

TERMINIX®

Corporate Responsibility Report 2019



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Introduction

Every day, ServiceMaster® employees, service partners and franchise associates serve more than 50,000 customers, providing cleaner, healthier and safer environments wherever they are — at home, at work or at play. Our customers have come to trust us during some of the most important moments of their lives, whether protecting them from the effects of pests, helping them recover from the trauma of unexpected disasters or keeping their homes clean and businesses orderly, so they can live hassle-free lives.

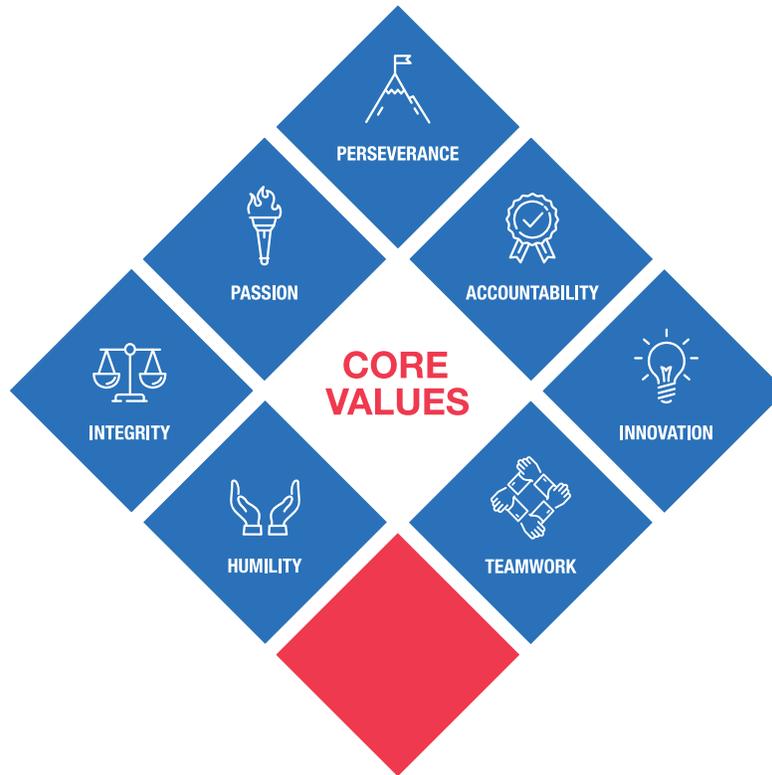
Our frontline serves our customers with passion because they care deeply about the work and the relationships they have built. We live and work in the same communities as our customers, who trust us with their homes and businesses every day. And that trust depends on our commitment to protect the health and safety of our employees and customers and to promote a healthy and sustainable environment.

We value that trust, and our reputation depends upon living up to these commitments.

 We Serve  We Care  We Deliver

Our Commitments and Values

We Serve, We Care, We Deliver are the **commitments** that keep us steadfast in building an incredible company for our customers, business partners, employees and shareholders. They will always be at the forefront of *what* we do, but our values also guide *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.

Code of Conduct

Our Code of Conduct is published on our website at <https://www.servicemaster.com/company/about/corporate-governance/gov-docs>.

ServiceMaster's Senior Vice President/General Counsel and Vice President/Deputy Counsel are responsible for the monitoring and oversight of the ServiceMaster Code of Conduct. All employees are required to take annual training on the ServiceMaster Code of Conduct.

Vendor Code of Conduct

Ethical Conduct and Expectations for Those With Whom We Do Business

ServiceMaster 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, ServiceMaster 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.

Employment, Labor and Human Rights Considerations

Global Human Rights Policy

ServiceMaster 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://www.servicemaster.com/company/about/corporate-governance/gov-docs>.

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 ServiceMaster believes that the basic tenets set forth within this report should serve as our minimum business standards for working conditions and human rights.

Employment and Labor Practices

Compensation

ServiceMaster, 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, ServiceMaster 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. ServiceMaster 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

ServiceMaster is committed to complying with laws pertaining to freedom of association, consultation and collective bargaining. ServiceMaster 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.

Statement on Conflict Minerals

ServiceMaster 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 driver 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 ServiceMaster’s position on conflict minerals, suppliers are expected to supply materials that are “DRC Conflict-Free.” In the event ServiceMaster determines that a supplier’s efforts to comply with our standards have been deficient, ServiceMaster 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 ServiceMaster:

1. Do not contain tantalum, tin, tungsten or gold (3TG) as elements necessary to their production or functionality, or
2. If products supplied to ServiceMaster 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.

