

Peoples Services, Inc.

# 2019 Sustainability Report



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## Letter from the CEO



I'm proud to share the progress we made last year, presented here in our 2019 Sustainability Report. These annual reports represent a tremendous amount of dedication by our employees. The world is changing more rapidly than ever. To sustain and thrive in the face of these changes requires agility, adaptability, and resilient nature. These qualities are tested every day and repeatedly demonstrated by our employees who manage our clients' supply chain challenges. Together, we're united by a belief that our business can and should be a leader in more than just logistics. As our purpose statement says, "Going beyond logistics for a better solution."

Integrating sustainability into our operations is a journey that proceeds incrementally, ideally developing creative solutions, solid strategies, and measurable goals along the way. No matter the sustainability drivers – cost reduction, regulatory compliance, environmental stewardship, community pressures, social responsibility, and so on – planning and measuring are essential to achieving sustainability in a project and across the company. As a business, we know that sustainability efforts are only sustainable when helping our communities and companies grow and prosper. In a world of significant challenges and even more significant opportunities, we must work side by side with our employees, customers, industry partners, non-governmental organizations, regulatory agencies, and others in the local communities.

An ever-changing environment requires employees to be adaptable, continuous learners, who are comfortable interacting with all levels within an organization. We have initiated and strengthened our training programs to develop growth opportunities for employees from within the organization to help while creating a culture to attract new talent to be a part of the Peoples Services family. We aim to cultivate more durable, healthier, safer and conscientious citizens. Our success relies on talented, creative, and resourceful employees who strive to do their best in a challenging, fast-paced environment. To bring out the best in our people, we offer resources that support career growth, health and wellbeing, and safety, as well as competitive pay and benefits. We aim to expand and improve our relationships with customers and suppliers by working together toward solving their supply chain challenges, which in turn helps us all.

Although our business is directly influenced by global economics, we never forget that the services we provide are local. Our communities have their definitions of sustainability, and our goal is to offer them the information they need to make smart choices. From the conservation of fuel to reducing and reusing waste, we will provide services that reflect customer needs – and empower them to steer their decisions toward environmental and community stewardship. Not only managing change but driving it remains our focus for ourselves and those we serve. In 2019, Peoples Services joined Truckers Against Trafficking (TAT) an organization focused on stamping out human trafficking. We trained our entire management team and drivers as well as posted information about TAT at our locations and on our trucks to recruit more advocates to work towards stopping the heinous global crime of human trafficking.

Doug Sibila, President and Chief Executive Officer



## 2019 Highlights

**105**  
YEARS IN  
BUSINESS

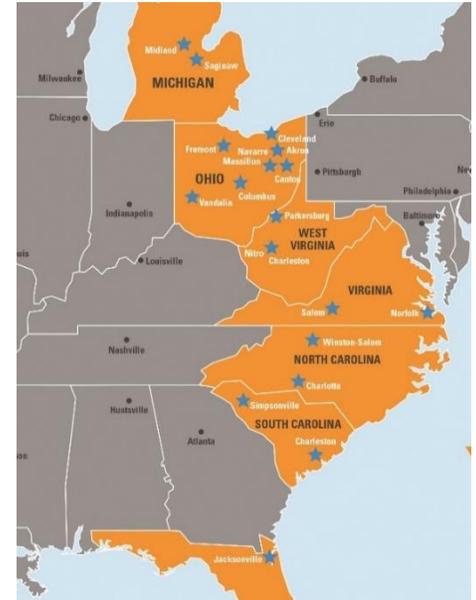
**7.7**  
MILLION FT<sup>2</sup> OF  
DEDICATED &  
PUBLIC STORAGE

**\$106.8**  
MILLION IN  
TOTAL SALES

## About Peoples Services, Inc.

Peoples Services is a third-party logistics service provider specializing in handling commodities from chemicals and plastics to food grade and consumer goods. Services include transloading bulk material from rail to bulk pneumatic tank trucks, drumming and packaging, repacking services, e-commerce fulfillment, inventory management, brokerage, and transportation. Using our fleet of vehicles allows us to offer on-site transportation logistics and management services.

Peoples Services is committed to going beyond logistics for a better solution. With over 100 years of experience and business excellence, we provide supply chain management by solving our customers' distribution challenges while reducing costs. We strive to provide a safe, comfortable working environment for our valued employees.



## About this report

***Peoples Services, Inc. (PSI) seek to provide clear and transparent information on how we measure and disclose our environmental, social, and governance impacts.***

Our 2019 sustainability report is our fifth annual report and was prepared in accordance with the Global Reporting Initiative (GRI) Standards (Core). Using the Global Reporting Initiative (GRI) Standards enables us to transparently share PSI's material economic, environmental, and social impacts and how we manage them. Omission from the material issues addressed in our report does not mean that PSI is not managing the issue. This report covers all PSI member companies, including Central Warehouse, Peoples Cartage, Total Distribution, and Terminal Warehouse.

The report comprises sustainability and corporate responsibility information relating to Peoples Services, Inc. in the areas of environment, social matters, human resources, and responsible business conduct, including human rights, health, and safety. The sustainability report describes the PSI's policies relating to sustainability responsibility, their outcome, and the significant risks and opportunities related to those topics. Unless otherwise stated, all information and data pertaining to activities undertaken from January 1, 2019, to December 31, 2019. The report covers Peoples Services and its subsidiaries. This report has not been verified by a third-party or GRI.

