in Q1 2015 in the Netherlands. For the food and hospitality industries, as well as in healthcare, we see significant opportunities to improve critical hygiene compliance and to protect and enhance the welfare of our customers, and their customers.

Rodent proofing

In pest control, the focus has been on detecting and deterring pests before they become a sufficiently large threat in need of control. To do this, the Company's Global Science Centre adopted

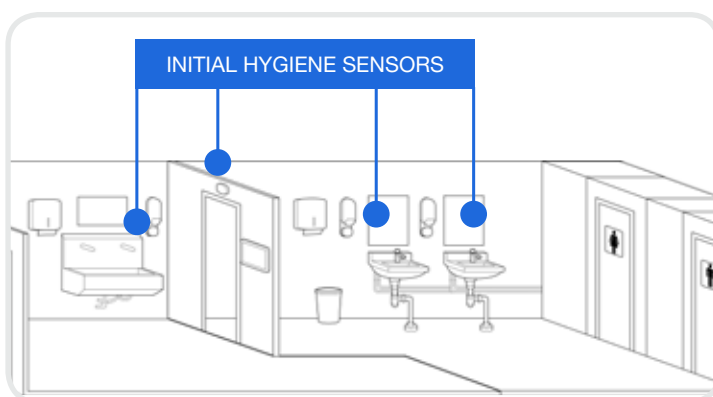
innovative techniques, including undertaking behavioural research on mice. A purpose-built pen enabled the observation of a mouse's behaviour at all times. One result has been to identify the best proofing materials that can be used to stop mice entering areas and where best to place them. Similarly, the behaviour of mice in a racking area has been studied, with the objective of finding the best deterrent against mice climbing up food-store racking, which often leaves food unfit for human consumption.

Biocides

The Company is undertaking research to keep ahead of changing regulatory requirements with RADAR rodent control units which use CO₂, controlled atmosphere fumigation, improved rodenticides and pathogenic insect control.

HygieneConnect: how it works

1



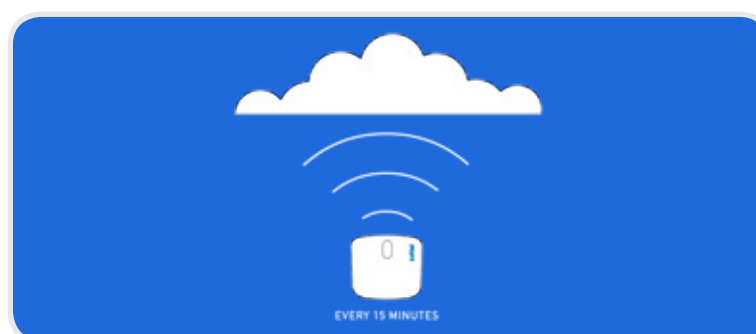
Small wireless sensors are placed at the entrance / exits and below the hand soap dispensers to monitor usage.

3



Customers can analyse the essential information and results wherever they are – on desktop, tablet or smartphone, with access 24 hours a day, seven days a week, 365 days a year.

2



The data collected from the sensor is delivered real-time (via 3G) is displayed on monitors in the workplace to nudge behaviour change.

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Creating further differentiation through our Signature range

The Company continued to roll out its award-winning Signature range of washroom products in 2014. As well offering improved aesthetics, the range features anti-microbial coatings. This has been followed by the introduction of the Signature Colour range and development of the widest range of 'No Touch' products available. Signature is now also available in a range of nine colours and three finishes which can give a positive impact on employee productivity, efficiency and improved well-being.

The Signature feminine hygiene products also have a new shape that enables more units to be stacked and transported, reducing vehicle fuel consumption, and reduced energy consumption used in the industrial washers.

Smarter Servicing

Similar improvements in Feminine Hygiene service delivery have occurred in Australia and South Africa, with the introduction of PLUS. In these countries, the often long distances involved in the 'swap service' delivering and collecting these units (and nappy bins) led to vehicle fuel inefficiencies and the risk of cross contamination at many points. The PLUS service involves on-site unit servicing which is more hygienic and offers improved fuel efficiency. The Australian experience has shown that PLUS also reduced colleague injuries and higher colleague motivation because they felt the equipment was cleaner and more professional.

3D body scanners

In workwear, 3D body scanning is being introduced to ensure customer personnel have garments that fit perfectly. Previously, measurement was undertaken manually, which led sometimes to poor fitting of personal workwear. The use of 3D body scanning technology offers a solution that delivers cost and time savings as well as improved reliability and accuracy, leading to improved customer service.

Removal of Aerosols

In the UK, the Hygiene business will replace 50,000 aerosol-based air fresheners with Modular Airfresh units. These are more environmentally friendly, with 46% waste reduction, including 25% fewer chemicals (replaced by ones with low toxicity and flammability leading to safer disposal).

Informing users and professionalising the industry

In addition to providing safety sheets for all its products, the Company is actively supporting organisations, such as the Campaign for Responsible Rodenticide Use (CRRU), to influence end users' knowledge and understanding of safe pest control. In addition, it has been active in developing the industry CEN standard, leading to technicians' professional certification, which will enhance the professionalism of the entire industry across the EU.

Supply chain

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100%

100% of critical suppliers for Hygiene and Pest products audited in 2014



80%

80% of workwear suppliers audited and met sustainability standards

Our Supply Chain approach focuses on product quality, service and cost objectives, meeting Rentokil Initial's Supplier Standard.

