

# EVERYONE DESERVES A SAFE PLACE TO LIVE, WORK, AND PLAY



**Rollins, Inc.**

## 2019 Sustainability Report



# Sustainability Mission

As Rollins moves forward in the 21st Century, sustainability, stewardship, and shareholder engagement are at the core of our business. We constantly strive to uphold our values in sustainability, while making innovations to improve our service programs through new technologies and processes. As a company, our family of brands remains committed to providing our customers, employees, suppliers, communities, and shareholders with long-term sustainability, while remaining transparent about our efforts in doing so.

At Rollins, we are committed to sustaining:



our people & communities



our environment



and our business

## A message from our CFO:

“As this is the first year we are publicly reporting on our sustainability efforts, we would like to take the opportunity to highlight some of the most impactful initiatives we have at Rollins. Several have been in place and proven successful over the years, and some are exciting new ventures that have just recently been implemented.

In 2020, it is our objective to create and drive a long-term sustainability strategy, with specific goals related to sustaining our people and communities, our environment, and our business.”



Eddie Northen, Rollins Sr. Vice President, CFO and Treasurer





# 2019 Sustainability Snapshot



- Enhanced our honeybee removal, relocation, and preservation efforts.
- Decreased our mileage and fuel needs through improved routing and scheduling.
- Increased the usage of hybrid vehicles in our fleet.
- Expanded our Green Services across multiple brands.



- It is the policy of Rollins, Inc. not to discriminate against any employee or applicant for employment because of his or her race, color, religion, sex, sexual orientation, gender identity, national origin, or because he or she is an individual with a disability or a disabled veteran. It is also the policy of Rollins, Inc. to take affirmative action to employ and to advance in employment, all persons regardless of their status as individuals with disabilities or protected veterans, and to base all employment decisions only on valid job requirements.
- Consolidated and unified our community volunteer efforts through the creation of Rollins United.
- Increased our employee emergency assistance efforts through the Rollins Employee Relief Fund.
- Championed long-standing support for United Way of Greater Atlanta with employee and company-matched donations.
- Encouraged and supported a veterans hiring program across our entire family of brands.

- Successfully integrated 25 new companies into our family of brands.
- Enacted valuable policy and procedure updates based on employee feedback.
- Published quarterly company newsletter, "Rollins Today", to openly communicate financial, operational, and social news and events to employees.





# COVID-19 Response

## ROLLINS' COMMITMENT TO PROTECTING PUBLIC HEALTH

The number one priority at Rollins, Inc. is protecting the world where our employees and customers live, work and play. We are closely monitoring the current coronavirus (COVID-19) outbreak, and our top priority is keeping our employees and customers safe. In addition to following the guidance of the Centers for Disease Control and Prevention (CDC) and the World Health Organization (WHO), we already have policies and procedures in place across our business to address issues which may arise during this time.

### DISINFECTANT SERVICES

Several of our family brands both international and domestic have implemented disinfectant services such as VitalClean™, PureSpace™, Essential Clean™, HealthySpace™, and Western PurClean™ that use an EPA-registered disinfectant labeled for use against a wide variety of pathogens and included on EPA's "List N" of products that meet their criteria for use against SARS-CoV-2, the coronavirus that causes COVID-19. When applied at full strength in accordance with the product label, this powerful disinfectant will kill 100% of bacteria and viruses on hard, non-porous surfaces and will also sanitize soft, porous surfaces. The disinfectant product we use is rated by the EPA as Toxicity Category IV, defined as "practically non-toxic and not an irritant," and contains no ozone-harming volatile organic compounds.



### EMPLOYEE OUTREACH AND COMMUNICATION

At the onset of the pandemic, Rollins quickly implemented our pre-established business continuity plans. When state and local shelter-in-place restrictions were put in place, we experienced a smooth transition to a work-from-home environment. Employees receive daily emails with updated CDC guidelines, contact information for our Employee Assistance Program, and good news stories from various departments or branches to boost morale. A task force is in place to plan for the safe return to our offices as applicable.

