

— Governance

Corporate governance.

Our policies & governance framework.

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Our approach

Our Responsible Business approach is integral to everything we do, and effective governance is central to achieving our objectives here as in all other elements of our vision of becoming a world-class service company. Our strong governance policies and practices, under the umbrella of our Code of Conduct, underpin the achievements outlined in other parts of this Report, whether winning awards for excellence in health and safety, for diversity and inclusion, for setting standards in our supply chain or for our market-leading attractiveness as an employer of choice. It is also recognised in our strong scores in leading indices such as the Dow Jones Sustainability Index (DJSI).

The Chief Executive has Board responsibility for our environmental, social and governance (ESG) approach, and the Executive Leadership Team governs the introduction of responsible business approaches as well as reviewing progress and performance against our targets and metrics, particularly in relation to health, safety and the environment.

The Board reviews specific areas of the responsible business agenda at every meeting and considers all areas at least annually. It operates in compliance with the UK Corporate Governance Code and to the highest corporate governance standards. Since 2019, the normal governance calendar includes a dedicated session as part of the annual strategy review, specifically

in relation to environmental performance and strategy. The Audit Committee considers the structure and effectiveness of the Company's internal controls framework and risk management processes, with management's Group Risk Committee reviewing key areas of risk (including safety, people, operations, IT etc) and also monitors the external environment to identify emerging risks. The Board also considers regular reports on workforce engagement, culture, and engagement with key stakeholder groups, which have been identified as Colleagues, Customers, Shareholders, Communities (including the Environment) and Suppliers.

The Senior Leadership Forum (the 26 most senior executives across the business) normally meets in

person at least three times per year and monthly by video conference, to address key issues and ensure alignment of responsible business activities to the business plan. Health and safety is always the first agenda item in all Board and senior management meetings, to ensure governance of this area is accorded the highest priority. Second on the agenda is the Employer of Choice strategy and in 2020 we added Environment as the standing third item on every agenda – ensuring key ESG priorities are given significant focus. The Investment Committee manages investments in acquisitions and expenditure on property assets, as well as risks from environmental exposures, material disputes and approval of contracts, escalated in accordance with a defined Group Authority Schedule.

Governance model

Rentokil Initial's governance model identifies the respective roles of the Board (risk framework and corporate governance), 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 ESG issues, with appropriate detailed management by dedicated functions (for example, technical and safety teams), together with monitoring against Group standards and policies on a periodic basis by Internal Audit.

An update on Safety, Health and Environment (SHE) performance is provided to the Board as the first agenda item at each meeting, with a detailed environmental performance review at least annually. The award-winning SHE team's remit includes developing Health and Safety standards with appropriate colleague training, reviewing performance and initiating remedial activity in under-performing parts of any business.



The Company does not permit political lobbying on its behalf by colleagues, although responding to new regulations through trade associations is acceptable. The Company has membership of trade associations around the world, but does not employ any public affairs consultancy as a means of influencing political decision making.

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Our stakeholders

We engage with stakeholders regularly in different ways to gather their opinions and inform our decision making. This includes contact during business activities, face-to-face meetings and engagement on specific issues, such as regulation. Five key stakeholder groups have been identified: Colleagues, Customers, Shareholders, Communities (including the Environment) and Suppliers.