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Our approach

The Company’s Supply Chain priorities are product quality, service delivery and delivered cost. Its governance priorities are contract governance and compliance to procurement procedures. The latter includes the use of Rentokil Initial’s Supplier Standard which covers product and environmental, social and governance (ESG) issues, and the Company’s Procurement Policy which establishes minimum mandatory standards for procurement in all countries and provides best-practice guidelines.

The Supplier Standard covers all procurement managed by the Group Procurement Team, and is being implemented gradually by local country operations. In addition, various policies cover supply chain management, including Anti-Corruption, Dignity at Work and Human Rights policies. All supply chain contracts include anti-bribery and corruption clauses.

The Supply Chain spend covers both capital investment in equipment for rental (EFR) and materials and consumables, and is managed through Group Procurement for the pest control, hygiene and workwear categories, except for smaller purchases managed at a local level.

There are four forms of product supply:

- **Unique Hardware and Equipment**, including Hygiene products such as feminine hygiene units and soap dispensers, and Pest Control products such as Electronic Fly Killers and Tamper-resistant bait boxes. These products are manufactured to Rentokil Initial’s in-house design. Their design and specification are validated by the Global Science Centre to ensure compliance with international regulations. Suppliers are regularly audited by approved Factory Auditors against the Company’s Audit Template
- **Commercially available Hardware and Equipment** from other manufacturers e.g. Dyson hand dryers. These suppliers are audited on an ad-hoc basis when quality issues arise
- **Consumables such as paper, soap and pest control chemicals** include unique products, developed for use in Rentokil Initial equipment only, and generic products available across the industry. All unique products are tightly controlled as described above. Production audits are carried out at suppliers of generic products to ensure adherence to agreed quality standards
- **Textile products**, divide into products with company specific designs (mostly workwear garments), and standard products (flat linen and autorolls). As these products are often sourced

from the developing world, a high degree of compliance auditing takes place by internal and external auditors to ensure compliance to ethical standards

Key corporate responsibility risk areas are the procurement of chemicals, electrical equipment and textiles.

The Group Procurement and Supply Chain Team covers direct and indirect group procurement functions, quality managers, in-house manufacturing and an Asia purchasing hub (identifying innovative product suppliers and auditing Asian suppliers). Training, including ESG matters, is being developed through U+.

Group Procurement tracks annual global spend for major businesses and supplier numbers by category and spend. Direct supply chain represents c. 40% of total spend (of which workwear represents c. 30%). There are c. 1,300 suppliers of direct products, with c. 10% supplying contracts with a value over £100k p.a. The Group uses over 10,000 direct and indirect suppliers globally, most being smaller local contracts, representing a low business risk.

Delivering our Colleague and Customer Promises

Our supply chain supports delivery of colleague and customer promises by managing a diverse supplier base to achieve product quality and service objectives.

1. Direct supplier classification

Direct suppliers are classified into three groups, based on a risk-based approach:

- **Critical Global Suppliers** – representing a high proportion of category spend, supplying unique products to multiple company markets
- **Major Local Suppliers** – supplying a single country; representing a significant proportion of that country’s category spend; identified as their preferred suppliers
- **Small Local Suppliers** – used tactically and ad-hoc, representing the majority of suppliers, but a low proportion of spend

In 2014, the first two supplier groups constituted 269 suppliers, 65 being defined as critical and 204 major local suppliers. Critical suppliers represent 75% of total direct spend and are managed by Group Procurement with regular audits. In addition, there are two in-house manufacturing units and an in-house workwear sourcing business purchasing directly from fabric and trim suppliers.



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2. Critical supplier audits: Hygiene and Pest Control

Critical global supplier audits are managed by the European Quality Manager, who conducts comprehensive manufacturing audits of all new suppliers and subsequent audits of existing suppliers. Audit frequency is based on risk, taking into account supplier criticality and previous results, with a one to three year audit cycle. Audit procedures include unannounced and pre-announced onsite visits, onsite interviews with management and employees and subsequent corrective action plans for suppliers. Suppliers audited receive a Corrective Action Plan within two days and suppliers must return a response within two weeks.

In the Hygiene category, 100% of critical suppliers have been audited by the European Quality Manager, mostly medium-sized companies manufacturing a bespoke product. In Pest Control, all critical suppliers who manufacture Rentokil branded unique products are audited. The remainder are major international chemical companies with very stringent management and control systems.

Major local suppliers are audited by local Quality Managers who have been trained by the European Quality Manager. These audits use the Rentokil Initial Audit Template.

Non-critical small suppliers are reviewed using the audit questionnaire but without a site visit unless circumstances require it.

3. Critical Supplier Audits for Workwear

In the Workwear category, critical suppliers are managed through CAWE, a workwear sourcing company acquired three years ago. CAWE has been

a member of Max Havelaar (FLO CERT) since 2007, and is audited externally annually to ensure we:

- Offer disadvantaged producers and workers a fair wage, to satisfy their basic needs
- Guarantee producer and worker rights (banning child labour, slavery, forced labour, etc.)
- Develop and promote sustainable relationships throughout the supply chain
- Promote environmental protection
- Offer consumers quality products

CAWE is also a member of YAMANA – Fibre Citoyenne, which evaluates CAWE FTB Group annually to ensure commitment toward increasing sustainability. They follow five principles:

- Environment
- Social
- Societal
- Governance
- Consumer security

CAWE carries out audits on sub-contractors either by the Workwear Quality Manager, and / or by an independent third party – WethicA (linked to ACTE). By the end of 2014, 80% of all major CAWE suppliers had been audited at least once by WethicA, and the remaining 20% will be audited by WethicA in 2015. All major sub-contractors were visited at least once by the Workwear Quality Manager.

