

# Fostering a diverse and inclusive culture

**A key strategic aim of the Company is to be recognised as a world-class employer of choice that is able to attract, recruit and retain the best people from the widest possible pool of talent.**

Therefore, we are committed to creating a diverse and inclusive working environment for all employees by striving to be an organisation that values everyone's talents and abilities and where diversity is encouraged.

We want our workforce to reflect the diverse nature of the business environment and markets in which we operate and the customers that we serve. As a Company, we strongly believe that a more diverse and inclusive workforce will boost our financial performance, enhance our reputation, foster innovation and increase colleague engagement.

In 2017 we revised both our Board Diversity Policy and Group Diversity & Inclusion Policy to ensure an even greater focus on this area and to drive the right actions to deliver improvements on diversity and inclusion in all forms.

To that end, the Company has implemented a number of actions and initiatives over the last three years to promote and foster greater diversity levels, which will ultimately lead to stronger business performance and create competitive advantage.

We are fully committed to meeting and maintaining the recommendations made in the final Davies Review and in the Hampton-Alexander Review on improving gender balance in FTSE leadership, as well as the recommendations made in the Parker Review to improve ethnic diversity on the boards of UK listed companies. At the same time, we do not view achieving targets or quotas as an end in themselves - our approach is to make sustainable and measurable improvements over time.

Having strengthened our focus on diversity over the last three years, we are pleased to report that our continued progress in this area has seen us recognised as Britain's Most Admired Company 2019 for Diversity & Inclusion. Additionally, we have recently been recognised by the Financial Times as a 2020 Diversity Leader.

## Board and Senior Management Gender Diversity

Our Board Diversity Policy reaffirms our commitment to maintaining at least 33% female Board member representation by 2020, as set out in the recommendations of the Hampton-Alexander Review. Having first achieved this goal ahead of schedule in 2017, we have continued to make further progress, with our Board currently comprised of 43% women as shown in the chart below.

Alongside improvements in the female membership of our Board, the proportion of women in senior leadership positions across Rentokil Initial has also continued to improve over the last two years. For 2019, we have expanded the group of colleagues that we include in our definition of senior leadership to cover all direct reports (excluding secretarial staff) to the Executive Leadership Team, in line with the updated recommendations set out in the UK Corporate Governance Code. By including a broader group of managers in this definition, we believe we are able to take a more comprehensive and inclusive view of leadership gender diversity and thereby achieve further-reaching improvements.

Using our previous definition of senior leadership, the proportion of women in this group is at its highest ever level at 31%. Using our new wider definition, which we will use for future reporting, the proportion of women in this group is currently 28% and is expected to rise to 30% during the first half of 2020 due to a number of upcoming appointments.



	2016*		2017*		2018*		2019*	
	Total	% Female						
<b>Board</b>	10	25	10	33	10	33	7	43
<b>ELT</b>	10	10	10	10	10	10	13	8
<b>Senior Management</b>	77	24	79	27	74	74	118	28

\* As at December 31st of each year

\*\* For 2016-18 we define Senior Management as direct reports to the ELT, excluding colleagues in administrative and support roles. For 2019 we define Senior Management as all management direct reports to the ELT, excluding secretarial roles.

Our Executive Leadership Team (ETL) female representation has remained consistent over the past few years at 10%, due to minimal changes in the make-up of the ETL. The team was expanded during 2019 with the promotion of three functional directors (IT, M&A and Procurement) and therefore the % of female representation has reduced. However most ELT roles have a named near term internal successor, with a number of these successors being female.

Our progress on improving female representation in the most senior leadership roles in the Company saw us ranked in the Top 10 of all FTSE 100 companies in the most recent Hampton-Alexander review, with us placed 9th in 2019 - up from 32nd in 2018 and 46th in 2017.

Our Board Diversity Policy also sets out our commitment to working only with executive search firms who have signed up to The Enhanced Voluntary Code of Conduct for Executive Search Firms on gender diversity and best practice. We can confirm that all search firms retained by the Company during 2019 for Board and executive appointments have signed up to the enhanced code.

### Developing and Fostering Diverse Talent

Our improvements in the gender diversity of our senior management population have been underpinned by sustainable actions to develop diverse talent across the organisation.

In 2019, we established a mentoring programme for high-potential female colleagues from across the Company to support their career development, with women in the programme being paired with senior mentors from within and outside Rentokil Initial. We have also launched our online “Women in RI” community using our internal social media channels. Furthermore, we have continued to invest in and bolster our longer-term pipeline of female talent; for example our Corporate Graduate Scheme comprises over 50% women and our Fast Track talent programme for emerging talent comprises 40% female participants.

Our focus on developing our female talent has in 2019 seen us achieve an 8% year on year increase in the number of women identified in our succession plans for senior management roles. Further down the organisation, 35% of successors for leadership roles in our regional businesses and corporate functions are now women, ensuring we focus on developing and promoting female talent throughout the business and not just for our most senior positions. For example, in our UK business while women represent for 25% of total colleagues, in 2019 women accounted for 34% of all promotions.

We have also continued our focus on attracting and recruiting more women into front-line technician roles, holding “Women in RI” and “Women in Pest Control” events around the world during 2019 as part of International Women’s Day in March. The overall proportion of women in the Company has remained unchanged from 2018 at 25% and this will continue to be an area of focus for 2020. That said, the number of women in senior roles, succession plans and talent programmes continues to grow at a positively disproportionate level to this and this is recognised in the feedback received in our 2019 “Your Voice Counts” colleague engagement survey, where 96% of our colleagues stated they do not feel that we preclude men and women from having equal opportunities to succeed in this Company (+1%pt vs our 2017 result and +11%pts vs the Global Norm).

