

Peoples Services, Inc.

2016 Sustainability Report

Connecting communities with the resources of the world



This is the 2nd published Sustainability Report for Peoples Services, Inc.'s operations. Data in this report covers the period from January 1, 2016, through December 31, 2016. Financial information is given in U.S. dollars.

This report was prepared using the Global Reporting Initiative's (GRI) G4 Reporting Guidelines. The mission of the GRI is to promote international harmonization in the reporting of relevant and credible corporate economic, environmental and social performance information to enhance responsible decision making. The GRI has not verified the contents of this report, nor does it take a position on the reliability of information reported herein.



About This Report:

We continue our work toward increasing transparency in sustainability reporting. In this report, where we can, we report on all Peoples Services sustainability initiatives. We believe this provides a broader view of the impacts of our business and value chain. Our desire to concentrate our efforts on our most significant value chain impacts is also reflected in our 2020 goals for more sustainable management of energy, waste, and our community engagement.

We are also working toward expanding our sustainability reporting on topics that are most important to our company and our associates. In this report, we have increased our discussion of employee engagement, to be more transparent

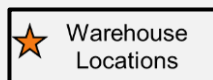
on the topics that are important to our teams. The employee engagement survey plays an important role in our efforts to further enhance our operations.

We strive to focus our sustainability reporting and our efforts on the most material issues. Additionally, we are working toward continuously improving our data and data collection processes for our non-financial performance indicators. Our sustainability report is one way we communicate progress against our sustainability goals and key performance indicators. We also encourage you to read our quarterly newsletter to learn more about our sustainability efforts.

About Peoples Services

We are a third-party logistics service provider that handles products throughout their life cycles. Our range of expertise in material handling starts from raw materials to in-process goods to finished products to returns for numerous industry segments.

Peoples Services employs over 500 associates at 34 sites in 6 states. We operate in 6.5 M square feet of warehouse space. We run more than 100 trucks and trailers including specialized bulk/dry van/ flatbed/ reefer vans.



Letter from CEO



Together we work to build stronger, healthier, more active communities and advance environmental conservation. Why? Because we know, our business can only be as healthy, vibrant and resilient as the communities we proudly serve.

For decades, our company-like many others-has worked to be part of society’s solutions. Peoples Services, for example, has been supporting the Girl Scouts and Boy Scouts of America since 1992. Today, we feel a special accountability-as a business that operates throughout six states-to help improve the well-being of our communities while doing what we can to responsibly steward the natural resources of the planet we all share.

For us, this is a journey. We are making progress as we create social value and strive to operate in ever more sustainable ways. After all, as we like to think about it, we are not building Peoples Services so much for the next year but the next century.

Taking the long view has served us well. We are working to create positive change on local issues that have a significant impact on building a more sustainable and resilient Peoples Services – for not only our company but also the communities we proudly serve. We at Peoples Services firmly believe there are no issues that will more shape our future than becoming an Employer of Choice, Sustainable Operations, and Business Growth Beyond Organic Growth to help weather any economic challenges. Let me share our progress on each of these areas.

Action Area	Goal	2016 Implementation
Employer of Choice	Our aim is to become the most attractive employer in the regions we operate. We aim to achieve long-term success through the excellent performance of a top team of over 500 employees.	Offer personal development through tuition reimbursement programs to help employees complete their vocational, collegiate, and career goals in the logistics industry.
		Conducted first employee engagement survey to identify needs of our teams and operations. Established action items for the strategic team to tackle employee concerns.
Sustainable Operations	Managing our operations through sustainable processes and standardized technology to allow for continued excellence in all our operations	Moving almost all our facilities to a single Warehouse Management System (WMS) platform allows for simplified maintenance and management.
		Years of acquisitions brought multiple IT challenges. Standardizing the IT infrastructure including a single email server allows for better control of our communication lines. Built in redundancies create greater protections from service disruptions.
		Safety is a priority, especially in our chemical facilities. In 2016, we completed our RCMS application within the American Chemistry Council to ensure we exceed industry-recognized safety standards.
Business Growth	Expanding business opportunities beyond traditional services will allow increased financial growth towards our 2020 revenue targets.	2015/2016 was a transition year for our newest acquisition located in Fremont OH. The five facility food grade operation brought added revenue but also greater business growth opportunities.
		2015/2016 Columbus, OH operation relocated a secondary facility into a larger building to allow our client to adjust their supply chain needs while providing us necessary space for growth in the Columbus region.