In workwear sourcing ESG factors are used as a go / no-go gate rather than a weighting factor. If suppliers do not conform to required standards, they are not considered for selection, or are discontinued once commercially possible.

For workwear fabrics and accessories, either branded products (e.g. for yarns, zips and buttons) with internationally recognised

quality and environmental certifications are used, or products from manufacturers audited by the Workwear Quality Manager.

4. Delivering sustainable and safe products

Sustainability risks for critical suppliers are identified and managed by Quality Managers, whilst risks for major local suppliers are identified and managed locally by local procurement.

For fabric suppliers, used in workwear, the Company mitigates environmental and social risks by selecting suppliers of fabric meeting key ESG standards including:

- Fairtrade / Max Havelaar certification
- Fibre Citoyenne
- OEKOTEX

OEKOTEX provides both environmental assurance regarding water outflow from dyeing and provides public safety assurance regarding chemicals used in production (including REACH compliance).

Chemicals used in pesticides and in fragrances are validated by the Global Science Centre (GSC), to ensure they meet public safety regulations such as the European regulations (CE mark) and REACH. The product specifications set by the Marketing and Innovations team and GSC take account explicitly of ESG and regulatory issues. Some legacy products that do not conform to the latest CE mark are being redesigned or reformulated to ensure compliance.



80%

By the end of 2014, 80% of all major CAWE suppliers had been audited by WethicA. CAWE is a member of Fibre Citoyenne



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Nordic Swan and EU Ecolabel certification was awarded for handwash, urinal fluid and paper products in 2014



5. Nordic Swan and EU Ecolabel

In Hygiene, hand wash liquids and foams are now manufactured in-house. This enables a wider product range, targeted at four customer segments, and ensures full compliance with EU regulations, with full safety assessment and preservative efficacy data. Production is to GMP (Good Manufacturing Practices used for food processing and cosmetics manufacture) and HACCAP standards. Consequently, the range has been eco-certified for Nordic Swan and EU Ecolabel (with the exception of anti-bacterial and protective soaps, because of their ingredients). End user reaction to these products is very positive, with no product complaints received since the launch in September 2013, with over two million litres of product supplied to Hygiene businesses worldwide. The manufacturer, Rentokil Initial Supplies, is ISO 9001 registered, as is its sister manufacturing company, Dudley Industries. Both businesses are subject to audit under the Company's Supplier Standard.

The Company's paper supplies are also eco-certified to carry Nordic Swan and EU Ecolabel marks (with the exception of product such as Scrim paper, which is reinforced with a polyethylene weave). We are currently the only company to offer WC and Urinal Fluid with EU Ecolabel certification.

6. Building supplier partnerships

Developing a collaborative supplier base is a key part of the Company's supply chain strategy. Within Hygiene and Pest categories, monthly key supplier teleconferences discuss performance against agreed KPIs.

Within workwear, stockholding arrangements with major suppliers allow them to optimise production quantities. This requires close liaison between suppliers and the Procurement Manager. CAWE, the workwear sourcing operation, purchases workwear fabric directly and sends this and workwear designs to its garment suppliers,

ensuring direct control of the garment supply chain, retaining Intellectual Property rights and improving supply security.

Introduction of supplier incentives encourage and reward longer-term global partnerships. The Company is taking a more streamlined approach to European sourcing of items such as garments, washroom equipment and pest control products to maximise procurement and supply chain synergies, offering higher volumes to suppliers.

In-depth collaboration has been achieved in the workwear processing area. The Company has had a collaborative project with its main supplier, providing for joint customer / supplier responsibility for chemical, water and energy management. This project is moving into its second phase, moving from 'limits on amounts consumed' to 'optimising the consumption' of energy, chemicals and water, including investment advice to achieve optimised levels.

Similar in-depth collaboration is underway in the pest category, involving product harmonisation and rationalisation with BASF, a major supplier. The partnership includes product development, product evaluation and testing.

7. Managing environmental impacts from supply chain transportation

The Company's supply transportation footprint stretches from product suppliers through its warehouses to its branches and to end-users. To reduce the transportation environmental impacts, the Company is acting on two fronts. Firstly, shipping from suppliers to a central European warehouse for shipment to branches. Secondly, more efficient shipment from branches to customers by developing route and round optimisation to improve vehicle utilisation efficiencies, implementing Trimble telematics on vehicles to monitor and improve driving habits, and mapping engine control units to improve fuel efficiency and decrease emissions.



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Environment



20%

20% energy derived emissions reduction since 2009



10%

10% emissions reduction target exceeded by the end of 2014 (two years ahead of schedule)

Rentokil Initial's environment performance has continued to improve over the last five years. Environmental responsibility is important to both colleagues and customers, and by the end of 2014 we had exceeded our target of a 10% emissions reduction.

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Our approach

The Company’s focus is to ensure it uses its resources efficiently by achieving operational excellence and effective resource management. The results of this approach help to improve its environmental impacts and reduce cost of energy.

Accountability for environmental matters lies with the operational responsibilities of country management, given differing operational requirements in each country and service categories. However, where there are common practices across the Company, such as route density, accountability for developing environmental initiatives lies with the Operational Excellence team. Responsibility for product development related environmental initiatives lies with category teams within the Marketing & Innovation function.