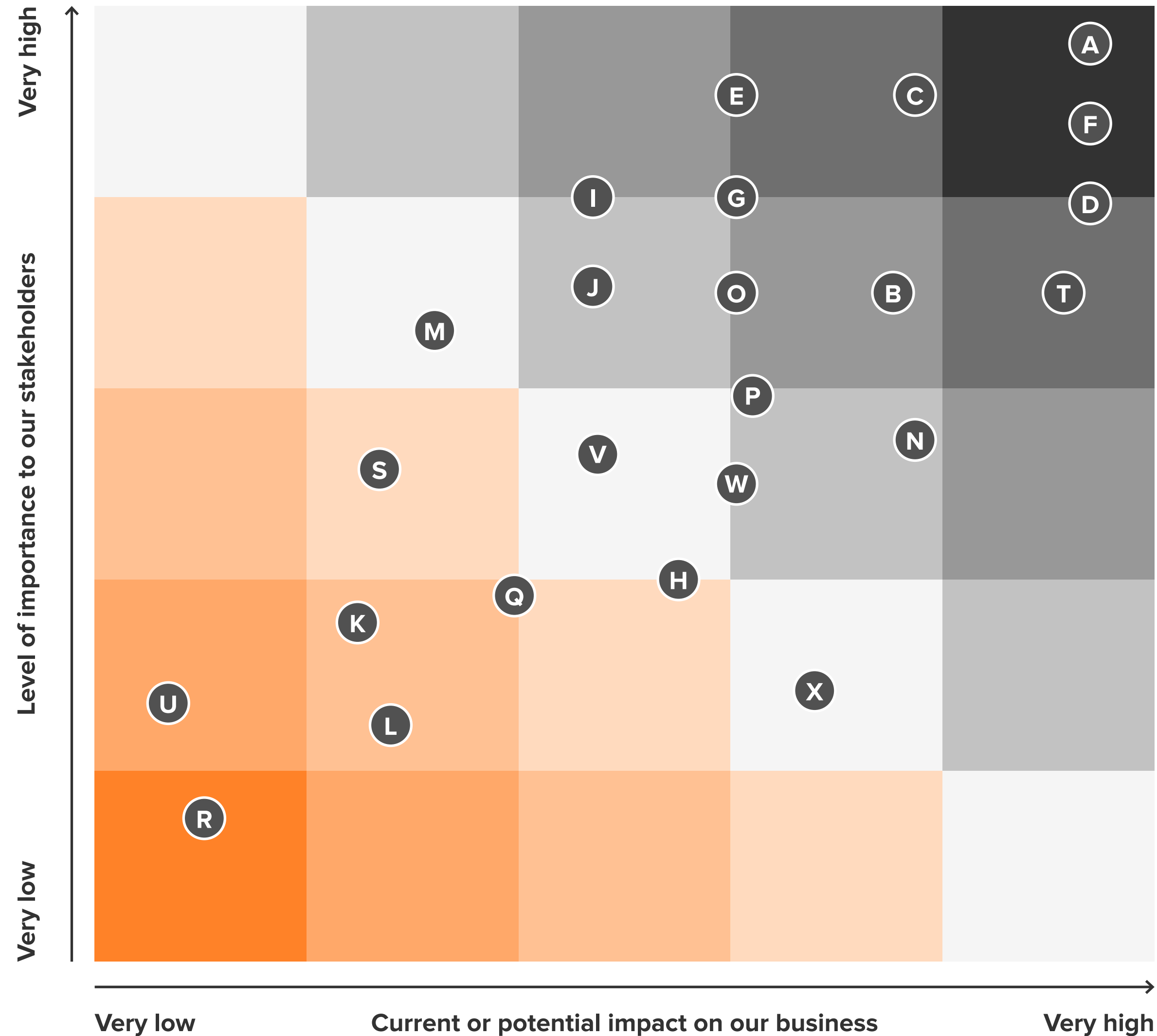
Key stakeholders	Colleagues	Customers	Shareholders	Communities & charities	Suppliers	General public	Governments & regulators	Industry bodies
Overview	We employ some 44,500 colleagues and managers in 83 countries. We operate a clear and consistent global grading system.	Our customers range from global food and pharmaceutical producers to national hotel chains or regional industrial goods businesses and local restaurants. Residential customers at home or in shared communal living facilities.	Our investors range from global investment funds to small private investors, often former employees, as well as sustainable investment funds.	We respect the communities in which we operate and employ people, but we also accept a wider responsibility to key communities around the world.	Our suppliers range from global major suppliers of key products and consumables, through to local suppliers to local branches. Items supplied range from baits, technology, paper, soaps and waste disposal.	The general public interacts with our brands and businesses, often as customers of our own customers ranging from children in the schools through to workers in modern office buildings.	We operate in multiple regulatory and legal systems across the globe. Some national and local governments are also customers. We work with public health and regulatory bodies (e.g. Centres for Disease Control in the USA).	We represent our industries within trade bodies and bodies where we can bring our expertise such as in global food safety.
Stakeholder engagement	Key to colleague engagement is the local line manager and the Company trains managers and provides tools to enable communication and recognition. According to our latest survey of all colleagues, colleague engagement is at world-class High Performance levels.	Customer engagement is delivered through the local service technician building a long-term relationship. We are leading in the development and deployment of new digital tools to provide customers with high levels of transparency and access to service information.	Shareholder engagement is undertaken through regular communication (face to face, written, presentations, conferences, Annual Report, quarterly reporting and IR section of the corporate website).	We support many local charities matching the funds raised by colleagues' own efforts. Key partners are Malaria No More UK and Cool Earth, and our own Better Futures community health programme in Asia. Members of the management community provide advice and support to charities.	Supplier engagement is delivered through our dedicated supply chain teams – local and global. Dedicated approaches are taken depending upon whether the supplier is a major global, regional or local supplier. All suppliers must adhere to the Supplier Code of Conduct.	Engagement with the general public is generally online through the Company's >100 websites which provide information on pests and prevention methods. The Company also provides community information at times of public health crisis (e.g. part of vector control programmes).	We engage with Government departments and regulatory bodies to ensure that all of our products meet or exceed the appropriate regulatory standards (e.g. EU biocidal regulations), while our workplace policies meet or exceed national requirements.	We support key industry bodies e.g. the Global Food Safety Initiative and partner with the British Retail Consortium Global Standards, and many country pest control associations including the UK and North America. Members of the Confederation of British Industry and Members of the CBI Climate Change Committee.
Areas of interest	Safety. Training and career development. Tools to do the job. Wellbeing. Reward. Culture and Values. Community support.	Safety and product stewardship. Service levels. Innovation. Digital transparency and alignment with customers' own systems. Environmental stewardship.	Value creation. M&A. Leadership. Reputation. Corporate governance. Diversity. ESG.	Community investment, volunteering, disaster support.	Supplier management and prompt payment. Modern slavery performance.	Information and education on pest control, vector control and hygiene standards. Environmental performance.	Public and product safety. Environment. Training and investment in R&D.	Expertise. Innovation and product stewardship.
Examples of initiatives	Employer of Choice. Line manager training. Retention. Diversity, equality and inclusion training.	Service, innovation and digital leadership. Environmental and Product stewardship.	M&A. Policies, governance, environmental and social performance. Gender Pay Gap Report. Shareholder consultations and disclosure.	Local and global community and charity activities. Response to natural disasters.	Response to supplier audits including actions. Supplier standard and code of conduct.	Eco-friendly products – e.g. Lumnia, PestConnect, and refurbishment of plastic products.	Apprenticeships, graduates and training. vector control activities. Implementation of GDPR guidelines.	Support for GFSI and BRC partnership. Product stewardship and innovation.

