



2016

Corporate Sustainability Report



TO OUR STAKEHOLDERS

Our vision is to be an amazing logistics services organization that is admired and trusted by our employees, customers, and community.



Richard T. Murphy, Jr.
President & CEO

As a fourth-generation business, Murphy is focused on ensuring that our company is prepared for the future. Maintaining strategic competitiveness requires that we look at our facilities, our operations, and place in the community, with a holistic view of how our business impacts our employees, our customers, our communities, and the environment. Murphy has played a leadership role in the warehousing and logistics industry through our sustainability efforts, which have fueled innovation at Murphy and are detailed in this fourth annual Corporate Sustainability Report.

To this end, I am proud to report that Murphy already exceeds the United States' commitment made in the Paris Climate Agreement in fall 2015 to a 26% reduction in emissions, from a 2005 baseline, by 2026 (see pages 14-15). Moreover, we are committed to improving more than just a reduction in our emissions. At Murphy, we are making tremendous strides toward reducing our consumption of water and materials, retaining stormwater onsite, creating habitat, reducing expenses, and promoting safety, health and wellness for our community.

Founded in 1904, Murphy is a family-owned business in it for the long haul. We are motivated to be sustainable because we feel it is the right thing to do for our community, the planet, and future generations.

Sincerely,

Richard T. Murphy, Jr., FASLA
President and CEO

TABLE OF CONTENTS

Page 3 Company Snapshot	Page 13 Transportation
4 Sustainability Priorities	14 Greenhouse Gas Emissions
6 Management Approach	15 Carbon Footprint
8 Energy Efficiency	16 Materials and Resources
9 Renewable Energy	17 Health and Wellness
10 Water Efficiency	18 Safety and Security
11 Stormwater Management	19 Community Engagement
12 Biodiversity	



*This report is prepared in accordance with **Core GRI 4 Guidelines by the Global Reporting Initiative (GRI)**, an internationally recognized sustainability reporting framework that enables all companies and organizations to measure, understand, and communicate their sustainability efforts. This report has been independently reviewed by Sustology, LLC for external assurance that the information provided meets the criteria for Core GRI4 Guidelines.*

COMPANY SNAPSHOT

Murphy offers multiple solutions to our customer partners including bulk, rack and food grade warehousing, transportation, and value added services. Our longstanding business success is grounded in three practices:

Understanding the needs & requirements of our customers

Delivering exceptional service

Staying true to core company values

Since our founding in 1904 we have been helping our customers move, store and ship freight throughout the Upper Midwest and internationally. Today, our team of 177 dedicated employees are experienced in providing our customers excellent logistics solutions, no matter how complex the assignment.

Our company mission continues to be: **Provide innovative logistics solutions driven by our enthusiasm to create a positive difference for our customers and employees.** Our vision is to be an amazing logistics services organization that is admired and trusted by our employees, partners and community.

The industries we serve include:

- Beverages
- Building Materials
- Medical Supplies
- Food & Grocery
- Packing Materials
- Paper
- Plastics
- Forest Products
- Recycling
- Health Care/Medical
- Retail
- Industrial
- Transportation Equipment



PROPERTIES

- Minneapolis-St. Paul, Minnesota: 4 owned facilities and 7 leased properties
- Kansas City, Missouri: 3 leased properties

Owned & Occupied Square Footage

701 24th Ave SE, Minneapolis*	610,640
4700 Main St SE, Fridley	265,582
4850 Main St SE, Fridley	189,904
905 Yankee Doodle Road, Eagan	358,532

Leased Square Footage (MN)	1,424,558
Leased Square Footage (KC)	+ 844,810
	+206,000

Total Square Footage = 2,475,368

**This facility was sold at the end of 2015*

With **2.5 million**

square feet, Murphy more effectively and efficiently optimized our warehouse spaces and distribution operations, as detailed in this report.

SUSTAINABILITY PRIORITIES

MATERIALITY

To comply with the Global Reporting Initiative, all Corporate Sustainability Reports must address “materiality” -- what is relevant in the operations of the business -- to each particular sustainable aspect of the business. This report addresses business operations over which we have control:

- Four facilities we own and occupy
- 30 freight trucks we own and operate
- 124 forklifts (99 of which are propane-powered) that we own and operate on a day-to-day basis

Sustainable aspects included in this report:



Energy:

- Fuel consumed by our trucks and forklifts
- Fuel consumed indirectly by our facilities
- Fuel consumed through employee commuting



Water:

- Municipally-supplied water consumed by our plumbing fixtures
- Water consumed by our irrigation systems
- Water runoff from our roofs and roadways



Materials & Resources:

- Purchases of office supplies, furniture, electronics, packaging, etc.
- Disposal of office supplies, durable goods, packaging, etc.



