



Peoples Services, Inc.

2207 Kimball Road, Canton, Ohio 44707

2015 Sustainability Report

Connecting communities with the resources of the world





This is the 1st published Sustainability Report for Peoples Services, Inc.'s operations. Data in this report cover the period from January 1, 2015 through December 31, 2015. 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.





Leadership Statement



At Peoples Services, Inc., our sustainability objective is to create industry-leading value with our products and services that our clients prefer, while at the same time conserve resources, protect the environment and improve social conditions in the communities we serve.

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. For example, we are:

- Installing programmable thermostats in all locations to reduce excess resources being used
- Repairing our roofs using cool roof products that reduce energy consumption and keep facilities cooler in the summer and warmer in the winter
- Participating in several charitable organizations to better our communities
- Updating our fleet to be compliant with emission regulations
- Taking advantage of intelligent trucking software to decrease fuel consumption

With continued focus on sustainability efforts that benefit our business and growth plans, we are confident we will further progress over the coming years.

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.



Management's Responsibility for Financial Reporting

At Peoples Services, we take great pride in our long history of doing what's right. If you analyze what's made our company successful over the years, you may focus on our clients, or marketing strategies, our organization design and our ability to adapt. But if you want to get at what drives our Company's success, the place to look is our people. Our people are deeply committed to our Purpose, Values, and Principles. It is this commitment to doing what's right that unites us.

The commitment to doing what's right is embodied in our financial reporting. High-quality financial reporting is our responsibility, one we execute with integrity, and within both the letter and spirit of the law. High-quality financial reporting is characterized by accuracy, objectivity, and transparency. Management is responsible for maintaining an effective system of internal controls over financial reporting to deliver those characteristics in all material respects.

Our Goals

We have been dedicated to driving change within our own Company by partnering with a consulting firm who challenges us to expand our breadth while growing our leadership strength within the logistics industry. This report captures our efforts over the past year and highlights some of our biggest achievements to date. 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 volunteering 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** – Our 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, our goal is to reduce our energy usage by 30% allowing the previous spend on energy to be used in other areas of the Company.

We are focused on these areas, and we know that protecting the earth and giving back to those in need is a responsibility and a business opportunity. We plan to continue our sustainability initiatives to achieve our ambitious long-term sustainability vision. We look forward to sharing further updates on the positive impact of these important efforts.



Environmental Sustainability

Peoples Service’s sustainability objective is to create industry-leading value with our products and services that our clients prefer while at the same time conserving resources, protecting the environment and improving social conditions for those who need it most.

In this section, we provide an update on our efforts to advance our environmental sustainability efforts across three core focus areas; Conservation of Resources, Renewable Resources, and Waste Reduction.

Conservation of Resources

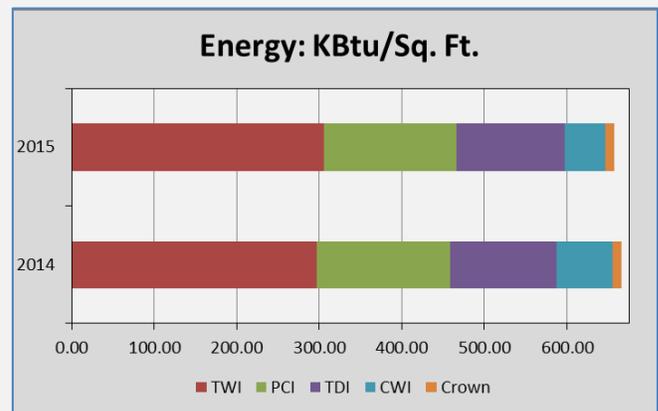
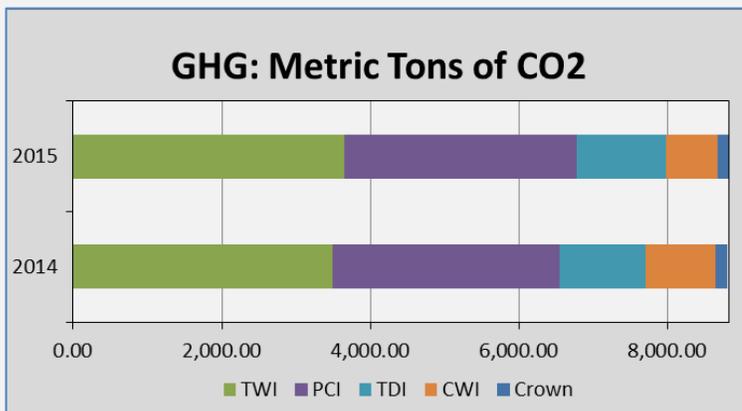
Our work in conservation is simply about doing more with less. We are trying to reduce the amount of energy needed to operate our facilities while still delivering the high-quality performance our clients expect.