We also reported in 2019 that for the 2nd year running we have virtually no gender pay gap in our UK-based businesses.

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### Ethnic and Cultural Diversity

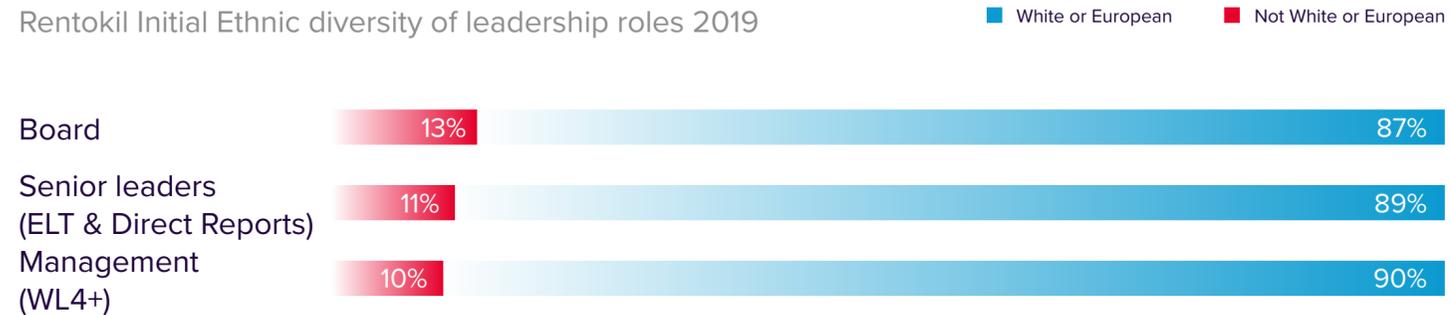
The Company has made progress during the last twelve months in response to the recommendations set out in the Parker Review and the proposals to increase the ethnic and cultural diversity of UK Boards. The review sets out aims for each FTSE 100 Board to have at least one director of colour by 2021.

To ensure improving the ethnic composition and diversity of both the Board and the Company more broadly remains an important priority for us going forward, in 2019 we updated our Board Diversity Policy to set out a specific objective to meet and maintain the aim to have at least one Board member who identifies as a “person of colour” by 2021. Alongside this, the policy has been amended to include a commitment to monitoring and reporting on the ethnicity of our Board and senior leadership population in our Annual Report.

In 2018 we achieved our aim to have at least one Board member who identifies as a “person of colour” ahead of schedule, and currently 13% of our Board members are defined as being from an ethnic minority background as per the definition set out in the Parker Review.

Furthermore, the Parker Review sets out that FTSE 100 businesses should develop mechanisms to identify, develop and promote people of colour within their organisations in order to ensure over time that there is a pipeline of Board capable candidates and their managerial and executive ranks appropriately reflect the importance of diversity to their organisation. We have started to track and report the ethnic diversity of our senior leadership population and currently 11% of this group are defined as being of an ethnicity that is not White or European. We can also report that 24% of the participants in our current global talent pools are defined as being of an ethnicity that is not White or European, building us a growing pipeline of future leaders from ethnically diverse backgrounds.

Rentokil Initial Ethnic diversity of leadership roles 2019



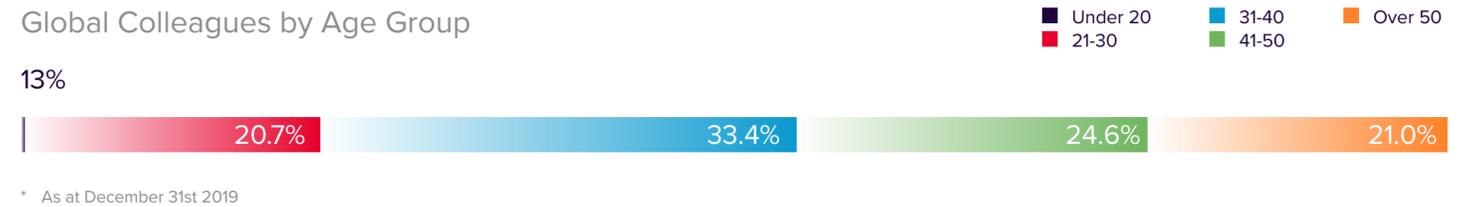
\* As at December 31st 2019

### Generations at Work

Colleagues aged 40 or under now represent over half (55%) of our global workforce and in 2019 for the first time millennials (colleagues born 1981-1996) became our largest age group.

We also have a number of programmes in place to support the development of our younger colleagues. We have a continued focus and track record for employing and developing apprentices and graduates, with over 400 apprentices and 100 graduates currently employed across our UK business and Corporate functions.

Global Colleagues by Age Group



\* As at December 31st 2019

To ensure we are seen as an employer of choice for Millennials, we are putting a number of focused actions in place in order that we are able to continue to attract, recruit and retain this growing segment of our workforce.

Similarly, our Fast Track talent programme is designed to accelerate the development of colleagues who are earlier in their careers. To date, 93% of the participants of this programme have been promoted to more senior roles since this programme was launched in 2017.

For example, a number of our frontline, support and management roles now offer increased opportunities for flexible working. In 2019, we have also further increased our use of internal and external social media channels for activities such as recruitment and internal communications and have begun to use tools such as video interviewing for selection. Going forward into 2020, our Leadership Development curriculum will include a focus on managing generational diversity.

Also through our digital learning platform “U+”, we are significantly increasing the use of video and mobile technology to support colleagues learning and development around the world. We delivered over 614,000 learning engagements delivered by video in 2019, an increase of 63% on 2018. Additionally, 32% of our learning engagements were delivered through a mobile phone in 2019, an increase of 27% compared to 2018.\*

\* See the Learning and Development section for more information on graduates, apprentices and our learning and development activities.