Doug Sibila
President & CEO for Peoples Services, Inc.

Governance

Everything we do is done with our commitment to *doing the right thing*.

We believe that good governance practices contribute to better results for our clients. Our objective is to maintain corporate governance principles, policies, and practices that support management and the Board of Directors accountability. These are in the best interest of the Company and our clients, and they are consistent with the Company's Purpose, Values, and Principles.

2020 Goals

Energy Consumption			30% Reduction
Non-Hazardous Waste to Landfill			50% Reduction
Community Involvement			Increase Community Outreach

We have been dedicated to driving change within our Company by partnering with a consulting firm who challenges us to expand our breadth while growing our leadership strength within the logistics industry. The 2020 goals were established after reviewing our 2014 baseline year performance. In 2016, our focus areas remain the same:

- **PEOPLE** – As a good corporate citizen, we have a long history of giving back to those in need. We do this through the Helping Hands program, Girl Scouts and Boy Scouts of America, and community-specific programs. We strive to help more in need to strengthen our communities through volunteer opportunities.
- **PLANET** – We continue our focus reducing waste paid to go to landfills. By 2020, our goal is to decrease the amount of post-consumer waste paid to be transported to a landfill by 50%. We are exploring partnerships with multiple customers to help us better understand how we can recover greater value from post-consumer waste and ultimately help eliminate solid waste to landfills.
- **PROFIT** – Focus on our energy usage drives us to look for substitutes for petroleum driven equipment, new renewable material for supplies, and energy conservation strategies within our facilities. By 2020, the goal is to reduce our energy usage by 30% allowing the previous spend on energy to be used in other areas of the Company.

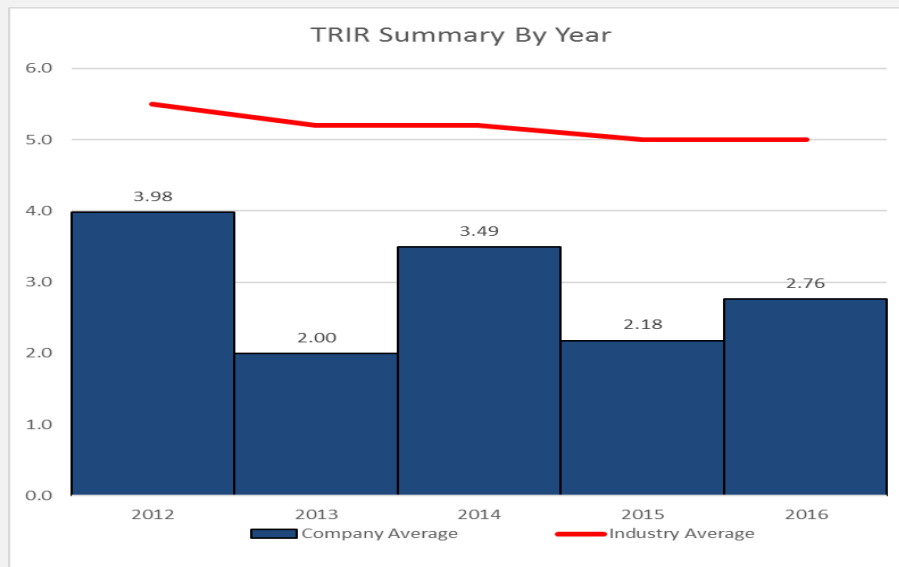
Safety Performance

Maintaining safe, healthy, and efficient operations is essential and is a top priority for all teams. Daily volume in operations can be fast paced and sometimes feel hectic. However, Peoples Services believes there is no reason to bypass safe work habits. We continue to look for ways to improve our operations and equipment to help reinforce the safe work habits each and every day. Below are a few highlights from our Safety focus.

➤ Completion of the Responsible Care Management System Application

Successful implementation and audit. Continue to develop and implement documented procedures, policies and work instructions related to environmental, health, safety and security. One of the benefits from this is the documented review of hazards and risks associated with what we do. From this exercise, we have been able to focus on areas of high risk and high probability and work on controls to reduce the likelihood of an incident in those areas.

➤ Company Total Recordable Injury Rate (TRIR) is well below the industry average of 5.0 with a 2.76 for 2016.



➤ Continued Safety training at all our sites included: HAZCOM, Emergency Action Plans, Bloodborne Pathogens, Behavior Based Safety, and Incident Reporting.

