

Modern Slavery Statement 2016

Introduction

As a company, we strive to maintain the highest standards of ethical 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 to work together to mitigate any areas of concern. This statement has been made in accordance with the Modern Slavery Act 2015 and details the steps taken by Rentokil Initial plc (the Company) and its subsidiaries (the Group) within the UK during the financial year ended 31 December 2016 to prevent slavery and human trafficking occurring in any of our business or supply chains.

Our business and its supply chains

Rentokil Initial plc is a global leader in the provision of route-based services which protect people and enhance lives. Services include Pest Control, Hygiene and Workwear.

Throughout the world, demand for higher standards of public health, stricter food safety legislation and compliance with workplace safety regulations are driving demand for our service expertise.

Rentokil Initial's **RIGHT WAY** plan, set out in 2014, divides the business into five geographic regions and three core business lines – all operating on a low cost, single country operating structure.

Three core businesses

Rentokil Pest Control

Global leader, operating in over 66 countries with leading market positions in the UK, continental Europe, Asia and South Africa. Number three position in North America and a rapidly expanding presence in Central and Latin America.



Initial Hygiene

The world's largest hygiene services company. Market leader in over half of our 40+ countries of operation.



Initial Workwear

No. 2 in Europe and the only company with scale across the four main continental European markets of France, Germany, Belgium and the Netherlands.



Five geographic regions

North America

Pest Control 88.5%
Other 11.5%

Europe

Workwear 45.6%
Hygiene 26.9%
Pest Control 23.1%
Other 4.4%

Asia

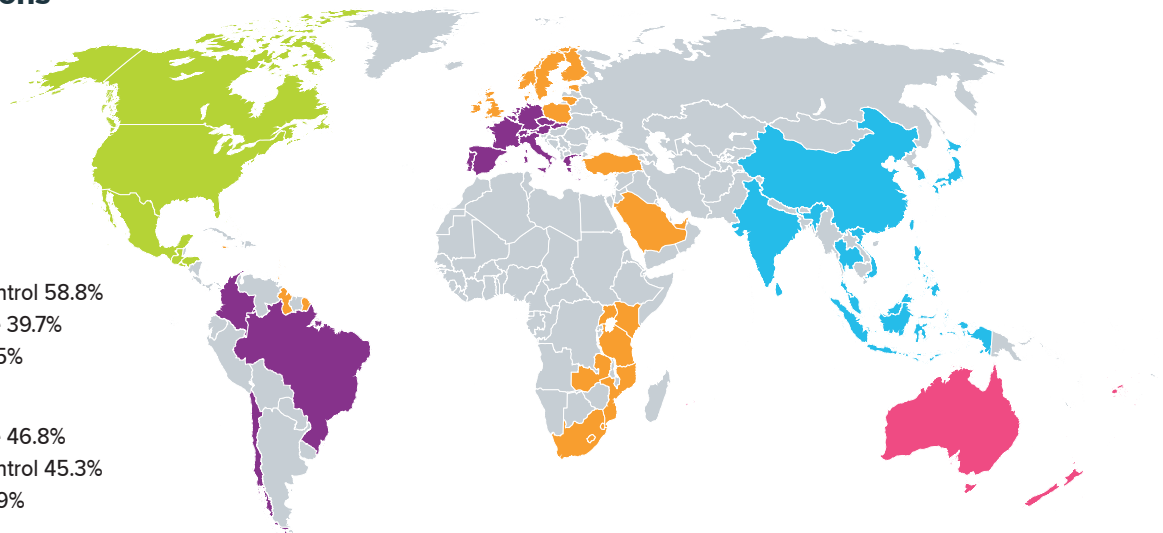
Pest Control 58.8%
Hygiene 39.7%
Other 1.5%

UK & Rest of the World

Pest Control 43.0%
Hygiene 38.8%
Other 18.2%

Pacific

Hygiene 46.8%
Pest Control 45.3%
Other 7.9%



Rentokil Initial plc and its subsidiary companies (the Group) operate in 66 countries globally, including a number of emerging markets and countries we have only entered in recent years, such as Colombia and Mozambique.