Policies relating to the environment apply across the Company. These are reviewed regularly by the Safety Health and Environment (SHE) leadership team. Its focus is on establishing local business protocols and approaches that are relevant to each business. Where relevant, some businesses, such as Initial Medical Services (which processes contaminated waste), have environmental management systems certified to ISO 14001, as does the modern Cleanroom Workwear processing plants in Germany and the Netherlands.

The SHE leadership team established the Company’s environmental plan, including a goal of improving emissions (derived from property energy and vehicle fuel) together with other environmental goals relating to waste and water. The target of an emissions reduction of 10% by 2016 was set, based on the index of emissions normalised by revenue at constant exchange rates. The plan set out 16 action areas to meet this target including improved operating efficiencies in the workwear processing plants, changing driver and employee behaviour, and targeting larger sites for environmental audit and management of energy suppliers. See 2014 Performance, overleaf.

Delivering our Colleague and Customer Promises

Environmental responsibility is important to both colleagues and customers.

1. Carbon Disclosure Project

The Company publishes its emissions data in the Carbon Disclosure Project (CDP). Its 2014 CDP submission achieved a disclosure percentage of 77% in the CDP Leadership Index (70% in 2013) and a C performance band.

2. Dow Jones Sustainability Index

The Company also submits environmental data to the Dow Jones Sustainability Index, achieving a percentile ranking of 90% for its environmental activities and was selected to be in the World Index for its sector.

3. Carbon Reduction Commitment

Our UK operations report property-based emissions via the UK’s Carbon Reduction Commitment Efficiency Scheme performance league table. This reporting excludes locations registered for Climate Change Agreements. The latest period covered is April 2013 to March 2014 and shows UK carbon emissions of 6,820 tonnes of CO₂e (13,974 tonnes for 2012-2013).

4. Environmental reporting

For maximum transparency the Company reports its environmental performance against six key factors:

- An energy efficiency index for property energy and vehicle fuels
- An emissions index
- Absolute emissions values
- European workwear processing plants water consumption
- European workwear processing plants energy efficiency
- European workwear processing plants normalised emissions

Energy and emissions are based on consumption of property energy (particularly the European workwear processing plants which are the major consumers of property energy) and vehicle fuels (which represent nearly 60% of total KWH). Where indices are used, the data is normalised against revenue and the index is based on constant exchange rates, providing an accurate like-for-like performance comparison, removing the variables of currency, divestments and acquisitions.



We achieved a percentile ranking of 90% in the Dow Jones Sustainability World Index



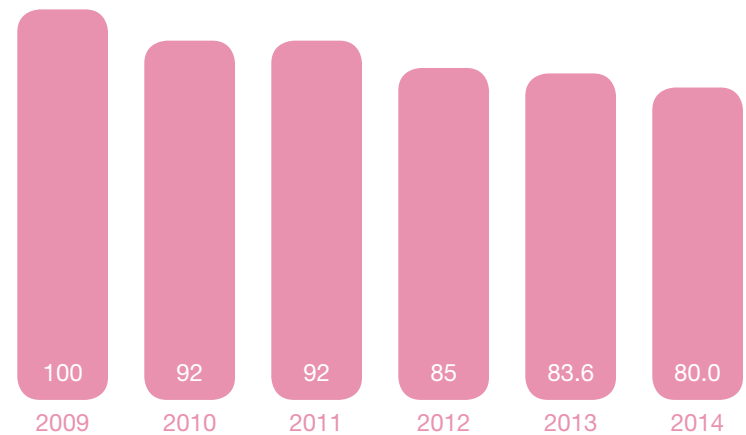
Fact File

2014 performance

In 2012, the Company set an emissions target of a 10% improvement in emissions on a normalised basis by 2016. We have exceeded this target with a reduction of 13% in emissions by the end of 2014. Since 2009, this improvement has amounted to 20%.

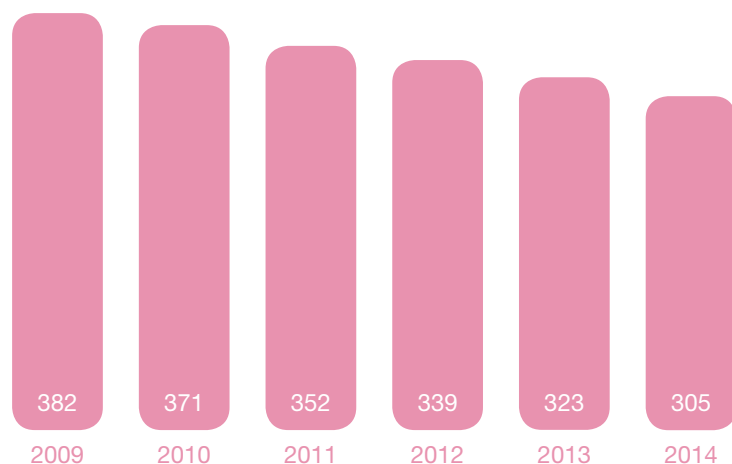
Our European Workwear plants continue to benefit from recent investment and delivered annual improvements of 5% in energy efficiency and 2% in water consumption in 2014.

