

**PROTECTING
PEOPLE.
ENHANCING
LIVES.**

GLOBAL HANDWASHING
DAY 2015, BANGALORE
SEE PAGE 29

RENTOKIL INITIAL

Welcome to our 2015 Annual Corporate Responsibility Report.

With 2015 revenues of £1.8 billion (ongoing operations at constant exchange rates), Rentokil Initial has established itself as the global leader in Pest Control and Hygiene services, and one of the European leaders in Workwear services. These are delivered through route-based operations using consistently-applied Company approaches. We are structured into five regions: North America, Europe, UK and Rest of World, Asia and Pacific.

ECONOMIC CONTRIBUTION

Operating in 67 countries, Rentokil Initial employed 31,442 colleagues as at the end of 2015 (2014: 28,731). During the year, the Company paid wages and salaries of £680.5m (2014: £648.8m). In 2015, the total cash tax paid was £27.9m (£30.1m in 2014, the decline being due to favourable foreign exchange movements) on the reported profit before tax of £159.0m (2014: £163.2m). The Company also paid employer social security contributions on employee salaries of £119.4m for 2015 (2014: £117.5m).

SOCIAL CONTRIBUTION

The Company's two main service brands are Rentokil and Initial. With almost two million customers worldwide the Company contributes

socially by helping to improve public health, through protecting people from the dangers of pest-borne disease, protecting property from the damage caused by pests and reducing the risks of poor hygiene or injury in the workplace.

The Company supports its customers in maintaining and improving their reputations with their own customers and their workforce.

The Rentokil Initial pension scheme is one of the strongest in the FTSE 350.

ENVIRONMENTAL CONTRIBUTION

Over the last five years, Rentokil Initial has reduced its energy derived emissions by 19% and has reduced its water usage by 27%.

Acknowledgements of the Company's corporate responsibility performance include accreditation in the Dow Jones Sustainability World Index and the FTSE4Good Index, being named one of the Top Employers in the UK, and a Top Service company in Germany. Rentokil Initial was also ranked second amongst European business service companies against 20 corporate responsibility issues by Generali and is a member of the Euronext Vigeo index: Euronext Vigeo – UK 20 (the 20 most advanced companies in the UK) as of December 2015.

QUICK LINKS

INTRODUCTION

3

Q&A with Andy Ransom, CEO of Rentokil Initial.



HEALTH AND SAFETY

8

Safety is the Company's top priority – our targets, performance and key initiatives.



WORKPLACE

11

What's it like to work inside Rentokil Initial? Our Mission, Vision and Values; learning and development programmes; and colleagues' views from the 2015 engagement survey.



MARKETPLACE

15

Innovation, Pace, Quality and Care are part of our Vision.



ENVIRONMENT

20

Focusing on the Company's key environmental priorities.



SUPPLY CHAIN

25

How our global and local supply chains operate against clear guidelines in our Code of Conduct and Supplier Standard.



CHARITIES & COMMUNITY

29

Community and charitable programmes, including our support for Malaria No More.



GOVERNANCE, MATERIALITY & PERFORMANCE

33

CR governance, materiality and five-year performance.



NAVIGATION WITHIN THIS REPORT

AS WELL AS THE QUICK LINKS ON THIS PAGE, LINKS DIRECT TO SECTIONS APPEAR AT THE TOP OF EVERY PAGE.



FOR INFORMATION ON OUR CR POLICIES, CLICK HERE

INTRODUCTION

QUESTIONS AND ANSWERS

ANDY RANSOM,
CHIEF EXECUTIVE OF RENTOKIL INITIAL PLC

HOW WOULD YOU SUM UP YOUR MAIN CSR PRIORITIES?

We are committed to operating Rentokil Initial responsibly and in line with our Code of Conduct. Our main priorities are Safety, Service and Innovation, Skills and Engagement, Supply Chain and Environmental Sustainability. I also believe strongly that supporting Communities and Charities is good for business.

LOOKING BACK AT 2015, WHAT PLEASED YOU MOST ABOUT THE RESPONSIBLE BUSINESS PRACTICES IN THE COMPANY? WHERE HAVE YOU SEEN THE MOST PROGRESS?

The four areas I'd pick out as representing outstanding performance are:

- **WORKPLACE SAFETY** – we improved our main safety KPI by 22% in 2015, achieving an all time low and we launched our Safety, Health and Environment (SHE) Golden Rules across the Company (see page 9).
- **INNOVATION** – we launched HygieneConnect and PestConnect, as well as AutoGate and maintained the rollout of our Signature Hygiene range, with its anti-microbial surfaces to protect people from the spread of germs (see page 16).
- **CUSTOMER SATISFACTION** – we use the Net Promoter System to measure customer satisfaction and in 2015 this improved by 12.8% and customer retention increased by around 1%.
- **SKILLS & TRAINING** – we continue to invest in our people's expertise. 43,000 online courses were undertaken by colleagues and we created nearly 600 courses and videos around topics such as sales, technical and operational best practice (see pages 12 – 13).

I'm also delighted that in 2015 we retained membership of the Dow Jones Sustainability World Index of leading companies for the ninth successive year and entered the FTSE4Good Index for the first time.

WHY DID YOU LAUNCH THE SHE GOLDEN RULES?

I want us to have a consistent world-leading performance for safety. In some parts of the group we are already there but we have much more to do elsewhere and every lost time accident or working day lost is one too many. Ensuring 'Everyone Goes Home Safe' is our number one responsibility. It is the first item on the agenda for the Board, Executive

Leadership Team and other management meetings. In 2015 we introduced our SHE Golden Rules to 95% of our colleagues globally (target: 90% in year one) in order to put renewed energy and commitment into those areas where we must maintain our focus – the daily things that colleagues undertake such as driving, working at height and working with chemicals.

ENVIRONMENTAL MANAGEMENT IS ONE OF YOUR PRIORITIES. WHAT PROGRESS HAVE YOU MADE IN 2015?

During the year, 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 improvements of 1.8% in energy efficiency and 8% in water consumption during the year.

In 2012, we set a 10% reduction target for emissions by 2016. I am pleased to say that we have exceeded this target with a reduction of 19% by the end of 2015. We are in the process of setting a new performance target for 2020.

DURING 2015 YOU CONTINUED TO ACQUIRE COMPANIES, PARTICULARLY IN GROWTH AND EMERGING MARKETS. WHAT ACTIONS DO YOU TAKE TO ENSURE THAT THESE NEWLY ACQUIRED COMPANIES MATCH UP TO YOUR OWN STANDARDS FOR RESPONSIBLE BUSINESS PRACTICE?

The **RIGHT** Way is about making Rentokil Initial a strong, customer-focused organisation. To achieve this we have introduced a differentiated strategy and growth matrix with the objective of delivering improved shareholder value. In 2015 we continued to increase our exposure to Growth and Emerging markets and decrease our exposure in lower margin, non-core areas. This included 23 acquisitions, mainly in pest control.

We take due diligence very seriously and have an experienced team of merger and acquisition professionals. Their job is to ensure that we get not only the right deal to create shareholder value but that any company we acquire meets the operational standards we set. We have walked away from negotiations in the past where we have not been convinced that the seller or their business meets our standards of performance and integrity and in other cases we have acted very quickly post completion, for instance to introduce new equipment and deliver training on expected safety standards.

WHY DO YOU BELIEVE THAT SUPPORTING CHARITIES AND COMMUNITIES IS GOOD FOR BUSINESS?

I believe that business has a responsibility to meet the needs of all stakeholders and that includes the communities in which we operate. We also try to identify causes close to the activities and expertise of our business. As an example, three years ago we began to support a small charity called Malaria No More. It's an organisation with a very clear aim and we have created a strong relationship with them. Through countless different activities we've raised £100,000 for them to date (£40,000 in 2015).

IS RENTOKIL INITIAL A 'VALUES BASED' COMPANY?

Yes, I believe that Rentokil Initial is values-focused and we take our responsibilities to all stakeholders very seriously. Wherever I travel across our Company it feels like a business 'family' and our core values of Service, Relationships and Teamwork are well understood.

Our mission is 'Protecting People and Enhancing Lives'. This is what we do – each day in communities across the world through the skills and motivation of our people. I'd personally like to thank them for their commitment in 2015 to serving our customers, supporting each other and helping to enhance our communities.



PROTECTING PEOPLE. ENHANCING LIVES.

As the title of this Report shows, Rentokil Initial's mission is to provide services that protect people and enhance lives. Demand for higher standards of public health, stricter food safety legislation and compliance with workplace safety regulations throughout the world are driving demand for our services. Here are some of the ways in which we do this:



PROTECTING PEOPLE

- Controlling mosquitoes linked to diseases such as Dengue, Zika virus and Malaria
- Reducing risks from the spread of diseases from rodent infestation
- Avoiding property damage caused by termites and wood boring insects
- Disposing safely of needles and dental waste in line with the highest regulatory standards
- Providing specialist hygiene services following industrial accidents or public emergencies
- Reducing the risks of injury through professional workplace clothing
- Supplying branded anti-slip mats to avoid injury
- Reducing the health and reputational risks of biting insects such as wasps and bed bugs



ENHANCING LIVES

- Ensuring safer foods and pharmaceuticals, free from pest contamination
- Reducing the spread of germs through more effective hand washing facilities
- Ensuring safe disposal of feminine hygiene products
- Promoting safer workplaces with correctly-fitting and specifically-designed workwear for a range of jobs from welding to front of house
- Improving public health in developing nations and emerging markets
- Providing plants to enhance any environment from hotels and offices to large holiday displays
- Scenting services to match retail and hospitality brand experiences as well as remedial odour control
- Reducing the distress of having a pest infestation at home or at work

2015 FACT FILE

 22%

22% improvement in Long Term Accident Rate (2015: 0.77 vs 0.89 target)

 £128,000

£128,000 was donated to charities in 2015 (2014: £77,000)

 9%

9% reduction in the index of energy derived emissions at CER (19% improvement since 2011)

 95%

SHE Golden Rules for Health and Safety launched to 95% of colleagues worldwide

 43,000


43,000 online U+ courses undertaken by colleagues

 2.2%

2.2% improvement in the Workwear emissions per tonne of product processed

 £100,000

£100,000 has been donated to Malaria No More to date; £40,000 was donated in 2015 through the efforts of colleagues and matched funding

 8%

8% improvement in water used in Workwear plants

 3,250

3,250 technical training days delivered in the UK

 5,500

Colleagues continue to provide community health education programmes to schools in India, Malaysia, Indonesia and South Africa delivering basic health and safety education to over 5,500 children since 2011

 30%

30% improvement in Working Days Lost Rate (2015: 19.02 vs 23.02 target)



Independent accreditation: Dow Jones Sustainability World Index, FTSE4Good Index, UK Top Employers and being ranked second amongst European business service companies against 20 corporate responsibility issues by Generali