People:

- The safety, health and wellbeing of our employees
- Our impact on our community

This report does not address factors over which we do not have control, such as the trucks serving our warehouses which we do not own or operate, or the upstream and downstream supply chain effects of our clients' products we service. With respect to leased facilities, we are working on implementing sustainable policies and practices where we can. While this is a challenge, it is also an opportunity.

2015 HIGHLIGHTS

- Achieved LEED Gold recertification at both Fridley locations
- Sold Main HQ to the University of Minnesota and are leasing back the space
- Purchased 4 propane-powered forklifts
- Purchased 3 freight trucks
- Conducted first company-wide employee commuting survey and reporting on these Scope 3 greenhouse gas emissions (“GHG”) for the first time
- Began using GHG Protocol to measure emissions
- Improved the percent of electricity supplied by solar from 9.7% to 10.6%
- Moved from paper-based time cards to electronic

In 2015, Murphy's Fridley locations were the **first two warehouses in the country** to recertify under the LEED for Existing Buildings: Operations + Maintenance rating system.



SUSTAINABILITY PRIORITIES

OUR VALUES

- Integrity*
- Mutual Respect*
- Excellence*
- Creativity*
- Leadership*

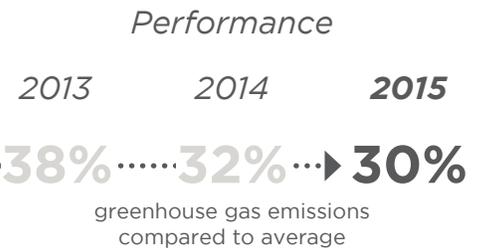


SUSTAINABILITY GOALS

Murphy has three concrete goals as it relates to our owned and operated facilities and their corresponding impact on the environment:



Greenhouse Gas Emissions
Emit less than 50% of the national average for similar size and type facilities.



Energy
Increase the percent of our electricity generated through renewable sources each year.



Water
Reduce water consumption by 25% from the 2010 baseline.



*This was the result of the sale of the Central campus and it being excluded from 2015. If Central were removed from all comparisons and the baseline, Murphy would show a reduction to baseline of 14.7%, 27.6% and 28.2% for 2013, 2014, and 2015, respectively.

The following pages will address the management approach, strategies and tactics Murphy utilizes to reach these goals.

For each of these goals, Murphy continues to improve our performance year-over-year.

MANAGEMENT APPROACH

In 2015, Murphy had already exceeded the United States' commitment to the historic Paris Climate Agreement: a 26% reduction in emissions, from a 2005 baseline, by 2026. This is due in large part to our innovative approach to management. Our management approach involves constantly measuring, analyzing and improving our performance. To this end, we rely on checks and balances to our operations and maintenance with third-party, independent criteria, review and certification through state-of-the-art systems such as:



Leadership in Energy and Environmental Design (LEED) was developed by the U.S. Green Building Council (USGBC) as a voluntary, consensus-based program that provides education, metrics, and verification for high performance green buildings. LEED establishes performance criteria in the areas of site, energy, water, indoor air quality, and materials and resources. Murphy has LEED certified and re-certified its:

- 905 Yankee Doodle Road Eagan campus (**Gold**) in 2014
- 4700 Main St NE Fridley campus (**Gold**)* in 2010 and 2015
- 4850 Main St NE Fridley campus (**Gold**)* in 2010 and 2015
- Former 7033 Central Ave NE campus Fridley campus (**Silver**) in 2012

In 2015, Murphy received **recertification under the LEED for Existing Buildings: Operations and Maintenance (O+M) rating system for its two Main St SE locations.*



Energy Star is a U.S. Environmental Protection Agency voluntary program that helps businesses save money by tracking their energy and water usage. Energy Star certification can be granted to buildings that perform at the 75th percentile or higher compared with similar buildings. Murphy facilities have consistently scored in the top percentiles.



ISO 9001 is a series of standards, developed and published by the International Organization for Standardization (ISO), that define, establish, and maintain an effective quality assurance system for manufacturing and service industries. The ISO 9001 standard is the most widely known and has perhaps had the most impact of the 13,000 standards published by the ISO, and covers all Murphy operated facilities.

ISO 14001 standard requires measurable performance goals, targets, and objectives for the company and for each individual environmental aspect and impact process. Murphy is committed to maintaining this standard annually.