Global emissions reduced 20% since 2009



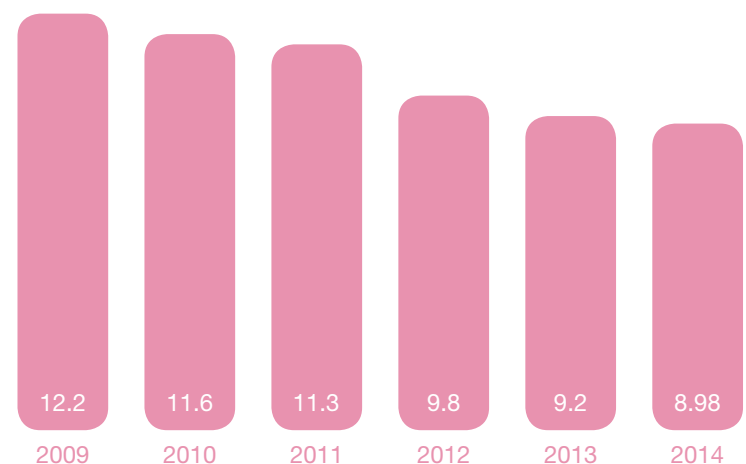
Index of energy derived CO₂ emissions at CER
2009 = 100 as the baseline

Workwear emissions reduced 20% since 2009



Workwear – Kilogrammes of CO₂ emissions per tonne processed

Workwear water consumption reduced 26% since 2009



Workwear – Water usage per unit washed – litres used per kilogramme

Absolute value of principal energy derived emissions – tonnes of CO₂e

	2010	2011	2012	2013	2014
Total scope 1	173,109	178,726	177,629	181,167	179,753
Total scope 2	28,253	27,206	26,400	24,988	23,164
Total scope 3	34,330	35,940	35,636	36,650	36,564
Total outside scope	2,903	3,154	3,121	3,392	3,464
Total – all scopes & outside scopes	238,594	245,026	242,787	246,197	242,945

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5. Fumigation

In line with the UK Government’s mandatory greenhouse gas reporting standards, the Company reports on fugitive gas emissions. A scoping exercise assessed HFCs leakages from air-conditioning and refrigeration units in 2013 and confirmed the Company did not use any chemicals whose constituents included PFCs.

This exercise indicated that HFCs leakages represented less than 0.5% of the Company’s total 2012 emissions, and as a result these are

considered non-material for reporting purposes. It was identified that Sulfuryl Fluoride is a significant contributor to the Company’s greenhouse gas emissions following the acquisitions in North America over the past two years. The use of this gas in large building fumigation contracts means there will be year on year variability in fumigation gases emissions. For 2014, absolute emissions derived from the use of Sulfuryl Fluoride are 850,883 tonnes (2013 – 380,979 tonnes). The Company continues to investigate environmental alternatives to Sulfuryl Fluoride, but, at present, considers it the most effective treatment.

6. Vehicle emissions

Vehicle emissions represented 65% of the Company’s energy derived emissions (and 73% of energy costs) in 2014. There are various programmes to deliver improved vehicle efficiency:

- **Route optimisation** – There are currently over 1,000 pest control technicians in 62 branches and 11 countries, using the Service+ system to optimise customer visits and route planning, reducing driving by 5-15%, and achieving better organised weekly work plans. The impact is significant. Australia raised their technician visits per day by 10%, and overall cost per visit is down by 7.7%; Denmark is achieving 11% more visits with only 6% more colleagues, and driving 10km less per day; and South Africa has achieved double digit productivity gains in pest control through reduced driving and better work allocation. In Europe, Ortec continues to be used to keep Hygiene routes optimal with branches being regularly refreshed, and this is now being introduced for Workwear
- **Driver telemetry** – both North America and Europe have deployed the Trimble telemetry system across thousands of vehicles. This in-cab system feeds back to drivers information about their driving behaviour. In addition, managers receive reports on that driving, such as excessive speed, cornering, braking, excessive engine idling, and departures from planned routes etc., with the opportunity to compare drivers’ performance. It helps colleagues to achieve better safety and fuel consumption
- **Engine control unit mapping** – this procedure aligns vehicle engines to the nature of their workload, rather than having a manufacturer set standard. Vehicles in five European country operations have been remapped, and a further two European operations and South Africa are scheduled for the next phase. The UK vehicle fleet has seen a 12% reduction in fuel usage following remapping
- **Vehicle selection** – the criteria for selecting the UK vehicle fleet include fuel and emissions efficiency. A recent study by the UK fleet provider showed that out of 10 customers with fleet sizes between 500 and 999 vehicles, the Company’s fleet was currently second most efficient with 116 CO₂ gms per kilometre. However, more importantly, in terms of vehicles on order, the fleet ranked first with an average of 105 CO₂ gms per kilometre



2014 fleet



65%

65% of the Company’s energy derived emissions



1st

UK fleet ranked first in fleet survey with 105 CO₂ gms per kilometre

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7. Property energy derived emissions

Property energy derived emissions represented 35% of energy derived emissions in 2014. These have reduced significantly as a result of the property portfolio consolidation following the introduction of the Company’s integrated country operating model with greater shared properties. For instance, the UK property portfolio totals 87 properties – 47 less than 2012. Global property consolidation impacts on property energy efficiency, together with IT actions, reducing server numbers. In addition, the use of Google as the platform for email, intranet and social media across the Company has meant alternative operational processes can be considered. These include Project Speed, see pages 8-9 Becoming an effective social enterprise, which enables the use of smartphone ‘hangouts’ which reduces the amount of travel to meetings.