FOR DETAILS OF THE COMPANY'S FIVE YEAR COMPARATIVE PERFORMANCE, SEE PAGE 35

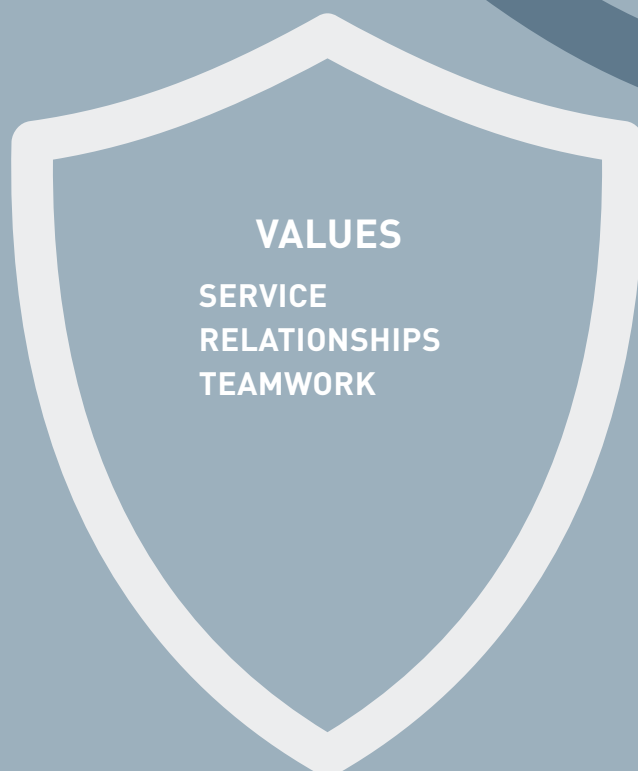
OUR CULTURE

MISSION, VISION, VALUES

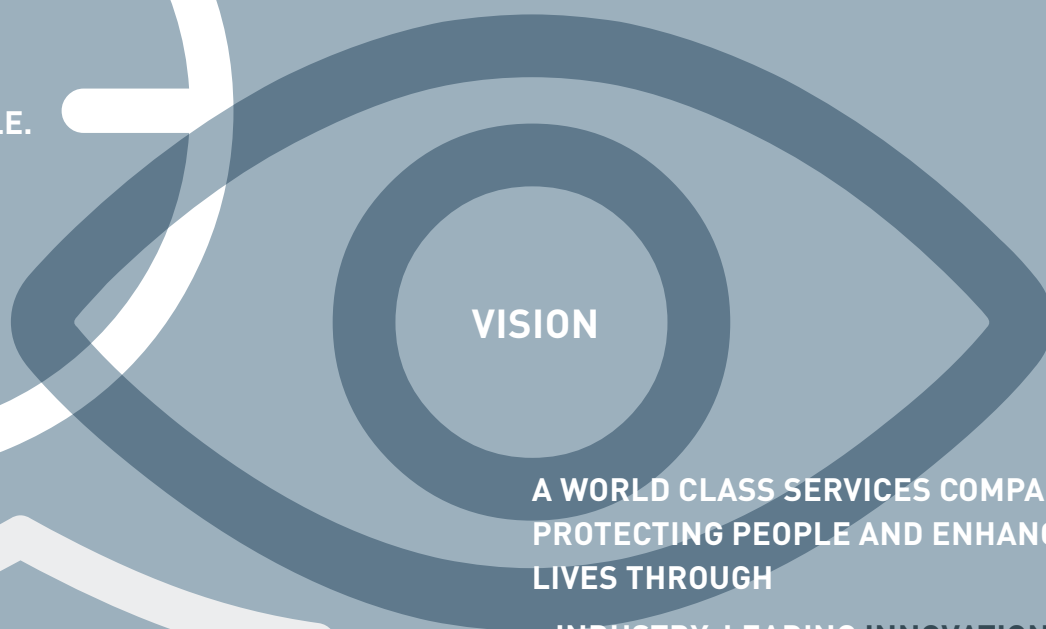
The foundations of our culture in Rentokil Initial are our Values of Service, Relationships and Teamwork. In our 2015 employee survey, 86% of colleagues said that they had a 'good understanding of our values' (see page 14). In 2015 we began to articulate our clear Mission and our new Vision for the Company.



MISSION
PROTECTING PEOPLE.
ENHANCING LIVES.



VALUES
SERVICE
RELATIONSHIPS
TEAMWORK



VISION

A WORLD CLASS SERVICES COMPANY,
PROTECTING PEOPLE AND ENHANCING
LIVES THROUGH

- **INDUSTRY-LEADING INNOVATIONS**
- **BEST-IN-CLASS PRODUCT AND SERVICE QUALITY**
- **CARE FOR OUR COLLEAGUES, CUSTOMERS AND COMMUNITIES ACROSS THE GLOBE**

WE WILL DO THIS BY HARNESSING THE HEADS, HEARTS AND SPIRIT OF OUR HIGHLY TRAINED EXPERTS, TO BECOME ACKNOWLEDGED AS A CUSTOMER SERVICE CHAMPION, UNIVERSALLY RECOGNISED FOR PERFORMANCE EXCELLENCE AND DOING IT ALL AT **PACE IN THE RIGHT WAY.**

OUR BUSINESS MODEL

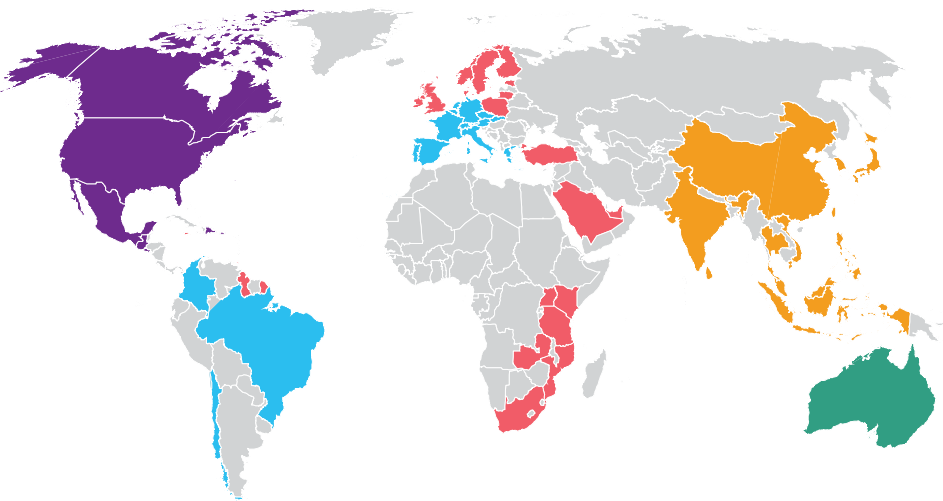
REGIONS, CATEGORIES AND QUADRANTS

Our business model is constructed on three layers. It is a fixed, focused and clear model which ensures that everyone knows where their role sits within the organisation and how their performance can make a difference. In the 2015 colleague survey, the question ‘This Company has a clear sense of direction’ rose by 5% points.

The top layer sets out our business organisation with five strong regions through which our responsible business practices are delivered.

The second layer identifies our core competencies of category leadership, expertise delivered through our people, and standard lean operations.

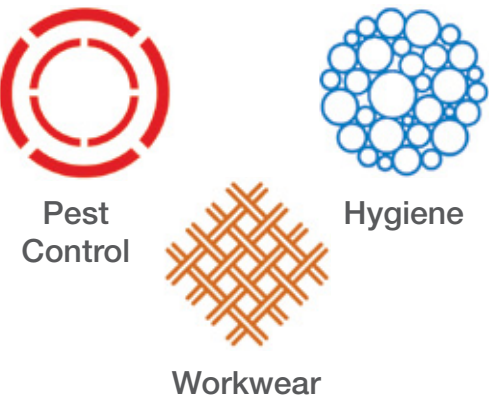
The third layer articulates our differentiated quadrant-based model, which is how we manage the business for profitable growth.



STRONG REGIONAL BUSINESS

- Europe
- North America
- Asia
- Pacific
- UK & Rest of World

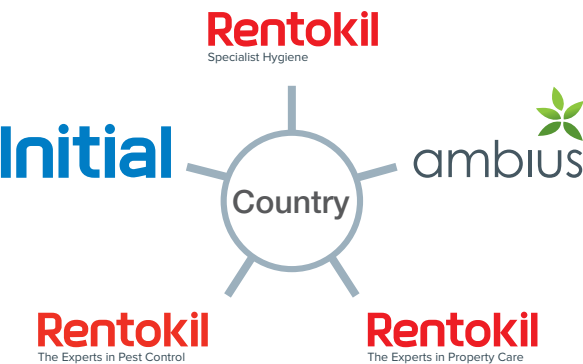
BUSINESS LINE LEADERSHIP



OUR COLLEAGUES AS EXPERTS



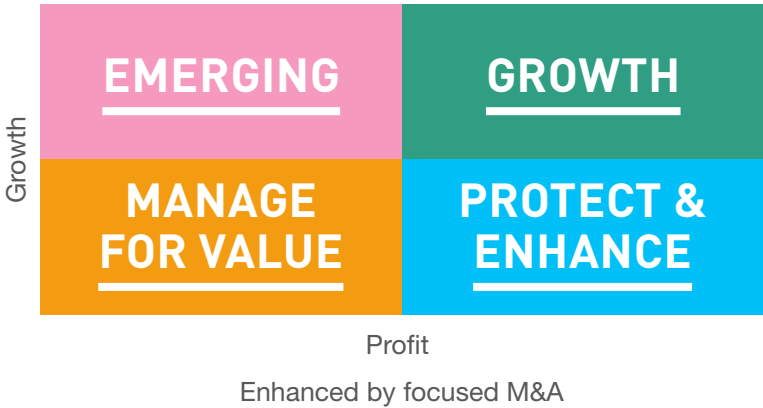
LEAN, MULTI-BUSINESS OPS



SIX OPERATIONAL GROWTH LEVERS

| | |
|---------------------|---|
| TARGETING OUR OFFER | <ul style="list-style-type: none">WHERE TO PLAYMASTERING OUR MARKETS |
| SALES EFFECTIVENESS | <ul style="list-style-type: none">BUILDING THE PIPELINESALES BRILLIANCE |
| RETENTION & GROWTH | <ul style="list-style-type: none">DELIVERING OUR PROMISEENGAGING OUR CUSTOMERS |

DIFFERENTIAL STRATEGIES



HEALTH AND SAFETY



22%

22% improvement in Long term
Accident Rate (2015: 0.77 vs 2014: 0.99)



30%

30% improvement in Working Days
Lost Rate (2015: 19.02 vs 2014 27.08)



SHE Golden Rules

Golden Rules for Health and Safety reinforce operational and functional capabilities that have been developed



OUR APPROACH

Our health and safety approach comprises Group and country programmes, focusing on operational protocols. Underpinning policies are featured on the Company’s website, including the health and safety policy. The primary focus areas are where potential impacts are greatest, including workplace transport, working at height, occupational road risk, fumigation and machinery safety.

The Company’s Safety, Health and Environment (SHE) leadership team comprises Group, regional and country leaders, reflecting regional cultures, legislation and operational capabilities. It establishes Group level policies, programmes, learning and development and SHE initiatives. It also reviews businesses through the Countries in Focus programme that targets specific countries with unsatisfactory or deteriorating performance, or that are in the process of integration following acquisition or undergoing reorganization. The team reports monthly to the Executive Leadership Team and at every Board meeting.

In 2015 the Company launched its SHE Golden Rules – focused on the main operational risks and setting global standards. As part of this programme, in 2015 the SHE team developed over 300 health and safety training modules (including language variations) on the U+ online learning portal. The Company’s operational approach is based around OHSAS 18001, and in 2015, operations in seven countries (14% of total revenue) had formal OHSAS accreditation.

Regrettably there were two fatalities in 2015. One was a UK colleague involved in a road traffic collision, and the other was a pedestrian who died after being hit by a Company service vehicle in North America. As part of its planned development, the Company is implementing new Driving at Work minimum standards, described later.

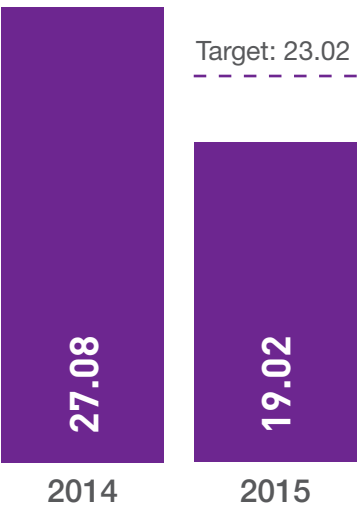
The Company’s health and safety performance has continually improved for both Lost Time Accidents (LTA) and Working Days Lost (WDL). In 2015, the LTA rate was 0.77 (22% improvement year on year), with the average number of LTAs reported per month reducing from 46 in 2014 down to 38 in 2015. The WDL rate improved by 30% year on year, largely due to improvements in France.