## Sustainability Approach

Sustainability and corporate responsibility are integrated into Peoples Services' business and its commitment to the triple bottom line of responsible environmental performance and social and economic development. Conducting business responsibility is a cornerstone of the company's strategy and culture. PSI's ambition is to be a responsible and relevant driver of positive change in society. The company's declared visions and purpose, "Going beyond logistics for a better solution, embodies the breadth of what PSI aims to do and how to contribute to sustainable development. PSI is



also committed to reducing risk in the company; its stakeholders and minimizing negative economic, environmental, and social impacts. PSI's approach to sustainability and corporate responsibility is integrated into its business operations, and the performance is regularly measured, assessed, and assured.

### Strategic priorities

Sustainability priorities will serve as a guide that allows PSI to:

- Grow as a leading and trusted voice for sustainability in logistics through communication, advocacy, education, and professionalism.
- Keep PSI competitive in a rapidly changing industry by providing information about what customers' value.
- Integrate sustainability within all association levels through decision-making that balances economic, social, and environmental considerations.
- Develop a comprehensive PSI sustainability plan with goals and benchmarks for measurable change over time.



#### Priority: Environment (Planet)

1. Develop resiliency, risk management, and disaster preparedness/prevention strategies.
2. Determine best practices for establishing resource usage baselines, reduction strategies, and goals focused on energy, waste, and transportation.
3. Create advocacy strategies that support environmental priorities while maintaining and supporting social and economic priorities.
4. Add environmental sustainability language to PSI's associate training and employee handbook, such as a code of ethics, policies, and core standards.

#### Priority: Social (People)

1. Proactively identify social issues of importance to PSI (health/wellness, equity, resources) and determine associated improvement goals.
2. Improve messaging and communication strategies to convey the importance and value of PSI's sustainability efforts, our customers, and the local communities we serve.
3. Share sustainability best practices that keep PSI essential to customers and communities.

#### Priority – Economic (Profit)

1. Invest in and support sustainability projects that increase our capacity, create value for our customers, and ensure future economic growth.
2. Develop operational practices for all PSI facilities, with a goal of resource reduction and improved efficiency (energy, waste, etc.) that can be modeled for peers in the logistics industry.
3. Advocate for the value of sustainability in a warehouse and transportation operation.
4. Promote new service offerings that expand our capabilities that will lead to job growth for the economy.



## Progress towards targets

PSI is committed to maintaining its positive momentum. Our sustainability objectives cover three areas: These areas all directly or indirectly impact PSI’s business success. We have made quantifiable progress on all measures in 2019 except in diverting waste from landfills. We are pleased to present our achievements in this report. PSI has now entered a period of a significant transformation. Over the course of 2020, we will sharpen PSI’s focus as a... PSI has started work to revise its baseline 2014 data to reflect changes in the company that would otherwise compromise reported social and environmental information's consistency and relevance.



Objective	2019 Performance
In the areas where we have operations, we aim to become the most attractive employer in the regions. We strive to achieve long-term success through the excellent performance of a top team of over 500 employees.	Keeping healthcare costs down is a challenge for all employers. Still, PSI doesn't want an employee to miss taking an essential medication due to the medicine cost. Effective July 2019, PSI chose to cover the cost of preventative medicines prescribed by their primary care physician for associates who elected the company's benefits plan.
Managing our operations through sustainable processes and standardized technology to allow for continued excellence in all our operations.	The financial health of a company is determined in its accounting software. As regulatory requirements change, a business’s accounting software needs to adapt to the new standards. PSI successfully implemented a new accounting management system that will grow as its business needs to increase.
Expanding business opportunities beyond traditional services will allow increased financial growth towards our 2020 revenue targets.	From new clients, service offerings, and other organic growth, PSI experienced an 18.7% revenue growth.

## Stakeholder Engagement

Our approach is to engage in meaningful dialogue and collaboration with stakeholders to clarify PSI’s positions and policies and, at times, to understand our stakeholder’s needs. The approach to stakeholder engagement enables Peoples Services to learn about its stakeholders’ expectations and concerns, thus providing insights into risks and opportunities. The company’s stakeholders fall into three categories: customers, employees, and the community. PSI includes suppliers, government, non-government organizations, industry partners, academia, and the public in the community category.

PSI engages with its stakeholders on an ongoing basis on a diverse range of topics, including supply-chain management, human rights, anti-corruption, technology, and other significant issues. The engagement takes various forms such as joint projects and initiatives, meetings, surveys, participation in industry groups, representation on decision-making bodies, research projects, and dialogues with non-governmental organizations. Other ways to gain stakeholder insight are research collaborations with academia, institutions, and industry peers. The company leverages its social media outreach to extend the conversation and hear from the public. The following offers an overview of some of our main areas of engagement with key stakeholders in 2019.



In 2019, PSI engaged in dialogue with leading chemical manufacturers within the American Chemistry Council on sustainability and corporate responsibility topics. Key topics discussed included an increasing interest from consumers in reducing and managing waste, working on innovations to re-use, repurpose, and recycle plastics to add more value to the products.

