



TERMINIX®

2020

**Corporate
Sustainability
Report**

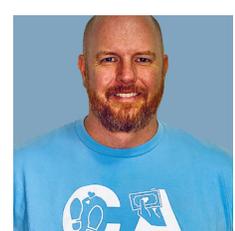
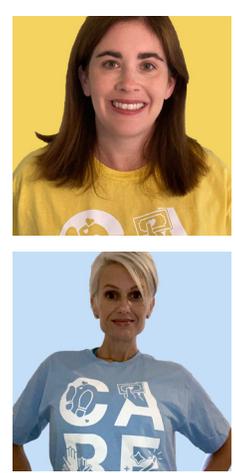
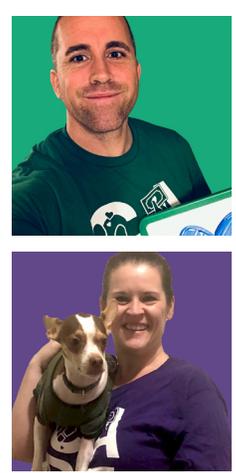
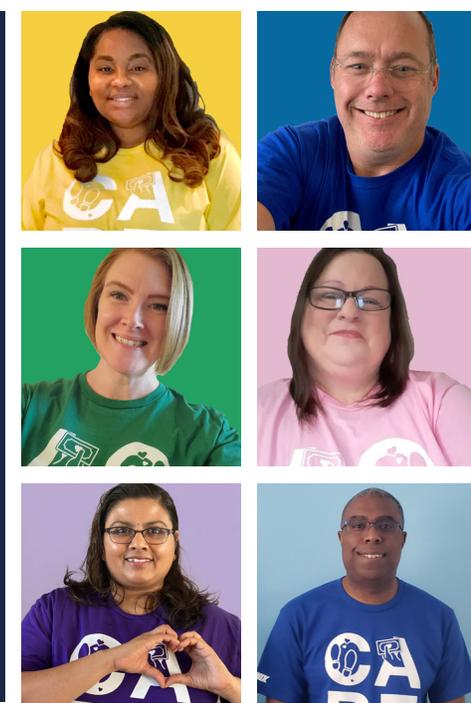


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Letter from our CEO



Dear Reader,

As a leading global pest management company serving more than 50,000 customers each day, we know building trust with society requires us to offer proof over time. We earn society's trust by providing essential services that protect public health and human safety, building a reputation for reliable best-in-class pest management services and maintaining long-term relationships with customers in our communities. We also earn trust because of the ways in which we operate, such as our responsible use of natural resources and living up to our high ethical business standards and equitable, inclusive corporate culture.

In 2020, we published the first sustainability report in several years to communicate how we incorporate environment, social and governance (ESG) commitments into the heart of our business. We take this responsibility very seriously. After all, we live and work in the same neighborhoods as our customers, who trust us with their homes and businesses every day. A healthy, sustainable environment is just one Terminix commitment that benefits us all.

With our corporate responsibilities top of mind, I'm also proud of Terminix's proactive leadership during the global pandemic. To name a few examples, we collaborated with local municipalities, healthcare facilities, food safety and supply chain organizations to address their concerns. We enacted new safety protocols to ensure our technicians could continue to safely provide our essential services. We began offering our Disinfectix™ service to take care of commercial and residential customers at a time when pest management was not their first priority. We showed compassion by enhancing our paid time off policies so that any employee affected by the coronavirus could take the time they needed to take care of themselves and their loved ones.

We also boosted teammate retention by 20 percent in 2020, due to continued investments in the recruitment, onboarding and training of our teammates. For 2021, we intend to improve training options and better define career paths to support career development by establishing a Terminix University learning management platform to enhance training opportunities. Eventually, our university will include live, self-guided, virtual and on-the-job training.

Our usage of natural resources dropped dramatically this past year. We lowered our greenhouse gas emissions, water usage and wastewater generation. But this is not all we are doing. In 2021, we plan to boost our fleet's sustainability efforts by transitioning 400 of our current sales

vehicles to hybrid vehicles, and to convert the rest of our sales fleet to hybrids in subsequent years. Reducing emissions and fuel consumption will not only lower carbon emissions, it will have a direct impact on our operating costs.

We take our role as an environmental leader seriously, and our frontline has the same commitment. They receive on-the-job training to advance their skills and expertise, which can range from safety training to earning a certification to administer GreenPro services that minimize pesticide exposure to humans, non-target animals and the environment. The COVID-19 pandemic made us think about our services in different ways. Our Terminix UK team went so far as to develop the HomeBox to more safely deliver professional pest control to socially distancing homeowners during the pandemic. Technicians would speak by phone with residents to diagnose their rodent, cockroach and/or ant issues. The HomeBox, complete with pest control equipment, instructions and personal protective equipment would then be delivered and administered by the homeowner. Terminix technicians provided remote assistance via video call and returned to provide in-person services once pandemic restrictions were lifted.

Terminix is proud of its global workforce, which spans a diversity of nationalities, languages, cultural backgrounds, races, genders, ages, physical abilities and educational backgrounds. As a global company, it is especially important for Terminix to act in a way that creates and fosters an inclusive work environment – one that values the perspectives and contributions of all team members.

The events of 2020 also provided our company with a deeper empathy for people of color, especially when they disproportionately face issues of justice, housing and education – although these issues are relevant in every single one of our neighborhoods and communities. Our services business is centered around neighbors and neighborhoods. It's important that Terminix reflects the values and customers of our varied and diverse communities. We continue to emphasize the importance of fulfilling our diversity, equity and inclusion policies and practices to sustain our talent and businesses.

Our robust governance structure and guidelines, the experience and independence of seven out of eight of our directors, our stockholder engagement commitments and our focus on environmental and social issues demonstrate our dedication to enhancing stockholder value and long-term stakeholder relations. We also continue to make progress on the ethnic and gender diversity of our board of directors as disclosed in our 2021 proxy statement.

Our aspirations remain high for 2021. Sustainability is at the forefront of how we do our work and our commitment to customers, teammates, business partners and other stakeholders. As we look ahead, I'm confident in our ability to exceed expectations, continue to improve our ESG practices, and achieve our vision to be the preferred pest management provider in the eyes of our customers, teammates and communities.

Sincerely,



Brett T. Ponton
Chief Executive Officer

Our Values

Our values keep us on the path to build an incredible company for our customers, business partners, employees and other stakeholders. They guide not just what we do, but how we undertake our work.

Perseverance

Adapts and maintains effectiveness in the face of obstacles, ambiguity and change.

Passion

Demonstrates initiative, creativity and drive. Is willing to do what it takes to deliver an exceptional customer experience.

Accountability

Delivers on all commitments and takes responsibility for decisions, actions and results.

Integrity

Lives up to the trust others place in us through consistent honesty, reliability and transparency in all interactions.

Innovation

Challenges the status quo and generates creative solutions that achieve sustainable business results.

Humility

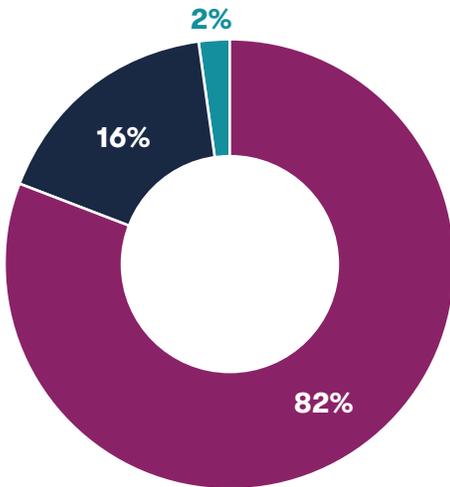
Respects and empowers others and maintains a humble demeanor. Is not afraid to admit what he or she doesn't understand and is comfortable sharing knowledge.

Teamwork

Collaborates and works effectively with others to achieve common goals and objectives.

Commitment to Our Teammates

Approximately 10,000 U.S. Teammates at Year-End 2020*



■ Male ■ Female ■ Undisclosed

*Does not include approximately 1,400 international employees.