Governance

Materiality

The Company considers the materiality of its Responsible Business 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 our Your Voice Counts employee survey; and reviewing questions received from socially responsible investment third parties.

Our materiality matrix was reviewed in light of the divestment of major workwear facilities in European countries (excluding France), and the increasing digitalisation of the business operations. The chart showing the priorities of greatest potential importance to our stakeholders is shown to the right.



Stakeholders	Impacts
Colleagues	Health and safety (A) Colleague training & development (B) Colleague engagement (C) Employee retention (D) Diversity, equality and inclusion (E)
Customers	Service delivery and Customer Retention (F) Product stewardship (G) Digitalisation (efficiency and service differentiation) (H) Innovation (product and service) (I)
Supply chain	Responsible consumption and production (J) Local sourcing (K) Supplier Audits (L)
Environment	Resource management (M) Climate change action (N) Sustainable services (O) Route management (density, vehicles) (P) Waste management (Q)
Community	Colleague volunteering (R) Community investment and partnerships (S)
Governance	Code of conduct (T) Policy Influence / Trade Association (U) M&A Integration (bolt-ons) (V) Cyber Security / Data Privacy (W) Brand Reputation (X)

Policy framework

Rentokil Initial has a robust policy framework.

For each area of Responsible Business practice, the Company has a framework of policies including:

- Health and safety
- Environmental management
- People matters
- Human Rights
- Modern Slavery
- Supplier Code
- Relationships with customers and suppliers
- Community involvement
- External affairs and political lobbying

Our key policies are available on the Company's website:

Responsible delivery policies

They are reviewed periodically to ensure they meet current best practice and legislative needs.