HEALTH AND SAFETY KPIS

LOST TIME ACCIDENTS



WORKING DAYS LOST



BUILDING OPERATIONAL CAPABILITY

1. IMPLEMENTING OUR SHE GOLDEN RULES

Our SHE Golden Rules, mandatory for all colleagues, are the Company’s biggest-ever global safety initiative. They are based on what all colleagues must know and do to prevent serious harm. Launched in summer 2015, they are simple, clear and unambiguous. These were implemented globally with an interactive PDF, supporting resources and a handbook (available in 27 languages), videos and posters. Each country is responsible for implementing them on a cascade basis. Guides have been produced to assist country-based facilitators to communicate the Rules and to maintain training records and feedback. KPIs help monitor implementation of the Rules. These are included in operational Performance Development Reviews. Since the launch, 95% of colleagues have received initial training on the SHE Golden Rules (against a target of 90%).



TO VIEW OUR FIVE YEAR PERFORMANCE TABLES, [CLICK HERE](#)

2. DELIVERING ESSENTIAL TRAINING

Supporting the SHE Golden Rules, the SHE leadership team has produced an extensive training portfolio of courses for better management of health and safety. These include:

DEALING WITH MAJOR RISKS

- Working with explosive atmospheres
- Safe working in roof voids
- Ladder safety
- Working at height
- Workplace transport safety
- Vehicle Inspections

IMPROVING EFFECTIVENESS OF CRITICAL RISK CONTROL PROCEDURES

- Risk Assessment
- Success is no Accident incident reporting and investigation
- SHE Health Check audit system

3. DRIVING AT WORK

With approximately 17,000 vehicles and 340m miles driven by colleagues per year, improving the safety of the Company's drivers and vehicles is a key goal in its SHE plan for 2015/2016. To deliver against this objective, new minimum standards for 'Driving At Work' were developed and will be implemented from 2016 onwards. The standards focus on the basic essential requirements for driver and vehicle management and will be supplemented by a multi-language e-learning module which explains company driver responsibilities and provides practical guidance, available in 2016.

Trimble, a vehicle telematics system, helps to improve driver behaviour and improve fuel efficiency. The system was trialled in North America and Europe and by the end of 2015 it was fitted in approximately 2,400 vehicles. Management information includes driver safety scores and league tables as well as real-time in-cab feedback for drivers to improve their driving behaviour. This enables managers to take appropriate action to address unsafe driving behaviours and give priority to those at highest risk.

4. FUMIGATION AND HEAT TREATMENTS – NEW OPERATIONAL STANDARDS

New minimum standards were introduced in 2015 to strengthen existing management and operational practices to ensure that we deliver a consistently safe, legal and effective fumigation service across all our operational markets and in businesses we acquire.

5. EVALUATION OF MACHINERY IN PROCESSING AND MANUFACTURING UNITS

A global initiative aimed to provide assurance about the adequacy of machinery guarding was initiated in 2015. 49 sites were the subject of this survey, with 1,706 machines being inspected and corrective actions being taken where necessary.

In Cleanrooms, the high-specification washers and dryers acquired for the Eindhoven cleanroom processing plant were chosen with colleagues' health in mind. When colleagues load a bin they load it downwards and when they unload, the bin stops higher up, so it drops easily into a bin on the 'clean' side. This was designed to minimise stooping and bending for colleagues, improving manual handling and reducing risk of strained backs.

CASE STUDY: FRANCE IN FOCUS



In 2014, the French Workwear unit was considered an under-performing business in health and safety, subject to regular senior management review. In 2015, it progressed well with strong leadership team commitment, achieving 56% improvement in LTA rate and 50% improvement in WDL rate. Key actions undertaken included: establishing minimum standards for safety leadership; deploying the SHE Golden Rules; further mitigation of key risks including workplace transport and machinery safety; and accelerating best practice sharing.

CASE STUDY: CEO'S AWARDS



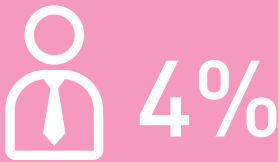
These awards recognise excellent or improved health and safety performance achieved as a result of strong operational and functional leadership and a relentless drive to increase capability, engage and involve colleagues at all levels and build a high performing SHE culture. Winners for 2015 include Benelux (within the large business unit category) for its sustained performance since 2012 and the Philippines (in the small business unit category), for not suffering an LTA since 2011 and being seen as one of the leading countries on SHE across the Asia region.

CASE STUDY: MANUFACTURING OPERATIONS

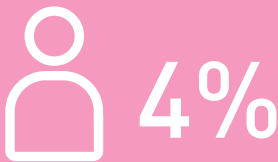


The management of the Company's in house manufacturing operations – Rentokil Initial Supplies (RIS) and Dudley Industries – recognises poor health and safety performance affects productivity on manufacturing sites. Their leadership focus has resulted in no lost time accidents in Dudley for four and half years.

WORKPLACE



4% pts improved sales
colleague retention
(2015: 77% vs 2014: 73%)



4% pts improved
colleague Motivation
(2015: 79% vs 2014: 75%)



43,000 online courses undertaken
by colleagues in 2015

OUR APPROACH

We are committed to workplace best practices, based on equal opportunities for all colleagues, without discrimination. We recruit, appoint and promote on merit, and have clear guidance in our Code of Conduct to ensure we maintain the highest standards of conduct.

To ensure worldwide consistency, our unified HR functional community is responsible for developing Company-wide workplace policies – available to colleagues via the intranet and corporate website. Global policies are evaluated against best practice, while region and country HR Directors take responsibility for policies falling under local legislation.

In a study of the Company's top ten markets (representing about 70% of all colleagues), 35% of colleagues are female. A survey using the Company's Workday HR system found that women made up 27% of senior management, and 25% of the Board. The same survey showed 18% of colleagues aged under 30, 58% between 30 and 50 and 22% who were 50 and above. The Company's colleague engagement survey in 2015 also asked colleagues' views about diversity in the Company – placing Rentokil Initial 5 points above High Performing company norm. Sales colleague retention improved by 4% points in 2015 (Source: Hay Group).

In 2015, the Company received the Top Employers United Kingdom certificate from the Top Employers' Institute. Its research showed the Company provides exceptional employee conditions, nurtures and develops talent throughout all organisational levels with demonstrable leadership status in the HR environment, always striving to optimise employment practices and develop colleagues.

LEARNING AND DEVELOPMENT

1. SKILLS TRAINING

THE TECHNICAL ACADEMY delivers professional industry-accredited training to service colleagues through coordinated training courses, Technical Performance Assessment training and Technical Field Consultant support. In 2015, UK operations delivered 3,250 days of technical training in pest control, property care and hygiene services (2,000 days in 2014).

U+ IS RENTOKIL INITIAL'S IN-HOUSE LEARNING AND DEVELOPMENT 'UNIVERSITY' and has been operational for four years. It delivers programmes through various channels, including online courses via the U+ portal; face to face and team-based programmes; bespoke training modules for specific roles; and new colleagues' induction programmes. In 2015, 43,000 online courses were undertaken by colleagues and we created nearly 600 courses and videos around topics such as sales, technical and operational best practice, much of which was developed by our in-house U+ team.

U+ has a governance system to ensure learning plans align to business requirements. Its global learning and development community ensures U+ benefits are maximised in every country, while an in-house content development team ensures fresh content is available to match precisely to Company and colleague requirements. The programmes are developed with proven local learning and development partners and supported by local business champions, to ensure appropriate targeting and maximise usage. The U+ team won awards for Best Learning Implementation & Best Learning Team at the 2015 eLearning Awards.

2. APPRENTICESHIPS

Rentokil Initial actively recruits apprentices and provides structured training for them to enter the world of work, particularly in the UK and Europe.

In France, over the past three years, the number of young people employed in apprenticeship style contracts has increased fourfold. Their programmes provide them with professional qualifications suited to their intended roles. Local education establishments are partnered to provide apprentices suitable educational programmes that complement on the job training.

In the UK, similar co-operation exists between the Company and local education centres. An example is Halesowen College in the West Midlands, which has been an education partner for the past two years. In April, the college presented its "Outstanding Employer Award" to the Company in recognition of it being "a champion of apprenticeships, providing outstanding trainee support in the workplace and innovative approaches in planning programmes to broaden employment skills".

CASE STUDY: TRAINING IN NORTH AMERICA

AMBIUS

- 175+ Ambius Colleagues currently enrolled in new Career Advancement Programme Level 1 (also available in pest control)
- First Ambius two-day New Technician Academy residential program training conducted for 20 Plant Care Technicians

SALES

- Cross training implemented between Rentokil and Steritech
- Over 98% of our Inside and Outside Sales teams were certified in the four lines of business during 2015
- Targeted training for Inside Sales Reps, including tele-appointing skills was conducted to support the effort of those colleagues setting appointments for Commercial Sales representatives during slower call-in times
- Miller Heiman's Strategic Selling Training was rolled out to National Account Colleagues as well as 20 Regional Sales Managers
- Extranet e-learning courses launched

MANAGEMENT

- Customer Management Spanish e-learning courses in development for Mexican colleagues

CUSTOMER SERVICE

- Training videos developed to support centralised support model and migration to new IT system

3. MANAGEMENT DEVELOPMENT

The Company's management development programmes cover all management levels.

The Living Leadership programme addresses the needs of experienced managers worldwide. It lasts six months and aims to deepen their knowledge of the skills, knowledge and behaviours required to lead in 'The RI Way'. At a management level below, the Company has introduced its Managing the RI Way. This programme is designed to provide supervisors and team leaders with role-specific knowledge and help them build as managers, around the Company's Promises and Values.

Three new programmes have been introduced. Entrepreneurial Leadership uses Rentokil Initial's own business case studies to ensure more pragmatic learning. The Leader in Me programme aims to help managers to focus on personal changes in their leadership style. Team Dimensions helps managers understand what it takes to set up a team to attain success and to read the dynamics to sustain optimised performance.

In 2015 our UK business delivered 1,033 training days including Aspiring Managers, Sales Academy and Team Leader training courses, and 100 internal promotions took place.

4. GRADUATES

Graduate recruitment and development is important in our overall management development. Over the last five years, the scheme which covers general management and finance management roles, has recruited 179 graduates (51 in a Group-wide scheme and 128 in the UK-specific scheme).

MAINTAINING A RESPONSIBLE CULTURE

1. SETTING CLEAR STANDARDS AND POLICIES

As part of U+, new colleagues undergo a global induction and compliance programme. Available in local languages, the interactive programme includes an Induction module, which features sections on the Company's Values, the RI Way and Promises to colleagues and

customers, as well as a specific chapter around local information, allowing country customised material. Also, there are four compliance modules covering 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 highest standards of professionalism and conduct and embeds the Company's culture from the very start of a colleague's employment.

2. A SHARING COMMUNITY

The majority of colleagues operate remotely. Using Google Apps, many virtual colleague communities have been created, sharing knowledge and becoming more productive. Google Hangouts have transformed the way colleagues interact, reducing travel time as colleagues take part in video meetings from locations close to customers. Technicians have onsite consultations via Hangouts with their line managers, seeking advice on difficult issues, claiming it is like having a virtual manager alongside. In 2015, colleagues spent more than six million minutes in video conference Google Hangout meetings (2014: two million), sharing best practice and collaboration.

3. SUPPORTING WELLBEING

In 2015, the Spanish operation launched "Porque tú nos importas" ("Because you matter to us"), its colleague wellness programme. The operation launched its absenteeism protocol in 2011, and in May 2015 implemented its Healthy Lifestyle Project, in conjunction with Spanish unions, integrating the promotion and practice of healthy habits in the workplace. The programme, representing a relatively low cost per head, addressed the issues of healthy habits, and a healthy lifestyle, diet, mind and body initiatives, as well as risk prevention. Activities included workshops led by nutritionists, provision of anti-smoking and anti-obesity apps, fruit delivery and stress prevention courses, with future plans for an online platform, as well as partnerships with gyms for off-line activities.