Energy and CO₂

In 2014, we established our baseline year tracking energy use and total CO₂ emissions at Peoples Services facilities. Peoples Services wants to reduce our energy consumption and greenhouse gas emissions further because it is the environmentally right thing to do. By reducing our CO₂ production and energy usage, we reduce pollutants released into our communities as well as reduce our energy costs.

CO₂

Greenhouse gas emissions can result from direct and indirect consumption or burning of fossil fuels. Peoples Services currently reports on our indirect greenhouse gas emissions originating from the heating, cooling, and ventilating of our warehouses. During 2015, Peoples Services had 8,813.1 Metric Tons CO₂ emissions recorded which were less than 1% change over 2014. We will continue to strengthen our efforts in 2016 to drive progress in CO₂ emission reduction.



Data Source: U.S. Department of Energy Portfolio Manager, Energy Star Statement of Energy Performance 2015.



Energy

Overall, we achieved an approximate 1.5% reduction in energy. There were several drivers for the energy reduction. 2014/2015 Sites had programmable thermostats installed to ensure better controls on energy levels.

Additionally, during 2014/2015 the Charlotte facility completed installation of a cool roof over a portion of the warehouse. This energy efficient roofing material uses thermal properties that reduce heat loss which contributed to the 11.75% reduction in energy usage for 2015.



Image Courtesy of Coolroofingcontractor.com

Waste

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.

Reuse/Repurpose

Our commitment to reuse or repurpose is further exemplified by several standard Peoples Services policies:

- Use refurbished furniture
- Recycle used electronics
- Reuse rechargeable batteries
- Reuse used pallets where ever possible





Social Sustainability

Doing the right thing is the foundation of Peoples Service’s Purpose, Values, and Principles and includes investing in the communities in which we live, work, and serve. Peoples Service’s Social Sustainability provides programs when and where they are needed most and perform at their best, responding to disasters and other extreme needs.

Local Community

Peoples Services employees annually contribute their time and money to various causes. 2015 highlights include:

- Volunteered warehouse space, transportation, labor services and donated to:
 - Boys Scouts of America
 - Girls Scouts
 - Akron Children’s Change Bandit
 - Coleman Memorial Concert
 - Haven of Rest
 - Help the Heal Festival which helps wounded warriors
 - Massillon Fire Department
 - Mineral Wells Volunteer Fire Dept.
 - St. Jude Hospital
 - Wood County Solid Waste Authority’s Electronics Recycling Drive



- Provided warehouse space and transportation services for Wreaths Across America which honors our Veterans



- Contributed to the Helping Hands program which donates money to a sites charity of choice. 2015 recipients are:

- Marion Franklin Civic Association
- Ronald McDonald House
- Akron/Canton Regional Food Bank
- American Cancer Society
- Make A Wish
- Humane Society of Summit County





Logistics Industry

Peoples Services believes it's our duty to be involved in our community, in fact, senior management actively participates in committees where they hold leadership positions and attend the following industry conference groups:

- Warehouse Education and Research Council (WERC)
- International Warehouse Logistics Association (IWLA)
- Council of Supply Chain Management Professionals (CSCMP)
- American Trucking Association (ATA)
- Ohio Trucking Association (OTA)
- Ohio Trucking Safety Council (OTSC)



Leadership

Beyond donating time and money to those in need, the executive team gives their expertise and leadership skills to a number of organizations outside of the logistics industry:

- Stark County Port Authority
- Stark Development Board of Trustees
- Vice Chair of the Ohio Trucking Association Executive Committee
- Chairman of the Aultman Health Foundation
- TEAM NEO Board of Trustees
- Buckeye Council Boy Scouts Executive Board and Legatus



Health & Wellness



Health and sustainability go hand-in-hand. At Peoples Services, we know that our people are what make us great. In order to be a preferred employer within our communities, Peoples Services employs several strategies around health and well-being.

Comprehensive Benefits

Our employees have the option to elect a standard benefits package that includes the following:

- Medical
- Vision
- Dental
- 401K
- Life Insurance
- Short and Long term disability insurance

Safety & Security



Safety and security matter to sustainability because we are entrusted to keep our customers' goods clean, safe, and secure. Our employees' safety when handling customers' goods, whether it is on the truck, loading a container, using forklifts to move products, or in managing the business, is of the utmost importance to us. We could not be a sustainable business if we did not focus our efforts in these areas.