Through innovative management,
Murphy already exceeds the
United States' 2016 goal for a

26%

reduction in Greenhouse
Gas emissions from a
2005 baseline.

MANAGEMENT APPROACH

SUSTAINABILITY DRIVES INNOVATION

Murphy employs a five-part sustainability strategy, as follows:

Leadership: As a fourth generation family-owned business, we believe sustainability is important for the future of Murphy and our community. We have been taking a leadership role and will continue to do so, because we believe it's the right thing to do.

Third-party Verification: In the operation and maintenance of our facilities, we already do most things required by the governing bodies of LEED, Energy Star, and ISO 14001. Third party verification continues to hold us accountable to these high standards.

Business Strategy: Major corporations are starting to require that their supply chain partners improve sustainability initiatives. Certification shows them that we are listening and responding to their current and future needs.

Marketing: Murphy has been consistently listed among the top 50 Green Supply Chain Partners and has been featured in numerous business magazines, case studies, and television. This kind of exposure opens up new opportunities to grow the business and educate others on how to be sustainable.

Return on Investment (ROI): Our investments have been paying off in reduced operating expenses, allowing us to reinvest in our company. Murphy approaches each of these certifications not as an ironclad principle, but as investments that make sense. We cannot always pursue every sustainability strategy.

EVALUATION OF MANAGEMENT APPROACH

For each material aspect that is discussed in the following pages, we describe why it matters and how we manage the impacts. Our management approach undergoes continuous evaluation through internal executive level review. Additionally, to ensure our management approach resonates with our customers and the marketplace, the Director of Customer Service, the VP of Business Development and Client Relations, and the VP of Transportation send out Customer Surveys every other year to:

1. Determine customer satisfaction
2. Obtain a measurable indicator of the customers' perception of the warehousing and distribution services they receive
3. Evaluate certain areas of interest for Murphy

For quality assurance, any customer survey rating of three or less on a scale of five is followed up and recorded in our online quality system.

Murphy's unique management approach to sustainability in the logistics industry helps our clients green their own supply chains.

ENERGY EFFICIENCY



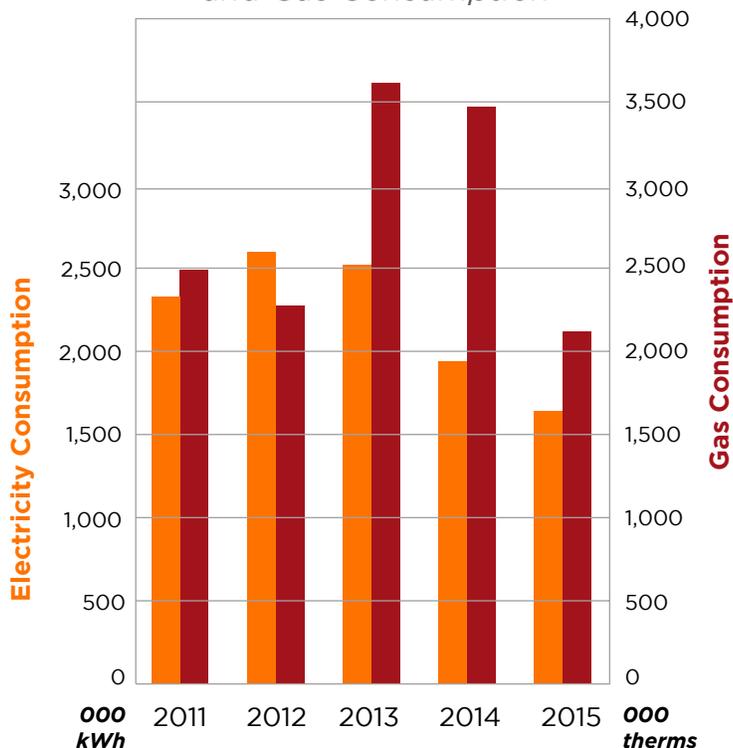
Murphy's goal is to **increase the percent of our electricity generated through renewable sources each year.** The first component of that is to maximize energy efficiency, since energy equates to carbon emissions, which further equates to cost.