### STRATEGIC BUSINESS DECISIONS

Rollins took many proactive and defensive actions to conquer the challenges related to COVID-19. We suspended merit increases for corporate staff, along with executive and management salary reductions. We also reduced discretionary spending, cancelled all non-essential capital expenditures, travel, meetings, training, contractor and temporary services. We temporarily furloughed a number of employees in both field operations and our home offices. We provided all furloughed employees with full benefits and are bringing them back in as demand improves. We had to increase cost in one very critical area to safely operate - personal protective equipment (PPE) for all our technicians (masks, booties, gloves, coveralls, etc.). This will keep both our employees and customers safe and their health protected.





## *Sustainability Spotlight:*



# *Our People & Communities*

Pest control isn't only about controlling pests, it's also about helping our people and their communities, while fostering a deeper understanding and appreciation for entomology. We don't just wait for customers to call us! Instead, we apply our knowledge, talents and resources to help our neighbors, and we look for proactive ways we can help, because we are committed to community involvement and betterment. We are a "family" of brands who take pride in protecting the people, environment and property in our communities.



In the wake of Hurricane Dorian, Northwest teammates from across all 27 service centers collected cases of water, wipes, dry dog food, and batteries for the people of the Bahamas.



Rollins Corporate employees volunteering at an Open Hand event in Atlanta, GA.

### **ROLLINS UNITED**

The Rollins brands have always given back to their respective communities in a variety of ways, such as volunteering at food banks or with Habitat for Humanity, filling homeless care bags, or collecting school supplies for local kids.

To unify our brands' philanthropic vision and consolidate our efforts, Rollins United was created in 2019. Our overarching goal is to create a significant impact in local communities over an extended period of time, rather than only providing one-time acts of service. We have designated ambassadors from each of our brands, who are tasked with maintaining awareness of the program and communicating opportunities to their respective teams so they can get involved.

Our first recipient community for 2019 was Grove Park, in Atlanta, Georgia, near our Corporate headquarters. Rollins United ambassadors and employees have been hands-on volunteering with neighborhood clean-ups and planting community garden boxes, and this year they will help out with day-to-day needs of the community.

#### **Our core mission is:**

"Everyone deserves a safe place to live, work, and play."



Rollins employees volunteering with Habitat for Humanity

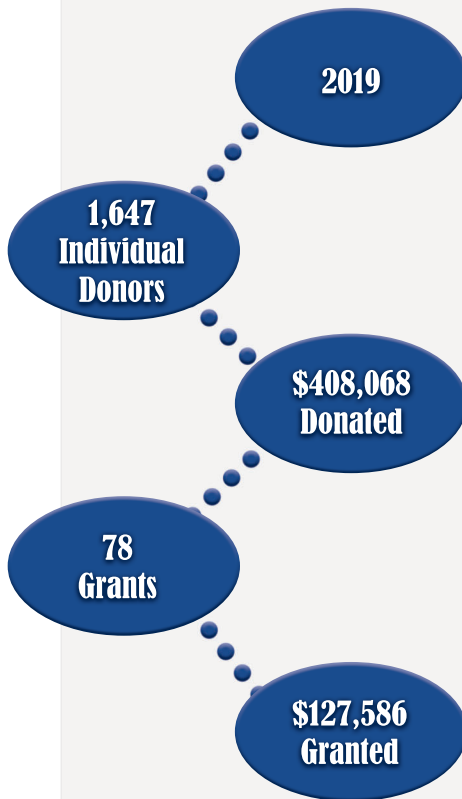
Rollins United kickoff event in Grove Park, Atlanta. Rollins volunteers and program leaders helped with various outdoor projects, including building garden boxes and yard cleanup.



# Our People & Communities



## ROLLINS EMPLOYEE RELIEF FUND



Life can be difficult sometimes, as it often brings personal tragedy or hardship. At Rollins, we consider ourselves a family of coworkers. And when a family member suffers a catastrophe, we all want to pitch in to help. It's been part of our culture for decades. This is why we developed the Rollins Employee Relief Fund.

The Rollins Employee Relief Fund is a 501(c)(3) non-profit. Anyone, employees and non-employees alike, can make donations. The contributions are purely voluntary, and employees can make a one-time contribution or set up ongoing payroll deductions. The Rollins Employee Relief Fund is separate from the company, and it receives contributions from all U.S. based Rollins brands and employees.