Human Capital Management

As we deliver services in communities around the world, we recognize how important it is that our teammates reflect the values and customers of the communities we serve. In turn, that requires us to foster a safe, inclusive and equitable workplace that attracts and retains diverse and exceptional talent. How can we accomplish this goal? It all comes down to “human capital management” – our organizational practices related to hiring, managing, developing and rewarding our workforce. Terminix focuses its human capital management efforts on:

- Workplace health and safety
- Diversity, equity and inclusion
- Training and development
- Teammate retention
- Competitive compensation and benefits

Workplace Health and Safety

During the COVID-19 pandemic, the already-important issue of workplace health and safety became even more vital to our teammates and company. We made proactive changes to our protocols, policies and service offerings to preserve business continuity while ensuring the safety of our teammates, workplace visitors and customers. For example, we took immediate action after shelter in-place orders were announced by local and state governments to institute contact tracing, white-glove care for teammates who tested positive for the virus, and pay continuation programs for those affected either through exposure, illness or social impact, such as daycare closures. **Most importantly, we enhanced our personal protective equipment (PPE) protocols – in line with CDC guidance – to ensure our teammates' safety.** We also expanded or created our benefits programs to help meet new workplace needs, which included changes to our short-term disability program, stronger telemedicine and mental health benefits, as well as additional no-charge visits through our Employee Assistance Program. In addition, we expanded the Terminix Teammate Disaster Relief Fund to include the pandemic as an eligible cause to seek assistance.

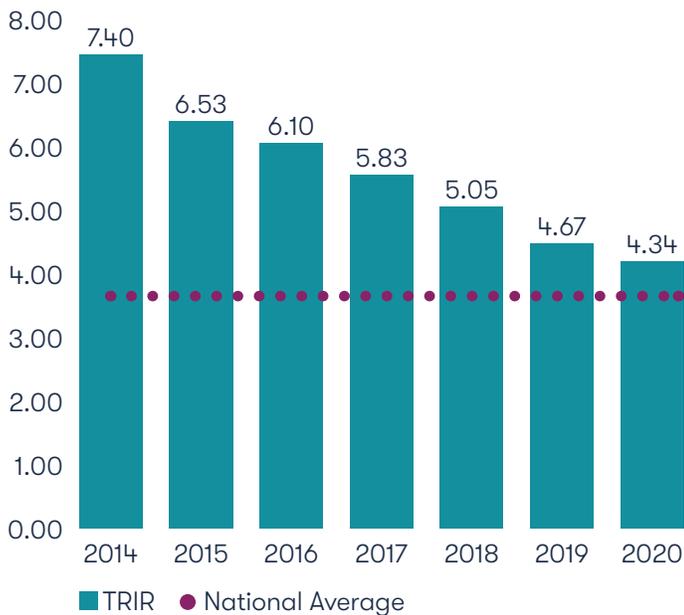
Response to COVID-19

- COVID-19 microsite, emails, texts
- Dedicated email inbox for general questions
- Enhanced use of personal protective equipment
- Positive Protocol Team
- Work from home support
- Contact tracing program
- Reduced eligibility requirements for short-term disability
- Doubled free services available through Employee Assistance Program
- Free telemedicine visits
- Pay continuation for COVID-19 exposures
- Benefits continuation and forgiveness

As a result of these actions, safety and risk control programs in place, and an ongoing focus on both continuous improvement and measurement, Terminix achieved the following in 2020:

Goal	2020 Achievements
Lower our total recordable injury rate (TRIR) to 2.0 or less by 2025	<ul style="list-style-type: none"> • Goal achieved by 36 percent of branches in 2020 • Overall TRIR declined to seven percent in 2020 compared to 2019
Reduce recordable safety incidents based on Occupational Safety and Health Administration (OSHA) standards	Lowered the number of incidents by nine percent compared to 2019
Improve driver safety	Reduced the number of collision incidents by 30 percent compared to 2019

Total Recordable Incident Rate



Our organization’s approach to safety is built around the belief that most incidents that lead to losses can be prevented through sound practices that make safety a daily routine. In addition, each Terminix teammate is empowered to stop and question any action that causes concern about their personal safety, the safety of others or the ability to safely deliver services. In 2020, we created the Executive Safety Committee to further advance safety by developing annual loss improvement plans, establishing performance goals, furthering employee engagement and monitoring and recognizing safety performance.

Additional initiatives to advance workplace safety include:

- **Trained drivers:** We provide a blend of computer-based and hands-on training to improve the professional driving skills of our teammates and require new hires to qualify as safe drivers.
- **Enhanced our driver safety program** by partnering with the National Safety Council in 2020 to promote safe driving behaviors.





- **Expanded use of a mobile phone app and hardware device,** which blocks mobile phone use while the vehicle is in motion (although hands-free calls may be received) and tracks behaviors to identify aggressive drivers who may be at greater risk for an accident. **Drivers who use this app are 2.5 times less likely to be involved in a collision.** In 2021, we are evaluating expansion of this program to standalone branches.
- **Piloted a “safety advocates” employee engagement program,** which trained “high potential” teammates at each branch to support, facilitate and coordinate core safety processes and communications. We plan to expand this program to all Terminix branches in 2021.
- **Advanced fleet safety:** Modern vehicle safety features and our preventative maintenance program have increased cycle time.

85 percent of teammates agree or strongly agree Terminix promotes safe work practices.¹

¹Source: 2020 Voice of the Employee survey

Business Resource Groups

1. The African American Business Resource Group
2. The Asian/Pacific Islanders Business Resource Group
3. The Hispanic Business Resource Group
4. The Limitless Business Resource Group
5. The PRIDE Alliance Business Resource Group
6. The Sustainability Business Resource Group
7. The Veterans Business Resource Group
8. The Women’s Business Resource Group
9. The Young Professionals Resource Group

(See Appendix B for more details.)

Diversity, Equity and Inclusion

Terminix is proud of its global workforce, which spans a diversity of nationalities, languages, cultural backgrounds, races, genders, ages, physical abilities and educational backgrounds. As a global company, it is especially important for Terminix to act in a way that creates and fosters an inclusive work environment – one that values the perspectives and contributions of all team members. Our diversity, equity and inclusion (DEI) approach seeks to create inclusion – a sense of belonging and feeling respected and valued for who we are as individuals – and equity or fairness in offering teammates equal access to opportunities and rewards. Read more about our DEI Council Mission, Strategy and Pillars of Support in Appendix A.

The DEI Council is one way we advance this mission. Any full-time Terminix teammate can apply or be nominated to serve on the council but must be a member of at least one Business Resource Group. Our Business Resource Groups (Appendix B) represent our teammates’ various cultures, ethnicities, backgrounds, interests and orientations. These groups promote awareness of diverse teammate perspectives and enable their members to develop important leadership skills, valuable experience and personal connections. In turn, the DEI Council promotes DEI throughout the company via teammate recognition, DEI communications and new initiatives to advance both awareness and best practices.

Diversity, Equity and Inclusion Go-Forward Strategy

Proposed Diversity, Equity and Inclusion Strategic Priorities

Priority 1

Build a diverse workforce at all levels

Priority 2

Enable an inclusive environment for all teammates

Priority 3

Partner with diverse suppliers and partners

Priority 4

Become an employer and pest provider of choice

**DIVERSITY,
EQUITY &
INCLUSION**
TERMINIX

Mission:

Foster actions that create an inclusive work environment that values the contributions and perspectives of all team members

Vision:

Support a workforce that builds and advocates for gender, race, age, language, cultural background, education, work experience, ethnicity, sexual orientation, physical ability, as well as the religious, and cultural views of the Terminix team members

Definition of key terms:

Diversity — the presence of differences: race, gender, age and disability (all the ways that make us different)

Equity — fairness in every situation (when equity exists, teammates have equal access to opportunities and rewards)

Inclusion — a sense of belonging (feeling respected, valued and seen for who we are as individuals)

Core Goal: Integrate inclusion and diversity in everything we do as a competitive advantage

DEI Council Mission

We commit to promoting and encouraging diversity, equity and inclusion in our respective teams and overall organization by valuing the range of perspectives, ideas and experiences that diversity provides. The mission of the DEI Council is to foster actions that create an inclusive work environment that values the contributions and perspectives of all team members. The goal of the DEI Council is to advance a workforce that builds and advocates for diversity in gender, race, age, language, cultural background, education, work experience, ethnicity, sexual orientation, physical ability, as well as the religious, and cultural views of members of this organization. The DEI Council is representative of Terminix team members chosen to advise the Terminix Leadership Team.