ENERGY STAR

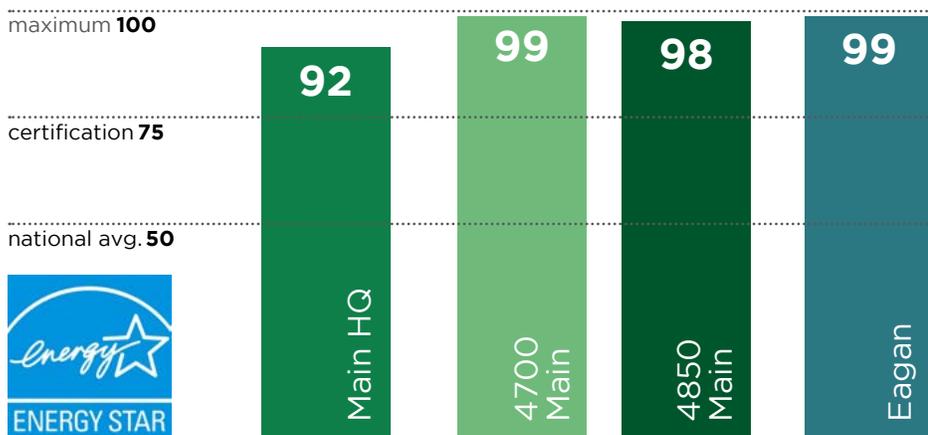
There are over 400,000 commercial buildings actively tracking their energy use in Energy Star's Portfolio Manager. The Energy Star score, on a scale of 1-100, compares properties to similar types of facilities nationwide. The average score is 50, so Murphy's high scores indicate very high energy efficiency, which results in savings on gas and electric bills and a reduction in energy use and GHG emissions.

Murphy has led as role model for building owners: after investing in LED lighting for its own buildings, the St. Paul location, which is leased, has also undergone an LED lighting retrofit.

Murphy Electricity and Gas Consumption



Energy Star Score by Facility





LEED O+M Threshold:
Minimum Energy Star score of 69

2015 MURPHY Performance:
Average Energy Star score of 97

Murphy's 4 owned and operated facilities have an average Energy Star score of **97** which is in the top 3% percentile.

RENEWABLE ENERGY



Murphy's goal for renewable energy is two pronged:

1. Increase the percent of our electricity generated through renewable sources at our facilities each year.
2. Achieve 100% renewable energy through investing in renewable energy credits to offset our emissions at our own facilities.

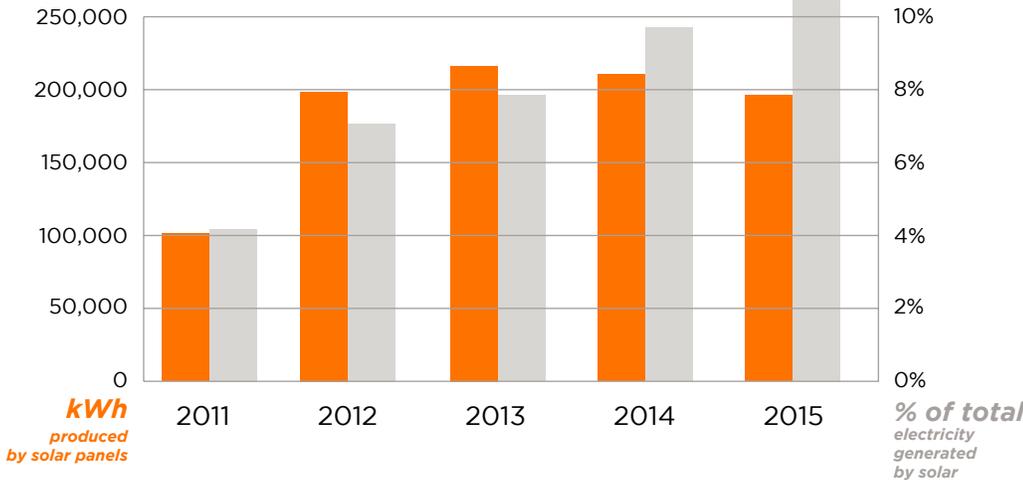
The 40-kilowatt system of solar panels that had been on the roof of Central's facility was removed when the facility was sold, and was installed on the roof of Murphy's 4850 Main building.



ON-SITE SOLAR ENERGY

Our first goal is accomplished through our on-site solar panels that generate electricity where we consume it. Murphy has installed **326 kW** of solar power on the roofs of its owned facilities.

Murphy Solar Production



LEED O+M Threshold:

- 3% on-site (of total energy)
- 25% off-site



- 2015 MURPHY Performance:**
- 2.4% on-site (includes gas usage)
 - 31% off-site

RENEWABLE ENERGY CREDITS

Our second goal is to purchase Renewable Energy Credits (RECs), which contributes to renewable energy development in the U.S. In 2015, Murphy purchased RECs to **offset 100% of its electric and natural gas usage for its Eagan warehouse and both Fridley warehouses** as part of its LEED certification efforts. These RECs **equated to 1,014 metric ton equivalents of greenhouse gases being off-set**, which is equivalent to not burning over 1 million pounds of coal. Because the Main Headquarters building was still owned in 2015, our RECs covered 31% of our total carbon emissions from our owned facilities.