Employees and Communities

Community Commitments

Although the Peoples Services community has grown over the last 102 years, we take pride in connecting with those in need and are committed to continuing to engage in the local well-being beyond our facility locations. As well as promoting community engagement, we see ourselves as a source of economic drive for local development and equal opportunities. Our aim is that employees, local communities, and our customers should all benefit from our commitment to sustainability.

Our Priorities

Our social responsibility priorities include supporting education and social projects near the locations we operate. However, we also offer rapid support to the victims of natural

disasters and promote volunteerism by our employees. The following fundamental principles underpin our choice of social responsibility projects:

- The projects are in line with Peoples Services principles and address a particular local or regional issue.
- The projects work directly with individuals involved in the projects on the ground.
- Project management is based locally and overseen by local units.

Commitment to the Regions

We are committed to the areas in which our locations are based: a sustainable environment that is pleasant to live in gives an area the edge in the competition for business, boosts local employees' quality of life, and makes us more attractive as an employer. This is why, for example, Peoples Services supports regional growth initiatives in areas including education, health, energy, and transport, alongside a broad range of measures to promote business.

Our Nitro, West Virginia operations are a beacon in this respect. The Nitro operations have supported several projects within Putnam County focused on the relevant topics of economic development, emergency support, and helping those most at risk. Maintaining a healthy local economy is critical for a community to sustain any obstacles whether due to cyclical economics or unforeseen natural disasters.

In addition to our Nitro operation, our Parkersburg, West Virginia facility was nominated for the Community Service Award in 2016 through the Mid-Ohio Valley Chamber of Commerce. Businesses in Parkersburg, Vienna, Williamstown, and other surrounding areas within the Mid-Ohio Valley were considered for this award. Our commitment to local engagement ensures we have a direct connection to maintaining a strong and vibrant community for years to come.

➤ HELP FOR FLOOD VICTIMS IN WEST VIRGINIA & VIRGINIA

After the disastrous floods that hit large parts of West Virginia and Virginia in June 2016, Peoples Services sent a semi-truck filled with emergency supplies donated by our caring employees, supportive food grade customers, and generous Peoples Services management. Supplies were delivered to the West Virginia Red Cross to support its work in the region and help with reconstruction.

Company Donations

Peoples Services' commitment to donating and sponsoring is an essential part of our corporate identity and reflects our desire to fulfill our corporate social responsibility. We support a broad range of organizations and events around the United States. The principles followed when deciding who to donate and sponsor are governed by our core values, which stipulate that we are committed to connecting our communities with the resources of the world. Donations are granted only to organizations recognized to be non-profit or that are authorized by special provisions to accept donations. Over the 2016 reporting year, Peoples Services donated a total of \$32,442. Along with social organizations, in 2016 other beneficiaries of donations included victims of natural disasters.

Employee Donations

In 2016, employees of Peoples Services donated through the Helping Hands Program, which allows employees to donate through payroll deductions. Each operation participating in the Helping Hands Program selects a charity of choice for the year where all funds collected are given to the organization. In addition to financial donations, employees support specific projects, such as those that improve the lives of people whose quality of life is reduced by illness, disability, or other circumstances. Our goal is to offer support to those who are most at risk and provide a boost of social cohesion.

Employee Relations

We provide regular performance and career development reviews to 80 percent of our associates. The remaining workers are covered by collective bargaining agreements, so they do not receive this type of career review.

To encourage healthy lifestyles, each facility receives communications regarding health topics and preventative options available to them monthly and through the quarterly newsletter. Topics covered include: quit-smoking programs, heart health, and the importance of health screenings.

Total Employees





	FULL-TIME	PART-TIME	STUDENTS/ INTERNS	TEMPORARY EMPLOYEES	TOTAL
Female	119	2	3	75	199
Male	415	4	4	239	662
Total	534	6	7	314	861

Educational Initiatives

In addition to regional projects, Peoples Services is also actively involved in education in the region. The Allen School project is an initiative set up to aid a Canton, OH primary school where 90% of the students are below the poverty line. The school had a total of 345 students enrolled in the 2015/2016 academic year. The project resulted from a collaboration between the Allen School principal and Peoples Services where Peoples Services collected school supplies to help the students start their academic year with the necessary tools. Additionally, Peoples Services adopted a couple of families during the holiday season to bring joy to their homes during the season of giving. Assisting educational programs is also a key area of importance in other communities where Peoples Services operates.