STAKEHOLDER GROUP	ENGAGEMENT MECHANISM	DESCRIPTION
Employees	Employee Engagement Survey	Engagement tool for our employees to review performance, submit ideas, and relay concerns
	Site ESOP Meetings	Platform to engage directly with employees and provide Q&A forum with our CEO and COO
Customers	Ongoing Outreach	Mechanism to correspond with our customers to address environmental, social, and/or business matters
	Industry Conferences	Opportunity to engage directly with customers and industry peers at conferences and events
Communities	Culture Committee	Committee comprised of executive team to review and act on feedback from employee engagement survey.
	Volunteering and Giving	Support local community needs through volunteering and charitable donations.

### Customers

In recent years, customers have sought increased assurance that PSI has embraced sustainability into their daily activities. Their focus is on creating a sustainable supply chain that will deliver on their promises of greater resource efficiency, reduced energy use, and risk management. PSI engages with customers through regular interactions and meetings and dialogues focusing on specific sustainability and corporate responsibility topics; for example, upon customer request, in 2019, the company completed an EcoVadis survey. We continue to meet with customers and answer their regular requests for information about the sustainability of operations and how we manage all kinds of risks. Our ability to provide detailed information on most issues underscores our reputation as a leader and trusted supplier with robust risk management policies and processes in place.

### Employees

As our company continues to evolve, it is critical that employees fully understand our strategy and their role in creating PSI's future. We strive to provide employees with as many opportunities as possible to give feedback and ask questions.

In 2019, PSI conducted an employee engagement survey. The company's employees were requested to score and provide comments on company-related topics to see how we are performing towards becoming an employer of choice. We had 14% participation, which was a decrease from the previous year. Of the individuals who responded, the employees feel more appreciated and understand how they are essential in servicing our customer's supply chain needs. The most frequent suggestion from the survey responses was centralized around the desire for more communication from within the company. In 2020, PSI will add more digital communication tools for associates to receive announcements and send feedback to the strategic Culture committee, which is tasked with improving employee engagement.



## Community

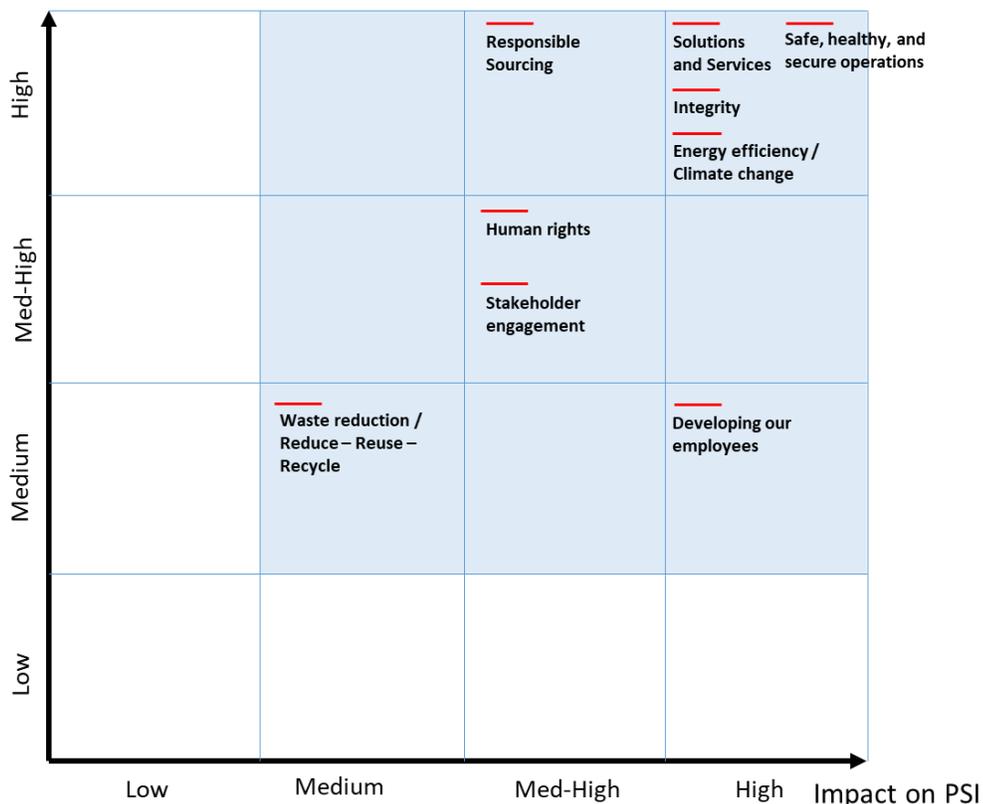
As a company spread throughout seven states, we are in daily contact with suppliers to discuss business-related issues. Our business aims are clear: We seek high quality, low costs, and on-time delivery of products and services. We work hard to ensure that our suppliers meet our business needs and our sustainability requirements and standards. These efforts are managed through our procurement manager. All new suppliers to PSI are required to complete our supplier qualification process. We assess the potential supplier and their qualifications to provide a product or service safely. They will not violate our sustainability procedures. This aspect of our routine supplier evaluation process reiterates our commitment to responsible sourcing. Suppliers also receive on-site training to identify the PSI specific parameters within the operation. These parameters cover general management, working conditions, health, safety, and environmental requirements.

PSI strengthened its government relations capability in 2019. By engaging consistently with policymakers at the state and national level, we discuss topics related to the transportation and logistics industries’ policies and sustainability opportunities.