The cornerstone of this policy framework is the Code of Conduct, which is available both on our website and intranet and published in multiple languages. It articulates a commitment not just to comply with all applicable legal requirements but also with high standards of professional conduct. It outlines responsibilities to colleagues, customers, suppliers and communities as well as to the Company. It highlights our determination to embed our values of Service, Relationships and Teamwork and a culture of integrity across the Company. A Code of Conduct training programme helps to support new colleagues and includes regular refresher programmes for existing colleagues.

We also operate an annual Letter of Assurance process, which is 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. Details must be provided on any areas of non-compliance or uncertainty. The process is monitored by the Company's Group General Counsel, with a review of the process and a report being provided to the Company's Audit Committee each year and followed up with the Company's Internal Audit function.

In 2020, Rentokil Initial retained its membership of the Dow Jones Sustainability Index Europe for the 14th successive year, and also retained membership of STOXX ESG Leaders Index, CDP and FTSE4Good. These indices are of importance to the Company because they enable us to benchmark our performance in this area against other business services companies, as well as reinforcing the importance of the elements assessed.

Modern Slavery

Rentokil Initial's statement on its approach for the avoidance of Modern Slavery is published on its website. This covers its Global Procurement operations and major local suppliers:

Modern Slavery Statement

Gender pay gap

We continue to have no material gender pay gap between men and women. The Company publishes its Gender Pay Reports for UK colleagues online:

Gender Pay Gap Report

+15.5%

2020 UK average gender pay gap

-11%

Hourly pay mean average in Rentokil Initial

Rentokil Initial gender pay gap	2020	2019	2018	2017
RI hourly pay mean (average)	-11%	-6%	-2%	0%
RI hourly pay median	-3%	-2%	1%	-2%
UK average	15.5%	17.3%	17.8%	18.4%

Adhering to policies

Adherence to our policy framework is monitored through a number of methods, including tracking completion of mandatory training modules (including the Code of Conduct) on our U+ platform, through monitoring of key targets and KPIs and through the Company's Internal Audit team.

The Audit Committee also receives regular reports of matters reported via Speak Up, our internal whistleblowing process, as well as reports on the effectiveness of internal controls and any control failures. The number of Speak Ups in 2020 was 45. This is a decrease from previous years (2019: 65). The nature of the matters reported remains consistent with previous years. All Speak Ups are investigated and the majority of these relate to routine employee and employment matters.

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.

In order to reinforce policy adherence, mandatory core compliance training for all colleagues is undertaken by online U+ training modules in the following:

- Code of Conduct
- Preventing bribery and corruption
- Preventing anti-competitive practices
- Conflicts of interest
- Securing Information and protecting privacy

Online training modules are also provided on modern slavery, preventing the facilitation of tax evasion and money laundering, data privacy, Human Rights and preventing insider trading, as well as many other topics from safety to HR process adherence.

Rentokil Initial has implemented a Group Global Data Protection Policy that underpins its approach to data protection. This states the principles all businesses globally are expected to apply in data processing operational controls.

Technical Standards

Our Technical Standards (Pink Notes) are a key part of the governance of our business. In 2020, we strengthened these standards to cover all business categories. We also introduced a training programme on U+ for Pink Note awareness which was translated into 37 languages and is mandatory for all colleagues. The Audit Committee has Board oversight on our technical standards, including fumigation. In 2020, we also introduced a new Pink Note covering Disinfection services, which governed the launch of three levels of COVID-19 Disinfection service in 60 countries in around four weeks.

Integrity

Rentokil Initial has a range of tools to provide assurance of the integrity with which it operates. The key tools include:

- The Code of Conduct, where new employees are mandated to receive training in it, and levels of training for this and for the other mandatory compliance topics are monitored monthly
- Reporting on internal control breaches, whistleblowing reports and the strength of the internal control framework to the Audit Committee of the Board by the Director of Internal Audit at least three times a year
- Quarterly litigation reporting to the Group Executive and Board, which includes claims assessed not only by monetary value but category of exposure including allegations of fraud, criminal conduct etc
- Supplier Code and activities in the supply chain including Modern Slavery
- Annual Letter of Assurance process (see page 63)

Together, the above tools are considered to constitute a robust framework to deliver high levels of professional integrity across the organisation. However, additional reassurance can also be deduced by the organisation's reaction in practice to issues where short-term commercial incentives and professional integrity could be perceived to be in conflict.