Responding to injustice and inequality in communities of color

Police brutality in the African-American community: Vigorous executive response; company-wide all-hands meeting; manager discussion guides and educational resources; nomination and selection of DEI Council members; and completed diversity training for executives and leaders, setting the stage for enterprise-wide diversity training.

In 2021, we are currently addressing the violence directed at the Asian-American community.



Teammate Story: Overcoming the Fears of Gender Transition

"I have been an employee of Terminix for over nine years, as an inspector and outside sales professional, working with the public. Unfortunately, I have an issue that I felt may destroy my career. After years of denial I finally accepted that I am transgender. I was terrified to tell anyone I worked with. Worried, will I lose my job? Will I become an outcast? The only thing more terrifying than those questions... was not being my true self.

I started by reaching out to the Pride Alliance Business Resource Group at Terminix to get their help. I had a response almost immediately. The reply was gracious, unbelievably supportive and helpful. They offered to put me in touch with others in the LGBTQ+ community within Terminix. I agreed to have another member of the Pride Alliance Business Resource Group reach out. This member was a manager who had come out himself as gay. After a supportive, positive conversation about my future plans and his experiences, I felt the confidence to move forward. The Pride Alliance Business Resource Group helped by contacting Human Resources, Culture, and Diversity teams within the company. They formed a team of allies that day to help me be successful. I let my branch manager know and asked him to be part of my team too. I would hope that anybody who has to go through this process in the future, would have a manager as understanding as he continues to be.

Together, we created a plan to let my entire branch know what was going on by the end of January, with the idea of a full transition from male to female in February, coinciding with my legal name and gender change. Each part of my team set up a successful playbook. They even worked overtime on the weekend to make sure my new name, uniform, work route, emails, payroll, gas cards, time off, health plans, company applications and more were in place.

My fellow employees have been outstanding. I was not sure if I was going to have a job by the end, but I have the full support with encouragement to move up within the company. Terminix stands up as a shining example of the kind of company you would want to work for." — Nicole



Teammate Story: Support for our Veterans and Guards

"Many companies talk about treating employees like 'family' and the importance of community, but Terminix does more than talk – they practice what they preach. When I made the decision to join the military later in life I was blown away by engagement of leadership in the well-being of their own employees—down through the entire leadership chain to my direct boss. This Veteran Business Resource Group allowed me to see firsthand not only the number of Veterans in the company, but the non-Veteran employees who give their time to support them as well. While at Terminix I have worn many hats, but one thing has always been the same, no matter what team I was on there was always somebody who had served within arm's reach." — **Matthew Hutchison, TN ANG 164th Airlift Wing for a Cyber Operations Officer; IT Architect for Terminix**



Training and Development

We have invested in our human resources organization and structure to attract, develop and train talent, which includes centralizing and standardizing hiring and training practices. In addition, we have introduced tools to help our branch managers manage their teammates more efficiently. Our frontline teammates receive on-the-job training to advance their skills and expertise, which can range from safety training to earning a certification to administer GreenPro services that minimize pesticide exposure to humans, non-target animals and the environment.

Each year we conduct an annual employee engagement survey—the Voice of the Employee—to measure work satisfaction and the level of teammate engagement. **In 2020, we saw more than 90% participation and drew valuable insights related to where our people feel we can improve the teammate experience.**

However, our 2020 Voice of the Employee survey found that not every teammate clearly understands his or her advancement opportunities or how to gain the expertise to qualify for advancement on a given career path. In 2021, we are developing a Terminix University learning management platform to enhance training opportunities. Eventually, our university will include live, self-guided, virtual and on-the-job training. Also in 2021, we are more clearly defining career paths, including milestones and training requirements to enable our homegrown talent to better understand how they can grow with our business and transform their current Terminix job into a fulfilling career.

Teammate Retention

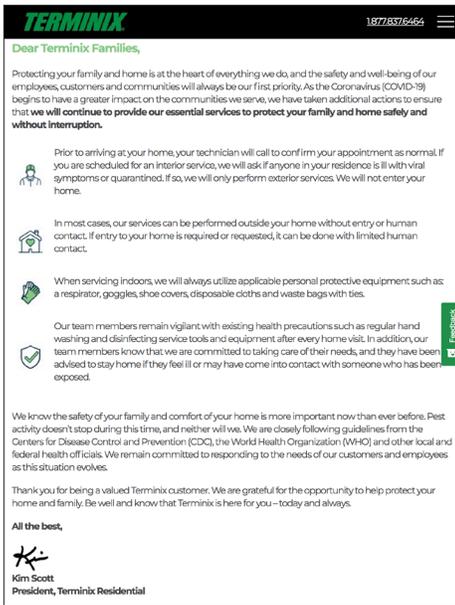
Our frontline team is essential to the success of our customer-centered business, because the retention of well-trained, high-performing teammates improves both customer retention and financial results. Our goal is to deliver a great experience at every customer interaction. **In 2020, we boosted teammate retention by 20 percent due to continued investments in the recruitment, onboarding and training of our teammates.** Beyond improving training options and better defining career paths to support career development, 2021

initiatives to improve retention and teammates' work experiences include prioritizing the rollout of a Customer Experience Platform (CXP) to enable our teammates to more easily deliver world-class service.



Competitive Compensation and Benefits

Terminix is committed to investing in our workforce by providing competitive compensation and benefits programs. Our compensation programs include base salary and variable compensation, such as an annual bonus, production plans, sales commissions, spot bonus and stock awards. Our variable compensation programs are based on the performance of our company and the teammate. Among other teammate benefits, we offer comprehensive health and welfare coverage, insurance benefits, maternity and parental leave, a Student Loan Repayment Program, 401(k) savings plan with a company match and an employee stock purchase plan.



Commitment to Our Customers

In 2020, taking care of our residential and commercial customers required a certain amount of nimble action and creativity. Here are examples of how we stepped up to deliver on our commitment to serve our customers and demonstrate enhanced safety protocols to protect and reassure customers.

Enhanced Residential Safety Protocols

Protecting homes and families is at the heart of everything we do, and the safety and well-being of our employees, customers and communities will always be our first priority. **As COVID-19 affected the communities we serve, we took additional actions to ensure that we continued to provide our essential services** to protect families and homes safely and without interruption.

Our teammates at Terminix UK developed HomeBox – “householder pest control in a box” – in April 2020 to more safely deliver professional pest control to socially distancing homeowners during the pandemic. Technicians who were precluded from entering homes by government social distancing requirements would speak by phone with the home resident to diagnose their rodent, cockroach and/or ant issues. The relevant HomeBox with pest control equipment, instructions and personal protective equipment would then be delivered and administered by the homeowner. Terminix technicians provided remote assistance via video call and returned to provide in-person services once pandemic restrictions were lifted.

Commercial Disinfecting Services

At the onset of COVID-19 in each geography, we prioritized essential services and critical environments and processes to address the unprecedented challenges caused by the pandemic. This included initial and continuing site analysis to custom-design our new Disinfectix™ service to meet fast-changing commercial customer needs and reduce waste. Critical environments include:

- **Food safety:** From food source to consumer, Terminix protects every step of the food supply chain the nation trusts: the food processing, food manufacturing, food distribution and food packaging industries. Our services focus on both prevention and mitigation of pest issues.
- **Healthcare:** We pay close attention to the needs of patients and residents in sensitive environments that include hospitals and nursing homes caring for COVID-19 patients.

