



Protecting People. Enhancing Lives.

# **Modern Slavery Statement**

1 January 2020 - 31 December 2020

Rentokil Initial Pty Limited ACN 000 034 597

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## **Modern Slavery Statement (1 January 2020 - 31 December 2020)**

**Rentokil Initial Pty Limited ACN 000 034 597**

*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 noncompliance.*

*These principles can be found at [www.rentokil-initial.com/responsible-delivery/policies](http://www.rentokil-initial.com/responsible-delivery/policies), and are further detailed later in this report.*

### **Mandatory Criteria One and Two:**

#### **Identify the reporting entity and describe its structure, operations and supply chains**

Rentokil Initial Pty Limited (**Rentokil Initial**) is a company incorporated in Australia with its registered business address at Unit A1, 3-29 Birnie Ave, Lidcombe NSW 2141.

Rentokil Initial delivers pest control, hygiene and interior plantscaping services throughout Australia, with branches in each State and Territory capital city.

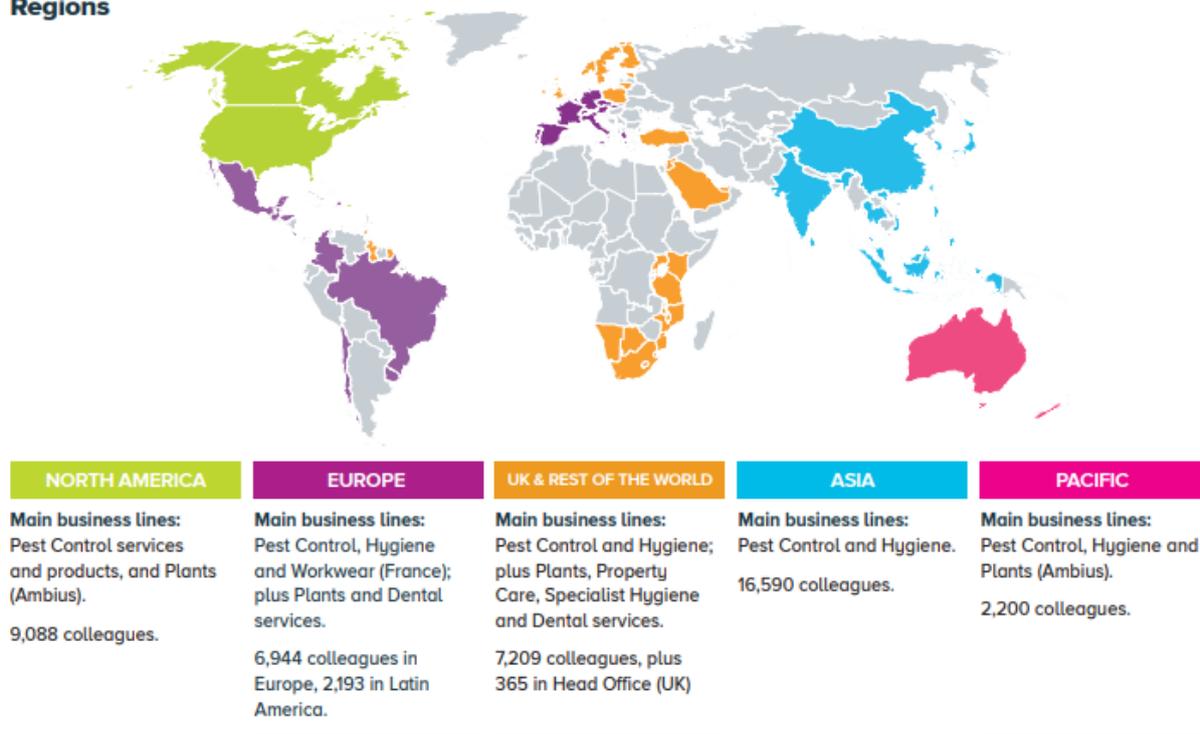
Rentokil Initial has three business divisions and operates under several business names, the key ones being 'Rentokil Pest Control', 'Initial Hygiene' and 'Ambius'.