PSI contributed to 26 community projects and charities, focusing on supporting education and ending human trafficking. Nationally, our employees and companies donated approximately US \$93,000, provided school supplies for 120 children living in high poverty areas, and adopted twice as many families during the December holidays. More information can be found in the chapter Community engagement.

## 2019 Materiality Matrix

Relevance to stakeholders



## Material Issues

Responsible and sustainable business involves engaging with our stakeholders to refine our strategy. This year, we have included our materiality matrix, an essential tool to define our Corporate Responsibility strategy, identifying our priorities according to their importance for external and internal stakeholders and their impact on Peoples Services, Inc.'s business success.

The key topics that have been identified in collaboration with our stakeholders are shown in the matrix below. Covering environmental, social, societal, business, and governance aspects, these topics have been evaluated to determine PSI's sustainability risks and opportunities. We are working to be recognized as a strong contributor to a sustainable world through our business practices.

## Understanding the Materiality Results

The topics' distribution on the materiality matrix, across four distinct tiers, provides useful insights on how to understand and manage each material topic. The high impact tier includes the priority topics that are the most material to PSI's external stakeholders and its business success. These topics are intimately linked to PSI's evolving business model. They are core to the activation and delivery of PSI's going beyond logistics for a better solution.

## Risk Management

We proactively analyze the risks that may affect our business operations or financial condition. Using the American Chemistry Councils Responsible Care Management System (RCMS) as our guiding principles provides us the controls and oversight over the company's risk management process. An internal audit team regularly assess our operations to measure how well we are following the management system. Our Internal Safety and Compliance team oversees our risk management process and reports directly to the RCMS audit committee. Being one of only a few 3PL organizations in the country to be RCMS certified shows the depth of our commitment to risk management.

For our food-grade operations, we comply with the Global Food Safety Initiative (GFSI) storage and distribution requirements. Manufacturing clients can feel confident that their storage provider operates at a high standard to ensure their products are correctly stored and handled. As an employer, it is our responsibility to maintain a safe and healthy workplace. Using safety management programs like RCMS and GFSI helps us stay on target and reflect on how we approach our business and value our PSI associates.

## Safety

Maintaining safe, healthy, and efficient operations is essential and is a top priority for Peoples Services. Whether a location is experiencing an activity spike, or a driver needs to travel through less than ideal weather conditions, there is no reason to bypass safe work habits. Different methods are used to reinforce safe work habits, which include but are not limited to regular training, video monitoring, and weekly expected behavior discussions. We continually look for ways to improve our operations and vehicles to reinforce safe work habits every day.



## Environmental

We build on our best practices, programs, and our environmental management system to operate beyond compliance. Our daily practices aim to make us an environmentally responsible company. We work to raise awareness, drive change, and achieve positive environmental impact. We protect the environment, conserve energy and natural resources, and prevent pollution by applying appropriate management practices and technologies. We work to be environmentally responsible and mitigate the impact of all aspects of our business. We help our customers do the same. We track energy consumption, CO<sub>2</sub>e emissions, water usage, total waste generation, and disposal.

Environmental management remains a heavily regulated area, particularly for a company with a wide footprint. Our challenge is to adapt our systems to the standards expressed in those region's regulations. Some key aspects of our operations, for example, greenhouse gas emissions, remain unregulated. Still, we intend to reduce our footprint. Many of our key customers have reinforced that objective with their own sets of goals for suppliers. Working towards our 2020 goals has been instructive in many respects. It has allowed us to expand our ambitions moving forward, prompting further discussion about how we can transparently report our progress.



## Material Compliance

We follow legal material requirements and our specifications in all our packaging, handling, labeling, recycling, and disposal to ensure safety. We have developed a full material compliance process that focuses on customer, regulatory, and Peoples Services requirements. We not only follow all regulatory guidelines, but we adhere to the Responsible Care Management System. RCMS, as prescribed by the American Chemistry Council, relates to hazardous substances to ensure organizations control the chemicals they store and handle in their operations.

## Waste Management

We reduce waste by conservation recycling and re-use of materials. We manage and dispose of scrap and waste in compliance with legal, social, environmental, and ethical requirements. While we aim to maintain or increase that diversion rate, we will also focus efforts on minimizing waste production in the first place. We study our largest waste streams to determine if work practices, materials, or other aspects might enable a reduction in waste generation.

## Scrap and waste management system

We have limited control over the packaging material products use when they arrive at our facilities. We can control where the packaging waste will end. Our focus has been on responsible management and recapturing value from this waste. Demand for recyclable materials is still low. Where hazardous material or other waste requires landfilling, we conduct due diligence through a third-party service provider. We are currently developing a system to record, measure, and standardize waste and waste material disposition. This development process will continue into next year.



## Social Responsibility

Though our operations span seven states with over a thousand customers in the U.S. and Canada, we are very much a local business that is an integral part of the communities we serve. We want to help make our communities, cities, towns, and counties better places to work and live – today and for the future. To do so, we support events, programs, and organizations that are as varied as the communities and individuals we serve. In 2019, we provided 30,000 square feet of storage space to local charities needing short term storage. Being a third-party logistics company, we understand that floor space is money. Still, when we can help local charities to be successful, the short offset of revenue is outshined by the community boost.