- **Pharmaceuticals:** Our pest management techniques are tailored to individual facilities and emphasize product safety, worker safety and contamination prevention. We partner with our clients in coordinating both non-chemical and chemical pest-prevention strategies.



Commercial Pest Management

Commercial pest management services are provided in a variety of industries. Terminix and our strong brands are most known for our work in:

- **Hospitality:** Terminix is an industry leader providing solutions to hotels and lodging of all sizes. We are proud to be a premier source of high-quality commercial pest control services.
- **Food Service:** Terminix has extensive experience in restaurant pest control and has developed the premier pest management program in the industry.
- **Healthcare:** With over 40 years' experience working with healthcare facilities, Terminix has become a recognized leader in the industry.

Residential Pest Control Services

Most homeowners value a healthy living environment that minimizes pest threats before they become a problem. The best way to achieve this goal is through proactive instead of reactive treatment. Our Smart Start™ initial visit begins with gaining a thorough understanding of customers, their home and their lifestyle. This allows us to create the ideal residential pest protection plan.



Mosquito Control

Mosquitoes aren't just annoying and upsetting; they can also be dangerous. Mosquitoes can transmit several diseases that are dangerous to humans through their bites, including the Zika virus, yellow fever and West Nile virus.



Termite Protection

Termites are the most serious wood-destroying pests in North America, which is why house termite treatment is essential. Every year, termite infestations cause upwards of \$5 billion in damage as they eat through furniture and residential building infrastructure.

Residential Moisture Control Services

Moist, dank crawl spaces and basements with poor ventilation create a whole host of potential infestation risks. Terminix offers moisture control solutions to help homeowners avoid costly repairs and keep pests away. We use specialized power vents that open and close automatically, dehumidifier systems, and protective vapor barriers to keep moisture and pests out. Once services have decreased humidity, customers benefit from better air quality and lower heating and cooling bills.

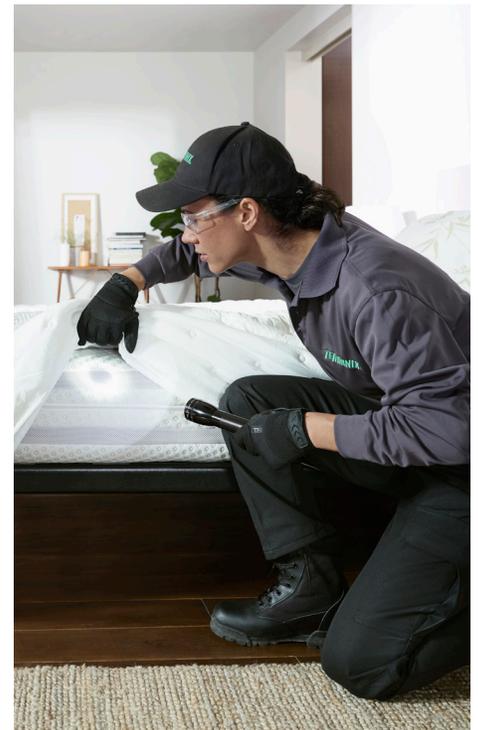


Smarter Residential Bed Bug Control

Bed bugs re-emerged as a major pest problem in the mid-1990s after nearly disappearing for decades prior. Today, they're one of the most common pests homeowners call experts about every day. Professional treatments are the only sure way to keep bed bugs from continuing to spread throughout a home.

Excluding Rodents from Homes

In addition to contaminating food and damaging buildings worldwide, rats, mice and other rodents can spread dozens of diseases. Whether through contact with rats or their feces, urine or saliva, or indirectly, through ticks, mites or fleas that have fed on an infected rodent, they present a constant threat to public health. Our rodent management programs use methods including traps and baits. Our exclusion services include patching, sealing and securing any vulnerable entry points to keep them out.



Commitment to Our Environment

Terminix is committed to minimizing the impact of our operations on the environment. It's the right thing to do. We operate in our locations and adhere to Terminix's environmental policies consistent with applicable environmental and safety laws and regulations, as well as the input and guidance of our stakeholders.

How does our environmental commitment translate into action? **We conserve and protect natural resources and manage our energy usage through product and paper recycling, energy efficiency, sourcing productivity, waste reduction and other programs.** We also encourage our teammates to take action in their communities to benefit the environment. Looking into the future, our goal is to reduce Terminix's consumption of non-renewable energy sources.

In addition, Terminix products and services are designed to provide maximum benefit with minimal environmental, health and safety impact when used according to product label instructions and company policies. We also require our suppliers and other business partners to promote environmental sustainability and comply with all environmental, health and safety laws and regulations. **Our progress on reducing Terminix's environmental impact can be seen in our numbers.** We feel good about that — and our customers do, too.

Energy Usage	2018	2019	2020
Electricity	19,399,853 kWh	19,839,922 kWh	10,593,553 kWh
Natural Gas	324,265 thm	329,264 thm	282,164 thm
Propane	19,439 gal	65,629 gal	29,218 gal
Fleet Gasoline	12,337,586 gal	12,128,378 gal	11,960,965 gal
Greenhouse Gas Emissions (GHG – CO ₂ metric tons)			
Electricity	13,716	14,028	7,490
Natural Gas	1,716	1,742	1,493
Propane	122	410	176
Fleet Gasoline	109,644	107,785	106,297
Business Travel - Air	18,275,622	13,775,424	3,503,110
Business Travel - Car	556	803	480
Water Usage			
Water	16,318,277 gal	18,101,288 gal	13,912,996 gal
Wastewater Generation			
Sewer	12,430,987 gal	23,118,497 gal	8,229,324 gal
Waste Generation			
Hazardous Waste	1,730 lb	3,542 lb	4,088 lb
Non-Hazardous Waste	1,846 lb	5,814 lb	6,153 lb

Waste Disposal	2018		2019		2020	
	Hazardous	Non-Hazardous	Hazardous	Non-Hazardous	Hazardous	Non-Hazardous
Incineration	60%	90%	100%	17%	100%	3%
Blending/Recovery/Recycling	40%	10%	—	50%	—	93%
Landfill	—	—	—	33%	—	4%

2020 includes Terminix energy resources only; for 2018 and 2019, we consider ServiceMaster Brands/Discontinued Operations' energy usage immaterial.

In addition, Terminix's commitment to environmental sustainability includes:

- **LEED buildings:** Our corporate headquarters in Memphis, TN, was built to Leadership in Energy and Environmental Design (LEED®) standards. Beginning in 2019, all new Terminix facilities around the United States also have been built to LEED standards.
- **Green fleet:** In 2021, we plan to boost our fleet's sustainability efforts by transitioning 400 of our current sales vehicles to hybrid vehicles, and to convert the rest of our sales fleet to hybrids in subsequent years. Reducing emissions and fuel consumption will lower our operating costs and carbon emissions.

Environmentally Friendly Services

Terminix has worked hard to develop, offer and promote services that are detrimental to pests – but not the environment. Our environmentally friendly services include:



- **Terminix Commercial® EcoControl** combines innovative practices and treatment methods to reduce the use of pesticides. Our emphasis is on proactive inspection and elimination of conditions that are conducive to pests. Wherever possible, we replace synthetic chemical treatments with natural substances, such as plant essential oils, and alternate methods, such as trapping. Our EcoControl program meets the standards set forth by QualityPro Green and the U.S. Green Building Council's LEED program.
- **ThermoNox®** is a program we offer in Spain to control pantry pests and bed bugs using a heat treatment, which is both an economical alternative to fumigants and prevents the potential for resistance to chemical pest control.

The Board of Directors Environmental, Health and Safety Committee

Occupational health and safety are of great importance to our board. Among its other duties and responsibilities, the board's Environmental, Health and Safety Committee is responsible for reviewing the status of the company's policies and practices concerning environmental, health and safety matters, including processes to manage environmental, health and safety risk and ensure compliance with applicable laws and regulations; reviewing and monitoring the company's environmental, health and safety risk assessments, performance, strategies, training and resources; and providing input to the company on the management of current and emerging environmental, health and safety regulations and issues.