8. Workwear efficiency

Workwear continues to improve its energy efficiency in processing plants (which amount to over 80% of all property energy consumption) and reducing water consumption. In 2014, CO₂ emissions per tonne of textiles processed amounted to 306Kgs – a 6% improvement year on year and an improvement of 20% since 2009.

The 51 European workwear processing plants are the focus for energy management innovation, as well as optimising current equipment and switching some laundries to steamless operations. All plants are equipped now with heat exchangers to recover heat lost in washing and boilers are being upgraded for improved efficiency. There are also six steam-free laundries (the first was in Sweden in 2011). These operate at roughly one third of the energy consumption for older style plants. Since 2009 the efficiency of the plants’ energy consumption per kilogramme of textiles processed has improved by 17%.

For several years, our European workwear processing plants have utilised water recovery systems, reducing both water and energy consumption and delivering effluent suitable for subsequent reuse. These together with the introduction of steamless laundries have resulted in water consumption reduced by 2% in 2014 and by 26% since 2009.



In addition, some actions have impacts across both water and energy consumption. The French workwear plant at Bourg en Bresse has remote monitoring equipment allowing maintenance teams to review energy and water consumption from one console for proactive maintenance.

In 2014, the Company introduced a new philosophy with a focus on improvements in overall efficiency rather than raw material costs. For instance, while there may be detergent cost increases, as a result of using higher quality chemicals, water and energy requirements decrease, resulting in both financial and environmental gains (as well as a health and safety benefit due to the substitution of toxic chemicals by other detergents).

9. Hygiene: Eco-Label and Eco-Clear

The Company’s Eco-Label accredited range of soaps is designed to ensure that customers have environmentally-accredited products at their disposal. Recently it has gained Eco-Label accreditation for its Eco-Clear urinals solution that combines a water management device and patented urinal sleeve. The urinal sleeve contains bio-enzymes that penetrate uric acid, salt and scale, preventing a build-up occurring and eliminating any foul odours. The specially designed water manager can enable water saving of up to 90% without a decrease in urinal hygiene levels.



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Community

Rentokil Initial colleagues are enthusiastic supporters of local and national charities, and the Company strives to build on this enthusiasm and enable multiple good causes to be supported.

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Our approach

Rentokil Initial focuses on developing strong local businesses supported by global know-how, and its approach to community relations reflects this organisational structure. The Company recognises the importance of community involvement to colleagues as well as other stakeholders. Colleagues are enthusiastic supporters of local and national charities, and the Company strives to build on this enthusiasm. Its social and community activities consist of four areas:

- **Local community support** – often combining value in kind donations with colleagues volunteering and generating cash donations
- **Local community investment** – at a country or region level, with more significant amounts, likely to combine financial and business support with volunteering
- **Global community support** – supporting specific charities as well as the Company's global community health programme
- **Response to national disasters** – in affected communities, where colleagues live

The Company's Community Policy covers all operations, but the choice of where to commit financial and colleagues support is determined locally, often with colleagues' participation in local events. Community activity is monitored (with an approval process for additional funds), has clear rules and policies and results are communicated across the Company.

The Company has developed its Helping Hands scheme to match colleagues' charitable fund raising. There is a Helping Hands co-ordination team, with an intranet presence where information and inspiration from others can be found. The Company's charitable cash donations (including Helping Hands donations) amounted to £77,000 in 2014 (2013: £101,000). In addition to the cash donations are value-in-kind donations and provision of management time.

Community health

The Community Orientated Health Education Programme (COHEP) is Rentokil Initial's global community health initiative, which was launched in 2013. The programme has progressed notably in 2014 with established projects in India, South Africa and Indonesia delivering basic health education to over 3,000 children across the three countries (2014 target: 1,000).

The programme, which leverages hygiene skills and knowledge from the business, has been deployed through enthusiastic teams of local volunteers and regional support. The health education starts with basic hand washing techniques and is delivered by volunteers in schools, orphanages and in the wider community; thereby sharing the health knowledge in wider family circles.

In October, Global Hand Washing Day saw colleagues around the world take part in promoting the benefits of hand hygiene to school children. In Rotterdam, colleagues initiated a debate about hygiene in a high school and in India the COHEP team took their hand hygiene programme to the children in Chennai. Activities also took place in the UK and South Africa.

A month later, our team in India also participated in a street-cleaning campaign in Bangalore. This type of 'hands on' activity has led to more tailored initiatives, suitable for our customers' employees and also the children of Rentokil Initial technicians. In 2015 Rentokil Initial intends to expand its community health initiatives in India even further and will also explore deployment in additional countries.



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Malaria No More

Throughout the year colleagues participated in events which raised funds for Malaria No More and in September a cheque for £14,615 was presented to the charity. Activities included ice-bucketing the UK management team and a 54 mile cycle from London to Brighton, with the 23 participants raising £6,785 in donations. In addition Rentokil UK conducted a school tour offering pest and hygiene education, presenting Pestaurant and Hygiene Angels to 1,586 children in 10 different schools in England, Scotland, Ireland and Wales. The tour clocked up 1,607 miles and another £3,000 will be donated to Malaria No More UK as a result.

The total money fund-raised for Malaria No More has now reached £44,200.

Community sports in Australia

Following its successful seven year support for Daintree, a rainforest conservation project, our Australian colleagues continued to create community sports initiatives with funding for 15 local children's football clubs to support the running of the clubs, both with kit provision and running day-to-day operations.