In recent years, there have been several situations where Rentokil Initial employees instinctively did the right thing in difficult circumstances. For example, a M&A transaction in the Middle East considered a high priority was cancelled at a very advanced stage when potential inappropriate payments by the target business came to light; a customer in Latin America had their contract terminated by Rentokil Initial when they refused to implement the necessary safety steps to ensure our people could operate safely; a supplier in Malaysia returned passports to some of their workers after Rentokil Initial intervened, based on potential modern slavery concerns, and excessive overtime issues were addressed with suppliers in China and Malaysia following audits in 2019; a customer contract in Latin America

was terminated by colleagues after the customer refused to address safety issues at their site; following gaps in record-keeping practice around fumigation which emerged following a regulatory investigation in a branch in Australia, local management proactively revoked their licence to fumigate in several other branches so that full compliance could be assured before successfully reapplying for those licences.

Rentokil Initial continues to focus on ensuring the framework and tools are in place and operating robustly to deliver the target level of professional services while operating with the utmost professional integrity and, while never complacent, notes that the above examples provide an additional demonstration of how integrity is delivered and working not only by design but also in practice and in radically different operational environments around the world.

There have been no monetary losses in 2020 as a result of legal proceedings associated with professional integrity.

Data security & privacy

Information security

Like all organisations, the scale and complexity of cyber-attacks against the business continues to increase and we continue to identify, monitor and mitigate the risk this presents. During 2020, we moved over 8,500 colleagues to work from home as part of the business continuity response to the global pandemic which included the expansion of existing remote access services and investments in security tools and technology specifically to enhance security for home workers.

We continue to invest in IT security ensuring that the security posture of systems and services is maintained at an appropriate level, and continually monitored and improved.

Penetration testing exercises were undertaken to test our detection and response capability.

An information security awareness programme is helping to reduce security incidents and improve awareness. In 2020, this included phishing simulation exercises (involving over 15,000 colleagues in critical user functions with over 57,000 simulation emails sent in a series of campaigns), workshops

and online training packages. Improvements to our email security capability were also implemented to enable users to identify high risk emails and improve technical resilience to phishing attacks. We also monitor external ratings using the Assessment of Business Cyber Risk framework provided by the US Chamber of Commerce and benchmark our cyber security where possible. We assess our performance against the National Institute of Standards and Technology (NIST) and align our policy framework and processes with ISO 27001 for information security. We want to do the right thing to ensure that our business and our customers can operate securely and safely.

Data protection

Rentokil Initial has implemented a Group Global Data Protection Policy that underpins its approach to data protection. This states the principles all businesses globally are expected to apply in data processing operational controls. The business globally requires use of a data protection tool provided by Onetrust to manage records of data processing, privacy impact assessments, data subject

rights, consent management, cookie management and breach management.

Our global approach to data protection is aligned with the principles of the EU General Data Protection Regulation namely:

Lawfulness, fairness and transparency

As a global business we endeavour to ensure that personal data is processed lawfully, fairly and in a transparent manner that takes into account the rights of individuals as ‘data subjects’, whose personal data we process whether customers, employees or any others. We provide all individuals / data subjects with access to notices in multiple languages to provide transparency about how we manage personal data.

Purpose limitation

As part of our global compliance programme, we require all businesses to complete records of their processing activities. This requires process owners to have identified a specific purpose for processing that should be communicated in any privacy notices – public ones directed at customers, potential customers, suppliers, etc and those directed at potential employees / existing

employees. Where any records of processing are created, we require an applicable lawful basis for processing, e.g. consent, contract or as otherwise applicable. For the purposes of transparency we have created records for over 75% of the countries we operate in globally and there is ongoing work to complete this data inventory exercise. We currently hold over 2,000 records of processing activities and anticipate that this may increase to 3,000 as the programme develops and matures.