Environmental Stewardship

Capital Investment Projects

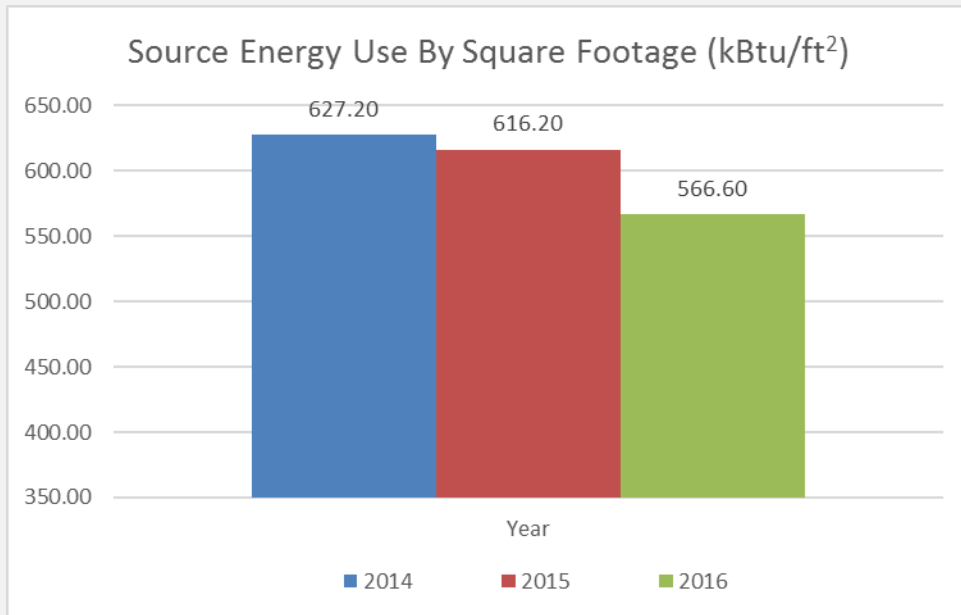
Focus	Contributes to Goal	Description of Project/ Activity
Energy efficiency of our processes		<ul style="list-style-type: none"> Upgrading lighting to more energy efficient bulbs at our Fremont, OH facility led to a 14% reduction in energy usage Purchase tractors with Regen engines Upgrading charger stations to level load batteries and reduce gas emissions
Waste management improvement		<ul style="list-style-type: none"> Assessing non-hazardous waste and current waste removal providers through trash audits and partnering with Industrial Recycling Companies Installed balers in operations to increase recycling capabilities of more industrial waste
Paperless transportation processes		<ul style="list-style-type: none"> Onboard computer units installed in all company-owned tractors Linking billing system with onboard computer units for real-time data transfer and reduced need for paper forms
Community engagement		<ul style="list-style-type: none"> Connecting with local veterans organizations for support options Working with local food banks throughout Eastern USA for volunteering times Improving our data gathering of community projects

Property Name	Square Footage	City	State	Energy Star Score
TWI Mogadore	387,104	Mogadore	OH	100
CWO Saginaw	298,306	Saginaw	MI	100
TWI Gilchrist	288,000	Akron	OH	100
TWI Home Ave	137,000	Akron	OH	100
PCS Navarre	162,000	Navarre	OH	99
Crown Cleveland	230,000	Cleveland	OH	98
CWO Midland	205,560	Midland	MI	98
TDI Fremont (5)	900,000	Fremont	OH	95
TWI Marvo (9)	469,592	Akron	OH	93
TDI Nitro	150,000	Nitro	WV	92
TDI Charlotte	245,000	Charlotte	NC	91
PCS Parkersburg	1,100,000	Parkersburg	WV	90
TDI Norfolk	150,000	Norfolk	VA	90
PCS Massillon	100,000	Massillon	OH	89
TWI Dayton	149,550	Vandalia	OH	87
TWI Columbus	409,000	Columbus	OH	84
TDI Salem	163,000	Salem	VA	73
TDI Canton	129,424	Canton	OH	55
TWI Lockbourne	220,000	Columbus	OH	N/A

Data Source: U.S. Department of Energy Portfolio Manager, Energy Star Statement of Energy Performance 2016.