In 2019, we nearly doubled our donations from 2018, and we expect to continue this growth in 2020 and beyond.



## CAMPAIGN FOR UNITED WAY OF GREATER ATLANTA

Rollins employees and company-matching funds have supported United Way of Greater Atlanta since 1985, helping make Rollins a community leader where we live and work.

Each year, Rollins co-workers come together to support this important and worthy cause through participation in the Metropolitan Atlanta United Way Campaign. We have a designated committee dedicated to organizing and planning various fundraising events, such as kick-off rallies, silent auctions, social outings, and pledge events. Every donation has a doubling effect, as the Company matches dollar for dollar.

The United Way brings our whole community together to make lasting improvements in education, income, health, and homelessness. We are very proud of how many of our employees have regularly shown compassion for others through their generous gifts, year after year.







# Our People & Communities

## VETERANS EMPOWERMENT

The attitude and character displayed by members of our armed forces make for a winning formula, which we embrace in each part of our company. We strive to hire the men and women who have served our country and are looking to maintain the same culture of discipline, professionalism, dedication, and family. We are seeking out veterans to join us and build a successful future, while continuing to apply the skills they developed in their service enlistment.

Between 2013 and 2019, Rollins hired over 2,000 veterans.

Rollins plans to have veterans make up more than 10% of our workforce by 2022, and has committed to hiring an additional 2,000 veterans in the next 5 years!



## ROLLINS GIVES BACK

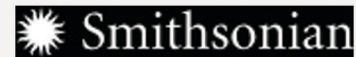
In addition to our community efforts with Rollins United, our Orkin brand has initiated a system-wide day of service known as Orkin Gives Back. In June 2019, nine branches, both residential and commercial, participated in a day of service by teaming up with United Way and local non-profit organizations in their communities.

In 2019, our Northwest Exterminating brand hosted 25 cookouts for First Responders, donated 240 gallons of laundry detergent, and 250 backpacks filled with school supplies. The Savannah, Macon and Augusta branches also participated in volunteer programs with their local Children's Hospitals.



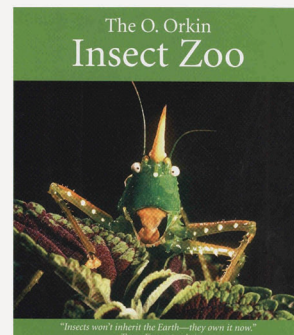
## SUPPLIER DIVERSITY

At Rollins, we are committed to giving an equal opportunity not only to our employees, but also to our vendors and suppliers as well. We are committed to seek vendors actively from a wide range of women and minority-owned businesses for merchandise, supplies, services, and construction. In 2020, we are setting specific policy guidelines surrounding inclusion in requisitions.



## O. ORKIN INSECT ZOO

As part of our commitment to education, Orkin is proud to sponsor the O. Orkin Insect Zoo, located inside the Smithsonian Institution's National Museum of Natural History. Our multi-year partnership with the Smithsonian demonstrates a high level of trust and respect for our company and our people. Through this exhibit, the first corporate sponsorship to be recognized by the Smithsonian, thousands annually are discovering the important role insects play in our environment and the interdependent relationship that exists between bugs and people.



## Sustainability Spotlight:



# Our Environment

Insects, rodents, and other critters that humans may consider pests are actually critical to maintaining the ecological balance of the earth – they become pests only when they endanger the health or property of humans. At Rollins, we believe that it is our responsibility to care for the earth's environment while still helping control pests in our customers' homes and businesses. Most of our brands offer Integrated Pest Management (IPM) programs that use an effective combination of treatment methods *grounded in science* to achieve acceptable levels of control with the least possible impact to humans and the environment. While we strive to become the best service company in the world, we also want to do our part to keep that world safe for our people and communities.