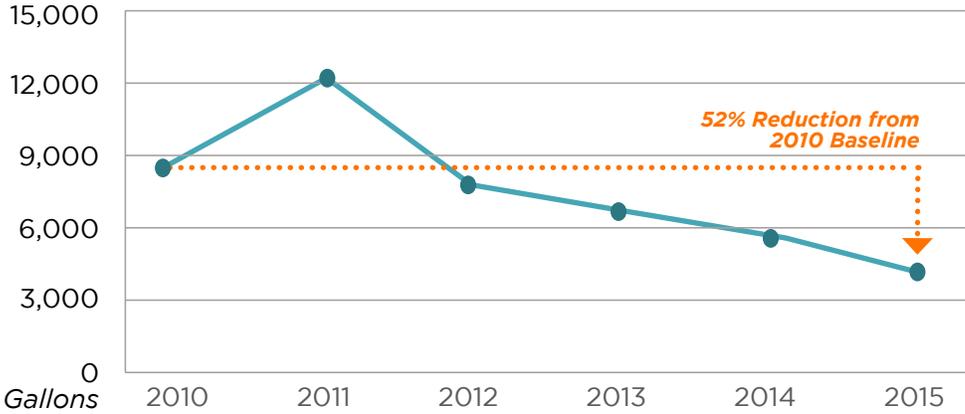
In 2015, **10.6%** of Murphy's electricity was produced from on-site solar panels, up 1% year-over-year.

WATER EFFICIENCY



Water is a precious resource. Last year, we set **our goal to reduce water consumption by 25% below the 2010 baseline**. In 2013, we were at 22.7% below the baseline; for 2014, we were 34.0% below the baseline. We are happy to report that in 2015, we reduced water consumption to **51.7% below the 2010 baseline!** Note that this includes a reduction due to selling our Central Warehouse in Fridley; pulling Central out of the baseline would show a reduction of 14.7%, 27.6%, and 28.2% in 2013, 2014, and 2015, respectively.

Murphy Water Consumption





LEED O+M Threshold:
10% reduction in plumbing efficiency*

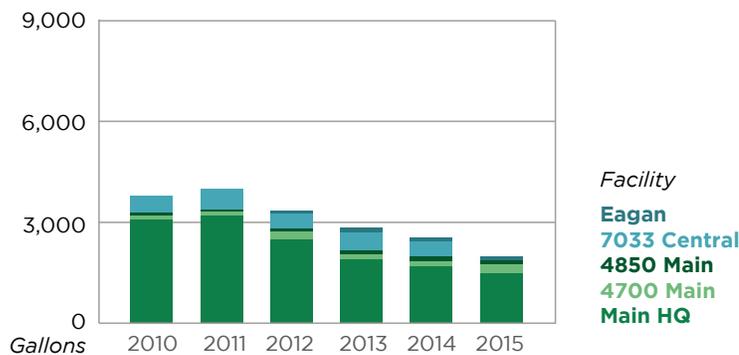
2015 MURPHY Performance:
27% reduction in plumbing*

**Performance baselines differ*

There are two components of water usage: indoor and outdoor. We have reduced both through the following management strategies:

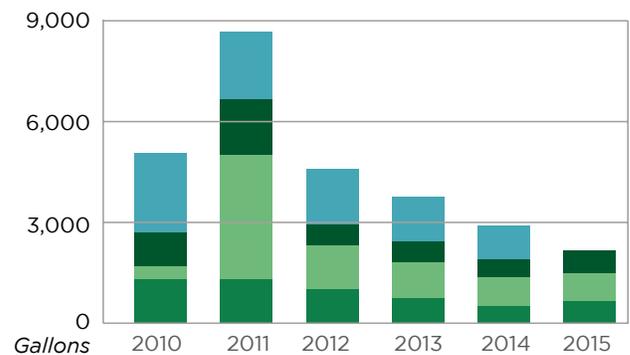
INDOOR WATER USAGE

- Upgraded plumbing fixtures to low-flow and low-flush
- Sale of Central facility reduced water use throughout Murphy due to high water usage associated with manufacturing



OUTDOOR WATER USAGE

- Planting of landscapes like native prairies that require less irrigation
- Installation of high-efficiency irrigation systems that sense current conditions and forecast weather patterns



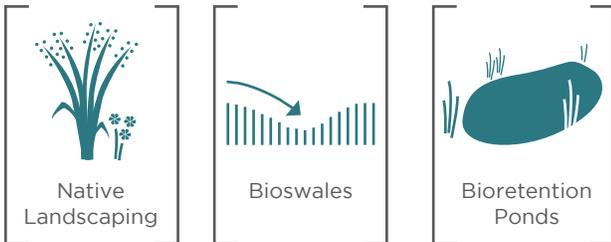
In 2015, Murphy's facilities used over **4** million gallons of water less than the 2010 baseline, or 36,400 regular 16 oz. water bottles.