Peoples Services, Inc. is a family-owned company with an extended family of over 700 individuals supporting our clients' supply chain needs. Family is at the core of our corporate identity. We help a broad range of organizations and events throughout the United States. The principles we follow when deciding whom to donate to and sponsor are governed by our core values. Donations are granted only to organizations recognized to be non-profit or authorized by special provisions to accept donations. Over the 2019 reporting year, PSI donated approximately \$75,000.

### Employee Donations

In 2019, employees of Peoples Services, Inc. donated through the helping Hands Program, which allows employees to contribute through payroll deductions. Each operation participating in the Helping Hands Program selects a charity. All the funds collected are given to the organization. In addition to financial donations, employees support specific projects, such as those that improve people's lives 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.

### Educational Initiatives

Peoples Services believe that the well-being of all people and the planet are interconnected. We have the opportunity and responsibility to be agents of positive change. Along with supporting social organizations, PSI provided direct support to local elementary schools with high poverty rates. PSI supplied 120 backpacks filled with school supplies to Allen Elementary in Canton, OH, Fair plains Elementary in Parkersburg, WV, and Ramona Blvd Elementary in Jacksonville, FL.



PSI provides financial support to full-time regular status employees pursuing a certificate, license, or degree in an approved field from an accredited vocational or educational institute. Providing work-related professional development at no or low cost to employees provides a win-win for PSI. It helps refresh our employees' skills and prime them to take a management role down the line. By supporting our employees' career goals, we reduce the risk of losing good talent, which improves our retention rate. In the competitive logistics industry, retention is essential now more than ever.

In 2019, four young adults whose parents or guardians are a part of the Peoples Services team were awarded a college scholarship. An independent scholarship committee reviewed all scholarship applications to select the four individuals. We are pleased to announce starting in 2020 the scholarship program will increase from \$10,000 to \$25,000 to help reduce the burden families experience from growing educational costs. The winners in 2019 were:

- \$5,000: Stephen Kamph – Business Management
- \$2,000: Haley Morgan – Psychology
- \$2,000: Bridget McMichael – Nursing
- \$1,000: Deanna Rodriguez – Engineering



## Knights of the Highway

An estimated 25 million people are victims of forced labor globally, coerced to participate in some type of labor or commercial sex act by force, fraud, or coercion. Victims of this highly profitable crime are of all ages and are from all races and socioeconomic backgrounds. Forced labor includes human trafficking, which occurs in both large cities and rural areas. According to the International Labor Organization, women and girls are disproportionately affected, accounting for 99 percent of the commercial sex industry's victims and 58 percent in other sectors. For Peoples Services, we address human rights issues in our communities and the value chain. While human trafficking is not directly related to PSI's day-to-day business, we are in a position to help curb this modern-day slavery. By working with our suppliers, educating our associates, and supporting Truckers Against Trafficking (TAT), we can potentially help victims. The nonprofit agency educates, equips, empowers, and mobilizes the trucking industry members to combat human trafficking. There are more professional drivers on the road than there is law enforcement. Through TAT's training, we learned about domestic sex trafficking realities, how the trucking industry can combat it, and how to report suspected trafficking situations. From equipping our drivers to be the eyes and ears on the roadways, we chose to offer broader industry support by becoming silver level donators and expanding training to our operations and posting TAT information on our vehicles and facilities. The more people we can recruit to become a 'Knight of the Highway' the greater the chance we can rescue victims and stop future victims from being taken.



## Sustainability management

The management teams are briefed semi-annually, or more often if needed, on sustainability and corporate responsibility performance and risk. In 2019, briefings covered progress on strategic goals for the business, cybersecurity, occupational health and safety, responsible sourcing, operational challenges, and community engagement projects. The management group was also briefed about the incidents that lead to lost time and where we can focus our employee training program.

## Governance and Ethics

PSI's corporate governance is designed to serve stockholders' and other stakeholders' interests with the highest standards of responsibility, integrity, and compliance with applicable laws. These standards are developed and implemented by our Board of Directors and management team, who oversee the company's performance and governance policies.

## Code of Conduct

Our values in action – PSI's code of conduct defines what we stand for and believe in, documenting the uncompromisingly high ethical standards our company has upheld since its founding in 1914. The code of conduct helps PSI employees put the values and principles expressed in our code of conduct into action every day by providing detailed guidance on the behaviors and actions that support our values of integrity, excellence, teamwork, and commitment.

## Supporting Human Rights

We are asked from time to time about our commitment to human rights. PSI's code of conduct effectively articulates our long-standing support for, and commitment to, human rights and all people's dignity. PSI values teamwork with our employees, clients, suppliers, and other stakeholders. We seek suppliers and business allies who demonstrate strong values and ethical principles. We avoid those who violate the law or fail to comply with the sound business practices we promote. We feel strongly that our values in action create a work environment that recognizes our employees' rights.



Our employees and management receive regular training and participate in annual assessments to ensure that they are aware of and apply the principles contained in our values in action. We also maintain internal reporting mechanisms to hold employees and management accountable for failing to comply with our core values.