### HONEYBEE PRESERVATION AND RELOCATION

Most of our fruits and vegetables rely on bees as pollinators, and would not survive without them. Additionally, honeybees provide an important crop all on their own - honey. However, honeybee populations are currently at risk worldwide. As weather patterns become warmer, Scientists believe that bees are losing their natural habitats through "colony collapse disorder",

As a pest control company, we want to provide our customers with the convenience of ridding their homes and businesses of harmful insects; however, discovering a honeybee hive doesn't mean we have to resort to the extermination of an entire colony. In fact, there are some significant benefits to relocating it, and giving the bees a new life, where they continue to provide honey and pollinate important crops. For example, one of our brands, Northwest, has begun this ever-important process of honeybee relocation, and Rollins has adopted this initiative to learn the best techniques for removal, relocation, and preservation of beehives. In 2019, we relocated seven hives in Atlanta, Georgia, one in Savannah, Georgia, and one in Nashville, Tennessee.

Our professionals have joined local beekeepers associations to build relationships with local beekeepers and gain knowledge.

We are developing our honeybee preservation goals for the future, including training technicians from all the Rollins brands, providing bee preservation certifications, as well as continuing to partner with local beekeepers.



Honeycomb gently pulled from the wall and placed into bin for relocation.

"Bee Vacuum" being used to safely suction honeybees from hive.



Technician placing honeycomb into frames for the relocation hives.



# Our Environment

## REDUCED CARBON EMISSIONS

### Scheduling/Routing:

Responsible efforts such as use of GPS and route optimization software helps to reduce our emissions footprint by increasing efficient travel from customer to customer.

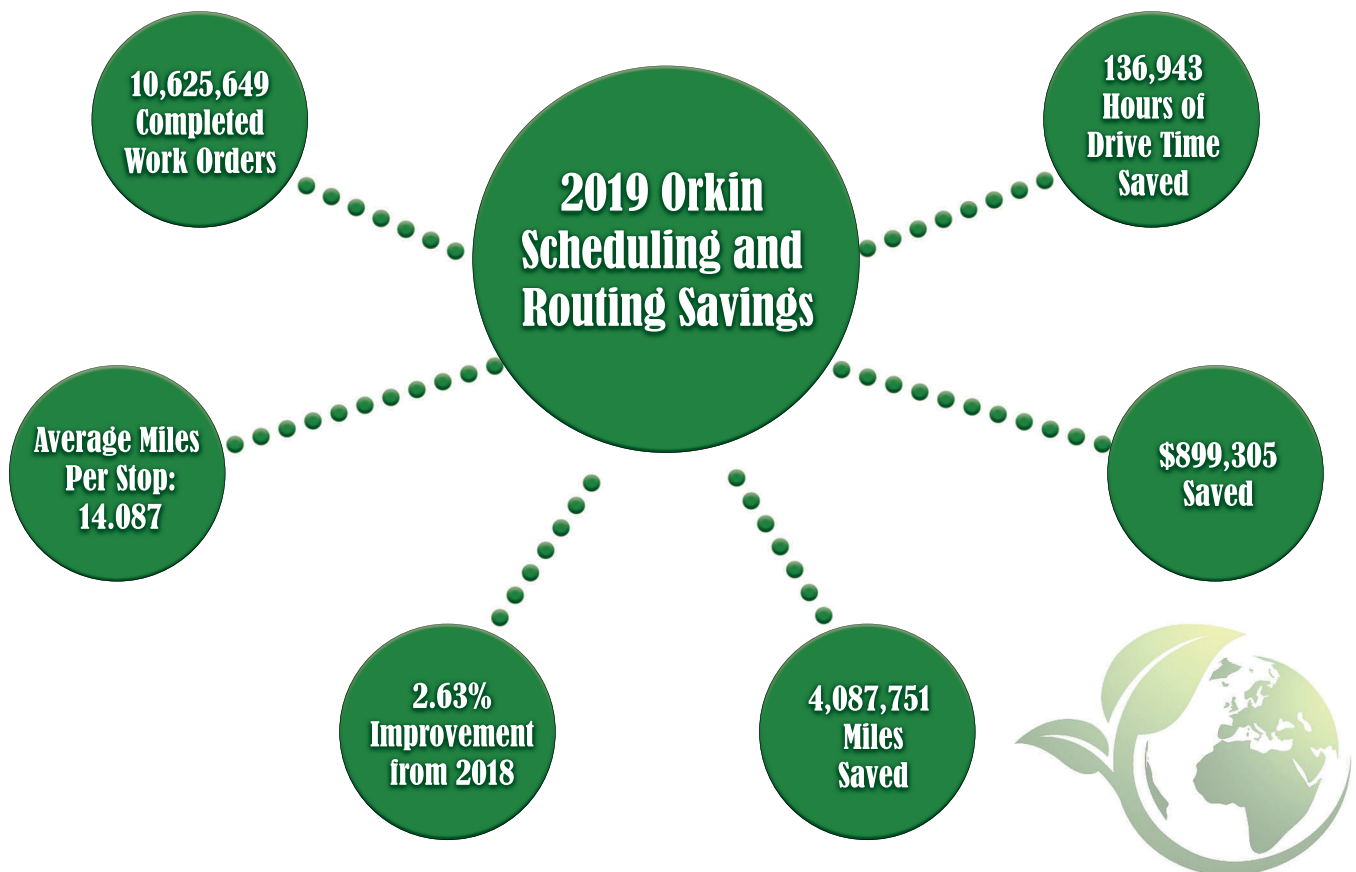
Orkin has just completed our third year of using same-day scheduling, and the results have had a significant impact on miles driven and fuel consumed.