3,250

3,250 Technical training days delivered in the UK 2015 (including bed bug training in our dedicated training facility, pictured left)



600

600 courses and videos created in 2015



Best Learning Implementation
& Best Learning Team at 2015
eLearning Awards



UK Top Employer
accreditation 2015



4. ADDRESSING THE NEEDS OF THOSE WITH DISABILITIES

For managers in the French operation, the integration of professionals with disabilities is more than a legal obligation. It reflects the desire to offer the same opportunities to all to learn a trade and develop. The programme “Mission Handicap” included a booklet to encourage employees to declare if they had any form of disability. As a result, 175 colleagues were identified with some disability – 5.7% of the workforce in 2014 (against a French business average of 3%). The booklet pointed out that whilst eight million French workers have a mobility problem, less than 5% use a wheel chair. The French operation encouraged all its colleagues to identify disabilities so that the Company could make suitable adjustments to ensure comfortable and productive work, and helping the Company achieve commercial ends, such as improving recruitment in areas of low employment.

5. EMPLOYING COLLEAGUES FROM THE ARMED FORCES

Rentokil Initial in the UK is a signatory of the Armed Forces Covenant and offers an Ex-Military recruitment programme. The Company’s career transition partnership has recruited 55 ex-forces colleagues over the last two years.

6. MAKING OVER 20,000 VOICES COUNT

Introduced globally in 2010, the “Your Voice Counts” survey provides colleagues the opportunity to give feedback confidentially in a formal manner on matters such as leadership, customer focus, development and line manager performance. Distributed in 38 local languages, the responses are evaluated independently by Hay Group Insight. The results are fed back to colleagues with 1,700 local action plans developed by managers.

The results from the 2015 survey showed strong engagement and enablement levels – both five points above the Global Norms. In addition, 87% of colleagues said that they had a ‘good understanding of our values’, which improved by six points compared with 2013.

OTHER RESULTS: HIGH PERFORMANCE

| | |
|---------------------------------|---|
| Company takes safety seriously | Two points above High Performance Norm |
| Motivation of colleagues | Six points above High Performance Norm |
| Loyalty | One point above High Performance Norm |
| Interesting work | Two points above High Performance Norm |
| Job makes good use of my skills | Six points above High Performance Norm |
| Diversity | Five points above High Performance Norm |
| Company is open to new ideas | 14 points above High Performance Norm |

Hay Group: High Performance Norm

7. SPEAK UP

The Company operates a confidential reporting system called Speak Up which allows colleagues to raise concerns. It is available worldwide, with international free phone numbers. Details of numbers of incidents reported via Speak Up are reported in the governance section.

MARKETPLACE



97% – high level of state of service maintained (2015 target: 95+%)



12.8% – improvement in customer satisfaction (2015: 28.2 vs 2014: 26 NPS)



0.9% – customer retention improvement (2015: 85.2% vs 2014: 84.3)



1st company to launch handwashing compliance and display service – HygieneConnect





1st company to have technicians
qualified in the new RSPH
“Safe use of pesticides” course



OUR APPROACH

Our primary service categories are Pest Control, Hygiene and Workwear services through the Rentokil and Initial brands. Some regions offer, as additional categories, a plants service through the Ambius brand and Specialist Medical and Hygiene services. All services are route-based.

A range of customer-related policies determine consistent delivery of service standards. Group policies and training relate also to competition and anti-corruption laws including gifts, bribes and facilitation payments. There are common customer service and satisfaction measures and training programmes adopted globally.

Each country operation develops an approach to responsible customer management appropriate to its market. Rentokil and Initial Medical Services have their quality management systems certified to ISO 9001, as do the Workwear cleanroom processing plants (also certified to ISO 146441-1, meeting pharmaceutical customer requirements). The Company’s two UK manufacturing sites – Rentokil Initial Supplies and Dudley Industries – are SEDEX registered, enabling customers to manage ethical and responsible supply chain practices.

The central Marketing & Innovation function works alongside country operations to coordinate development of our service offering and its marketing, building differentiation through Intellectual Property. Programmes are governed through Category Boards consisting of senior operational and functional colleagues, chaired by the CEO. The Company invests in innovation and service improvements to exceed customers’ expectations. Work is undertaken in-house, and in partnership with expert third party organisations including universities.

Our focus is on **INNOVATION**, **PACE**, Product & Service **QUALITY**, and **CARE**.

INNOVATION

SIGNATURE AND REFLECTION

The Company offers the most extensive range of washroom Hygiene products and services through its Signature Colour and Reflection ranges. During 2015 the Signature range was fully launched with four new Signature products and a complete No-Touch washroom range. The Signature Colour range was launched in over 12 countries and was particularly successful in France which accounts for over 50% of its sales. 15% of Signature sales are new products launched in the previous 12 months. Six new products were added to the premium Reflection range in 2015 and the Company rolled out its Premium Scenting range with its closing portfolio for 2015 up 61% (this was particularly successful in the Asia region).

AUTOGATE

In 2015, the Company launched AutoGate in Germany – a new rat bait station which uses intelligent sensor technology to open an access ‘gate’ to the rodenticide, but only when the target species enters the unit. This helps achieve compliance with the most demanding regulatory requirements and offers an additional level of assurance that no secondary environmental effects are possible.

HYGIENECONNECT

In 2015, the Company launched HygieneConnect with deployment in the first customer sites in the Netherlands, Korea and the UK. HygieneConnect creates a significant improvement in hand washing compliance through the use of sensors in the washroom which combine results and present a compliance percentage for users to see on display units. This creates a powerful behaviour change mechanism. In one example, a food manufacturing customer saw a 50% increase in hand washing as a direct result of displaying the percentage of hand washing compliance to washroom users.

PESTCONNECT

In 2015, PestConnect was rolled out in the Netherlands with 10,000 of its advanced RADAR sensing units sold. When a mouse enters the unit it breaks an infrared beam, closing the door and filling the chamber with CO₂ leading to its instantaneous death. At the same time an alert is sent to the mobile phone or PDA of the local technician and the myRentokil extranet site is automatically updated (with a colour coded area map providing the customer with 24/7 reporting).

CAGECONNECT

When live trapping animals, such as squirrels in lofts, the Company complies with regulation requiring the traps to be checked every 24 hours. A new innovation – CageConnect – uses sensors and SMS technology to instantly alert a technician when a trap has been triggered – allowing a faster response to the benefit of the customer and animal welfare.

PACE

RESPONDING EFFICIENTLY AND EFFECTIVELY

Rentokil Initial’s use of technology frees up colleagues for more time with customers, improving customer service as a result. Technicians use **GOOGLE HANGOUTS** to consult with colleagues and enable rapid advice on customers’ difficult issues. The use of the **SPEED MAPPER APP** (developed in-house) allows technicians to check key customer locations and their service level agreements. It reduces drive time, and improves customer service levels, enabling an extra call a day. The **SPEED REPORTER APP** (also developed in-house) provides technicians with “pre-written” text. They can produce reports as they tour sites, emailing to the customer before leaving, and improving service quality.

PRODUCT AND SERVICE QUALITY

DELIVERING THE HIGHEST STANDARDS OF CUSTOMER SERVICE

In 2015, the Company’s state of service delivery stood at 97% in line with the prior year (target: 95+%). The Company also measures customer satisfaction through its Customer Voice Counts (CVC) survey. Performance is reviewed quarterly at all management levels and is a key customer measure for the Company. The 2015 CVC score was a high +28.2 score (12.8% improvement).

LEADING-EDGE DIGITAL CUSTOMER EXPERIENCE

With over 160 local language customer websites, customers can readily access advice, help lines and safety information. Rentokil’s new V3 website, which facilitates access from all mobile devices, was launched in 23 markets in 2015 – completing the rollout to all major markets. A new Hygiene website was developed and launched in Australia. In 2015,

the total number of visitors across the web estate exceeded 9.5m, up 19%, with web enquiries of over 500,000, up 13%.

Rentokil’s myRentokil extranet platform offers smartphone access and extensive reporting features. This new platform was rolled out to 14 countries in 2015. The Company also developed myInitial which launched in January 2016 in four countries.

QUALITY IN WORKWEAR

In 2015, Rentokil Initial unveiled a new programme to create market differentiation in Workwear through products and service quality. A wide-ranging programme was initiated across the 41 laundries and all countries of operation across Europe.

Key points of progress include:

- New ‘Quality KPIs’ introduced in every operation.
- Improved customer satisfaction by country – between 2% and 8% points in Q4 vs Q4 2014 (and in-year trend).
- Conversion to new processing detergents in all 41 laundries resulted in:
 - 50% reduction in bleach.
 - 30% reduction in textile ‘wear’ through improved wash processes.
 - 10% reduction in water and 8.5% in gas consumption (on like-for-like volumes).
 - 14% reduction in rewash rates well ahead of target.
- New ‘sale to start-up’ process introduced in all markets.
- RFID pilot is well underway in the Netherlands.
- Workwear Centre of Excellence was established.
- Harmonisation of products underway – 10 old local ranges will be discontinued, reducing SKUs by >60% – helping improve service performance.
- An Innovative new CO₂ washing system (similar to dry cleaning) being introduced which is waterless – offering a 64% reduction in energy usage with the CO₂ being constantly recycled – a first in Europe.
- Enhanced Health and Safety focus and best practices shared-resulting in 40% fewer accidents and Working Days Lost.
- Cross-border processing initiatives are underway.
- Customer Care best practice guides are being shared.
- New service colleague ‘Customer Engagement’ training programme is underway.

"IMPROVED QUALITY PROCESSING PERFORMANCE"



50%

reduction in bleach



30%

reduction in textile ‘wear’ through improved wash processes



14%

reduction in rewash rates well ahead of target



10%

reduction in water and 8.5% in gas consumption (on like-for-like volumes)

Product testing is carried out in our Global Science Centre in the UK



Strong innovation pipeline at pace with a quarterly deployment plan



23

23 markets now with new Pest Control web template

CARE

PRODUCT STEWARDSHIP

Safe use of the Company's products is a major consideration in developing new services. Training and safety information sheets are available online for each of the products. Also, each Rentokil operation has an Authorised Product List, based on the professional qualifications of its technicians, and the nature of pests to be found in different geographical areas.

The Company actively supports organisations, such as the Universities Federation for Animal Welfare (UFAW) and the Campaign for Responsible Rodenticide Use (CRRU), to influence end users' knowledge and understanding of safe pest control.

Where practical, products are changed to maintain a reduction in environmental impact. The UK Hygiene business replaced 50,000 aerosol-based air fresheners with Modular Airfresh units – more environmentally friendly, with 46% waste reduction, including 25% fewer chemicals (with lower toxicity and flammability leading to safer disposal).

The Company does not use any substances included on the Stockholm Convention on Persistent Organic Pollutants (POPs) list. It fully supports removal from use of hazardous chemicals. Its activities focus on urban pest control (rather than use of agricultural pesticides). Urban pest control is highly targeted, minimising contamination of the ecosystem. It uses only registered products, assessed and approved by regulatory authorities for safe use.

DEVELOPING AN INDUSTRY-WIDE SET OF STANDARDS

Rentokil has been active in supporting the development of new industry professional practices and standards. The Company was instrumental in the publication in early 2015 of a new European Standard for pest

management services (EN 16636), to improve the quality of services. It contains clear requirements and guidance for service providers to ensure they deliver high-quality professional services while minimising risks to human health and any negative environmental impacts. Providers seeking accreditation to the standard require assessment before joining and then at subsequent 18 month intervals.

Adopting a similar industry leadership stance, Rentokil was the first company to put candidates through the new RSPH "Safe Use of Pesticides" course. In 2016 all Pest Control technicians must pass this qualification to use second generation anti-coagulants.

EXTENDING SUSTAINABLE PRODUCTS

The Company has already successfully achieved approval for the use of Alphachloralose with mice as a more welfare friendly rodenticide. It has now gained approval for use with larger rodents such as rats, ensuring a more welfare friendly approach for this target species.




The Netherlands Workwear operation has become a partner of the "i-did_slow fashion_ movement" This has a programme for Workwear past the usable life, reusing them as new products such as shopping bags.

