

# Modern Slavery Statement 2020

**Introduction**

This is the fifth statement on modern slavery made by Rentokil Initial plc and its subsidiaries (the Company) describing the work that has been done during the financial year ended 31 December 2020 to minimise the risk of enforced labour and human trafficking occurring in any of our global businesses or supply chains. The statement is made in accordance with the UK Modern Slavery Act 2015.

We strive to maintain the highest standards of ethical behaviour and governance compliance, and recognise our responsibility to manage our business and supply chains to identify and alleviate any potential or actual human rights violations, including modern slavery. We are committed to working with our suppliers to address potential areas of risk and resolve any aspects of non-compliance.

**Our Business**

Rentokil Initial plc is a global leader in the provision of route-based services which protect people and enhance lives. Throughout the world, demand for higher standards of public health, stricter food safety

legislation and compliance with workplace regulations are driving demand for our service expertise.

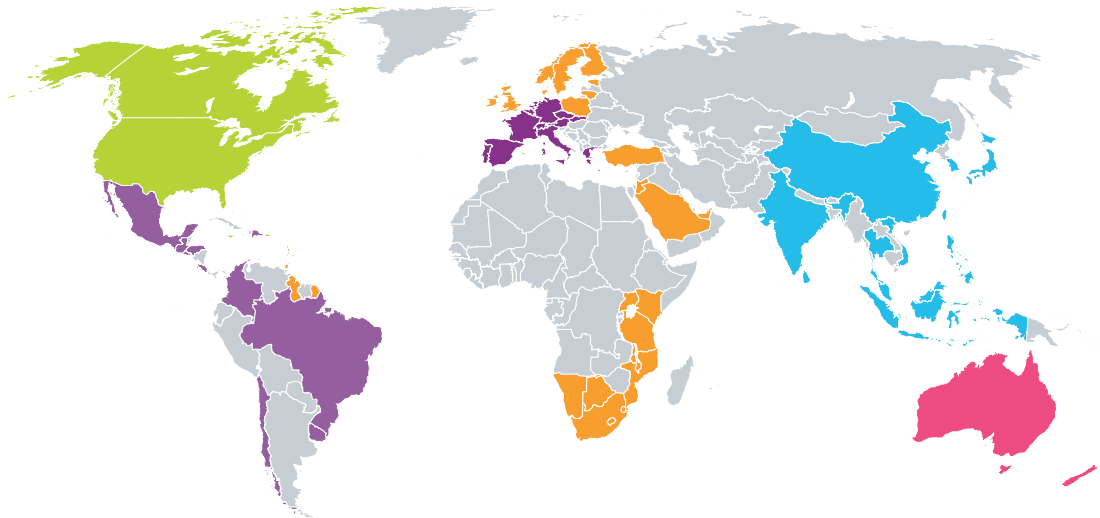
The Company operates in 83 countries, including a number of emerging markets and countries that we have entered in recent years through acquisition, for example Peru and Ghana in 2020. 44,589 colleagues were employed in 2020 (2019: 42,933).

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

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

The Company launched Specialist Disinfection Services within the Hygiene category during the pandemic in 2020 to help commercial customers provide a safe environment to allow their employees to return to work. In four weeks, the Company trained over 7,000 colleagues and launched the service in 60 countries.

**Regions**




NORTH AMERICA	EUROPE	UK & REST OF THE WORLD	ASIA	PACIFIC
<p><b>Main business lines:</b> Pest Control services and products, and Plants (Ambius).</p> <p>9,088 colleagues.</p>	<p><b>Main business lines:</b> Pest Control, Hygiene and Workwear (France); plus Plants and Dental services.</p> <p>6,944 colleagues in Europe, 2,193 in Latin America.</p>	<p><b>Main business lines:</b> Pest Control and Hygiene; plus Plants, Property Care, Specialist Hygiene and Dental services.</p> <p>7,209 colleagues, plus 365 in Head Office (UK)</p>	<p><b>Main business lines:</b> Pest Control and Hygiene.</p> <p>16,590 colleagues.</p>	<p><b>Main business lines:</b> Pest Control, Hygiene and Plants (Ambius).</p> <p>2,200 colleagues.</p>

### Businesses

**Rentokil Pest Control**

**Global leader in commercial pest control services.**



**Operates in 82 markets**

**(No.1 in 54)** with leading positions in the UK, Europe, Asia, Pacific and South Africa  
**(top 3 in 70+ markets)**

Provision of high-quality pest control services for commercial and residential customers.

**Initial Hygiene**

**One of the world's leading commercial hygiene services companies.**

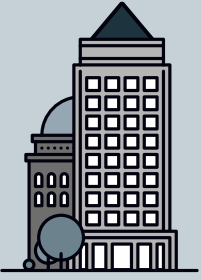
**Market leader in 22 of the 65 markets**



Provision of high-quality washroom products and services for hand, air, in-cubical hygiene and floor mats for commercial customers.