### Footsmen:

In the U.K., our Safeguard and Albany Environmental brands employ teams of technicians who operate on foot within central London. This footsmen program is also being utilized by our Orkin and Western brands in Manhattan, New York.

### Hybrid Vehicles:

With the largest hybrid vehicle fleet in our industry, we are committed to the continuance of efforts to reduce our usage of fossil fuels. We are currently in the order cycle for new hybrid vehicles, and plan to increase the number of hybrid vehicles in our fleet by 200% in 2020.



# Our Environment

## GREEN SERVICES

Environmentally friendly pest management techniques help protect the environment because they often replace chemical alternatives. But in doing so, they benefit operations in an even bigger way: helping keep people, animals, and food safe from pests.

We have multiple brands who offer high-quality, non-toxic products derived from flowers, plants, and natural elements from the earth. A customized pest control plan is created based on the customer's needs, and we ensure homes remain healthy, and families and pets are protected. While our entire family of brands has not adopted 100% natural pest control solutions, we are gaining insights each day from those who are using green solutions, learning what works and how we can best apply them.

Our goal for 2020 and beyond is to further explore and develop the use of green pest control solutions, and further integrate them into our IPM programs.



## RESOURCE EFFICIENCIES

We select, operate and maintain our facilities and vehicles with an eye toward energy efficiency and wise use of other resources. We have a company-wide recycling program in order to reduce paper waste, and customer relations systems to reduce paper use. We have filtered water fountains throughout our corporate and branch offices to reduce single-use plastic water bottles.

We will also be pursuing solar panels for our corporate building in Atlanta, Georgia, and researching other energy-saving lighting options for our other office and branch locations worldwide.

## EPA-APPROVED PRODUCTS

Our brands use products that are scientifically tested, proven and registered by the U.S. Environmental Protection Agency. Our world-class, award-winning training ensures that our technicians use the proper application techniques to control pests effectively and in an environmentally-responsible manner.



## FALCONRY SERVICES

In the U.K., our Van Vynvk Environmental brand offers falconry services to control nuisance bird activity, such as feral Pigeons and Gulls. Exposing the nuisance birds to trained birds of prey over an extended period of time persuades them to relocate and associate the site as an area of danger.





## Sustainability Spotlight:



# Our Business

Through formalized training, proven policy and procedures, and sound ethical practices, Rollins employees have grown the business over more than a century from a one-man operation to what the Company is today - a family of brands working toward a goal of business sustainability.

Our culture is evident and reinforced in many respects, one of which includes an anonymous hotline dedicated to solicit employees' concerns when they feel that our values are being threatened. Additionally, the Company has a Code of Business Conduct posted on [rollins.com](http://rollins.com) and requires management to formally acknowledge adherence to our procedures and value system.