Data minimisation

We have a network of over 100 local privacy officers / champions globally who supplement our dedicated expert resources and are encouraged to review the personal data processed to ensure we don’t process unnecessary data.

Accuracy

As a business we recognise that data has limited value if it is inaccurate and not updated. Improvements to our data quality are under regular review.

Storage limitation

We have a Document and Data Retention Policy which provides clarity on data retention and deletion requirements. Steps are being taken to improve compliance in this area globally in recognition of its importance as a compliance requirement.

Security, integrity and confidentiality

Our Global Data Protection Policy highlights the importance of applying appropriate security measures and ensuring any third parties we use to process personal data on our behalf apply appropriate security measures.

Data subject rights and access requests

We are able to manage data subject to requests for access, deletion, ‘do not sell data’, etc via our Onetrust privacy compliance tool and have effectively responded to all the requests received by the privacy team.

Transfers and data sharing

Any overseas transfers of personal data within group companies is subject to contractual arrangements based on EU approved Standard Model Clauses.

We seek to include appropriate contract terms and controls based on assessments of EU / UK adequacy conditions or otherwise.

Data breach reporting

We have data breach notification guidelines that require attention and escalation at the earliest opportunity to the privacy team. Breaches can be reported directly to the team, via a self-service tool on the business intranet or via the IT reporting route. It is recognised that measures are required to raise awareness globally of breach management as knowledge / understanding in certain countries is in need of improvement.

Training and audit

Data protection training has been made available in 38 different languages to all staff. Completion rates do still vary somewhat but this is being pushed to improve engagement. The data protection programme is being reviewed globally by the internal audit team based on the Company’s core principles as aligned with the EU General Data Protection Regulation, and data protection forms part of internal audit reviews of operational business and functional teams (especially HR, marketing and IT).

Our privacy process lifecycle

We have an ongoing privacy process lifecycle as follows:

- Privacy Impact Assessments
- Creation of Records of Processing – which may require additional Data Protection Impact Assessments and Legitimate Interest Assessments
- Review of Records – ensure appropriate ownership, check details, validate lawful basis, identify risks and provide risk mitigation guidance
- Annual review and maintenance of records
- Review of privacy notices based on updates / changes to processing activities

It must be noted that we are at different stages of maturity and implementation of governance in the countries we operate in. Our baseline is to have a data inventory for all countries, to ensure most employees have completed training and have acknowledged applicable local employee privacy notices. Public facing privacy notices are available globally to the public – although it is acknowledged that additional languages would be beneficial and that routine updates are challenging given the size of the business globally, and the number of new businesses we acquire each year which need to be integrated into our compliance programme.

Data breaches have been captured and managed since 2018 using a privacy compliance tool from Onetrust (the most widely used platform to operationalise privacy, security & data governance). The business manages breaches as per the requirements of the EU General Data Protection Regulation or as per applicable local legislation.