**Protect & Enhance**

**Plants (Ambius) – the global leader in the provision of office plants.**



**Property Care** - UK market leader in the provision of woodworm, damp proofing and dry rot services.

**Workwear** - provision of workwear to businesses in France.

**Dental** - waste services (Europe).

### Customers

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

### Company risk assessment

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

The Company's Group Risk Committee have concluded that the risk of modern slavery occurring in our immediate lines-of-business is low, but that we cannot be complacent. There is always a risk of modern

slavery occurring in areas of our operation where we have less visibility of our second-tier suppliers and their standards and values. Examples of these areas include short-term employment of casual labour, second-tier and third-tier suppliers of components to our main suppliers, and support services such as cleaning and security.

### Assessment of risk by country

The Global Slavery Index 2018 issued by the Walk Free Foundation is used to highlight which country operations within the Company carry a higher level of risk of modern slavery or enforced labour. As noted above, the operations within these countries need to have particularly high levels of scrutiny of sub-contracted operations that are not under their direct management.

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

RI Region	Regional Revenue %	Country of Manufacture	% Supplier Spend	Estimated Prevalence*	Risk Classification
NA	44%	USA	47.5%	1.3	Low
		Canada	0.4%	0.5	Low
Europe	23%	France	7.4%	2	Low
		Italy	3.3%	2.4	Low
		Netherlands	1.6%	1.8	Low
		Portugal	0.9%	2.5	Low
		Other	1.9%		Low - Med
UKIB	10%	UK	7.4%	2.1	Low
		Ireland	0.6%	1.7	Low
Asia	9%	China	5.2%	2.8	Medium
		Malaysia	2.7%	6.9	High
		India	2.6%	6.1	High
		Indonesia	1.5%	4.7	High
		Singapore	0.8%	3.4	Medium
		Other	2.1%		Med-High
Pacific	6%	Australia	3.5%	0.6	Low
		New Zealand	0.5%	0.6	Low
ROW	6%	Tunisia	1.7%	2.2	Low
		South Africa	1.2%	2.8	Medium
		Other	1.2%		Medium
LatAm	2%	Mexico	1.1%	2.7	Low
		Chile	0.8%	0.8	Low
		Dominican Rep.	0.8%	4	Medium
		Other	0.6%		Low
Global	n/a	SC Warehousing	1.8%		Low
		Unclassified	0.9%		Low

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

The Company has no operations in the Xinjiang province in China, which has been specifically identified as a very high-risk area by the UK Government recently (January 2021), and does not purchase any products or services from any suppliers or sub-suppliers in this province.

### Policies in relation to slavery and human trafficking

Rentokil Initial plc and its subsidiaries are committed to acting in accordance with the law in every country in which we operate. Our companies and employees also operate under a number of policies to ensure a high standard of social, governance and ethical compliance, of which the cornerstone is the Code of Conduct. All policies are available internally on the Company's intranet with key policies placed on the Company's website.

### Code of Conduct

The Company's Code of Conduct (the Code) has been designed to help us achieve our responsibility, as one of the world's leading support services companies, to set the highest standards of conduct. It is a fundamental commitment to comply with all applicable legal

requirements and with high ethical standards. The Code outlines responsibilities to colleagues, customers and to the Company. It highlights our determination to embed our values of Service, Relationships and Teamwork and a culture of integrity across the Company. In 2019, the Company undertook a confidential survey of all colleagues and the question relating to 'I have a good understanding of our values' received a score of 90% (one percentage point above the global norm).

First introduced in 2011, the Code was updated in 2016 and is available to colleagues in multiple languages. The Code is accompanied by an online training programme which was refreshed most recently in October 2017. This is a compulsory training requirement for all new colleagues.

In the Human Rights section of the Code, we state that Rentokil Initial will under no circumstances make use of forced or coerced labour, servitude or slavery and will only employ individuals who are working of their own free will. It further states that no colleague will be deprived of identity papers, or be required to provide

financial inducements to the Company, to facilitate their employment.

## Policies

In addition to the Code of Conduct, the Company maintains policies on human rights, customers and suppliers, and rights of employees. Specific policies applicable to modern slavery include:

- a) Dignity at Work;
- b) Group Diversity and Inclusion Policy;
- c) Equal Pay;
- d) Human Rights Policy;
- e) Supplier Code; and
- f) Supplier Management Standard.

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

During 2020, approximately 16,100 Core Corporate Compliance training courses were completed by colleagues on the U+ online system.