- **BioControl** is a “bioremediation program” – a bacteria-based solution for the food industry designed to address concerns about insufficient disinfection of surfaces that are in touch with food products.
- **LEED-compliant programs:** LEED is the most widely used green building rating system in the world. Our pest management program for LEED-certified facilities relies on prevention rather than chemicals as the primary means of dealing with pests.

LEED Pest Management Program Process



Terminix’s Environmental Certifications

United States



- **National Pest Management Association GreenPro Certification:** GreenPro-certified services minimize pesticide exposure to humans, non-target animals and the environment by focusing on integrated pest management, habitat modification, pest exclusion, removal of food and water sources, sanitation, making repairs – and equally important, client education about pest prevention.



- **National Pest Management Association QualityPro Certification:** QualityPro accredits and certifies pest management companies and their services based on four key principles: business operations, environmental stewardship, consumer relations and employee education.



- **National Organic Program Compliance:** Our Signature Care® organic pest management program complies with the National Organic Program, a federal regulatory program established by Congress in 2001 that develops and enforces uniform national standards for organically produced agricultural products sold in the United States.



- **Safer Choice Labeled Cleaning Product Utilization:** Formerly known as the Design for Environment (DfE) Standard for Safer Products, this is a U.S. Environmental Protection Agency (EPA) standard that identifies the requirements that products and their ingredients must meet to earn a Safer Choice label. Every chemical, regardless of percentage, in a Safer Choice-labeled product is evaluated through the EPA’s rigorous scientific process, and only the safest ingredients are allowed.

Rest of World

- Terminix international facilities, primarily European facilities, are certified to the International Standards Organization (ISO®) 14001 environmental management system standard.
- All our international operations have ISO 9001 Quality Management System certifications.

Canada



Mexico



Norway



Spain



Sweden



United Kingdom



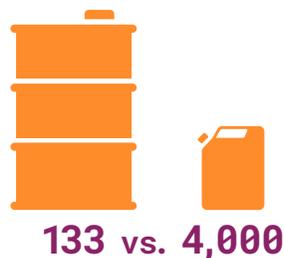
Pollinator Protection: Honey Bee Relocation

Terminix offers honey bee hive removal and control services throughout the U.S., and is committed to aiding in the conservation effort of honey bees and other pollinators. There are a variety of treatment options to remove bees, ranging from hive removal, vacuuming or carpenter bee traps, but **through our Gregory Pest Solutions business, we offer a complementary pollinator protection plan in the southeastern U.S. that can help strengthen bee colonies, as well.** Our honey bee specialists who are experienced beekeepers deliver and set up a hive box with a starter bee colony. Monthly maintenance, inspections and service ensure the bees are cared for and protected. We perform queen bee “wellness checks” while also noting colony growth and hive production. By inspecting, we hope to decrease the chance of colony collapse. However, in the event of a colony collapse or swarm, we replace the honey bees as soon as possible at no additional cost to the customer.



Responsible Use of Reusable Containers

Terminix is committed to reducing waste and where possible, using reusable materials. Much of the chemicals and products we use is stored at our branches and because of our size and purchasing power, we are able to buy in bulk. In addition to financial savings, this allows us to limit the use and disposal of smaller container jugs. In 2020, for one product in particular, many of our U.S. branches changed to 30-gallon reusable drums, and helped Terminix avoid waste disposal of 4,000 one-gallon plastic container jugs, which is the normal distribution method for these chemicals and products. This conversion is continuing into 2021 and we are committed to finding more ways to find efficiencies and reduce waste.



Commitment to Our Communities

At Terminix, sharing our time and expertise goes hand-in-hand with sharing our resources. We believe that giving back is more than just a responsibility and a commitment – it’s a privilege. While specific community give-back opportunities vary from country to country, Terminix donates money, volunteer hours, in-kind services and scholarships to a variety of causes that touch thousands of lives. Our employees also positively impact the communities where they work and live by serving as board members and volunteering their time for a variety of nonprofit organizations. Examples include:

Since 2017, Terminix has supported 212 teammates impacted by a federally declared disaster with more than \$408K in financial support.

- **Terminix Teammate Disaster Relief Fund:**
Funded by Terminix and its teammates, the fund was established in 2010 to help teammates facing financial hardship immediately after a federally declared disaster. Donations expanded in 2020 to assist teammates impacted by COVID-19 and severe winter storms in Texas in 2021.
- **Terminix Cares Teammate Assistance Fund:**
Established in 2020, The Terminix Cares Teammate Assistance Fund was created to help teammates who are facing financial difficulty because of an unforeseen personal hardship. The Fund relies primarily on individual donations from teammates and support from Terminix to fund this program.

Terminix matches teammate donations dollar-for-dollar.



- **Terminix Cares:**
This signature company-wide day of service has held a special place in our teammates’ hearts and minds since it launched in 2014 as We Serve Day. In 2020, our seventh annual event was transformed into a virtual We Care Week. Based on teammates’ steps tracked through a “Caring Steps” mobile app, teammates donated more than 4,000 volunteer hours and the company donated more than \$200,000 to 10 national and 10 Memphis-based community partners.
- **Spring Clean:**
This program was created in 2017 as a way for us to reduce blight and beautify targeted areas in the neighborhoods surrounding our Memphis corporate headquarters. In 2020, we united more than 10,000 Terminix teammates across the United States to celebrate Earth Day by planting seeds in their communities.





- **Dollars for Doers:**

Terminix recognizes teammates who are involved in their communities by providing grants of up to \$500 to nonprofit organizations they support through 40+ hours a year in volunteerism, including board service.

- **A Merry Christmas in Wales:**

Terminix UK brought joy to the borough of Rhondda Cynon Taf, Wales, by collecting toys to be distributed by partner Valley Kids to parents so they can provide Christmas gifts to children who wouldn't otherwise receive any.

- **Communities in Schools internship program:**

In partnership with Communities in Schools, Terminix hosted a nine-week program for 17 Memphis-area interns from an underrepresented community (and grades 12 through college) to provide job experience, career exposure and professional development.



- **Terminix IT internship program:**

This program was named one of the top 100 best internships in America and received a WayUp Top 100 Internships Award.

- **Harry's Big Adventure:**

We recently relaunched Harry's Big Adventure, in partnership with the Audubon Nature Institute, to inspire a new generation and have a positive impact on the natural world through a better understanding of bugs and the critical role they play in our global ecosystem. The program provides teachers, parents and elementary students with free access to knowledge, resources and support for interactive learning about the wide world of bugs.



“THANK YOU SO MUCH!!! Harry's Big Adventure was a fantastic experience. Our first virtual experience was a winner all around. The enthusiasm of the children, conversations and excitement were delightful to see — and the gift bags were definitely a hit. The time, effort and care were over and beyond. It is very much appreciated.”
— Eria White, King Street Elementary School, Danbury, CT

Support of Military Groups:

- A Soldier's Child
- Operation Homefront
- Operation Gratitude
- Recognized by the Employer Support of the Guard and Reserve

Support for our Veterans

Terminix values our military veteran and guard teammates who make sacrifices for the United States. As such, we do everything within our power to go above and beyond in supporting their ability to serve our country and transition into civilian life, including by offering a range of benefits, compensation and leave procedures.

Dexter Inopiquez had only been enlisted with the Air Force Reserves for a little over a year, when he was given a month's notice to go on leave for almost six months. In addition to the short notice he would be giving his manager, Dexter had also hoped to have additional time with family before his deployment. Upon contacting his managers and explaining the situation, without hesitation they granted him the leave he was requesting.

“While I was away, I met many airmen who were concerned about their job situation at home. I would hear stories of how they had to fight their employer tooth and nail to get off. Then hear how worried they would be about whether they would be returning to a friendly work environment, but for me this wasn't the case. I would say to any guard or reservists that I know mission comes first. It's already hard being away from friends and family, but it's so important to work somewhere where you don't have other worries or distractions. Terminix is that kind of job. Flexible, supportive and understanding.”