(#) Quantity of buildings at location

Energy Performance

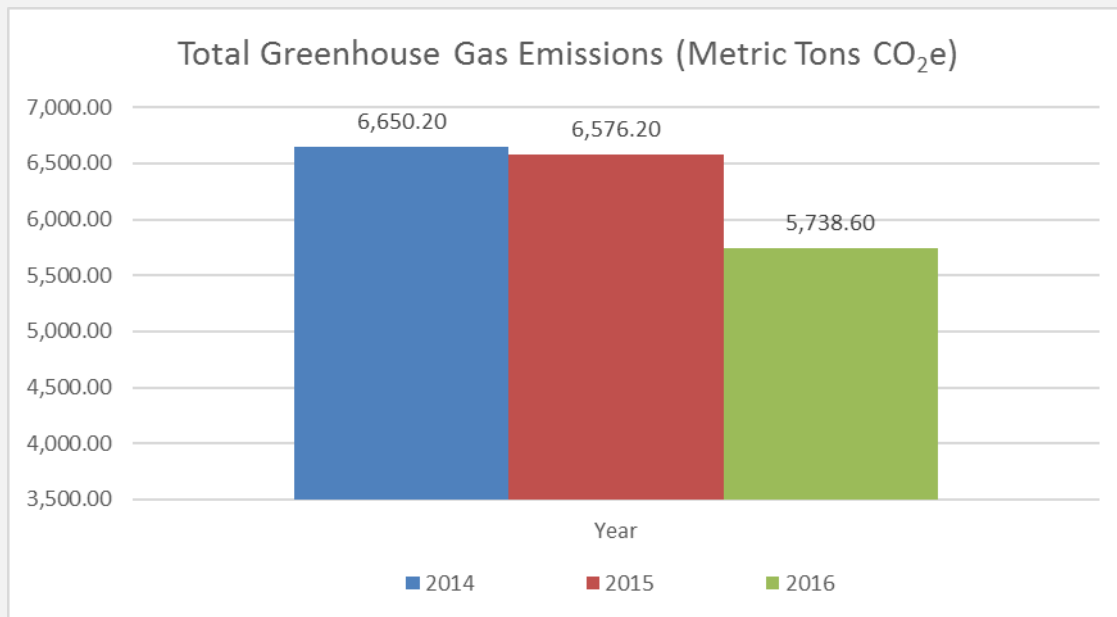


Source Data: Energy Star-Portfolio Manager Database

9.67%

Energy
Reduction

Emissions Performance



Source Data: Energy Star-Portfolio Manager Database

13.71%

Reduction
in GHG
Emissions

Waste Management

At Peoples Services, we are reducing the quantity of waste generated through responsible procurement practices. Our goal is to manage solid waste in a manner that will:

- Minimize landfilling and/or incineration and reduce toxicity
- Protect the environment and public health
- Conserve natural resources

The nature of our business is such that we encounter a significant amount of packaging materials coming into our warehouses intended for disposal. While we have little options for preventing the material coming to our sites, we can make a difference in where those materials will go. Through efforts like extensive pallet, cardboard, metal, and plastic recycling, we are able to divert the waste we create daily in our offices and warehouses from ending up in landfills.

In 2015/2016, our Midland, Michigan facility donated used pallets to the Great Start Collaborative who used the donations to upgrade a local community park.



Photos Courtesy of Great Start Collaborative.

Management Systems

65% of all our facilities are **ISO 9001** certified. All of our chemical facilities follow the American Chemistry Council's **Responsible Care Management System (RCMS)** to ensure safe and secure operational performance. 60% of our Fremont, OH food grade facilities are **American Institute of Baking (AIB)** certified with the purpose to maintain a superior level of food safety and hygiene.

• Akron, OH (4) ISO 9001	• Fremont, OH (3) AIB	• Norfolk, VA ISO 9001
• Akron, OH (3) RCMS	• Massillon, OH RCMS and ISO 9001	• Parkersburg, WV RCMS and ISO 9001
• Canton, OH RCMS and ISO 9001	• Midland, MI RCMS and ISO 9001	• Saginaw, MI RCMS and ISO 9001
• Charlotte, NC RCMS and ISO 9001	• Moncks Corner, SC RCMS and ISO 9001	• Salem, VA RCMS and ISO 9001
• Cleveland, OH (1) RCMS and ISO 9001	• Navarre, OH ISO 9001	• Simpsonville, SC ISO 9001
• Columbus, OH (2) RCMS and ISO 9001	• Nitro, WV RCMS and ISO 9001	• Vandalia, OH RCMS and ISO 9001

(#) Quantity of facilities in region

We see success as creating value for our customers and stakeholders and leading the logistics industry with effective and lasting solutions to environmental and social sustainability challenges.

We believe our actions are more important than just words, which are why we operate in a manner that promotes environmental and social sustainability. With continued focus on sustainability efforts that benefit our business and growth plans, we are confident we will further progress over the coming years.