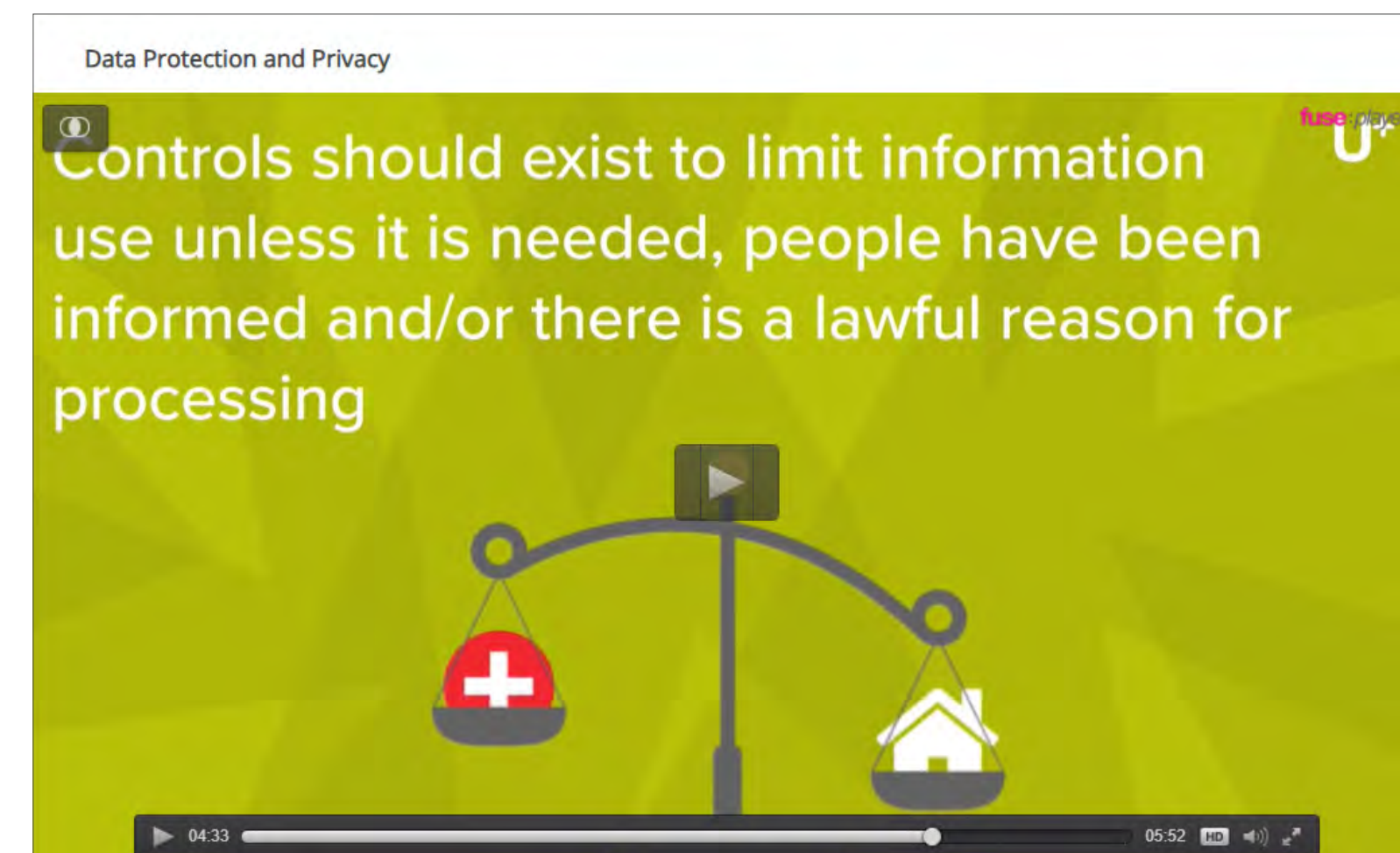
As per the Sustainability Accounting Standards Board requirements a data breach is defined as “the unauthorised movement or disclosure of sensitive information to a party, usually outside the organisation, that is not authorised to have or see the information.”

1) Number of data breaches

- There have been limited data breaches within the organisation globally. Only three incidents have been reported to regulators – two in the UK and one in Ireland. These were in relation to different breaches. No further action was taken by the regulators as the businesses satisfied the regulators that appropriate measures and mitigation had been taken
- UK reported breaches: One breach related to an office break-in where ‘old’ laptops without security / passwords had been stolen from the premises. The other breach was related to a system configuration incident where customer details were shared accidentally with some other customers. All impacted customers were notified and errors rectified



- Irish reported breach: This incident related to a misdirected email sent to employees internally – no customer data was involved
- 2) % involving customers’ confidential business information
- Two out of three reported breaches involved customer data. All impacted customers were identified – less than 1,000 – they were notified and corrective action taken



Supplier management

Overview

The supply of products to our global businesses is managed through the Operations Excellence Team, which includes Supply Chain, Logistics and Group Procurement. The annual spend for all significant suppliers is tracked by category, purchasing business unit and country of manufacture. Suppliers are classified as Critical, Major and Local for the purposes of audit, compliance and management control.