A Soldier's Child Foundation

Houston Region Director Jason Simonton, Region Sales Manager Richard Norcross and North Houston Sales Manager Jim Odom recently implemented a new safety program with a huge impact: if a branch goes a full month without a safety incident, they can donate a bike to a deserving child through A Soldier's Child Foundation, an organization that provides birthday gifts to children who have lost a parent in service to our country. In both March and April 2020, every branch in the region except one went incident-free and they donated bikes to very excited children in the Houston area.

To date the program has delivered 31 bicycles to 14 families across Texas.



Expected Conduct

The following policies and guidelines may be found in Appendix A:

- Code of Conduct
- Diversity, Equity and Inclusion Council
- Diversity Statement
- Employment and Labor Practices
- Global Human Rights Policy
- Human Capital Management Statement
- Occupational Health and Safety Policy
- Regulatory Compliance
- Statement on Conflict Minerals
- Vendor Code of Conduct

We believe strong corporate governance is the foundation for creating lasting impact and delivering shareholder value over time. Our ethics, governance and controls reflect our commitment to transparency as we earn the trust of our stakeholders based in part on developing long-term relationships and goodwill.

Importantly, our governance structure and controls continue to lead the industry, whether through the caliber of the guidelines our board committees follow, the independence of our directors, our stockholder engagement commitments or our structure which promotes the balance between independent authority of the board and a management team that oversees the business on a day-to-day basis. We also continue to make progress on the ethnic and gender diversity of our board of directors as disclosed in our most recent proxy statement.

In particular, we consider it vitally important to make decisions at every level of our company in a way that is consistent with our Code of Conduct and sound governance principles as described in our Corporate Governance Guidelines. In accordance with corporate governance best practices, we have separated the Chairman and CEO roles, have a majority of independent directors and align executive compensation with shareholder value metrics and corporate objectives. We strive to do the right thing and hold ourselves accountable for our actions and results.

Who Is Expected to Follow the Code of Conduct?

Our Code of Conduct applies to all teammates, contractors, officers and directors of Terminix, its subsidiaries and affiliates, both within the U.S. and all other countries where the company does business. We expect our suppliers, agents, business partners, consultants and licensees/franchisees to uphold similar principles in the work they perform on behalf of Terminix.

Anti-Corruption Compliance and Oversight

Terminix complies with anti-corruption laws, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act of 2010, (as well as all other anti-corruption or anti-bribery laws in any location where we do business) prohibiting the payment of bribes. A bribe is anything of value – such as cash, favors or entertainment – used to influence a person’s judgment or conduct. A bribe is also classified as any facilitating or grease payment made to a government official (as opposed to a payment to a government agency) in exchange for a routine governmental service, such as issuing a permit. Terminix has a simple policy: We do

not bribe. Terminix's agents and consultants are held to the same rules as Terminix teammates, officers and directors. Terminix has developed policies and training programs to ensure our teammates are aware of, and comply with, applicable anti-corruption laws. Our ethics office has oversight over these training programs and, in collaboration with our executive leadership team, ensures our teammates and the company adhere to these laws and regulations.

Vendor Code of Conduct

Terminix is committed to doing the right thing. Our goal is to follow the highest industry standards of ethical business conduct in all areas of our operations. This includes our relationships with our business partners, suppliers and vendors. These relationships are defined by contracts that are based on lawful and ethical practices. In furtherance of these relationships, we hold our vendors and suppliers to the same standards in our policies, including, but not limited to, labor practices, environmental policies, ethical conduct and audit and compliance monitoring.

By acting responsibly in collaboration with our suppliers and vendors, we aim to minimize risks and create stable, long-term business relationships with these partners. We can also leverage our purchasing power to insist on driving sustainable changes at our suppliers and vendors. We promote and maintain strong working vendor relationships by using key performance indicators. This includes conducting quarterly business reviews with key suppliers to ensure they are meeting our material, safety and quality standards. One of the criteria we evaluate is the environmental and sustainability efforts of suppliers and vendors when looking to engage new partners, or when renewing contracts with existing partners.

For more information on our Vendor Code of Conduct, see Appendix A.

Appendix A: Policies and Practices



- **Code of Conduct**
- **Diversity, Equity and Inclusion Council**
- **Diversity Statement**
- **Employment and Labor Practices**
- **Global Human Rights Policy**
- **Human Capital Management Statement**
- **Occupational Health and Safety Policy**
- **Regulatory Compliance**
- **Statement on Conflict Minerals**
- **Vendor Code of Conduct**



Code of Conduct

Our Code of Conduct is published on our website at <https://corporate.terminix.com/assets/documents/Code-of-Conduct.pdf>. The Terminix General Counsel and Deputy Counsel are responsible for the monitoring and oversight of the Terminix Code of Conduct. All employees are required to take annual training on the Terminix Code of Conduct.

Diversity, Equity and Inclusion Council

Council Mission



We commit to promoting and encouraging diversity, equity and inclusion in our respective teams and overall organization by valuing the range of perspectives, ideas and experiences that diversity provides. The mission of the Diversity, Equity and Inclusion Council (Council) is to foster actions that create an inclusive work environment that values the contributions and perspectives of all team members. The goal of the Council is to advance a workforce that builds and advocates for gender, race, age, language, cultural background, education, work experience, ethnicity, sexual orientation, physical ability, as well as the religious, and cultural views of members of this organization. The Council is representative of Terminix team members chosen to advise the Terminix Executive Leadership Team (ELT) on the aforementioned matters.



Membership in the DEI Council is available to all full-time Terminix employees. The Members of the Council are selected via an application process but can also be nominated by an Executive Leadership Team (ELT) member and approved by the ELT. All Council members must be a member of a BRG.

The Council should strive to reflect and represent the diversity and viewpoints of all members of our organization by including people from various:

- Businesses
- Organizational roles and levels
- Educational backgrounds
- Geographic locations

- Departments (HR, Legal, Risk, etc.)
- Ages
- Ethnicities
- Genders



We will advance the awareness and appreciation of Diversity, Equity and Inclusion practices by:

1. Creating and proposing new initiatives that promote DEI while identifying, developing and implementing DEI best practices across the organization.
2. Recognizing and communicating DEI best practices and achievements
3. Creating measurable and actionable initiatives in support of the company goals and specific DEI metrics aligned to the five pillars: Talent and Equity, Corporate Responsibility, Supplier Diversity, Culture and Inclusion



The DEI Advisory Committee is created as a standing committee for the purpose of working with the Terminix Diversity, Equity and Inclusion Council. Objectives for this committee will be an extension of the DEI Council objectives. The Committee shall have no legal responsibilities and is formed to give advice and recommendations to the DEI Council.

The Pillar committees are created as standing committees for the purpose of working with the DEI Council and the Advisory Committee.



The following five pillars are represented on these subcommittees:

- Corporate Responsibility
- Culture
- Inclusion
- Supplier Diversity
- Talent and Equity

Diversity Statement



Inclusion inspires results. At Terminix, we are committed to fostering a culture where all team members are treated with respect and emboldened to contribute to our collective and individual success. We encourage all team members to use their own diversity of thought, experience, background, and perspectives to instill trust and drive empowerment with each other, our communities and suppliers, and, more importantly, our valued customers. Our culture of inclusion is about sparking innovation and transforming Terminix into the preferred provider of residential and commercial pest management services.

Our efforts are to create an inclusive workforce where employees have the right to be recognized as valuable contributors to our winning team.

Terminix's diversity and inclusion plan provides programs that:



- Seek to attract, retain and develop diverse talent.
- Provide support systems for groups with diverse backgrounds.
- Educate our employees so that we achieve business success.
- Focus on maintaining a winning performance culture, which fosters diversity and inclusion and ensures the safety of each individual in our company.
- Promote active participation in our diverse Business Resource Groups to create a culture of inclusion.



Employment and Labor Practices

Compensation

Terminix, as an employer, provides its employees with compensation and benefits that are competitive, while rewarding employees for their contributions to our business objectives. We also monitor and ensure that our compensation and benefits programs are compliant with all applicable laws. Additionally, Terminix makes every effort to explain its compensation and benefits programs and to ensure all taxes and other deductions are disclosed to employees.