### Opposing Bribery and Corruption

PSI believes fair competition based on quality, innovation, and overall value is fundamental to free enterprise and economic growth. Bribery and corruption can have serious social, environmental, and economic consequences – impeding trade, competition, investment, and economic development, and limiting a nation’s ability to reduce poverty and improve standards of living. In some areas of the country where PSI does business, bribery and corruption are significant issues. As a result, we strongly advocate and enforce anticorruption policies throughout our businesses.

### Vision, Mission, & Strategy

Our vision is a world in which all people's basic requirements – such as shelter, clean water, sanitation, and reliable power – are fulfilled in a way that they cause zero impact on the environment.

Our mission is to enable economic growth through infrastructure and energy development and provide solutions that protect people and preserve the planet.

Our strategy is to provide work environments, products, services, and solutions that efficiently use the world’s natural resources and reduce unnecessary impacts on people, the environment, and the economy. This means that we leverage resources, including technology and innovation, too:

- Promote and protect individual safety and well-being
- Provide employment, education and training
- Minimize the use of energy, materials, water and land
- Maximize recycling
- Minimize emissions
- Optimize the use of renewable resources

### Critical Success Factors

**Culture.** Create a culture of sustainable development in all our business units and all our daily work.

**Progress.** We identify and share best practices to promote our employees’ awareness and understanding of sustainability. We continue to foster a corporate culture of transparency, disclosure, and engagement.

**Operations.** Be consistent with our sustainability principles and contribute to enterprise sustainable development goals.

**Progress.** The PSI provides the recipe for efficiency and sustaining excellence in our facilities. We actively encourage employees to conserve resources and be more efficient. Operating more efficiently and sustainably will reduce impacts on people and the environment and help us and our customers save money.

**Business Opportunities.** Identify and pursue business growth opportunities created by sustainable development.



**Progress.** We are working to embed sustainability into our PSI portfolio. Our business leaders continue to drive growth in sales of products, services, and solutions that help customers meet their sustainability challenges. We utilize Lean Six Sigma methodologies to focus our work and drive measurable benefits.

## Reporting Initiatives & Awards

We use reporting initiatives such as Global Reporting Initiative (GRI) to communicate the results of our sustainability initiatives to our collective stakeholders. We endeavor to affirm long-term value for our stakeholders through regular communication of our progress in a publicly available forum while improving our sustainability-related business practices and motivating our partners to do the same. Additional information regarding our sustainability reporting initiatives, including links to our latest reports, is available on our website.

Our 2019 achievements include:



- Peoples Services, Inc. has been awarded a Silver rating for overall sustainability from EcoVadis. The 2019 rating reflects the outstanding assessment of PSI's initiatives in all four of EcoVadis's CSR (corporate social responsibility) criteria categories: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. In receiving a silver rating, which is second only to gold, PSI places within the top 24% of all companies evaluated for overall sustainability by EcoVadis.
- For the second year in a row, PSI has been named to the 2019 Top Green Providers and Top 3PL & Cold Storage Providers list by Food Logistics. The annual award recognizes companies whose products, services promote sustainability in the food and beverage industry.
- PSI has been awarded the Green Supply Chain Award from Supply & Demand Chain Executive magazine. This is the second consecutive year that PSI has received a distinction for providing supply chain solutions and services that assist their clients in achieving measurable sustainability goals.

## Data Tables

### Boundary Building Area

**Environmental Boundary:** PSI includes properties where the company has operational control – i.e., buildings that we maintain, provide service to, and/or have the authority to implement operating policies with respect to energy usage, water usage, and/or waste disposal. Where PSI retains operational control over a limited space of the property, the proportion of consumption controlled by PSI has been reported.

**Labor Metric Boundary:** PSI reports on persons it employed as of December 31, 2019, excluding contract labor.



## Energy Data

The total direct energy consumption previously calculated in 2019 was 27.8 MWh, which covered our portfolio boundary of 35 properties. The total indirect energy consumption previously calculated in 2019 was 55.0 MWh, which covered our portfolio boundary of 35 properties. Base data used to calculate direct and the indirect energy consumption is obtained from third-party invoices or estimates. PSI estimates are used where measurement data is not readily available. For the properties where PSI retains operational control over a limited amount of space and where there are no dedicated meters to obtain the actual consumption, an estimation of the area as a percentage of the total square feet was used to determine the operations consumption.

### Energy Usage per KWh/(000) ft.<sup>2</sup>

	2014	2015	2016	2017	2018	2019
Crown	1.7	1.5	1.3	1.3	2.1	2.1
CWO	7.4	3.7	2.4	2.4	3.4	3.9
PCS	5.0	4.8	7.5	5.0	5.0	5.1
TDI	5.9	5.7	5.4	5.4	5.6	5.7
TWI	4.1	4.1	3.8	3.9	4.0	4.0
<b>PSI Total</b>	<b>24.1</b>	<b>19.7</b>	<b>20.4</b>	<b>18.1</b>	<b>20.1</b>	<b>20.9</b>

## Emissions Data

The total GHG emissions previously calculated for Scope 1 and Scope 2 emissions in 2019 was 9,797 tons CO<sub>2</sub>e, which covered our portfolio boundary of 35 properties. Base data used in Scope 1 and Scope 2 GHG emissions calculation is obtained from third-party invoices or estimates. For properties where there is a vehicle fleet but no fuel tracking system in place, diesel and gasoline consumption was estimated based on the type of vehicle and the reported annual mileage.