STORMWATER MANAGEMENT



Let's face it: logistics facilities have large building footprints with wide drive lanes and ample loading docks, and all of this impervious surface area creates large volumes of stormwater. On top of it, water, known as the 'universal solvent,' picks up nearly everything in its path, leading to pollution and contamination.

For this reason, Murphy has made an ambitious investment in reducing its stormwater impact. Murphy's strategy has been to invest in "green infrastructure," which uses environmentally friendly techniques to manage stormwater:



Typical sign on Murphy properties.

These stormwater best management practices increase on-site infiltration, reduce or eliminate pollution from stormwater runoff, and eliminate contaminants.

MITIGATION

Stormwater retention is based upon how much water the property will absorb on site for a two-year/ twenty-four-hour storm event. At our owned facilities, we collectively mitigate 47% of our stormwater on-site, which is a truly remarkable feat considering the vast impervious footprints of the warehouses, loading docks and drive lanes—that's a lot of storm water! For context, the LEED O+M minimum threshold is 15%, so Murphy goes above and beyond.

Ultimately, the more stormwater a property absorbs on site, the less water runs off into the sewer - which is good for the environment and financially beneficial to Murphy.




LEED O+M Threshold:
15% stormwater retention onsite


2015 MURPHY Performance:
47% stormwater retention onsite

Murphy receives a water bill credit of almost

\$80,000

every year for its stormwater mitigation efforts, that's nearly \$560,000 in savings to date.

BIODIVERSITY



For over 20 years, Murphy's campuses have been planted with biologically diverse native prairie and woodland species. Our efforts have replaced conventional landscapes, made up of excessive turf grass area, with native vegetation that promotes stormwater retention, biodiversity, and carbon sequestration.

Native and adapted vegetation is important because it:



Provides much needed habitat for pollinators and other species



Sequesters carbon from the atmosphere



Utilizes stormwater onsite, recycling oxygen into the atmosphere



Dramatically reduces maintenance costs



Improves public relations. Even though numerous vehicles enter and exit the facilities every day, neighbors and visitors often refer to our campuses as **“the place where all the beautiful flowers grow.”**

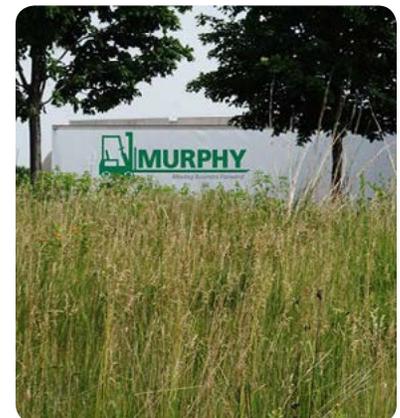


Considering the vast impervious surface areas created by logistical companies, it's quite remarkable that we have been able to meet the LEED O+M Threshold at our facilities.



LEED O+M Threshold:
25% native or adapted vegetation onsite

2015 MURPHY Performance:
26% native or adapted vegetation onsite



Murphy saves **\$27,000** in maintenance costs every year by having planted native prairies instead of conventional turf lawns.

TRANSPORTATION



It's no surprise that trucks consume considerable fuel to service our warehouses and logistics operations. To this end, Murphy concentrates on what we can control: our own trucks' fuel efficiency and impact on the environment and our bottom line. Working towards this goal, Murphy purchased three additional long-haul trucks in 2015, bringing our total fleet to 30 (23 in the Twin Cities and 7 in the Kansas city areas). Our trucks have:



- Traveled over 1.5 million total miles
- Consumed over 291,000 gallons of diesel fuel

With fuel efficiency at only 5.37 miles per gallon, our trucks emitted the equivalent of 2,982 metric ton equivalent of greenhouse gas emissions. We strive for continuous improvement in decreasing fuel consumption through three strategies:

Retrofitting trucks and trailers to reduce wind resistance



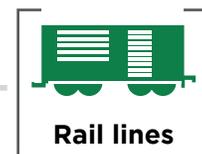
which saves **10% on fuel.**

Increasing usage of biodiesel fuel



to support an efficient and environmentally-sound approach to transportation. **100% of Murphy trucks run on biodiesel fuel.**

Locating our facilities near...