Prohibiting Forced Labor and Child Labor

The employment relationship should be voluntary, and the terms of employment must comply with applicable laws and regulations. Terminix prohibits the employment of forced labor or child labor. While child labor is prohibited, legitimate internship programs may engage children when the internship is permitted by local law, part of a formal educational program and properly established and supervised.

Open Communication and Freedom of Association

Terminix is committed to complying with laws pertaining to freedom of association, consultation and collective bargaining. Terminix recognizes and values each individual employee and prefers to deal directly with the employees about their concerns or issues. To do this, we provide and encourage open communication through a variety of resources and avenues. For this reason, it is paramount that our employees enjoy the right to individually decide whether, without coercion or pressure, to join or refrain from joining any lawful organization.



Global Human Rights Policy

Terminix supports and seeks to promote fundamental human rights in the communities we serve. Therefore, we have adopted a Global Human Rights Policy, which applies to our business enterprise, our brands, our employees and our stakeholders.

Our Global Human Rights Policy is published on our website at <https://corporate.terminix.com/assets/documents/Global-Human-Rights-Policy.pdf>.

Many of the standards outlined in this policy are in line with human rights concepts advanced by other international organizations. We encourage stakeholder involvement in the development of the policy, the implementation of the policy and/or the evaluation of effective outcomes of the policy's implementation.



We understand that local laws or regulations may result in some degree of variation in interpretation or application of this policy, but Terminix believes that the basic tenets set forth within this report should serve as our minimum business standards for working conditions and human rights.

Human Capital Management Statement

Terminix employs approximately 10,000 teammates in the United States and 1,400 teammates outside the United States in Europe, Canada and Central America. As a leader in the pest management industry, we recognize that our teammates are our most important asset in the delivery of the services we provide to customers. **Since we deliver services in various communities around the world, it is important that our teammate base reflects the values and customers of those communities we serve.** In this regard, we are committed to fostering a safe, inclusive, and equitable workplace that attracts and retains exceptional talent, enabling us to better serve our customers.



Five key areas in which we focus our efforts:

1. Teammate Safety
2. Diversity, Equity and Inclusion
3. Training and Development
4. Teammate Retention
5. Competitive Compensation and Benefits



Teammate Safety

At Terminix, safety is a core value. We maintain strong safety programs focused on continuously improving the safety and wellbeing of our communities, teammates and customers we serve. We maintain a safety culture grounded in striving for zero teammate injuries and illnesses, while operating and delivering our services responsibly and eliminating workplace incidents, risks and hazards. We review and monitor our performance regularly with a goal to continually reduce recordable incidents. During 2020, our recordable incident rate declined 7% compared to fiscal 2019.



During 2020, our focus on workplace safety enabled us to preserve business continuity without sacrificing our commitment to keep our teammates, workplace visitors and customers safe during the global novel COVID-19 pandemic.

Terminix was designated an essential business early in the COVID-19 pandemic. Since the onset of the pandemic, we have taken an integrated approach to helping our teammates manage their work and personal responsibilities, with the priority on teammate wellbeing, health and safety. Terminix has worked with suppliers to ensure our teammates have the appropriate personal protection equipment to allow them to continue to serve our customers

in a safe manner, protecting both the customer and the teammate. The Company developed COVID-19 protocols relating to most aspects of the business, including customer service visits, working at Terminix buildings and individual health. Many departments have worked remotely and have not been required to come to the central offices, so as to minimize exposure to the virus.



Diversity, Equity and Inclusion

At Terminix, we believe inclusion inspires results. Perspectives from a diverse workforce can provide key insights into selling into varied and different communities, providing numerous avenues for the growth of the business and improved customer satisfaction.

The Company has created a Diversity, Equity and Inclusion Council with a mission to foster actions that create an inclusive work environment valuing the contributions and perspectives of all team members. The goal of the Council is to advance a workforce that builds and advocates for gender, race, age, language, cultural background, education, work experience, ethnicity, sexual orientation, physical ability, as well as the religious and cultural views of members of Terminix. The Council is representative of Terminix teammates chosen to help engage in ongoing evaluation of Terminix's internal business practices and advise the Terminix executive team on driving a culture of diversity, equity and inclusion.



The Council is committed to promoting and advancing this important work through five distinct subcommittees that drive diversity, equity and inclusion goals across core business streams:

- Corporate Responsibility
- Culture
- Inclusion
- Supplier Diversity
- Talent and Equity



As of December 31, 2020, Terminix employed a workforce in the United States that was 62% white and 38% minority representation. Also, the workforce was 82% male and 16% female, with 2% undeclared. Terminix is committed to improving the levels of both race and gender representation to better reflect the communities in which we operate.

We have long-established, teammate-driven Business Resource Groups, which provide opportunities for education, community partnerships, cultural awareness and career development.



Training and Development

We have made investments to our human resources organization and structure that centralized and standardized hiring and training practices. We have also introduced tools to help our branch managers manage labor more efficiently, and we continue to invest in attracting, developing and retaining talent. Our frontline teammates also receive on-the-job training to ensure we are executing for our customers. Our online training platforms provide our teammates with access to a multitude of training courses, videos, reference material and other tools.



As part of encouraging internal development, we engage in regular discussions around succession planning and talent development at all levels of our Company. Our board of directors has frequent contact with business leaders within the organization and participates actively in the succession planning process. Our Senior Vice President of Human Resources reports directly to the CEO and works with management to evaluate internal talent for future leadership positions within the organization on an ongoing basis. In evaluating potential acquisitions, an important consideration is the quality of the management team of the target company and our ability to ensure such management team will remain with the Company as needed if we acquire the business.

Teammate Retention



Our experience has demonstrated that the retention of well-trained, high-performing teammates results in higher customer retention and improved financial results. Terminix has made significant investments in the hiring and training of teammates, especially those who are the Company's face to the customer. Turnover rates for pest technicians tend to be higher in the first year of employment with a reduced rate beyond the first year. Consequently, Terminix has made investments in the recruiting, onboarding and training of new teammates to enhance their ability to deliver quality service to our customers and to keep them engaged in the Terminix business. As a result, the Company made significant progress during 2020 toward the improvement of teammate retention. The Company is also implementing the Terminix Way that includes the development of enhanced Standard Operating Procedures, training paths, and technology for frontline teammates that will improve consistency from branch-to-branch and teammate-to-teammate, and provide well-defined career paths for our teammates.



Competitive Compensation and Benefits

Terminix is committed to investing in our workforce by providing competitive compensation and benefits programs. Compensation programs include base salary and variable compensation programs such as annual bonus, production plans, sales commissions, spot bonus and stock awards. The variable compensation programs are performance based, with the actual amount earned depending on the performance of the Company and the teammate.



- Comprehensive health and welfare coverage is offered to teammates.
- Insurance benefits such as supplemental life insurance and accidental death & dismemberment for teammates and their dependents as well as long-term disability are available for purchase at discounted group rates.
- Parental leave is provided to the non-birthing parent and parents of both genders for adoptions. Additionally, maternity leave is available for our female teammates.
- Terminix provides a Student Loan Repayment Program where Terminix pays a monthly amount directly to the financial institution that holds the teammate's student loan.
- The Company provides a 401(k) savings plan with a match that allows teammates to save for their future.
- Teammates can purchase company stock through the Employee Stock Purchase Plan. Deductions are taken out of the teammate's pay and a company match is applied.

Occupational Health and Safety Policy



Terminix is committed to providing a safe and healthy workplace. Accordingly, we are responsible for establishing and training our employees on safety policies and protocol. Our employees have a duty to report any unsafe conditions immediately so Terminix can take steps to correct the situation as soon as possible. Employees are provided training on our Environmental Health and Safety Policy. We also hold our employees accountable for complying with Terminix's environmental, health and safety policies, which includes imposing disciplinary action for violations.

The following are special areas of concern:

Personal Safety — Each employee is responsible for protecting himself or herself, fellow employees and our customers from injuries and illnesses. This can be done by following safe work practices that have been presented through our training programs.