Rentokil Initial is part of the Rentokil Initial Group (**Group**), and our ultimate parent company is Rentokil Initial plc. Rentokil Initial plc has its head office in the United Kingdom.

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

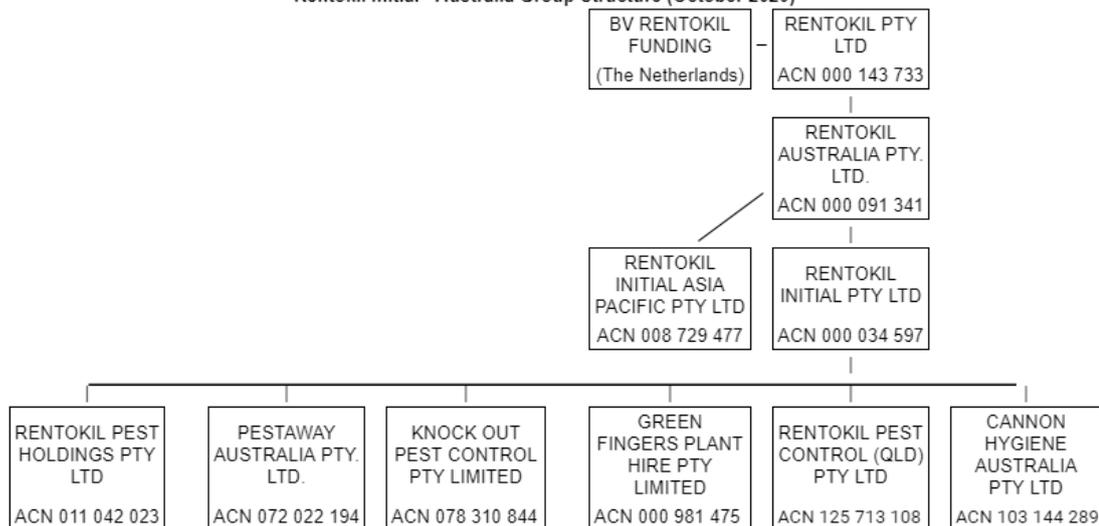
The Group operates in the following countries worldwide:

## Regions



Rentokil Initial's corporate structure in Australia as at October 2020 is:

Rentokil Initial - Australia Group Structure (October 2020)



We have an annual consolidated revenue of over \$250 million.

Rentokil Initial owns and controls the following companies in Australia:

1. Rentokil Pest Holdings Pty Ltd (no longer trading);
2. Pestaway Australia Pty Ltd - pest control;
3. Knock Out Pest Control Pty Limited - pest control;
4. Green Fingers Plant Hire Pty Limited (no longer trading);
5. Rentokil Pest Control (QLD) Pty Limited - pest control; and

6. Cannon Hygiene Australia Pty Limited - hygiene services.

In 2020, Rentokil Initial traded with 335 suppliers for goods and services which made up 98% of the \$84 million total procurement spend. The top 60 suppliers account for over 80% of the spend.

For core areas of supply, Rentokil Initial has established long term partnerships and supply arrangements to ensure quality and consistency of supply. For the most part, our hardware suppliers are managed by our parent company Rentokil Initial plc or Rentokil Initial Asia who have a dedicated procurement and quality team with a focus on supplier selection based on due diligence and quality audits (including Modern Slavery Risks).

Of our top 60 suppliers in 2020, approximately 89% are based in Australia and of that spend, 44% of materials and services were sourced from within Australia.