EXTENDING ACCESS TO IN-HOUSE TRAINING RESOURCES TO CUSTOMERS

In 2015, the Company launched myLearning in the UK, a digital learning portal for customers' own employees, which now has over 200 customers signed up. This includes training courses which assist customers to meet their own regulatory compliance standards, particularly in the food processing sector. PestAware courses include Bedbug Awareness – training for hotel owners and managers – and general Pest Awareness training for small business owners. Due to the number of foreign nationals in industries such as hospitality, myLearning Bed Bug training is now available in Polish as well as English and includes personalised certificates to provide due diligence.

SUSTAINABLE ACTIVITIES BY BUSINESS LINE

The following examples show how each of our main service lines delivery for customers, responsibly.


| BENEFITTING SOCIETY | RENTOKIL | INITIAL HYGIENE | INITIAL WORKWEAR |
|---|--|--|---|
|  REDUCING ENVIRONMENTAL IMPACTS | <ul style="list-style-type: none"> • AutoGate (avoiding non target species) • Electronic fly killers featuring reduced power consumption | <ul style="list-style-type: none"> • Air fresheners with Modular Airfresh – reduced waste, fewer chemicals • Eco-certified hand wash foams and liquids | <ul style="list-style-type: none"> • New detergent in textiles processing – optimising the consumption of energy, chemicals, waste and water in plants • Reducing supply chain transportation environmental impacts by developing route optimisation and central Europe warehousing |
|  HELPING IMPROVE HYGIENE AND SAFETY | <ul style="list-style-type: none"> • PestConnect (pest remote sensing) – spotting problems early making them easier/quicker to treat • Helping customers build their employees' pest control awareness e.g. myLearning, an interactive online platform | <ul style="list-style-type: none"> • Signature washroom ranges (anti-bacterial female hygiene units, no touch units) • 'Remote sensing' HygieneConnect units (improving hand washing compliance) | <ul style="list-style-type: none"> • Dedicated industrial Workwear ranges with long-lasting high visibility properties • Cleanroom Workwear supplied to the highest cleanroom standards |
|  ADDRESSING OUR SOCIAL RESPONSIBILITIES | <ul style="list-style-type: none"> • Anti-mosquito insecticide and thermal fogging services designed to support the fight against Dengue and Zika virus • Supporting the development of a new European Standard for pest management services • Post flood support for colleagues and customers in India | <ul style="list-style-type: none"> • Commitment to highest standards of hand hygiene through anti-bacterial soaps and raising awareness of importance of hand washing through the Community Health Programme – with projects in India, South Africa and Indonesia • Commissioning a report on hand hygiene behaviour across different cultures and demographics in order to raise awareness of the importance of good hand hygiene | <ul style="list-style-type: none"> • Mitigating environmental and social risks by selecting fabric suppliers that meet key ESG standards including Fairtrade/Max Havelaar certification; Fibre Citoyenne; and OEKOTEX |

ENVIRONMENT



 9%

9% reduction in
emissions in 2015

 8%

8% reduction in water
usage in 2015

 2.1%

2.1% improvement in vehicle
fuel efficiency in 2015

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



FTSE4Good

OUR APPROACH

Rentokil Initial's environmental focus is to ensure more efficient resource usage to reduce environmental impacts and energy consumption.

Accountability for environmental matters lies with the country management, given differing operational requirements in each country and service categories. However, where common practices exist globally, such as vehicle management, accountability for developing environmental responsibility for initiatives lies with the Operational Excellence team. Responsibility for product development related environmental initiatives lies with category teams within Marketing & Innovation function and responsibility for supplier related environmental initiatives lies with Group Procurement and Supply Chain.

Policies relating to the environment are Company-wide. Reviewed regularly by the Safety Health and Environment (SHE) leadership team, its focus is on establishing local business protocols and approaches relevant to each business. Operations in 12 countries have environmental management systems certified to ISO 14001, representing 21% of total revenue.

In 2011, the SHE leadership team established the Company's environmental plan, including an emissions reduction target (derived from property energy and vehicle fuel) of 10% by 2016 (based on the index of emissions normalised by revenue at constant exchange rates). This target was attained first in 2014. The SHE leadership team is establishing a 2020 emissions reduction target.

ENVIRONMENTAL REPORTING

1. DOW JONES SUSTAINABILITY INDEX

The Company has received accreditation from the Dow Jones Sustainability World Index of leading companies for the last eight years. In 2015 it scored 65% for climate strategy and 76% for environmental policy/management systems.

2. CARBON REDUCTION COMMITMENT

Our UK operations report property-based emissions via the UK's Carbon Reduction Commitment Efficiency Scheme. This report excludes locations registered for Climate Change Agreements. The latest period covered is April 2014 to March 2015 and shows UK carbon emissions of 4,210 tonnes of CO₂e (6,820 tonnes for 2013 – 2014).



19%

19% energy derived emissions reduction since 2011



Accreditation: Dow Jones Sustainability World Index and FTSE4Good

3. EMISSIONS 2015

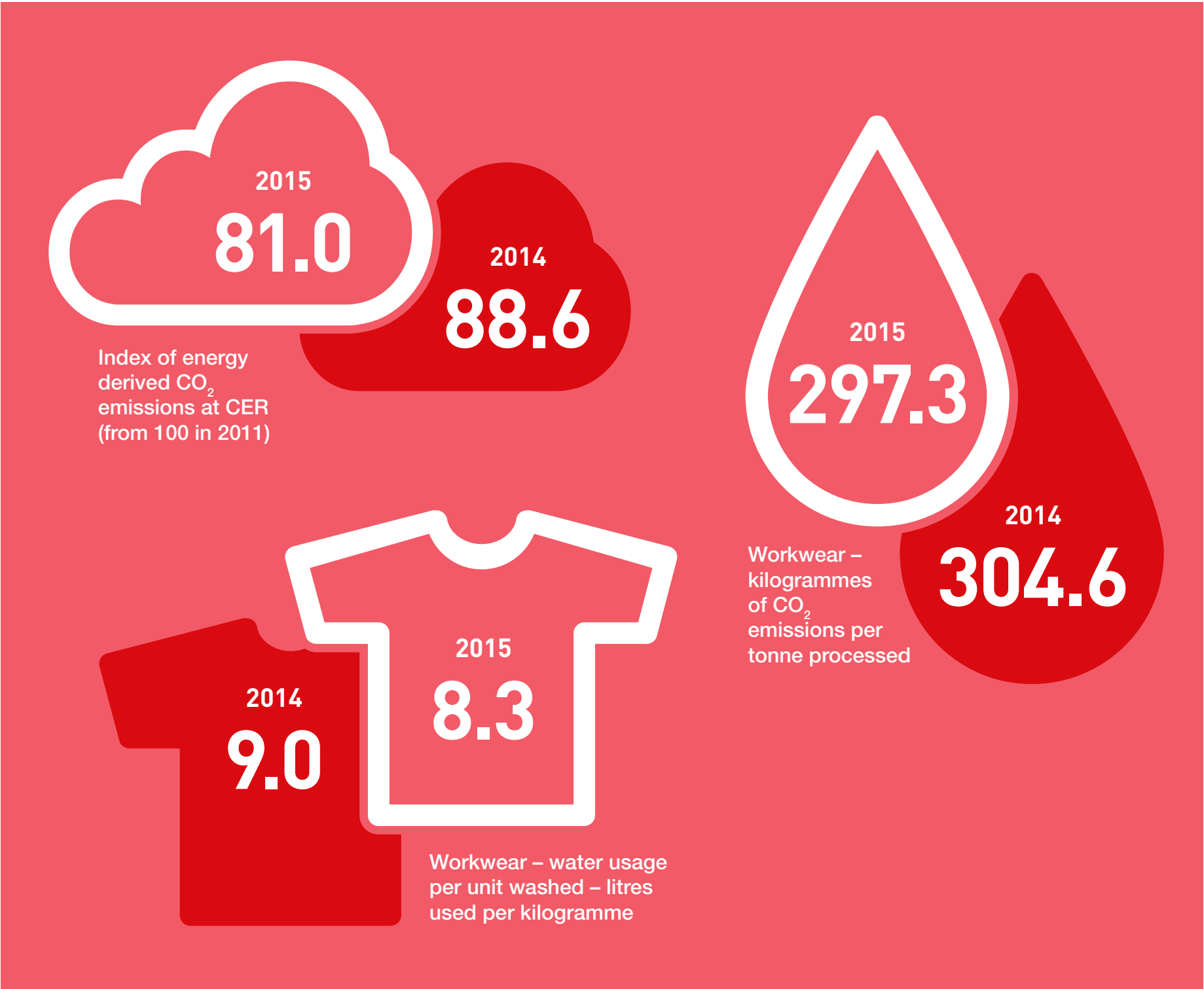
The Company reports on tonnes of CO₂e in its annual report and accounts. The table below shows absolute emissions derived from property energy and vehicle fuels over the past five years.

In addition, the Company reports on fugitive gas emissions. A scoping exercise assessed HFC leakages from air-conditioning and refrigeration units in 2013 – 2014, confirming HFC leakages represented less than 0.5% of the Company's total 2012 emissions. Consequently, these are considered non-material for reporting.

However, use of Sulfuryl Fluoride has grown to become a significant contributor to the Company's emissions following North American acquisitions in past years. This gas is a substitute for Methyl Bromide, banned under the Montreal Protocol because of its ozone depleting properties (although its carbon emissions are dramatically lower than Sulfuryl Fluoride). The gas is used in large building fumigation contracts against pests like termites. Consequently there are year-on-year variabilities in emissions due to customer demand, and nearly 20 large 2014 US contracts were not repeated in 2015. For 2015, absolute emissions derived from use of Sulfuryl Fluoride are 597,268 tonnes (2014: 850,883 tonnes). Studies, such as by Barnekow and Thoms, indicate there is no suitable fumigation alternative to Sulfuryl Fluoride approved by regulatory authorities.

ABSOLUTE VALUE OF PRINCIPAL ENERGY DERIVED EMISSIONS – TONNES OF CO₂E

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------------------------|---------|---------|---------|---------|---------|
| TOTAL SCOPE 1 | 178,060 | 176,976 | 180,536 | 180,107 | 172,943 |
| TOTAL SCOPE 2 | 27,206 | 26,400 | 24,988 | 23,173 | 21,443 |
| TOTAL SCOPE 3 | 12,861 | 12,871 | 12,279 | 12,048 | 10,570 |
| TOTAL OUTSIDE SCOPE | 3,810 | 3,758 | 4,023 | 4,040 | 4,147 |
| TOTAL – ALL SCOPES & OUTSIDE SCOPES | 221,937 | 220,006 | 221,826 | 219,367 | 209,102 |



4. ENVIRONMENTAL EFFICIENCY

The Company reports its environmental efficiency performance against five key measures:

- a carbon emissions index;
- an energy efficiency index for property energy and vehicle fuels;
- European Workwear processing plants water consumption;
- European Workwear processing plants energy efficiency; and
- 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 64% of total emissions).

The Company’s emissions target of a 10% improvement in emissions by 2016, normalised against revenue, at constant exchange rates, provides accurate like-for-like performance comparison, removing the variables of currency, divestments and acquisitions. From 2011 to date, this improvement has amounted to 19%.

Our European Workwear plants continue to benefit from recent investment and delivered annual improvements of 2% in energy efficiency and 8% in water consumption in 2015, both normalised against the weights of textiles processed.

In 2015, the Company reduced its emissions by 9% and water usage by 8%. This continues a five-year trend of improvement, through the use of technology and developing responsible behaviour.

The Benelux operations have been actively communicating to customers about their sustainability actions. In their local CR report, they set a series of aims to be achieved by 2020 – including reducing emissions by 30%. This is linked to their commitment to the Lean and Green programme, to which they are accredited.