Compliance with the specific policies listed above, as well as to the Code of Conduct, is checked and validated each year through a Letter of Assurance process, which is cascaded down through the Company from the Chief Executive. All senior managers are required to sign a letter to confirm they comply personally with key corporate policies and the Code, and that the colleagues for whom they are responsible are aware of and understand what is required of them, and that they are not aware of anyone within Rentokil Initial that is not complying to the Code. Details must be provided of any areas of non-compliance or uncertainty. The Audit Committee reviews the Letter of Assurance process and outcome.

## Assessment and training regarding modern slavery Speak Up

The Company operates a global 'Speak Up' or whistleblowing policy. This is supported with a procedure to assist employees when 'speaking up' on a confidential basis. The policy is designed to allow employees across the Company to raise concerns internally to the Internal Audit team and to disclose information which the individual believes highlights or would indicate illegality, unethical behaviour or other serious malpractice, including any instances or suspicions of modern slavery. This obligation also includes reporting actions or practices by our suppliers which may be inconsistent with the Company's Code of Conduct, Supplier Code or Human Rights Policy.

Employees or third parties are able to 'Speak Up' by using a dedicated phone line or email address and the system is managed and monitored by the Internal Audit

Team with all incidents reported being reviewed. A summary of any reported incident is forwarded on to the relevant Region or to a senior functional leader for further investigation and a register of all 'Speak Up' reports is maintained with regular reporting being made to the Chief Executive and the Company's Audit Committee.

The effectiveness of the Speak-Up process is validated during our internal audit process, including asking a randomly selected group of employees in each country whether they are aware of the Speak Up process and whether they know how to raise issues through this route. A negative response would be raised as an audit point.

## Reported incidences during 2020

The Audit Committee also receives a regular report of matters reported via Speak Up. The number of Speak Ups in 2020 was 45. This is a small decrease from previous years. The nature of the matters reported remains consistent with previous years. The majority of Speak Ups relate to routine employee and employment matters.

## Modern Slavery Awareness training during 2020

The following training was carried out in 2020 across the Company:

1. The on-line training module for Modern Slavery Awareness that had been launched in 2018 by the U+ Training Academy was further extended across the Company in 2020. A total of 2,765 colleagues have now undertaken the course with a pass rate of 95%;
2. Procurement Managers from all major markets received follow-up training on the key aspects of modern slavery during the Global Procurement Conference which was held online due to covid restrictions in March 2020;
3. Follow-up training for the Asian Leadership Team took place in November 2020, as this region is considered to have higher element of risk from a modern slavery perspective; and
4. The need for increased diligence and scrutiny to mitigate the increased risk of enforced labour due to economic hardship caused by the pandemic has been regularly discussed during the quarterly Global Procurement Team calls in 2020.

## Our supply chain

The supply of products to our global businesses is managed through the Group Procurement team, who review the annual global spend for major businesses and track suppliers by category, country of manufacture and annual spend. The Company has two in-house factories in the UK which manufacture hardware and consumable products for the global business and an in-house Workwear company which supplies garments to the French Workwear business.

The major spend in Rentokil Pest Control is on rodenticides, insect control equipment and other products used to control the multiple varieties of pest encountered around the world. These are mainly sourced through global chemical supply companies who have stringent quality and ethical approaches. Rodenticides are manufactured in the Rentokil Initial Supplies (RIS) factory in Kirkby, UK, and hardware such as bait boxes are manufactured at Dudley Industries, a wholly-owned subsidiary in the UK. We purchase a wide variety of hardware and equipment such as rodent traps, insect light traps and bird protection devices which are typically designed internally and either manufactured in-house or sourced externally from specialist suppliers.

Spend in Initial Hygiene includes washroom equipment such as soap dispensers, feminine hygiene units and consumables such as soap and paper. Most of the Hygiene equipment is designed in-house and manufactured by external suppliers in Europe and Asia under the Initial brand, while metal dispensers are manufactured at Dudley Industries. Liquid consumables for these dispensers are mainly manufactured at the RIS factory, while sourcing of paper products is from certificated suppliers which are optimised by global location.

The Protect & Enhance category includes: (a) Ambius (worldwide) in which plants and pots are sourced locally; (b) Workwear (France) which is supplied through the in-house sourcing company as well as external suppliers; and (c) Property Care (UK) which utilises branded equipment and chemicals purchased locally in relatively small quantities and not considered further in this report.

An external Supplier Code has been developed to align the standards of suppliers with the internal Code of Conduct. The Supplier Code is available on our website in 17 languages, ([www.rentokil-initial.com/responsible-delivery/ri-supplier-code-of-conduct](http://www.rentokil-initial.com/responsible-delivery/ri-supplier-code-of-conduct)) and outlines the standards and controls that are expected from all suppliers of goods and services to the Company. Since 2019, centrally managed contracts and agreements for the supply of goods and services by both individuals and companies include a clause requiring compliance with the Supplier Code in addition to the specific clauses that relate to bribery and corruption and modern slavery, and awareness of this code is checked during supplier audits.