The Importance of Diversity and Community

At ServiceMaster, diversity and inclusion are integral parts of who we are and how we do business. Our diversity strengthens and empowers us, making us better able to serve each other, our customers and our communities.

Diversity Statement

Inclusion inspires results. At ServiceMaster, we are committed to fostering a culture where all employees are treated with respect and given an opportunity to contribute to our success. We're proud to have been named one of *Fortune* magazine's "World's Most Admired Companies" in 2016.

Our employees' differences and uniqueness are respected and are an asset in identifying opportunities to grow and serve our customer base. We encourage our employees and senior management to use their diversity of thought, experience, background and perspectives to instill trust and drive empowerment with each other, our franchisees and suppliers and, more importantly, our valued customers. Our culture of inclusion is about sparking innovation and transforming ServiceMaster into the leading provider of residential and commercial services.

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

Business Resource Groups

Our Business Resource Groups represent various cultures, ethnicities, backgrounds, interests and orientations of our employees. These groups promote awareness, perspective and cooperation across all of our businesses and levels of the company, allowing our employees 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 ServiceMaster employees, 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 ServiceMaster by providing employees 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 employees identifying with these cultures. The BRG provides a support network to employees in Asian/Pacific geographic markets.

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

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

The **Veterans Business Resource Group** recognizes and assists ServiceMaster veterans and their families, provides ServiceMaster 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 employees 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.

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 **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.

Community Involvement

At ServiceMaster, sharing our 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 opportunities vary from country to country, ServiceMaster donates money, volunteer hours, in-kind services and scholarships to a variety of concerns 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 non-profit organizations.

Health and Safety Practices

Occupational Health and Safety Policy

ServiceMaster 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 ServiceMaster can take steps to correct the situation as soon as possible. Employees are provided training on our Environmental Health and Safety Policy.

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 – ServiceMaster 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, ServiceMaster 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 ServiceMaster business or operating ServiceMaster vehicles or machinery.

Workplace Violence – ServiceMaster 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 ServiceMaster premises or conducting ServiceMaster business off-site.

Employment and Safety Statistics

Total Employees (As of 12/31/2019)
10,237

Male/Female % (As of 12/31/2019)

Male 81.6% (8,356)

Female 16.6% (1,704)

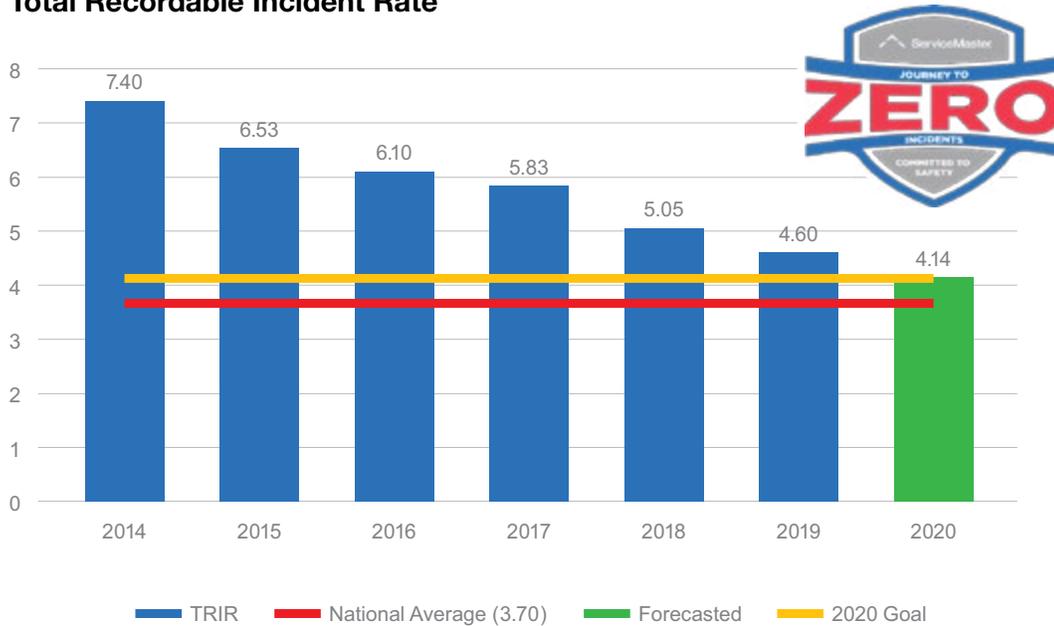
Not Declared 1.7% (177)

Number of incidents resulting in fatality:

2018	2019
1	0

Aligning with our key pillar, *Taking Care of Our Employees*, safety is a critical foundation of our organization. As we continue our Journey to Zero, we are striving toward the goal of zero workplace injuries.