Group Procurement reviews annual global spend for major businesses and tracks supplier numbers by category and spend. The Group has two in-house factories in the UK which manufacture hardware and consumables products for the global business and an in-house workwear company which supplies garments and flat linen to the European Workwear business. External suppliers are classified as (a) critical suppliers which represent a high proportion of category spend, supplying unique products to multiple company markets and a long lead time to substitution if required; (b) major local suppliers with a significant proportion of a single country's category spend; and (c) minor local suppliers representing the majority of suppliers in number, but a lower proportion of the category spend.

brand in Europe and Asia. Liquid consumables for these dispensers are manufactured at the RIS factory, while sourcing of paper products is from certificated suppliers which are optimised by global location.

In the Workwear category, garments are supplied on a Cut, Make and Trim basis through Cawe in Strasbourg, the workwear sourcing company acquired by Rentokil Initial five years ago. Garments are also sourced from third party suppliers based in Europe on a Ready Made Goods (RMG) basis from certificated suppliers, managed by the Workwear Procurement Team based in each of the local markets. Flat Linen is sourced through Cawe on an RMG basis.

The scope of this report includes all suppliers to the central supply chain and major country suppliers who supply directly to their local market. Assessment of the level of risk is based on the annual spend per supplier.

Supplier classification by number of suppliers and percentage of category spend in 2016

	Rentokil		Hygiene		Workwear		Other		Total	
Critical supplier	11	32%	17	59%	6	33%	–	–	34	39%
Major local supplier	50	47%	20	24%	16	28%	–	–	86	36%
Tactical/minor supplier ¹	700	16%	200	9%	214	17%	26	100%	1,140	14%
Internal supply	1	5%	1	8%	1	22%	–	–	3	11%
Grand total	762	100%	238	100%	237	100%	26	100%	1,263	100%

1. Figures for minor suppliers in Pest and Hygiene are estimations as these are not centrally monitored.

The major spend in Pest Control is on rodenticides, insecticides and various preparations used to control the multiple varieties of pest encountered around the world. Most of these are sourced through global chemical supply companies (with stringent quality and ethical approaches) and the Rentokil Initial Supplies (RIS) factory in Kirkby, UK. This category also includes hardware such as rodent traps, fly killers and bird protection devices which are designed and manufactured in-house where this offers a competitive edge, or sourced externally from specialist suppliers.

Hygiene covers both washroom equipment such as soap dispensers and feminine hygiene units and consumables such as soap and paper. The majority of the hygiene equipment is designed in-house and manufactured by external suppliers under the Initial

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 trade. 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 Group.

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 also refreshed in 2016. This is a compulsory training requirement for all new colleagues. There is also 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, and that the colleagues for whom they are responsible are aware of and understand what is required of them.

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. These are available on our website at www.rentokil-initial.com/responsible-delivery/policies. The Procurement Policy establishes minimum mandatory standards for procurement globally with best-practice guidelines. The Company's Supplier Standard covers all Group-wide procurement managed by the Group Procurement Team, and is being phased in by local operations.

Standard contracts for use in the supply of goods include a clause that the supplier shall establish and maintain appropriate business standards, procedures and controls to ensure compliance with the Company's Code of Conduct and that they will ensure that the Code of Conduct is publicised to all of the supplier's employees, directors and its own suppliers and that they all comply with its provisions. Standard consultancy agreements for the supply of services by both individuals and companies also include a clause requiring compliance with the Company's Code of Conduct.

Due diligence processes in relation to supplier management

Supplier audits for 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 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 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, all critical suppliers are audited by the European Quality Manager on a regular basis. These are mostly medium-sized companies, manufacturing a bespoke product for the Company. Products manufactured in China, Malaysia and Vietnam are perceived to have an element of risk, and these suppliers have therefore been selected and audited accordingly.

In Pest Control, all critical suppliers who manufacture Rentokil branded unique products have been audited. The remainder are major international chemical companies with their own stringent management and control systems.

Critical supplier audits for Workwear

Cawe has been certified to Fairtrade standards by the Max Havelaar and FLO CERT organisations since 2007, and is audited by external auditors every year to ensure that it guarantees producer and worker rights by banning child labour, slavery, and forced labour. Cawe also participates in the Fibre Citoyenne programme managed by Yamana, which ensures the sustainability of the textiles supply chain, including environmental aspects, social compliance, corporate governance and consumer security. Audits of the Cawe sub-contractors are carried out by the Workwear Quality Manager, or by the Worldwide Ethic Alliance (WethicA), an independent

third party. All of the major Cawe suppliers have been fully audited at least once and are visited at least once per year by the Workwear Quality Manager and Production Manager.