### Due diligence processes in relation to supplier management

In all sourcing decisions, compliance with Rentokil Initial standards for a responsible and sustainable business

approach is used as a go/no-go gate rather than as a weighting factor for decision-making. Suppliers that do not conform to required standards during the pre-selection evaluation are eliminated from the tender process. If an area of non-compliance is discovered at a new or existing supplier, they are given the opportunity to address and resolve the issue, with our support where required. It is important that suppliers are made aware of the specific issue and the actions considered necessary to remedy the situation. Penalising the supplier directly by removing business, or not awarding a contract, is most likely to disadvantage their employees who we are trying to help. Examples of corrective actions taken in 2020 are included on page 6.

### Supplier Risk Assessment

External suppliers are classified as (a) **Critical Suppliers** (31 in 2020) which represent a high proportion of category spend, supplying unique products to multiple company markets or requiring a long lead time to substitution if required; (b) **Major Suppliers** (129) with a significant proportion of spend in a single country (over £0.5m) or region and/or suppliers of generic products that can be substituted at short notice; and (c) **Minor Local Suppliers** (c.3,000) representing the majority of suppliers in number, but a lower proportion of the category spend.

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

Classification	No. of suppliers	% suppliers	% spend
Critical	31	0.9%	12.1%
Major	129	3.9%	60.1%
Minor	3,084	97.3%	21.2%
Internal	9	0.3%	5.0%
Logistics	7	0.2%	1.6%
Elapsed	32	1.0%	0.0%
<b>Total</b>	<b>3,292</b>	<b>100%</b>	<b>100%</b>

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

Audit procedures include site inspections, interviews with management and employees, and subsequent corrective action plans for suppliers. Suppliers audited receive a Corrective Action Plan within two days of the audit and must return an initial response within two weeks. Updates on actions are requested at appropriate times, and photographs are requested to demonstrate actions taken or revisits are carried out.

Major and minor local suppliers are reviewed using an audit questionnaire and a site audit is carried out where potential issues are highlighted or the level of risk is perceived to be higher than normal. These local suppliers are audited by the Product Quality Manager in accordance with the Rentokil Initial Supplier Standard.

### Audits during Covid-19

Due to the pandemic in 2020, only 3 of the 22 audits planned for existing suppliers were completed. These audits will recommence as soon as travel restrictions allow. In the interim, in-country third-party auditors will be used to conduct the audits for new suppliers using the RI Supplier Standard where possible.

In response to the COVID-19 crisis, the Company launched the disinfection services, noted earlier, and delivered a significant increase in hand sanitisers, liquid hand soaps and the associated dispenser units to meet the needs of customers. Large quantities of PPE (coveralls, facemasks, filters and gloves) were also purchased to keep our colleagues safe as they provided services to customers in high-risk areas. The suppliers of these PPE products were identified, vetted and contracted in a short space of time, and in some cases, third-party intermediaries were used. While the credentials and protocols of these intermediaries were thoroughly checked, the comprehensive supplier audits could not be carried out. The temporary supply from these companies has now ceased.

### Areas of non-compliance and corrective actions in 2020

Following the two areas of non-compliance in Malaysia and China that were uncovered in 2019 during audits and subsequently resolved, as reported in last year's statement, there were some minor concerns of excessive

overtime above the government recommended working hours per week. This happens predominantly for the lower wage workers who use overtime pay to supplement their wages, and could have been exacerbated during the pandemic.

The following actions were taken to reduce the risk:

1. Worker interviews to check that overtime is voluntary not forced;
2. Supplier management to confirm that high levels of overtime is due to temporary workload fluctuations and not the norm;
3. Minimum of one rest day per working week reinforced; and
4. Monitoring in subsequent audits, when they recommence.

These findings and the actions taken to resolve them are shared with other suppliers in the region during audits, in order to improve their own audit protocol by including checks into similar issues.

### Further steps

We recognise the extremely complex nature of modern slavery and we will continue to monitor our operational practices, and have identified the following as key actions for 2021:

- Further investigation into suppliers of services in the high-risk indirect procurement categories such as cleaning, haulage and security to ensure compliance;
- Provision of free training to suppliers using an on-line training module that is specifically tailored to suppliers to Rentokil Initial;
- Ongoing review and discussion with procurement managers from all major countries during the quarterly global procurement team calls during 2021; and
- Further roll-out of the on-line training module across the Company to raise awareness of modern slavery, focussing on Europe and the US, where take-up has been lower than other regions.

**This statement was approved by the Board of Directors of Rentokil Initial plc, Rentokil Initial UK Limited and Rentokil Initial 1927 plc, and signed on their behalf.**



**Andy Ransom**  
Director  
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25 February 2021



**Daragh Fagan**  
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