...to reduce the miles traveled to store and transport our customers' goods. By lowering the miles traveled, fuel costs and direct emissions from diesel fuel are reduced.



LEED O+M Threshold:

- 10% reduction in conventional commuting for employees
- No threshold for fleet



- 12% reduction in conventional commuting
- Increase fleet MPG

In 2015, Murphy began reporting on actual diesel gallons consumed by its Twin Cities' fleet.

GREENHOUSE GAS EMISSIONS



The year 2015 was the warmest year globally on record and 2016 is shaping up to be even warmer. Climatologists have warned that 2015 and 2016 are already nearly approaching the 2°C (10°F) threshold for irreversible change to our planet's climate and ecosystems. For this reason, more than 180 countries united in Paris last fall to address climate change, which culminated in the historic Paris Climate Agreement. The United States took a leading role in the talks with a commitment to a 26% reduction in emissions, from a 2005 baseline, by 2026. In order for the United States to meet this goal, all sectors need to make a dedicated effort to drastically reducing emissions.

EMISSIONS REPORTING

The Greenhouse Gas (GHG) Protocol, developed by World Resources Institute (WRI) and World Business Council on Sustainable Development (WBCSD), sets the global standard for how to measure, manage, and report greenhouse gas emissions. Hundreds of companies and organizations around the world are using GHG Protocol standards and tools to manage their emissions and become more efficient, resilient, and prosperous organizations. Murphy is now one of them.



Scope 1 Emissions

Murphy reports on Scope 1 emissions: company-owned vehicles and forklifts that burn diesel and propane.

Scope 2 Emissions

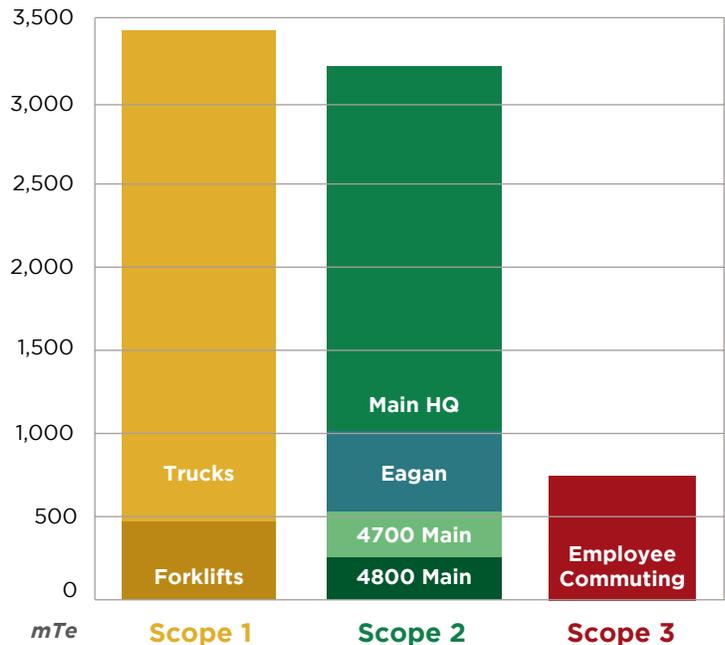
Murphy reports on Scope 2 emissions: generation of purchased electricity, heating, and cooling for its owned facilities.

Scope 3 Emissions

New this year, Murphy is reporting one element of Scope 3 emissions: employee commuting. A survey of transportation modes, miles traveled, and model and make of cars was taken of 34% of employees, providing a representative sample of the effect of employee transportation on Murphy's total emissions.

The purpose of including these emissions is to gain a better understanding of the relative scale and contributing factors of greenhouse gas emissions, so that Murphy can focus its efforts where it matters most.

Murphy Greenhouse Gas Emissions



Murphy is on the cutting edge of reporting carbon emissions by following the Greenhouse Gas Protocol.