The five third-party suppliers that are classified as Critical Suppliers have similar industry-specific accreditation from organisations such as Max Havelaar, Fairtrade and Yamana.

In all sourcing decisions, corporate social responsibility (CSR) compliance is a go/no-go gate rather than a weighting for decision-making. Suppliers that do not conform to required standards are not considered for selection and are discontinued when areas of non-compliance are discovered. No areas of non-compliance have been identified since the deselection of an Armenian supplier in 2015: this followed non-compliance to a WethicA audit and insufficient progress subsequently being made to rectify the issues identified.

The area of procurement that has been identified as most at risk is the purchase of flat linen from suppliers in Pakistan, Bangladesh, India, Egypt and China, which represents 6.6% of the Textiles category. The majority of the purchases in these countries are from suppliers with global CSR accreditations such as the Business Social Compliance Initiative (BSCI). The next steps which are planned for 2017 are to ensure that minor suppliers of products such as terry towels achieve similar accreditation or are audited by WethicA.

Assessment and training regarding modern slavery

'Speak Up'

In addition to Group, divisional or local business level HR policies and procedures, the Company has

a 'Speak Up' or whistleblowing policy. This policy is supported with a procedure to assist employees when 'Speaking Up' on a confidential basis. The policy is designed to allow employees of the Group 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 Group's Code of Conduct and Human Rights Policy.

Employees or third parties are able to 'Speak Up' by dedicated phone lines or email addresses 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 onto the relevant division or to a senior functional head for further investigation and a register of all 'Speak Up' reports is maintained with regular reporting being made to the Chief Executive and the Audit Committee.

Reported incidences during 2016

Rentokil Initial plc discloses the reported number of Group incidents annually in its Corporate Responsibility Report. For the financial year ended 31 December 2016, no reports of any incidents associated with the Group regarding violation of human rights of individuals were made (2015: nil).

Audit activity during 2016

The following supplier audits were carried out in recent years on behalf of the Global Procurement function:

Classification	Line of business	No. of suppliers	Annual value per category (£000)	Average value per supplier (£000)	2013 No. of audits	2014 No. of audits	2015 No. of audits	2016 No. of audits
Critical supplier	Hygiene	17	25,261	1,486	8	6	7	5
	Pest ¹	11	24,979	2,271	3	3	1	2
	Workwear	6	18,491	3,082	3	1	3	3
Major local supplier	Hygiene	20	10,410	520	2	3	2	1
	Pest*	50	36,812	736	1	2	1	-
	Workwear	16	15,843	990	1	2	3	2
Tactical/minor supplier	Hygiene	200	3,722	19	2	5	1	3
	Pest*	700	12,248	17	-	-	-	-
	Workwear	214	9,106	43	-	-	2	2
	Other	26	363	14	-	-	-	-

1. The major critical suppliers in Pest Control are branded global chemical suppliers such as BASF and Bayer, who are not audited as they are considered to be low risk.

Training undertaken during 2016

In 2016, the requirements of the UK Modern Slavery Act was included as a key topic at the Global Procurement Team Conference, attended by Procurement Managers from most of the countries in which the Group has a significant business presence. The requirements of the Act were discussed in detail and potential risks involved in local and international suppliers were analysed. The local Procurement Managers have subsequently confirmed that no major risks have been identified in their markets.

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

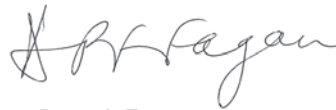
Further steps

We recognise the extremely complex nature of modern slavery and the challenges present in preventing it in the supply chain. We will continue to monitor our operational practices and have identified the following as key actions for 2017:

- to undertake follow-up training for Procurement Managers at the 2017 global conference including a review of progress made and issues raised; and
- to undertake accreditation of minor flat linen suppliers in Asia and Egypt, or re-source any non-compliant suppliers.



Andy Ransom
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Rentokil Initial plc
16 February 2017



Daragh Fagan
Director
Rentokil Initial UK Limited
16 February 2017