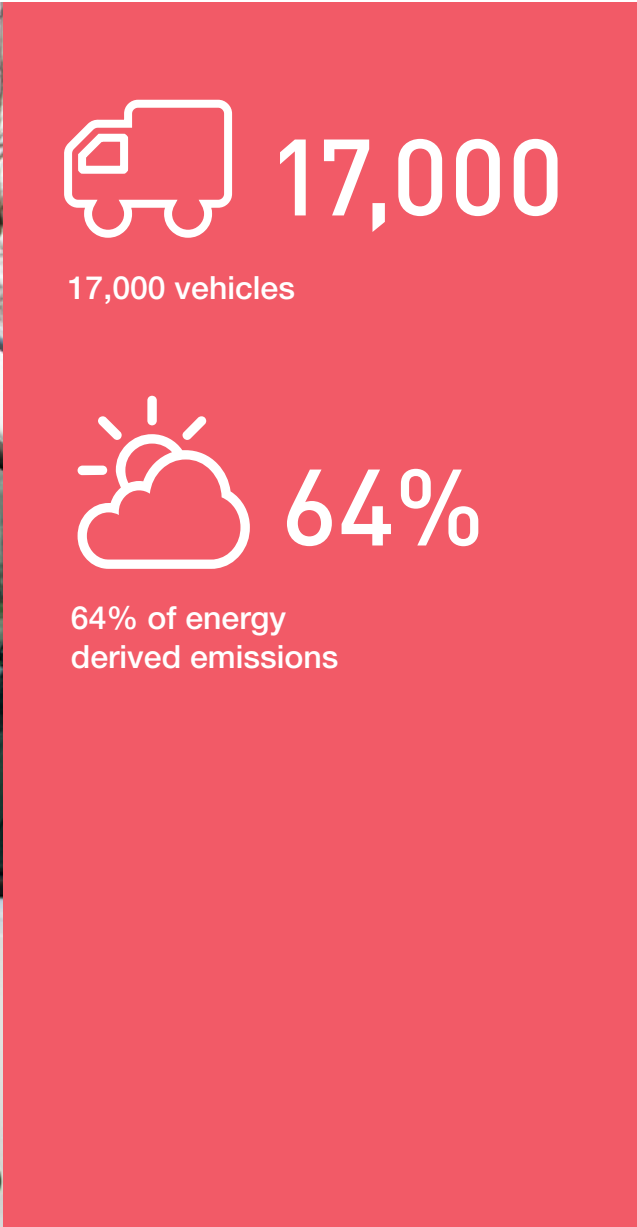
INITIATIVES TO REDUCE OUR ENVIRONMENTAL IMPACTS

1. MORE EFFICIENT DRIVING

With a global vehicle fleet of approximately 17,000 vehicles, vehicle emissions represented 64% of the Company’s energy derived emissions (and 72% of energy costs) in 2015. The Company has introduced a range of various programmes using technology and influencing driving behaviour to deliver improved vehicle efficiency:

- **ROUTE OPTIMISATION** – using Service+ and Ortec systems. There are over 1,000 pest control technicians (in 62 branches and 11 countries) using Service+ to optimise their territories relative to home locations, reducing driving by 5 – 15%, with better organised weekly work plans. Australia raised technician visits per day by +10%; 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. This in-cab system feeds back to drivers information about their driving behaviour. In addition, managers receive reports on 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 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 UK vehicle fleet selection criteria include fuel and emissions efficiency. The UK fleet provider’s analysis shows that out of 10 customers with fleet sizes between 500 – 999 vehicles, the Company’s fleet is second most efficient with 116 CO₂ gms per kilometre. More importantly, for vehicles on order, the fleet ranked first with an average of 105 CO₂ gms per kilometre.
- **DRIVER TRAINING** – linked to the data provided via Trimble, the French Hygiene and Workwear operations set up their own “eco driving school” with professional trainers for service delivery drivers. The objectives included reductions in distance travelled, reduced fuel consumption (and emissions) and fewer accidents. At the end of the trial period, 99% of drivers had registered reduced time and distance travelled, and reduced fuel consumption.



2. DELIVERING WORKWEAR PLANT EFFICIENCY

Property energy derived emissions represented 36% of energy derived emissions in 2015. The Workwear processing plants represent 77% of these emissions. In 2015, CO₂ emissions per tonne of textiles processed amounted to 297Kgs (an improvement of 16% since 2011).

These plants have had over six years of investment to improve their operating efficiencies, including reducing energy. The investment focused on optimising current equipment, ensuring all plants are equipped with heat exchangers to recover heat lost and boilers upgraded for improved efficiency, as well as installing remote monitoring equipment for proactive maintenance. There are six steam-free laundries (the first was in Sweden in 2011), operating at one third energy consumption of older plants. Since 2011 the plants' energy consumption per kilogramme of textiles processed has improved by 13%.

The investment is also targeted at reducing water consumption. For several years, the European Workwear processing plants have utilised water recovery systems, reducing water and energy consumption and delivering effluent suitable for subsequent reuse. These together with the introduction of steamless laundries have resulted in 8% water consumption reduction in 2015 and by 27% since 2011.

Described later in the Supply Chain section, the new detergent supply contract will take this efficiency drive to a higher level. The holistic approach means that while there may be detergent cost increases, there would be counter balancing reductions in water and energy consumption, and improved processed textiles quality and lower levels of replacement expenditure. See page 17 for more details.

3. DELIVERING PROPERTY EFFICIENCIES

Much improved property energy efficiencies were the result of consolidation in the property portfolio, occurring since 2011 – in Brisbane, for example, three properties were consolidated into one in 2015. However, as new properties are required, efforts are made to achieve incremental energy efficiency. An example is the new Netherlands building in Den Haag which has an Energy Label "A".

4. REDUCED PRODUCT AND OPERATIONAL ENVIRONMENTAL IMPACTS

The Company's Eco-Label accredited range of soaps and washroom equipment is designed to ensure that customers have environmentally-accredited products that deliver reduced environmental impacts. Recently it gained Eco-Label accreditation for its Eco-Clear urinals solution that combines a water management device and patented urinal sleeve that contains bio-enzymes penetrating uric acid, salt and scale, preventing build-ups and eliminating foul odours. The specially designed water manager enables up to 90% water saving without affecting urinal hygiene levels.

In UK operations, electronic invoicing was rolled out during 2015, achieving 22% of all invoices by the end of the year. The usage of approximately 210,000 pieces of stationery has been eliminated.



 16%

16% Workwear emissions reduced since 2011

 27%

27% Workwear water usage reduced since 2011

 13%

13% Workwear energy consumption reduced since 2011

SUPPLY CHAIN



 100%

100% of critical suppliers for Pest Control and Hygiene products have been audited and are on a three-year audit cycle, depending on their performance and prior audit scores

 100%

100% of critical Workwear suppliers have been audited by the Company or an accredited Workwear auditor and confirmed to meet sustainability standards

OUR APPROACH

Rentokil Initial's Supply Chain Management commercial strategic priorities are product quality, service delivery and delivered cost. The governance priorities include contract governance and compliance to procurement procedures, detailed in the following Rentokil Initial policies:

- Supplier Standard, revised in 2015 to cover the latest product and environmental, social and governance (ESG) issues.
- Procurement Policy (2014), which establishes minimum mandatory standards for procurement globally with best-practice guidelines.
- Warehouse Management and Inventory Control, issued in Sept 2015, which covers minimum mandatory standards and best-practice guidelines for the receipt, storage and despatch of products, from technicians' vans to national warehouses.

The Supplier Standard covers all Company-wide procurement managed by the Group Procurement Team, and is being phased in by local operations. There are also supply chain related policies, including Anti-Corruption, Dignity at Work and Human Rights policies. All supply chain contracts include anti-bribery and corruption clauses. The Company is in the process of developing suitable practices, including contract clauses to ensure it meets the requirements of the UK's Modern Slavery Act 2015.

Supply Chain spend covers capital investment (rental equipment) and consumables. It is managed through Group Procurement for Hygiene, Pest and Workwear categories, with smaller purchases managed at a local level. There are four main routes for 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. Rentokil Initial sets the design and specification, validated by the Global Science Centre to ensure compliance with international regulations. Suppliers are regularly audited by approved Factory Auditors against the Supplier Standard.

- **BRANDED EQUIPMENT** sourced from reputable manufacturers e.g. Dyson hand dryers. These suppliers are audited ad-hoc when quality issues arise.
- **CONSUMABLES SUCH AS PAPER, SOAP AND PEST CONTROL CHEMICALS** include unique products (developed for use only in Rentokil Initial equipment), and generic products (sold across the industry). All unique products are tightly controlled in product specification and supplier audits ensure compliance with international regulations. Suppliers of generic products are audited to ensure adherence to agreed quality standards, against the supplier's specification.
- **TEXTILE PRODUCTS**, which are split into products with designs unique to Rentokil Initial (e.g. Workwear), and standard products (flat linen and autorolls). These products are often sourced from the developing world. A high degree of compliance auditing by internal and external auditors ensures adherence to ethical standards.

Key corporate responsibility risk areas lie with the procurement of chemicals, electrical equipment and textiles but opportunities exist to drive sustainable practices through supplier partnerships.

The Group Procurement and Supply Chain Team covers direct and indirect Group procurement quality managers, in-house manufacturing and an Asia purchasing hub (identifying suppliers with innovative solutions and auditing Asian suppliers). Training, including ESG matters, is developed through U+. Performance appraisals for the quality managers include criteria such as lower quality defects, and the global consumer complaints system (targeting outstanding complaints to be followed up within a week).

Group Procurement reviews annual global spend for major businesses and tracks supplier numbers by category and spend. Supply Chain (direct) spend represents c.32% of total spend (Workwear expenditure represents c.34% of the total directs, or 11% of the total). There are c.1,600 suppliers of direct products, with c.10% of these supplying contracts with a value over £100,000 p.a. The Group uses over 10,000 direct and indirect suppliers across the global business, most of which are smaller local contracts and are of low risk.



PROVIDING SUPPLY CHAIN ASSURANCE

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

- **CRITICAL SUPPLIERS** – representing a high proportion of category spend; supplying unique products to multiple Company markets; a long lead time to substitution if required;
- **MAJOR LOCAL SUPPLIERS** – supplying a single country; representing a significant proportion of that country's category spend; identified as preferred country suppliers;
- **MINOR LOCAL SUPPLIERS** – used tactically and ad-hoc, often at customer's specific request; representing the majority of suppliers, but a low proportion of category spend.

In 2015, the first two supplier groups constituted 61 suppliers, of which 30 are defined as critical, 27 as major local and the remainder of the 1,600 as minor 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 suppliers.

1. SUPPLIER AUDITS: PEST CONTROL AND HYGIENE

Audits of Critical Suppliers are conducted by the European Quality Manager, against the Rentokil Initial Supplier Standard. This includes all potential new suppliers' manufacturing sites, and subsequent existing suppliers' audits. Audit frequency is risk based, considering supplier criticality and previous results, and varies from 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 of the audit and must return an initial response within two weeks. Updates on actions are requested at appropriate times, and photographs are requested to demonstrate actions taken, or revisits are carried out.

Major local suppliers are audited by regional Quality Managers (trained by the European Quality Manager). These audits are carried out against the Rentokil Initial Supplier Standard.

Non-critical major suppliers are reviewed using the audit questionnaire but without a site visit unless required in specific circumstances.

In the Hygiene category, 12 of the 14 critical suppliers have been audited by the European Quality Manager, mostly medium-sized companies, manufacturing a bespoke product for the Company – the remaining two audits will be carried out in 2016. In Pest Control, all critical suppliers who manufacture Rentokil branded unique products have been audited. The remainder are major international chemical companies with very stringent management and control systems e.g. BASF.

2. CRITICAL SUPPLIER AUDITS FOR WORKWEAR

In the Workwear category, garments are supplied on a Cut, Make and Trim basis through Cawe, a workwear sourcing company acquired by Rentokil Initial four years ago. Garments are also sourced from third party suppliers based in Europe on a Ready Made Goods (RMG) basis, managed by the Workwear Procurement Team based in each of the local markets. Flat Linen is sourced through Cawe on an RMG basis. Cawe has been a member of Max Havelaar (FLO CERT) since 2007, and is audited externally every year to ensure that it:

- Offers disadvantaged producers and workers a fair wage, allowing them to satisfy basic needs
- Guarantees producer and worker rights (banning child labour, slavery, forced labour etc.)