Safety

Taking care of our employees' means providing them with the training and equipment needed to keep them free from injury. We place a high value on safety, as demonstrated by our SHARP certification from the Department of Labor and Industry. We do this through a high level of leadership and employee involvement. The systems we have in place aid us in identifying, correcting, and controlling workplace hazards as well as identify employee safety training and educational needs.

Safety Training

Our employees receive annual safety training to ensure we stay current.

In 2015, training consisted of the following:

- Emergency Response Plan
- Proper Hazardous Material Handling
- Forklift Safety and Training
- AED and CPR Training



Peoples Services uses OSHA Standard 1904 for recording and reporting accident statistics. For 2015, Peoples Services' incidence rate was 2.03. The incidence rate takes into account total hours worked by Peoples Services employees and the amount of work-related injuries and illnesses that occurred.

Security

Because our customers entrust Peoples Services to care for their goods while in our care, Peoples Services places a high value on maintaining secure storage and transport of these products.

- Peoples Services trains our employees on the companies' anti-theft policy which clearly states our expectation on protecting clients' products in our care. Within our facilities, we have inventory control associates that perform cycle counts daily and full inventory reviews on an annual basis.
- All sites are routinely evaluated for theft and vandalism risks. We use security cameras to help monitor the security of our warehouses and transportation vehicles.

Our Purpose, Values, and Principles

Taken together, our Purpose, Values, and Principles are the foundation for Peoples Service's unique culture. Throughout our history of over 100 years, our business has grown and changed while these elements have endured, and will continue to be passed down to generations of Peoples Service people to come.

Our Purpose:

- Connecting communities with the resources of the world

Our Values:

- Treat People Respectfully – foster mutual long-term relationships
- Display Integrity and Honesty – be direct with empathetic tact
- Do Whatever It Takes – lead by example as no core task is beneath an individual
- Commitment to Service Excellence – do the right thing the first time: think long-term

And Our Principles:

- Leadership & Personal Responsibility
- Safety and Compliance
- Supplier & Customer Relations
- Environmental Sustainability
- Social Sustainability
- Quality Assurance



Peoples at a Glance

3rd Party Logistics Services Provider / Logistics Services

We are a Service Business

- Warehouse Logistics
- Distribution
- Transportation Management
- Rail and Bulk Container Transloading
- Packaging
- Value-added
- Fulfillment

We handle products throughout their life cycle 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 specialize bulk/dry van/ flatbed/ reefer vans.

Industries Served:

- Grocery / Food Processing
- Beverage
- Plastic
- Chemical
- Industrial
- Forest Products (Paper/Packaging)
- Automotive
- Consumer Goods
- Solar Energy



★ Warehouse Locations

Acquisitions

In September, we expanded the Peoples Services family with the addition of 8 warehouses located in the Fremont, Ohio area. The acquisition added 100 trailers and 900,000 square feet of warehouse space. Adding the Fremont sites expanded our food-grade service capacity significantly which helps strengthen our economic position and make us less sensitive to changes in the economy.





Locations

Property Name	City	State	Gross Floor Area	Energy Star Score
Barberton	Barberton	OH	N/A	N/A
Crown Cleveland	Cleveland	OH	230,000	97
CWI Midland	Midland	MI	205,560	97
CWI Saginaw	Saginaw	MI	298,306	100
PCI Canton	Canton	OH	129,424	58
PCS Massillon	Massillon	OH	100,000	83
PCS Navarre	Navarre	OH	162,000	99
PCS Parkersburg	Parkersburg	WV	1,100,000	95
Quick Delivery	Nitro	WV	N/A	N/A
Simpsonville	Simpsonville	SC	208,000	N/A
TDI Charleston	Moncks Corner	SC	130,000	N/A
TDI Charlotte	Charlotte	NC	245,000	82
TDI Fremont	Fremont	OH	900,000	N/A
TDI Nitro	Nitro	WV	150,000	94
TDI Norfolk	Norfolk	VA	150,000	89
TDI Salem	Salem	VA	163,000	74
TWI Columbus	Columbus	OH	409,000	83
TWI Dayton	Vandalia	OH	149,550	90
TWI Gilchrist	Akron	OH	288,000	100
TWI Home Ave	Akron	OH	137,000	100
TWI Lockbourne	Columbus	OH	144,000	N/A
TWI Marvo	Akron	OH	469,592	95
TWI Mogadore	Mogadore	OH	387,104	85

Data Source: U.S. Department of Energy Portfolio Manager, Energy Star Statement of Energy Performance 2015.