### GROWING OUR FAMILY OF BRANDS

Over the course of 2019, we acquired 25 companies and integrated them into the Rollins family of brands. One of these acquired companies was Clark Pest Control of Lodi, California, previously the 8th-largest pest control company in the United States.

Whether large or small, or a stand-alone brand or “tuck-in” acquisition, Rollins believes in the strength and opportunity these new companies bring to the table. We do not automatically assume that we have more expertise to run a more successful business in their markets. Instead, we offer to these new companies our “buffet” of options both in the area of expense reduction and revenue generation, to enhance their already successful operations.

We value all the achievements, experience, and cultures these new companies bring to our family of brands. This shared knowledge ensures our overall sustainability.



# Our Business



## SELF-EVALUATION

We value feedback from our employees, because we know without them, our business would not be sustainable.

### Employee Satisfaction:

To ensure we are measuring up to our potential, as well as our employees' expectations, each year we conduct our "Employee Satisfaction Survey".

Our Employee Satisfaction Committee uses these survey results to identify and address ad hoc concerns, as well as issues or concerns that appear to be more widespread. These efforts have led to some adjustments to policy, benefits, and overall Company practices.

### Employee Engagement:

Each year, our employees are also asked to participate in our Employee Engagement Survey. We measure engagement as the percentage of employees who are:

1. Highly motivated,
2. Committed to staying with the organization, and
3. Willing to highly recommend the organization to others.

We believe these three measurements of employee engagement - motivation, commitment, and referral - are also key indicators of our sustainability as a business.

Leaders throughout the company conduct Town Halls and other meetings to respond to feedback received through the engagement survey. Additionally, the Executive Steering Committee recently formed a task force to make recommendations to improve the work experience at Rollins Support Center.

## Impact from Employee Feedback:





# Our Business

## VALUED LEADERSHIP

We pride ourselves in having an experienced leadership team. We have a committed team of leaders who not only care about the success of our business, but also have continued to grow and learn what works in our industry. They have gained the respect of our shareholders, as well as our people.

When we rang the bell in 2018 for the celebration of our 50th year on the NYSE, our Chairman of the Board, R. Randall Rollins and Lead Director, Henry B. Tippie, shared the distinction of being the only two directors present for a company's initial listing and again at its 50th anniversary.



## TRANSPARENCY TO EMPLOYEES

Quarterly, our Rollins Today communicates a variety of topics to our employees. There are features about Rollins in the news, as well as Executive Connections, where an executive gives insight on specific topics, such as empowering women in the workplace. Recognition is also given to hardworking employees who have gone above and beyond what is asked of them. Work anniversaries are also recognized, as we have quite a few of them!

Additionally, three times per year, the President of Rollins holds a "State of the Company" meeting to discuss the current operations and financials of the Company. All employees are welcome to participate, both in person or virtually, and any questions are welcome from a variety of topics. We've held discussions about revenue generation, weather implications for our technicians, and even how the political environment has an impact on our business. This has been an incredibly useful tool in furthering the connection and transparency between senior management and employees.



## OVERSIGHT AND RISK MANAGEMENT



We value having effective and efficient oversight and risk management processes. Our Corporate Governance Guidelines and Code of Business Conduct serves to help us focus on key areas of ethical risk, provide guidance on appropriate behavior, and continue to foster the culture of honesty and accountability, which is evident throughout Rollins. Management instills a culture in which compliance with the Company's policies and all applicable laws drives all the Company's business activities.

We have an independent Audit Committee and Internal Audit Department, who independently assess and monitor the integrity of the Company's financial reporting processes, as well as our overall ethics and risk.

Our annual risk assessment process evaluates the entire risk universe, and prioritizes our financial, operational, and strategic risks for monitoring or auditing. This oversight further supports our sustainability.

## "TOP WORKPLACE"

In 2020, for the fourth consecutive year, Rollins was named one of Atlanta's Top Workplaces by the Atlanta Journal Constitution. This survey gathers responses to questions about organizational health factors relating to workplace culture, such as employee engagement and company leadership, as well as pay, benefits, flexibility, training and expectations. Rollins is extremely proud of their responses related to leadership alignment, business execution and connection with fellow employees.



# Thank You

For questions, please reach out to Julie Bimmerman

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