- Develops sustainable relationships throughout the supply chain
- Promotes environmental protection
- Offers quality products

Cawe is also a member of YAMANA – Fibre Citoyenne, which evaluates Cawe every year to ensure commitment toward increasing sustainability, following five principles:

- Environment
- Social
- Societal
- Governance
- Consumer security

Cawe carries out audits on its sub-contractors either by the Workwear Quality Manager, or by an independent third party – WethicA (linked to ACTE). By the end of 2015, all of the major Cawe suppliers had been audited at least once and will continue to be visited at least once per year by the Workwear Quality Manager and the Cawe Production Manager.

There are five third party suppliers that are classified as Critical Suppliers as defined previously, and these are managed by the Workwear Procurement Team. These suppliers have industry-specific accreditation from organisations such as Max Havelaar, Fairtrade and Yamana.

In Workwear sourcing ESG factors are used as a go/no-go gate rather than for weighting. If suppliers do not conform to required standards, they are not considered for selection, or discontinued once commercially possible. In 2015, one Armenian critical Workwear supplier was discontinued due to failure to implement improvements specified in WethicA's 2014 audit.

Sources of Workwear fabrics and accessories are either branded products (e.g. for yarns, zips and buttons) with international quality and environmental certifications, or products from manufacturers audited by the Workwear Quality Manager.





3. DELIVERING SAFE PRODUCTS

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

For fabric suppliers, used in Workwear, the Company mitigates environmental and social risks by selecting suppliers that meet key ESG standards including:

- Fairtrade/Max Havelaar certification
- Fibre Citoyenne
- OEKOTEX

OEKOTEX provides environmental assurance regarding waters used in dyeing and public safety assurance regarding chemicals used in production (including compliance to the REACH directive).

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

4. NORDIC SWAN AND ECO FLOWER LABELLING

In Hygiene, hand wash liquids and foams are manufactured in-house, enabling a wider range to be produced, and ensuring full compliance with EU regulations, with full safety assessment and preservative efficacy data. Production is to GMP standard (Good Manufacturing Practice specified for food processing and cosmetics manufacture) and HACCAP standards. The range is eco-certified, carrying Nordic

Swan and Eco Flower labelling (except anti-bacterial soaps, because of their ingredients). The manufacturer, Rentokil Initial Supplies, is certified under ISO 9001 along with its sister manufacturing Company, Dudley Industries. Both businesses are subject to audit under the Rentokil Initial Supplier Standard.

The Company’s paper supplies also carry the Nordic Swan and Eco Flower labelling (with the exception of product such as Scrim paper, which has a polyethylene weave). The Eco Labelling range now includes EcoClear WC & Urinal Fluid products.

BUILDING A SUSTAINABLE SUPPLY CHAIN

1. A COLLABORATIVE SUPPLY CHAIN

Developing a collaborative supplier base is central to the Company’s supply chain strategy. Within Hygiene and Pest categories, there are monthly teleconferences with key suppliers to discuss performance against agreed KPIs.

Within Workwear, stockholding arrangements with major suppliers allow the suppliers to optimise their production schedules and minimise the order lead times. This requires close liaison between suppliers and the Procurement Managers. Cawe’s internal sourcing operation purchases Workwear fabric directly from the manufacturers, and forwards the required quantity to its garment suppliers. This ensures direct control of the garment supply chain whilst protecting Intellectual Property and improving supply security.

Incentives for suppliers 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 the procurement and supply chain synergies and provide opportunities for higher volumes to suppliers.

In-depth collaboration has been ongoing in the Workwear processing area. Initially, a collaborative project with its main chemical supplier provided joint customer/supplier responsibility for chemical, water and energy management. Implementing the second collaborative phase resulted in moving from ‘limits on amounts consumed’ to focus on ‘optimising the consumption’ of energy, chemicals, waste and water, including advice on investment, and improving processed Workwear quality and life cycle. Three suppliers were evaluated over nine months, with selection reflecting differing needs of the textiles, and differing processing standards across the plants, to achieve a holistic view of processing costs and textiles quality benefits for customers. The suppliers chosen committed to capex investments to drive down energy costs, with a risk/reward approach in place for all suppliers.

A similar in-depth collaboration is underway in the pest category, involving harmonisation and rationalisation of products in conjunction with BASF. The partnership includes new product development and testing.

2. REDUCING SUPPLY CHAIN TRANSPORTATION ENVIRONMENTAL IMPACTS

The Company’s supply chain transportation footprint stretches from product suppliers through warehouses to branches and to end-user customers. To reduce environmental impacts relating to transportation, the Company has acted on two fronts. Firstly, shipping directly from suppliers to a central warehouse covering Europe for onward shipment to branches and customers. Secondly, for more efficient shipment from branches to customers, actions include developing route and round optimisation to improve vehicle utilisation efficiencies, implementing Trimble vehicle telematics to improve driving habits, and mapping engine control units to improve fuel efficiency and decrease emissions.

CHARITIES & COMMUNITY



OUR COLLEAGUES ENTHUSIASTICALLY SUPPORT LOCAL AND NATIONAL CHARITIES, AND THE COMPANY STRIVES TO BUILD ON THIS ENTHUSIASM AND ENABLE MULTIPLE GOOD CAUSES TO BE SUPPORTED.

OUR APPROACH

Rentokil Initial focuses on developing strong local businesses supported by global know-how, and its approach to community relations reflects this 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 three areas:

- **LOCAL COMMUNITY SUPPORT AND INVESTMENT** – at a country or region level (with more significant amounts, likely to combine financial and business support with volunteering and value in kind donations).
- **RESPONSE TO NATIONAL DISASTERS** – in affected communities, where colleagues live.
- **GLOBAL COMMUNITY SUPPORT** – long-term support for specific charities including the Company's global community health programme.

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. Community activity is monitored (with an approval process for additional funds), has clear rules and policies and results are communicated across the Company.

LOCAL COMMUNITY SUPPORT

1. HELPING HANDS

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 can be found.

The Company's charitable cash donations (including Helping Hands donations) amounted to £128,000 in 2014 (2014: £77,000). Additional are value in kind donations and provision of management time, which are not included.

Local charities supported in 2015 include Age UK, Save the Children, the Family Holiday Association, Royal Marsden, Royal Hospital Chelsea Pensioners, Meningitis Now, Clic Sargent, Race of Life and MacMillan.

2. NELSON MANDELA DAY

Every July, colleagues across South Africa donate 67 minutes of their time – one minute for every year of Mandela's public service – to help local communities. In 2015, Mandela Day fell on a Saturday, and the Company agreed all 19 branches could use the Friday to go out in to their communities and make a difference.

In Durban colleagues pooled resources to make a significant difference to the lives of children and staff at the Ithemba Lethu Transition Home. First they raised over R1,000 to buy lunch for house mothers and staff, and to supplement their grocery requirements. Then the Company donated nappies, baby formula and wet wipes to the home from the local branch. Finally colleagues gave the staff a talk on effective hand hygiene, and afterwards installed hand sanitisers in every nappy changing room, soap dispensers in kitchens and bathrooms, and Feminine Hygiene Units in the ladies' bathrooms. Also the premises were sprayed for cockroaches.

3. INCREASING LOCAL OPPORTUNITIES FOR EMPLOYMENT AND OWNERSHIP IN SOUTH AFRICA

In 2013 the Company and its customer, Implats (a platinum mining company), planned an initiative to uplift and strengthen black-owned businesses in the Rustenburg community. In 2015 they agreed on a joint venture with a suitable small black-owned company, Dikapi Cleaning Services.

The Dikapi joint venture will initially employ about 15 people. The Company will provide vehicles, technical expertise and training, back office management systems, tools, equipment (plus two commercial contracts currently valued at R13 million annually) whilst Dikapi Cleaning Services will contribute capital, office space and service support to the joint venture.

4. SUPPORTING PORTLAND PUBLIC SCHOOLS MEALS PROGRAMME

Rentokil raised \$2,000 for the Portland Public Schools Meals programme by serving up tasty Pestaurant treats at the Oregon Museum of Science and Industry Harvest Festival. Rentokil Entomologist, Cody James H. Pace was on hand to talk about Entomophagy and how eating insects is a sustainable method of feeding the world's population.





RESPONSE TO NATIONAL DISASTERS CHENNAI

When disaster hits a community, the local teams are best placed to address how they may help the community. In the case of the business in Chennai, the local team itself was directly affected by the devastating floods. Over 30 colleagues lost their families' belongings with over half of them losing their entire homes. The Company provided them with emergency support including cooking and drinking utensils, lighting, groceries, clothing and blankets, tool kits, hygiene kits and cleaning equipment. This helped colleagues provide rapid care for their families.

When the water started receding, the Company visited all of its customers to assess the support required. Many customers, especially customers situated at IT parks, were badly affected by floods and needed immediate help with core pest and anti-bacterial treatment. In a span of 36 hours, the local team was able to develop three additional service lines (anti-fungal, microbial and dead/decaying organic matter treatment), source materials, train staff and begin executing the jobs required. The service team had to work round the clock to complete the tasks as the customers wanted to be back fully operational as quickly as possible.

Sam Easaw, MD Rentokil India said: "The team carried out the work required despite water logging at the sites and difficulty in accessing the locations due to bad roads and transport facilities. They worked for extended hours in spite of their homes being affected by flood and a few had to operate from the relief centres. Their commitment and dedication, even when they had their own personal struggles, was much appreciated by customers and Rentokil Initial management. The team displayed true customer spirit and our service values."

GLOBAL COMMUNITY SUPPORT 1. COMMUNITY HEALTH

Rentokil Initial's global community health initiative, launched in 2013 has developed projects that have run in India, Malaysia, Indonesia and South Africa; delivering basic health and safety education to over 5,500 children.

In India in 2015 there were 30 separate school education events with 31 teachers being trained to support the programme in a sustainable way. In addition there was an active campaign for Global Hand Washing Day as well as local slum community education that reached out to families. Two new education modules were deployed with 129 volunteers supporting the programme in India and Indonesia.

The programme, which leverages hygiene skills and knowledge from the business, benefits from teams of local volunteers and regional support. The health education starts with basic hand washing techniques and is delivered in schools, orphanages and in the wider community, sharing health knowledge in wider family circles. In India, the topics have been extended to cover home safety measures covering fire safety, water safety, and electrical safety. This was piloted for primary children in a Chennai school and is now included in the modules.

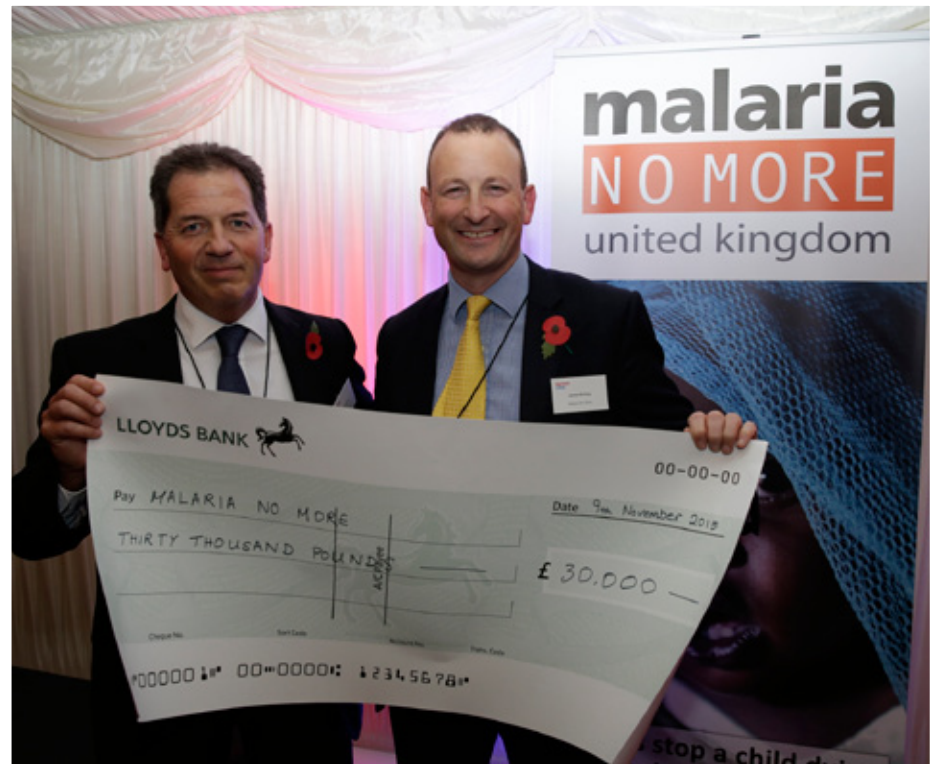
In addition to the focus on school children, personal hygiene programmes have been run for employees at a Chennai food service mall, and for the Company's technicians and all their families at Thiruporu. The Indian team also participated in a Bangalore street-cleaning campaign – "I Change My Street" – focusing on hygiene for older generations – as well as participating in an educational fair in Bangalore, attended by over 1,000 schoolchildren.