### GHG emissions per Metric Tons CO<sub>2</sub>e

	2014	2015	2016	2017	2018	2019
Crown	138.0	115.0	115.0	115.0	161.0	184.0
CWO	947.6	640.0	482.3	355.4	503.7	562.4
PCS	2,339.0	2,344.9	3,042.3	2,693.2	2,546.6	2,507.3
TDI	4,023.7	4,017.2	3,957.5	3,844.2	3,970.0	3,887.6
TWI	2,613.6	2,762.5	2,605.4	2,690.2	2,451.1	2,320.7
<b>PSI Total</b>	<b>10,061.9</b>	<b>9,879.6</b>	<b>10,202.5</b>	<b>9,698.0</b>	<b>9,632.4</b>	<b>9,462.0</b>

## Water Data

The total water withdrawal previously calculated in 2019 was 76,914 kilogallons, which covered our portfolio boundary of 35 properties. Properties, where water consumption is part of the monthly lease rates are not included in the 2019 numbers unless the property owner has supplied documentation from an authorized service provider.

## CSR Rating

	2014/2015	2018/2019
Energy Star	77.2	77.4
Ecovadis	48	54

\*Note: Energy Star rating is the average rating for 35 properties tracked using Energy Star's Portfolio Manager tracking system.



**Water Usage per kGal / (000) ft.<sup>2</sup>**

	2014	2015	2016	2017	2018	2019
Crown	40.726	266.968	134.152	120.960	65.048	227.668
CWO	0.228	0.410	0.169	0.157	0.127	0.233
PCS	1.016	3.384	5.775	4.935	7.958	6.020
TDI	1.205	1.158	0.926	0.935	0.918	1.349
TWI	3.845	3.571	0.532	3.674	9.229	8.789

<b>PSI Total</b>	<b>47.0</b>	<b>275.5</b>	<b>141.6</b>	<b>130.7</b>	<b>83.3</b>	<b>244.1</b>
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**Local Communities**

CATEGORY	DISCLOSURE	KPI	2016*	2017*	2018	2019
Local Communities	GRI 413	Charitable Contributions	\$32,442	\$21,954	\$98,352	\$84,741

\*Note: data only for a portion of charitable donations.

**Engagement Measures**

CATEGORY	DISCLOSURE	KPI	2016	2017	2018	2019
Engagement Rating	GRI 102-44	Rate of Engagement Among PSI Employees (Scale 1-5)	3.64	3.96	3.51	3.87

**Ethics Data**

CATEGORY	DISCLOSURE	KPI	2016	2017	2018	2019
Values, Principles, Standards & Norms Behavior	GRI 205-2	% of Employees trained annually on Expected Behaviors	100	100	100	100

**Employment Data**

CATEGORY	DISCLOSURE	KPI	2018	2019
Total Number of Employees by Gender	GRI 405-1	Male	N/A	530
		Female	N/A	198
		<b>Total</b>	<b>-</b>	<b>728</b>
Number of Employees by Generation Groups	GRI 405-1	Generation Z	51	29
		Millennial (Gen Y)	255	195
		Generation X	318	323
		Baby Boomer	185	179
		Silent Generation	4	2
		<b>Total</b>	<b>813</b>	<b>728</b>
Turnover by Gender (Number of Employees & Rate)	GRI 401-1	Male	109	302
		Female	36	402
		<b>Total</b>	<b>145</b>	<b>704</b>
Turnover by Age Group (Number of Employees & Rate)	GRI 401-1	< 25	25 / 17%	148 / 21%
		25 -40	52 / 36%	296 / 42%
		> 40	68 / 47%	260 / 37%
		<b>Total</b>	<b>145</b>	<b>704</b>



### Diversity Data

CATEGORY	DISCLOSURE	KPI	2018	2019
Leadership Gender Diversity	GRI 405-1	Male	N/A	103
		Female	N/A	23
		<b>Total</b>		<b>126</b>
Leadership Racial Diversity	GRI 405-1	Minority	N/A	15
		Caucasian	N/A	111
		<b>Total</b>		<b>126</b>

### Occupational Health & Safety

CATEGORY	DISCLOSURE	KPI	2016	2017	2018	2019
Total Recordable Incident Rate (Number of Incidents X 200,000 / Total Number of hours worked in a year)	GRI 403-2	Crown	6.96	0.00	9.40	0.00
		Central Warehouse	7.47	0.00	4.58	0.00
		Peoples Cartage	3.41	4.24	2.21	1.24
		Total Distribution	2.60	3.69	2.71	2.76
		Terminal Warehouse	3.01	2.00	1.78	0.63
		<b>Total</b>		<b>2.76</b>	<b>2.60</b>	<b>2.66</b>

### Data collection processes

We rely on five resource groups to measure and gather performance data from across PSI. Incidents from PSI entities are collected by the Safety and Compliance department and tracked in the HSE database system. Retention and other labor-related data are managed by the Human Resource department and tracked in the HR database system. Financial performance data is tracked and collected by PSI's accounting team and maintained in the accounting database upgraded to a new system in January of 2019. The transportation department collected and tracked all data related to company-owned vehicles and owner-operators under a contractor. The operations management team tracked all data related to stakeholder and community engagement for their region. All data were collected by the Sustainability Manager and provided in this report for publication. Data in this report about health and safety and our social performance covers all PSI employees.