Supplier Location	Spend	% of spend
Australia	59,662,915	89%
Malaysia	2,241,725	3%
United Kingdom	2,176,528	3%
USA	936,673	1%
China	655,250	1%
Singapore	653,412	1%
Ireland	413,351	1%
Netherlands	370,954	1%
New Zealand	257,040	0.4%
Top 80 % spend	67,367,848	

For our top 60 suppliers, we have identified the main source countries for the goods and services they provide us as follows:

Main Source Country	Spend	% of spend
Australia	24,657,448	37%
Mixed Supply**	12,116,404	18%
China	10,112,418	15%
Japan	3,675,916	5%
Korea	3,530,410	5%
Australia + Mixed*	2,685,477	4%
Malaysia	370,954	1%
New Zealand	2,762,542	4%
UK	1,350,024	2%

USA	2,034,970	3%
Netherlands	370,954	1%

\*Australia + Mixed identifies supplier where a significant portion of the manufacturing is happening locally but raw materials are imported from various locations

\*\*Mixed Supply refers to Australian based distributors who supply a large number items from a large range of countries.

### Rentokil Initial's supply chain

The supply of products is managed through the Australian Procurement Manager, who reviews the annual spend for major businesses and tracks suppliers by category, country of manufacture and annual spend.

Rentokil Initial plc has two in-house factories in the UK which manufacture hardware and consumable products. Rentokil Initial purchased rodenticides from one of these in-house factories in Kirkby, UK.

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 in Australia. These are mainly sourced through global chemical supply companies who have stringent quality and ethical approaches.

Rentokil Initial purchases 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 (through the Group's head office in the UK) 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. Sourcing of paper products is from certificated suppliers in the Pacific region.

Under Ambius, plants are sourced in Australia and pots are sourced from Asia and Europe. Eco pebbles are imported from China and are made from recycled electronic components.

### **Mandatory Criterion Three:**

#### **Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls**

The majority of revenues earned by our business is through route-based service activities carried out by full-time employees of Rentokil Initial 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 Rentokil Initial’s own dedicated supply chain from suppliers who are robustly vetted before being commissioned, and regularly thereafter on a risk-based frequency. The Group Risk Committee have concluded that the risk of modern slavery occurring in our immediate lines-of-business is low, but that we must not 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 Rentokil Initial’s suppliers 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 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. For Rentokil Initial, we have measured the level of risk in each country of manufacture against the percentage spend with suppliers in that country:

Main Country	Source % of spend	Estimated prevalence (victims per 1,000 population)*	Risk Classification
Australia	36.60%	0.6	Low
China	15.01%	2.8	Medium
Japan	5.46%	0.3	Low
Korea	5.24%	1.9	Low
Malaysia	3.33%	6.9	High
New Zealand	4.10%	0.6	Low
UK	3.84%	2.1	Low
USA	3.02%	1.3	Low
Netherlands	0.55%	1.8	Low

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

Rentokil Initial does not purchase any products or services from any suppliers or sub-suppliers in the Xinjiang province in China, which has been specifically identified as a very high-risk area for modern slavery.

The Group's Asian based Quality and Assurance audit team have audited and visited the 3 suppliers manufacturing in Malaysia, which has the highest prevalence of modern slavery of any of the countries identified in the top 80% of our spend (according to the Global Slavery Index 2018). In 2021, the Group aims for all our suppliers with China as the main source location to also be audited.

#### **Mandatory Criterion Four:**

**Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes**

#### **Due diligence processes in relation to supplier management**

We have in place systems to:

- Identify and assess potential risk areas in our supply chains.
- Mitigate the risk of slavery occurring in our supply chains.
- Monitor potential risk areas in our supply chains.
- Protect whistleblowers.

In all sourcing decisions, compliance with the Group's 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.

As part of our initiative to identify modern slavery and mitigate associated risks in our business and supply chain, we participate in 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 Rentokil Initial 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 Group Chief Executive and the Group'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.

### **Standard Procedures for audits**

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 where necessary. Audited suppliers receive a "Corrective Action Plan" within two days of the audit and must return an initial response to the plan 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.

However, in 2020 our efforts to conduct audits of Australian suppliers were hindered by COVID-19. Travel restrictions and social distancing limited our ability to conduct in person audits of our suppliers. Instead we focussed on online supplier questionnaires to check on CSR and modern slavery. From the 117 responses received on the questionnaire, no risks associated with Modern Slavery were identified. From the responses, we were able to identify the supplier's Tier 1 supplier locations and based on this information, we were working with our Asia Quality Assurance team to identify further audit requirements on these suppliers.