Total Recordable Incident Rate



Environmental Considerations

Environmental Policy

ServiceMaster is committed to minimizing the impact of our operations on the environment and communities around the world. We operate our locations consistent with applicable environmental and safety laws and regulations, the input and guidance of important stakeholders, as well as ServiceMaster policies and procedures. We show our utmost respect for the environment by working to minimize any environmental hazards. Our 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 are committed to promoting a sustainable environment by, among other things, conserving resources, reducing waste and encouraging community involvement by our employees. We work to conserve and protect natural resources and manage our energy usage through important programs, such as product and paper recycling, energy efficiency, sourcing productivity, etc., because it is the right thing to do.

We also hold our employees accountable for complying with the Company's EH&S policies by imposing disciplinary action for violations.

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, Copesan®, ServiceMaster Clean® and Merry Maids® use products containing ingredients regulated by the U.S. EPA, and ServiceMaster Clean is subject to licensing and certification requirements for applying disinfectants, sanitizers and other EPA-registered products in certain states. AmeriSpec® is regulated by various state and local home inspection laws and regulations.

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.

Environmental Certifications

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 (IPM) strategies such as habitat modification, exclusion, removal of food and water sources, sanitation and making repairs.
- Providing and documenting thorough pest inspection and monitoring services, as well as follow-ups, to ensure efficacy.
- Regularly communicating with clients about pest infestations, conducive conditions and ways to prevent pests.
- Requiring GreenPro training for all company employees who sell or perform GreenPro services.

National Pest Management Association QualityPro Certification

QualityPro accredits and certifies pest management companies and their services using a set of comprehensive standards significantly superior to national and state/provincial regulations. The standards are based on four key principles relating to how companies do business in the fields of Business Operations, Environmental Stewardship, Consumer Relations and Employee Education. To earn QualityPro accreditation, companies must meet the standards in their entirety.

National Organic Program Compliance

Our Signature Care® organic pest management program is National Organic Program compliant. Established by Congress in 2001, the National Organic Program is a federal regulatory program that develops and enforces uniform national standards for organically produced agricultural products sold in the United States.

Safer Choice Labeled Cleaning Product Utilization

The Safer Choice Standard, formerly known as the Design for Environment (DfE) Standard for Safer Products (or the “DfE Standard”) is a labeling standard of the U.S. Environmental Protection Agency (EPA) that identifies the requirements products and their ingredients must meet to earn the Safer Choice label. Every chemical, regardless of percentage, in a Safer Choice-labeled product is evaluated through EPA’s rigorous scientific process, and only the safest ingredients are allowed. For over 15 years, the program has labeled products that are safer for families, pets, workplaces, neighborhoods and the environment.

Building to LEED® Standards

Leadership in Energy and Environmental Design (LEED) is a green building certification program used worldwide. Developed by the non-profit U.S. Green Building Council (USGBC), it includes a set of rating systems for the design, construction, operation and maintenance of green buildings, homes and neighborhoods that aims to help building owners and operators be environmentally responsible and use resources efficiently. Our corporate headquarters in Memphis, TN, was built to these important standards, and beginning in 2019, all new facilities being constructed around the country will also be built to LEED Standards.

Environmental Metrics

As of 2019 we had not yet tapped into renewable energy sources. It is our goal to reduce our consumption of non-renewable energy sources in our business.

Below are enterprise-level statistics measuring our environmental impact.

Energy Usage

	2018	2019
Electricity	19,399,853 kWh	19,839,922 kWh
Natural Gas	324,265 thm	329,264 thm
Propane	19,439 gal	65,629 gal
Fleet Gasoline	12,337,586 gal	12,128,378 gal

Green House Gas Emissions (CO₂ metric tons)

	2018	2019
Electricity	13,716	14,028
Natural Gas	1,716	1,742
Propane	122	410
Fleet Gasoline	109,644	107,785
Business Travel – Air	18,275,622	13,775,424
Business Travel – Car	556	803

Water Usage

	2018	2019
Water	16,318,277 gal	18,101,288 gal

Wastewater Generation

	2018	2019
Sewer	12,430,987 gal	23,118,497 gal

Waste Generation

	2018	2019
Hazardous Waste	1,730 lb	3,542 lb
Non-Hazardous Waste	1,846 lb	5,814 lb

Waste Disposal

	2018 Hazardous	2018 Non-Hazardous	2019 Hazardous	2019 Non-Hazardous
Incineration	60%	90%	100%	17%
Blending/Recovery/Recycling	40%	10%		50%
Landfill				33%

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