Data relating to our environmental performance includes 35 sites. Emissions from PSI's vehicle fleet are based on mileage and gallons of fuel consumed from January 1, 2019, through December 31, 2019. PSI uses Portfolio Manager, which is managed by the Energy Star group, to record and calculate scope 2 greenhouse gas (GHG) emissions. Energy Star's Portfolio Manager provides scoring based on energy consumption reported and compared against businesses in the same industry, similar-sized buildings, and the operations hours. GHG emissions from air travel are not included in the annual totals.

Reporting is based on GRI. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards, Core option. PSI has been reporting in accordance with GRI guidelines since 2015. Additional information on PSI's policies and sustainability data is available on PSI's website [www.peopleservices.com](http://www.peopleservices.com).



## GRI Context Index

### GRI 102: General Disclosures 2019\*

Disclosure	Description	Cross-Reference or Answer
<b>Organizational Profile</b>		
102-1	Name of the Organization	Peoples Services, Inc.
102-2	Activities, Brands, Products, & Services	Company Profile, p. 3
102-3	Location of Headquarters	Canton, OH
102-4	Location of Operations	Company Profile, p. 3
102-5	Ownership and Legal form	Company Profile, p. 3
102-6	Markets Served	Company Profile, p. 3
102-7	Scale of the organization	Company Profile, p. 3
102-8	Information on employees and other workers	Company Profile, p. 3, Social Responsibility, p. 15
102-9	Supply Chain	Social Responsibility, p. 10
102-10	Significant changes to the organization and its supply chain	Social Responsibility, p. 10
102-11	Precautionary Principle or approach	Sustainability Management, p. 15
102-12	External initiatives	Ecovadis
102-13	Membership of associations	About PSI, p. 3
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards and norms of behavior	Our Values, p. 11
102-17	Mechanisms for advice and concerns about ethics	Sustainability Management, p. 15
<b>Governance</b>		
102-18	Governance structure	Sustainability Management, p. 15
<b>Stakeholder Engagement</b>		
102-40	List of Stakeholder groups	* Community representatives * Customers * Employees * Government regulators and agencies * Industry Competitors
102-41	Collective bargaining agreements	PSI negotiates collective bargaining agreements at three locations covering employees covered by a collective bargaining or similar agreement
102-42	Identifying and selecting stakeholders	PSI considers stakeholder engagement to be a critical component of its success and commitment to conduct business with honesty and integrity. We believe it is essential to maintain open dialogue on issues ranging from workplace safety to technology investments with employees, customers, elected officials, community leaders and others.
102-43	Approach to stakeholder engagement	Stakeholder Engagement, p. 5
102-44	Key topics and concerns raised	
<b>Reporting Practice</b>		
102-46	Defining report content and topic boundaries	About This Report, p. 3
102-47	list of material topics	Material Matrix, p. 7
102-50	Reporting period	About This Report, p. 3
102-51	Date of most recent report	About This Report, p. 3
102-52	reporting cycle	About This Report, p. 3
102-53	Contact point for questions regarding the report	<a href="mailto:sustainability@peopleservices.com">sustainability@peopleservices.com</a>
102-54	Claims of reporting in accordance with the GRI standards	About This Report, p. 3
102-55	GRI content Index	p. 17



**GRI 103: Topics and Topic Boundaries 2019\***

Material Topic	Management Approach	Cross-Reference
<b>Economic</b>		
GRI 205: Anti-Corruption 2019	Sustainability Management, p. 12, 15	
<b>Environmental</b>		
GRI 302: Energy 2019	Environmental p. 9, 14	
GRI 305: Emissions 2019	Environmental p. 9, 14	
<b>Social</b>		
GRI 401: Employment 2019	Social Responsibility, p. 10	
GRI 403: Occupational Health and Safety 2019	Sustainability Management, p. 16	
GRI 404: Training and Education 2019	Social Responsibility, p. 10	

**GRI 200-400: Topic-Specific Disclosures 2019\***

Topic	Disclosure	Description	Cross-Reference or Explanation and Additional Information
<b>Economic</b>			
GRI 205: Anti-Corruption 2019	205-2	Communication and training about anti-corruption policies and procedures	Sustainability Management, p. 12, 15
<b>Environmental</b>			
GRI 302: Energy 2019	302-1	Energy Consumption within the organization	Performance Tables, p. 14
	302-2	Energy Consumption outside of the organization	Performance Tables, p. 14
	302-4	Reduction of energy consumption	
GRI 305: Emissions 2019	305-1	Direct (Scope 1) GHG emissions	Performance Tables, p. 15
	305-2	Energy Indirect (Scope 2) GHG emissions	Performance Tables, p. 15
	305-3	Other Indirect (Scope 3) GHG Emissions	Performance Tables, p. 15
	305-5	Reduction of GHG emissions	
<b>Social</b>			
			People and Culture, p. 15 * Medical * Dental * Vision * Life Insurance * Short Term Disability * Long Term Disability * Tuition Reimbursement
GRI 401: Employment 2019	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
GRI 403: Occupational Health and Safety 2019	401-3	Maintenance Medicine prescription benefit, Teledoc	People and culture, p. 15
GRI 404: Training and Education 2019	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Social Responsibility, p. 10
	405-1	Diversity of governance bodies and employees	People and Culture, p. 15