2. MALARIA NO MORE

Rentokil Initial has actively supported the charity Malaria No More for five years, raising over £100,000 to date. Colleagues have come up with many ideas to raise funds including bike rides, mountain climbs, wearing onesies to work and cake-bakes. The UK schools tour travelled 2,298 miles in 2015, raising a pound for every mile and reaching out to over 5,000 children in 33 schools. The pest control and hand hygiene awareness presentations have been so successful that a new module, The Big Plant Theory, has been added to the workshops. In total, £40,000 was raised in 2015 and the campaign reached the shortlist for the Better Society Awards.

90 YEARS OF RENTOKIL

In 2015, Rentokil celebrated its 90th anniversary. To mark the occasion a book was commissioned, The Pest Detectives, to celebrate the history of the company. On 9 November 2015, 150 people gathered at the House of Commons to celebrate this milestone including colleagues past and present representing over 1,000 years of combined service. MPs and Lords were invited to try the 'Pestaurant' with monies being raised for Malaria No More. On the night, a cheque was presented for £30,000, which included donations from sales of the book and colleague participation in the annual YVC survey.



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 all areas at least annually. The Leadership Forum of 25 senior executives meets in person twice per year and regularly by telephone to address key issues and ensure alignment of CR activities to the business plan.

The Company has a governance model which identifies the role of the Board, functions (determining best practice and governance) and country and regional teams (delivery within the framework of policies and local laws). The Company's risk management process includes consideration of material CR issues, with appropriate detailed investigation by Internal Audit.

The Board receives a SHE report at every meeting. There is a regular Company-wide meeting of SHE managers, whose remit includes developing Health and Safety standards with appropriate colleague training, reviewing performance and initiating remedial activity in under-performing businesses.

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
- Modern Slavery (in development for introduction in 2016)

- Relationships with customers and suppliers
- Community involvement
- External affairs and political lobbying



**THESE POLICIES ARE AVAILABLE
ON THE COMPANY'S WEBSITE**

They are reviewed regularly to ensure they meet current good practice and legislative needs. 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. First introduced in 2011, an updated version is being published in early 2016. Available to colleagues in local languages and on the intranet, it articulates the standards expected from colleagues. A Code of Conduct training programme was developed in 2014 and continued to be used throughout 2015 to support new colleagues to understand expected standards. There is an annual Letter of Assurance, required to be signed by all senior management to confirm they comply personally with key corporate policies and the Code of Conduct, and that the colleagues for whom they are responsible are aware of and understand what is required of them.

The Company's statement on its approach for the avoidance of Modern Slavery is in the process of completion and will be published in the Responsible Delivery section of the website.

The Company's CR performance and activities are viewed independently by a range of organisations. In 2015 it retained its membership of the Dow Jones Sustainability Index for the ninth successive year, and gained membership of FTSE4Good for the first time. In addition, Generali (a large European insurance company) ranked the Company second out of 18 European business service companies against 20 CR issues.



ADHERING TO THE POLICIES

Adherence to these policies is monitored partly through the Company’s Internal Audit team, including the review of the Code of Conduct implementation.

Also, the Company operates Speak Up – a confidential reporting system allowing colleagues to raise concerns, available worldwide, with international free phone numbers. Response to any call or email from a colleague is managed by Internal Audit as an independent resource. A regular report on all concerns is provided to the Company’s audit committee. There were 18 control incidents reported in 2015 (24 in 2014). The majority were HR related incidents. Two of the incidents were followed up with a more substantive discussion at the Audit Committee (five in 2014). All were investigated and satisfactorily resolved, with the Audit Committee receiving a summary of all control incidents and the outcomes.

- 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 EU competition law, US anti-trust law, Latin America competition law and global competition principles and practices law and the required business behaviours.
 - **BRIBERY AND ANTI-CORRUPTION** – online training to develop awareness and understanding. All procurement contract templates include anti-bribery and anti-corruption clauses.
 - **CODE OF CONDUCT** – interactive training provided via U+.

Operational policy procedures strengthen formal compliance. An example is Rentokil’s ‘Pink Note’ system, explicitly prohibiting or mandating activities relating to the use of chemical products, detailing the risks and relevant operational issues.

The Company did not suffer any litigation or fines for corrupt practices, nor for any environmental breaches. Similarly there were no reports of any incidents regarding violation of human rights of individuals associated with the Company.

MATERIALITY

The Company considers the materiality of its Corporate Responsibility impacts and the importance of each impact to the business as a whole. This process includes analysing questions posed by major customers in contract tendering processes; reviewing colleagues’ responses to Corporate Responsibility related questions in Your Voice Counts; and reviewing questions received from socially responsible investment third parties.

The chart showing priorities of greatest potential importance to stakeholders can be viewed via the link below (in the top right quadrant are health and safety and service delivery).

THIS CHART IS AVAILABLE ON
THE COMPANY’S WEBSITE

PERFORMANCE OVER 5 YEARS

The Board reviews key performance indicators covering customers and colleagues. These are published annually, both in the annual report and in this CR Report. Performance against these indicators is reviewed by the Executive Leadership Team and in operational and functional areas. The five-year performance tables can be viewed below.

COLLEAGUES KPIS

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|------|------|------|-----------------------------|------|
| "YOUR VOICE COUNTS" COLLEAGUE ENGAGEMENT SURVEY RESPONSE RATE | 68% | 76% | 88% | MOVED TO A TWO YEARLY CYCLE | 83% |
| COLLEAGUE ENABLEMENT | 73% | 74% | 74% | | 73% |
| COLLEAGUE ENGAGEMENT | 75% | 75% | 74% | | 74% |
| SALES COLLEAGUE RETENTION | 65% | 70% | 71% | 73% | 77% |
| SERVICE COLLEAGUE RETENTION | 72% | 82% | 79% | 82% | 82% |

ENVIRONMENTAL IMPACTS – INTENSITY VALUES

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|-------|------|------|------|------|
| INDEX OF ENERGY DERIVED CO ₂ EMISSIONS AT CER | 100.0 | 96.4 | 92.0 | 88.6 | 81.0 |
| WORKWEAR – KILOGRAMMES OF CO ₂ EMISSIONS PER TONNE PROCESSED | 352 | 339 | 323 | 305 | 297 |
| WORKWEAR – WATER USAGE – LITRES USED PER KILOGRAMME OF WORKWEAR WASHED | 11.3 | 9.8 | 9.2 | 9.0 | 8.3 |

COMMUNITY CASH DONATIONS

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------|------|------|------|------|------|
| COMMUNITY DONATIONS £000s | 135 | 87 | 101 | 77 | 128 |

ABSOLUTE VALUES OF ENERGY DERIVED EMISSIONS – TONNES OF CO₂E

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------------------------|---------|---------|---------|---------|---------|
| TOTAL SCOPE 1 | 178,060 | 176,976 | 180,536 | 180,107 | 172,943 |
| TOTAL SCOPE 2 | 27,206 | 26,400 | 24,988 | 23,173 | 21,443 |
| TOTAL SCOPE 3 | 12,861 | 12,871 | 12,279 | 12,048 | 10,570 |
| TOTAL OUTSIDE SCOPE | 3,810 | 3,758 | 4,023 | 4,040 | 4,147 |
| TOTAL – ALL SCOPES & OUTSIDE SCOPES | 221,937 | 220,006 | 221,826 | 219,367 | 209,102 |

Five-year performance tables continued:

CUSTOMER DATA

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------------------------|-------|-------|-------|-------|-------|
| STATE OF SERVICE | 98% | 98% | 98% | 99% | 97% |
| CUSTOMER VOICE COUNTS (CVC) | 13 | 17 | 26 | 26 | 28.2 |
| CUSTOMER RETENTION | 83.9% | 85.3% | 85.7% | 84.3% | 85.2% |

Note: CVC data in 2014 and 2013 included all the USA operations for the first time

HEALTH AND SAFETY KPIS

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------|-------|-------|-------|-------|-------|
| LOST TIME ACCIDENTS | 1.53 | 1.37 | 1.11 | 0.99 | 0.77 |
| WORKING DAYS LOST | 44.64 | 32.89 | 25.41 | 27.08 | 19.02 |

OPERATIONAL EFFICIENCY

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|------|------|------|------|------|
| INDEX OF PROPERTY ENERGY CONSUMPTION – THOUSAND KWH PER £M TURNOVER AT CER | 100 | 98 | 87 | 84 | 68 |
| INDEX OF VEHICLE ENERGY CONSUMPTION – THOUSAND LITRES PER £M TURNOVER AT CER | 100 | 96 | 98 | 96 | 94 |
| WORKWEAR – ENERGY CONSUMPTION – KWH OF ENERGY PER KILOGRAMME PROCESSED | 1.64 | 1.59 | 1.54 | 1.45 | 1.43 |

MANDATORY EMISSIONS REPORTING – TONNES CO₂E

| SOURCE OF EMISSIONS | ENERGY DERIVED | | | FUMIGATION DERIVED | | |
|---|----------------|---------|---------|--------------------|---------|---------|
| | 2013 | 2014 | 2015 | 2013 | 2014 | 2015 |
| DIRECT GHG EMISSIONS (RELATING TO THE COMBUSTION OF FUEL AND THE OPERATION OF ANY FACILITY) | 194,962 | 194,440 | 186,067 | 380,979 | 850,883 | 597,268 |
| INDIRECT GHG EMISSIONS (THROUGH THE PURCHASE OF ELECTRICITY, HEAT, STEAM OR COOLING) | 26,864 | 24,928 | 23,036 | 0 | 0 | 0 |

ACTION PLAN FOR 2016

In 2016, 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 lead their own initiatives to ensure local delivery.

THE COMPANY'S FOCUS ON **HEALTH AND SAFETY** WILL REMAIN OUR HIGHEST PRIORITY AND THE LOCAL IMPLEMENTATION OF THE GOLDEN RULES TO PROMOTE SAFETY WILL BE MONITORED TO ENSURE SUCCESS.



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 BE DEVELOPED AND LAUNCHED TO ENABLE CUSTOMERS TO IMPROVE HYGIENE COMPLIANCE AND ERADICATE PESTS DANGEROUS TO PUBLIC HEALTH.



SUSTAINABLE DELIVERY – WE WILL FOCUS ON OUR ENERGY AND WATER USAGE IN WORKWEAR PROCESSING PLANTS, AND VEHICLE EMISSIONS.



THE YEAR WILL ALSO SEE A CONTINUED INVESTMENT IN **TRAINING AND SKILLS DEVELOPMENT** PROGRAMMES THROUGH U+ WITH AN IN-HOUSE CONTENT DEVELOPMENT TEAM TO DRIVE THE NEEDS OF THE BUSINESS AT PACE. WE WILL ROLL OUT MORE TRAINING PROGRAMMES TO CUSTOMERS' OWN EMPLOYEES.



RENTOKIL INITIAL WILL CONTINUE TO **BUILD POSITIONS IN EMERGING AND GROWTH MARKETS**. WE WILL CONTINUE TO SEEK ACQUISITIONS TO BUILD DENSITY AND PRODUCTIVITY.



Rentokil
Initial