- **Critical Suppliers (31 suppliers in 2020, 12% of direct spend)** supply unique products to multiple company markets or requiring a long lead time to substitution if required
- **Major Suppliers (129 suppliers, 60% of spend)** have a significant proportion of spend in a single country (over £0.5 million) or region and / or suppliers of generic products that can be substituted at short notice
- **Minor Local Suppliers (c.3,000 suppliers, 21% of spend)** – represent the majority of suppliers in number, but a lower proportion of the category spend

The major spend in Rentokil Pest Control is on rodenticides, insect control equipment and other products used to control the multiple varieties of pests 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.

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.

Suppliers are classified as Critical, Major and Local for the purposes of audit, compliance and management control.

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.

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.

Sustainable suppliers

The Company's supply strategy is focused on sustainability, and in ensuring that our suppliers share our values and commitments to high Environment, Sustainability and Governance (ESG) standards. Our Supplier Code is available in 17 languages on our website. See link below.

[Our Supplier Code](#)

All critical and major local suppliers have received and confirmed their understanding of the Code since its first publication three years ago.

In all sourcing decisions, compliance with Rentokil Initial ESG 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. From 2021, all new suppliers must demonstrate their commitment to Environmental improvements through compliance to global standards such as ISO 14001 or globally accepted environmental accreditations such as Ecovadis or Sedex.

The Company's supply chain transportation footprint from product suppliers through warehouses to branches, and to end-user technicians and customers is continually reviewed to ensure that the most efficient supply route from supplier to end-customer is employed.

Our strategy is to develop long-standing collaborative relationships with suppliers as strategic partners. We encourage and reward longer-term global and local partnerships, consolidating the sourcing of products wherever possible to maximise the procurement, supply chain and synergies and minimise the environmental footprint. Having a closer relationship with fewer suppliers minimises the potential for non-compliance and provides volume opportunities for preferred suppliers.

Global logistics management plays a key role in building and maintaining a sustainable supply chain.

The Company's supply chain transportation footprint from product suppliers through warehouses to branches, and to end-user technicians and customers is continually reviewed to ensure that the most efficient supply route from supplier to end-customer is employed. Shipping volumes are consolidated at the optimum location to provide the optimum service level at the lowest cost and environmental impact. Shipments are made directly from the supplier to the country warehouse or branch where volumes allow.

From 2021, the environmental impact of sourcing options is included in the criteria for the evaluation of alternatives for global supply of products.



Supplier audits

Once the supply relationship has been established, suppliers are audited on a prescribed frequency based on their performance trend and level of risk. The audit cycle is set between one and four years based on the level of perceived risk, including previous audit results, product criticality, supplier reliability, management capability and country of manufacture.

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. Where the non-compliance relates to corporate social responsibility, 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.

🔗 Audit procedures include site inspections, interviews with management and employees, and subsequent corrective action plans for suppliers. 🔗

Audits of critical and major suppliers are conducted by a Product Quality Manager against the Rentokil Initial Supplier Management Standard (reissued in 2019), which specifies the required standards of product quality, regulatory compliance, factory management and delivery performance as well as adherence to environmental, social and governance standards. The audits start with two sections which focus on Responsible Business: (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.

Modern slavery

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. The operations within these countries need to have particularly high levels of scrutiny of subcontracted 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.

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

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%	2.0	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 Republic	0.8%	4.0	Medium
		Other	0.6%		Low
Global	N / A	SC Warehousing	1.8%		Low
		Unclassified	0.9%		Low

Audits during COVID-19

Due to the pandemic in 2020, only three of the 22 physical 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 are being 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 elsewhere in this Report, 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.

Large quantities of PPE (coveralls, facemasks, filters and gloves) were purchased to keep our colleagues safe as they provided services to customers.

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 last year, in 2020 there were some minor concerns of excessive overtime above the government's 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.

We recognise the extremely complex nature of modern slavery and we will continue to monitor our operational practices. Key actions in 2021 will include:

1. Further investigation into suppliers of services in the high-risk indirect procurement categories such as cleaning, haulage and security to ensure compliance
2. Provision of free training to suppliers using an online training module that is specifically tailored to suppliers to Rentokil Initial
3. Ongoing review and discussion with procurement managers from all major countries during the quarterly global procurement team calls during 2021; and
4. Further roll-out of the online training module across the Company

For full details see our Modern Slavery Statement 2020:

[Modern Slavery Statement](#)