Yabonga in South Africa

In 2014, the South African COHEP team partnered with Yabonga, a non-governmental organisation which supports people living with HIV. Based in Cape Town, the organisation helps almost one thousand children in twelve township communities around the city where it provides after-school activities to orphans and vulnerable children. Younger children are hosted in the homes of 'community mothers' where support groups, play therapy and homework assistance are offered.

Yabonga strives to be self-sufficient and has an on-site bakery as part of their nutritional programme. Rentokil Initial provides free pest control and hygiene services to the bakery and volunteers also arranged a pilot education session in June at the home of one of the community mothers where 32 children were taught the core message of maintaining a hygienic lifestyle.

Nelson Mandela Day

In July, colleagues across South Africa each donated 67 minutes of their time – one minute for every year of Mandela's public service – to help their local communities. Right across the country, colleagues participated in donating food and clothing or cleaning up the garden of a school for disabled children. The Cape Region participated in the 'Stop Hunger Now – Meals in Memory' event. Fifty colleagues gave their time to help package enough meals to give 1,700 children in need across the Western Cape three meals a week for an entire school year.

'Mater of Heart' in Kenya

The Kenyan business has sponsored the 'Mater Heart Run' for the past five years. The Run assists Kenyan families unable to afford open heart cardiac surgery for their children. This year Kenyan colleagues took part in the 25 kilometre run.

Pestaurant in the USA

Our global Pestaurant challenge focused on encouraging visitors to experience eating insects and understanding more about pest control. In Washington DC, our colleagues worked with DC Capital Kitchen (which provides 25 million meals to low incomes families in the capital) to promote Pestaurant to its 20,000 Twitter and Facebook followers, and the business donated \$5 for everyone brave enough to try an insect meal and \$20 for those that took part in the 'Eat as many bugs as you can' contest, with crickets being the staple insect!

United Way

United Way is a nonprofit national association in North America that selects multiple local community nonprofit organisations to support, such as 'meals on wheels' for the elderly to infant day / night care. For several years we have run a programme of commitment through pay roll giving to United Way. The company also motivates colleagues to give more by offering extra days of paid leave for certain levels of giving. In 2014, colleagues contributed a total of \$61,000 through their payroll giving to United Way.



Corporate Responsibility Governance

Our approach

The Chief Executive has board responsibility for Corporate Responsibility (CR), and the Executive Leadership Team (ELT) has authority to introduce CR approaches and review performance (in particular, health & safety). The Board reviews specific CR matters regularly and, across all areas, at least annually. In addition, there is a Senior Leadership Forum of the most senior 25 executives in the Company, which meets twice per year in person and monthly by telephone to address key issues and ensure alignment of activities to the business plan.

Rentokil Initial has a clear functional governance model which identifies the role of the functions (determining best practice and governance) and country and regional teams (delivery within the framework of policies and local laws).

A Safety, Health and Environment Committee (SHE), with company-wide representatives, reports to the Board through the Company Secretary. Its remit includes developing Health and Safety standards with appropriate colleague training, reviewing performance and initiating remedial activity in under-performing businesses and creating a strong health and safety culture.

The CR policy framework

The Company has a robust policy framework for each of the CR areas, covering:

- Anti-corruption and bribery
- Health and safety
- Environmental management
- People matters
- Human rights
- Relationships with customers and suppliers
- Community involvement
- External affairs and political lobbying

These are reviewed regularly to ensure they meet current good practice and legislative needs. The Company's policy is that political lobbying by colleagues on behalf of the Company is not

permitted, although participation in submissions to governments by trade associations is acceptable.

The cornerstone of this policy framework is the Code of Conduct (embracing the Code of Ethics). First introduced in 2011, it is reviewed annually. It is available to colleagues in local languages and on the intranet. It articulates the standards expected from colleagues. A new Code of Conduct training programme was developed in 2014 to support new colleagues to understand the standards we expect.

Adhering to the policies

Adherence to these policies is monitored partly through the Company's Internal Audit function, including a review of implementation of the Code of Conduct across the business.

In addition, the Company operates Speak Up – a confidential reporting system that allows colleagues to raise concerns. This is available worldwide, with international free phone numbers. Response to any call or email from a colleague is managed by Internal Audit as an independent internal resource. A regular report on all concerns is provided to the Company's audit committee. There were 24 control incidents reported in 2014. The launch of the group intranet in 2014 and further circulation of Code of Conduct guidance have increased the awareness of Speak Up amongst colleagues and 13 control incidents were reported via the Speak-Up system, the majority being HR related incidents. Five of the incidents were followed up and had a more substantive discussion at the Audit Committee. All were investigated and satisfactorily resolved, with the initial referrers being advised of the outcomes.

During 2014, the reporting requirements were strengthened for breaches of the Code of Conduct and we anticipate an increase in the number of incidents reported as a result. From 2015, the Company now requires its most senior 75 executives to sign annually a confirmation letter that they adhere to the Company's policy framework. In order to reinforce policy adherence, training is undertaken in the following:

- **Competition and anti-trust law** – online training for managers and sales specialists, this reinforces compliance with the law and the required business

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behaviour, covering EU competition law, US anti-trust law, Latin America competition law and global competition principles and practices

- **Bribery and anti-corruption** – online training to develop awareness and understanding. All procurement contract templates include anti-bribery and corruption clauses
- **Code of Conduct** – interactive training provided via U+
- **Securing Information and Protecting Privacy** – interactive training covering good confidentiality and data protection practice

Operational policy procedures strengthen formal compliance. An example is Rentokil's 'Pink Note' system, which sets standards, and explicitly prohibits or mandates certain activities relating to the use of chemical products, detailing the risks and relevant operational issues.