### **Our policies on modern slavery**

We are committed to ensuring that there is no modern slavery in our supply chains or in any part of our business. Our Anti-slavery Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to that effect.

Policies in relation to slavery and human trafficking are in line with the law in Australia. Our employees also operate under a number of policies to ensure a high standard of social responsibility, governance and ethical compliance as set out in the Code of Conduct. All policies are available internally on the Group's intranet with key policies also placed on Rentokil Initial's website.

## **Code of Conduct**

The Group's Code of Conduct and Supplier Code of Conduct (the Codes) have been designed to help Rentokil Initial achieve its responsibilities and 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 Codes outline responsibilities to colleagues, customers and to Rentokil Initial. It highlights our determination to embed our values of service, relationships and teamwork and a culture of integrity across the Group.

The Codes are accompanied by an online training programme. This is a compulsory training requirement for all new colleagues. In the Human Rights section of the Codes, 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 Rentokil Initial, to facilitate their employment.

In Australia we provided online training to employees classified as senior management (Work Level 3 or above). 91% of these employees have completed the online training module, and we plan to roll this out to more employees in 2021 and have a target of 100% completion for Work Level 3 and above, by December 2021.

Links to the Group's Codes are below:

Rentokil Initial Code of Conduct

<https://www.rentokil-initial.com/responsible-delivery/code-of-conduct.aspx>

Rentokil Initial Supplier Code

<https://www.rentokil-initial.com/responsible-delivery/ri-supplier-code-of-conduct.aspx>

Policies in addition to the Code of Conduct

Rentokil Initial 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; and
- e) Supplier Management Standard.

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

### **Modern Slavery Awareness training during 2020**

The Australian procurement manager received follow-up training on the key aspects of modern slavery during the Global Procurement Conference which was held online due to Covid-19 restrictions in March 2020.

### **Global Procurement Calls**

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, which was attended by the Australian Procurement Manager.

### **Supplier Agreements -Terms & Conditions**

Rentokil Initial updated our supplier agreements to include clauses to address modern slavery.

### **Reported incidences of Modern Slavery in Australia during 2020**

There were no reported incidences of Modern Slavery in 2020 within Rentokil Initial.

The Audit Committee also receives a regular report of matters reported via Speak Up. There were no Speak Up incidents reported in Australia in 2020.

### **Mandatory Criterion Five:**

#### **Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks**

Rentokil Initial manages modern slavery risks in our organisation by maintaining consistent and high standards of due diligence and risk mitigation processes to monitor for and avoid modern slavery in all environments in which we operate in, regardless of whether the environment or the suppliers with whom we work are more or less vulnerable to modern slavery.

### **Further steps and remediation**

Following a review of the effectiveness of the steps we have taken in the 2020 calendar year to ensure that there is no modern slavery in our supply chains we intend to take the following further remedial steps to combat modern slavery in our operations and supply chain for 2021:

1. Further investigation into suppliers of services in the high-risk indirect procurement categories such as cleaning and apparel 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. The Australian Procurement Manager will participate in the quarterly global procurement team calls during 2021 where there will be ongoing review and discussions around modern slavery;
4. Rolling out online modern slavery training to more employees in Australia. This is being deployed by the Group's online training platform called Uplus which is accessible to all the Group's employees.

**Mandatory Criterion Six:**

**Describe the process of consultation with any entities the reporting entity owns or controls**

All other entities owned by Rentokil Initial are managed by the same board of directors, and follow policies set by the Group or locally by Rentokil Initial.

The directors for Rentokil Initial and each subsidiary are aware of the responsibilities under the Modern Slavery Act.

This Statement was reviewed by the Board of Rentokil Initial, which has governance over all subsidiary companies.

This Statement was approved by the Board of Rentokil Initial on 29 June 2021. The Board appointed Andrew Stone (Managing Director) to sign the Statement.



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Andrew Stone  
Date 29 June 2021