We continue to actively monitor issues related to COVID-19 and its impact on our employees and customers. We are sensitive to the public health and travel concerns our employees may have and seek to abide by the protocols that federal, state and local governments may impose or recommend.

Product Safety — Some of the products we use can pose a risk to employees or to others if used improperly. We ensure that our employees always follow the safety precautions and label requirements when using, storing, transporting and disposing of these products.



Personal Equipment Safety — Some of our activities can pose a risk to our employees. In many situations, Personal Protective Equipment (PPE) and associated training are provided to eliminate or minimize this risk.

Vehicle Safety — Terminix has one of the largest commercial fleets of vehicles in the United States. It is important that our employees operate these vehicles responsibly and obey traffic laws and regulations. Our vehicles are inspected regularly to ensure they are safe to operate, and our drivers are appropriately licensed and qualified. We also ensure that driver qualifications, vehicles and maintenance procedures meet Department of Transportation requirements, where applicable.



Drug-Free Workplace — Ensuring a safe and healthy workplace requires clear judgment and alertness. Drugs and alcohol can impair this. Being under the influence of either while at work can affect everyone's safety. For those reasons, Terminix has a zero-tolerance policy for employees who possess, distribute or work under the influence of alcohol or drugs, including certain prescription drugs, while conducting any Terminix business or operating Terminix vehicles or machinery.

Workplace Violence — Terminix takes the physical safety of employees and visitors extremely seriously and does not tolerate violence in any of its facilities or locations. Violent or threatening behavior of any kind — including carrying a weapon — is strictly prohibited while on Terminix premises or conducting Terminix business off-site.

Regulatory Compliance



Our businesses are subject to various international, federal, state, provincial and local laws and regulations. These international, federal, state, provincial and local laws and regulations include laws relating to consumer protection and data privacy, wage and hour, deceptive trade practices, permitting and licensing, state contractor laws, real estate settlements, workers' safety, tax, healthcare reforms, franchise-related issues, collective bargaining and other labor matters, environmental and employee benefits. The Terminix business must also meet certain Department of Transportation and Federal Motor Carrier Safety Administration requirements with respect to certain vehicles in its fleet. Terminix is regulated by federal, state and local laws, ordinances and regulations, which are enforced by pest control boards, environmental protection agencies and similar government entities. Terminix may use products containing ingredients regulated by the U.S. EPA and is subject to licensing and certification requirements for applying disinfectants, sanitizers and other EPA-registered products in certain states.

Our businesses are also subject to various international, federal, state and local laws and regulations regarding environmental, health and safety matters. Among other things, these laws regulate the emission or discharge of materials into the environment, govern the use, storage, treatment, disposal, transportation and management of hazardous substances and wastes and protect the health and safety of our employees. These laws also impose liability for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances, including releases by prior owners or operators of sites we currently own or operate.



Terminix is regulated under many federal and state environmental laws, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Federal Environmental Pesticide Control Act of 1972, the Federal Insecticide, Fungicide and Rodenticide Act of 1947, the Resource Conservation and Recovery Act of 1976, the Clean Air Act, the Emergency Planning and Community Right-to-Know Act of 1986, the Oil Pollution Act of 1990 and the Clean Water Act of 1977, each as amended.

Statement on Conflict Minerals

Terminix supports the efforts of human rights organizations to end violence and atrocities in Central Africa (the Democratic Republic of Congo (DRC) and nine adjoining countries: Republic of Congo, Central Africa Republic, South Sudan, Zambia, Angola, Tanzania, Burundi, Rwanda and Uganda.

It has been widely reported that the major drive of this violence is the natural abundance of the minerals tin, tungsten, tantalum and gold, now referred to as "conflict minerals." In August 2012, the United States Securities and Exchange Commission (SEC) approved the final rule regarding the sourcing of conflict minerals as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502. Under this rule, publicly traded companies must report annually to the SEC the presence of "conflict minerals" originating from Central Africa in either the products they manufacture or contract to manufacture or use in the production process.



In support of Terminix’s position on conflict minerals, suppliers are expected to supply materials that are “DRC Conflict-Free.” In the event Terminix determines that a supplier’s efforts to comply with our standards have been deficient, Terminix reserves the right to take appropriate actions up to and including discontinuing purchases from the supplier.

Under the definition of “DRC Conflict-Free,” products supplied to Terminix:

1. Do not contain tantalum, tin, tungsten or gold (3TG) as elements necessary to their production or functionality, or
2. If products supplied to Terminix do contain these minerals, the minerals must originate outside the DRC, come from scrap or recycled sources or be supplied from smelters that have been validated by an independent private sector party to be conflict-free.

Vendor Code of Conduct

Ethical Conduct and Expectations for Those with Whom We Do Business

Terminix is committed to doing the right thing. Our goal is to follow the highest industry standards of ethical business conduct in all areas of our operations. This includes our relationships with our business partners, including our franchisees, suppliers, vendors, consultants and contract labor. These relationships are defined by contracts that are based on lawful and ethical practices. In furtherance of these relationships, we hold our vendors and suppliers to the same standards in our policies, including, but not limited to, labor practices, environmental policies, ethical conduct and audit and compliance monitoring.



As a global business, Terminix is committed to engaging in reasonable due diligence and screening of all with whom it works to ensure compliance with laws that regulate international trade. Because our businesses may cross international borders, we understand that standards may vary and reflect local practices.

While recognizing local, regional and national laws, customs and practices, we will comply with the Foreign Corrupt Practices Act and, wherever possible, seek the cooperation, collaboration and support of our various business partners in advancing best practices and the highest ethical standards in our business transactions.

We promote and maintain strong working vendor relationships by using key performance indicators. This includes conducting quarterly business reviews with key suppliers to ensure they are meeting our material, safety and quality standards.

Appendix B: Teammate Business Resource Groups

Our Business Resource Groups represent various cultures, ethnicities, backgrounds, interests and orientations of our teammates. These groups promote awareness of diverse teammate perspectives and cooperation across all of our businesses and levels of the company, allowing our teammates to assume responsibilities beyond their own jobs and develop important leadership skills, valuable experience and personal connections.

Each Business Resource Group has a sponsor from senior leadership, and is open to all Terminix teammates, regardless of race, gender, religion or background. Our Business Resource Groups include:



The **African American Business Resource Group** works to cultivate awareness of African American culture within Terminix by providing teammates with opportunities for diverse educational experiences, community partnerships and career development.



The **Asian/Pacific Islanders Business Resource Group** creates an environment that brings awareness and support to our teammates identifying with these cultures. The BRG provides a support network to teammates in Asian/Pacific geographic markets.



The **Hispanic Business Resource Group** cultivates awareness of Hispanic culture within the Terminix family and provides its members with opportunities for networking, professional and personal development and mentorship.



The **Limitless Business Resource Group** supports individuals with disabilities and their caregivers. It creates an environment that brings awareness and visibility by providing employees with opportunities for diverse educational experiences and community partnerships, connecting individuals and caregivers to resources and aiding with the recruitment, development and retention of qualified candidates with disabilities.



The **PRIDE Alliance Business Resource Group** strives to create an environment where teammates feel valued and supported, increase visibility and awareness of lesbian, gay, bisexual and transgender teammates in the workplace and allow all teammates to contribute to their fullest potential.



The **Sustainability Business Resource Group** strives to be an active partner with environmental and sustainability initiatives to make a positive impact in the communities in which we live and work. We care about our planet and seek to engage our businesses and network of employees to create a more sustainable and better-shared future.



The **Veterans Business Resource Group** recognizes and assists Terminix veterans and their families, provides Terminix with strong leadership and strives to improve the quality of our veterans' lives through esprit-de-corps.



The **Women's Business Resource Group** strives to highlight opportunities for training, experience and support that enable women teammates to overcome obstacles, maximize their potential and increase the sphere of influence within the organization and the communities where they work and live.



The **Young Professionals Resource Group** is determined to engage our coworkers, engage our community and engage our city leaders to help build a community and city where young people thrive and everyone benefits.



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