Materiality

In 2013, the Company considered the materiality of its Corporate Responsibility impacts and the importance of each impact to the business as a whole. This process included analysing questions posed by major customers in their contract tendering process; reviewing colleagues' responses to Corporate Responsibility related questions in the Your Voice Counts colleague survey; and reviewing questions received from third parties involved in socially responsible investment analysis.

Further details including additional CR data and our materiality approach can be found on www.rentokil-initial.com

Monitoring CR performance

The Board reviews key performance indicators covering customers and colleagues. These are published annually, both in the annual report and in this CR Report, covering two years' of data. Performance against these indicators is reviewed both at the executive board and in operational and functional areas.



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Priorities for 2015

In 2015, the Company will continue to focus on safety; skills and talent development; service and innovation; community health; and sustainability as our primary corporate responsibilities. Individual countries will continue to lead their own aligned initiatives to ensure local delivery.

High standards of customer service delivery will be maintained and built upon with new product and service launches taking place throughout the year. A strong pipeline of innovations will continue to be developed. We will launch a new system to boost hand hygiene compliance amongst those customers, for instance food producers, where hygiene is of particular importance.



The Company's focus on health and safety will remain our highest priority and a set of Golden Rules to promote safety are being launched in 2015.



Rentokil Initial will continue to build positions in emerging and growth markets, and will actively look for opportunities in parts of Latin America, Central America, Africa and the Middle East. It will also continue to look for acquisition opportunities to build density and productivity.



The year will also see a continued investment in training and skills development programmes through our U+ 'university' and the in-house creation of training content to meet the needs of the business at pace. We will roll out more of our programmes to customers' own employees. We will develop online / app access to Level 1 Technical Training in pest control to ensure wider, faster access and consistent monitoring. In the UK, we will increase our graduate scheme to over 100 people.



Sustainable delivery – we will continue to focus on improvements to our energy and water usage in workwear processing plants, and vehicle emissions.



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> Customer

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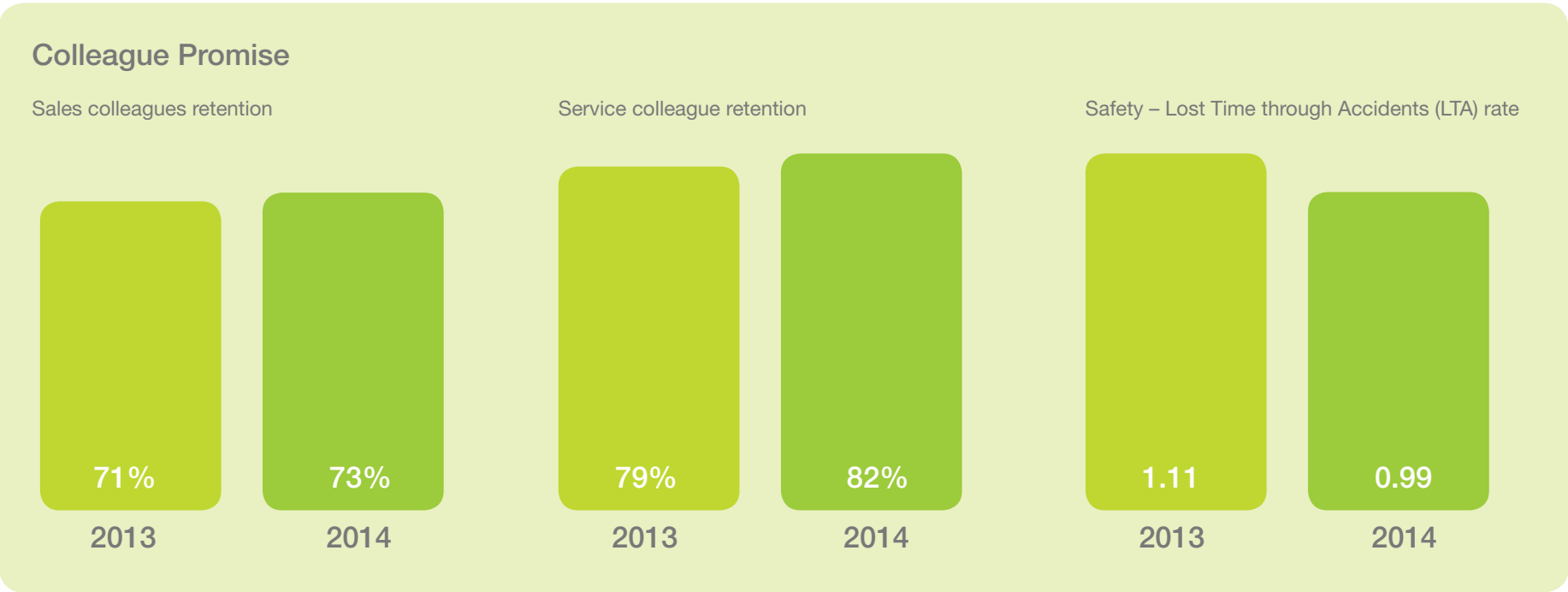
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The Board and senior management regularly review these six key performance indicators relating to colleagues and customers.



The Company also provides a number of financial KPIs, these can be found in its Annual Report and Accounts for 2014.