CARBON FOOTPRINT



Murphy's facilities, even with very high Energy Star scores, have the largest impact on greenhouse gas emissions, so that's where Murphy focuses its efforts on reducing its carbon footprint. **While Murphy continues to be under 50% of the national median for indirect greenhouse gas emissions (Scope 2)** for similar facilities, as measured by the EPA's Portfolio Manager online tool, Murphy is also looking at total reduction in all emission scopes - **with an even larger goal of becoming carbon neutral by 2026.**

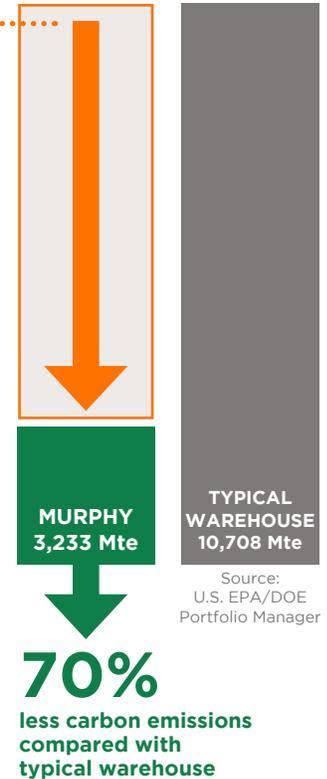
Equivalent Metric Tons of Carbon Dioxide in 2015 (Mte)

FACILITIES

Our goal of reducing greenhouse gas emissions has several components:

1. **Energy Efficiency at our owned facilities**
 - Murphy continues to invest in high efficiency equipment and lighting at its facilities, consistently earning high Energy Star scores (reduction of 7,341 Mte)
2. **Generation of Renewable Energy**
 - Murphy produced 200 megawatt hours of clean electricity from solar panels installed on Murphy's roofs (reduction of 134 Mte)
3. **Carbon Offsets**
 - Murphy purchases renewable energy credits for its LEED certified facilities (reduction of 1,014 Mte)
 - Murphy's native prairies and tree planting program sequesters additional carbon (reduction of 162 Mte)

These additional efforts offset **100% of employee commuting and 87% of emissions from the propane-powered forklifts.**



CLIMATE CHANGE

Climate change represents risks and opportunities. According to the GHG Protocol website, "As concerns over climate change grow, NGOs, investors, and other stakeholders are increasingly calling for greater corporate disclosure of GHG information. They are interested in the actions companies are taking and in how the companies are positioned relative to their competitors in the face of emerging regulations."

Murphy sees its efforts here as a market opportunity. **As we invest in energy efficiency and renewable energy, we are decreasing our operating costs while helping reduce greenhouse gases.** The more we can reduce our carbon footprint, the better off we are financially, especially compared with our competition.

Climate change presents regulatory and physical risks for our business operations. From a regulatory standpoint, a carbon tax would have financial implications, but Murphy is well prepared should this happen. From a physical standpoint, our locations are not near shorelines, our facilities are centrally located, which lowers transportation costs, and we continue to diversify across industries and customers.

Murphy's owned warehouses emit **70%** less greenhouse gases than a typical warehouse, per US EPA.

MATERIALS & RESOURCES

The circular economy is a generic term for an industrial economy that is producing no waste and pollution, by design or intention, and in which material flows are of two types:

1. **Biological nutrients**, designed to reenter the biosphere safely.
2. **Technical nutrients**, designed to circulate at high quality in the production system without entering the biosphere as well as being restorative and regenerative by design.

While we are still a ways out from meeting these criteria, we are approaching it with nearly 99% of our waste diverted from landfill. Murphy has adopted environmentally responsible procurement and waste management policies that can significantly reduce adverse impacts.



LEED O+M Threshold:
50% of ongoing consumables
75% of durable goods



2015 MURPHY Performance:
99% waste diversion

PURCHASING

By showing preference for products with recycled content and that are reusable or recyclable, we are doing our part to expand markets for recycled materials, slow the consumption of raw materials, and reduce waste entering landfills.

WASTE MANAGEMENT

At Murphy, 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



In 2015, Murphy moved from paper time cards to electronic time tracking, saving over 44,000 pieces of paper, or over 5 trees per year.

REUSE

Our commitment to reuse is further exemplified by several standard Murphy policies that:

 <p>Recycle 99% of our solid stream waste</p>	 <p>Utilize refurbished furniture</p>	 <p>Donate used electronics</p>	 <p>Reuse rechargeable batteries</p>	 <p>Reuse 100% of shipping pallets and 40% of dunnage</p>
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Murphy diverts **99%** of its solid stream waste stream from going into landfills.

HEALTH & WELLNESS

People are an organization's greatest asset. Healthy employees with healthy families increase productivity and profitability. For this reason, health & wellness is an essential component at Murphy.



COMPREHENSIVE BENEFITS

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

- **Free annual wellness screening** to our employees and their spouses, which includes:
 - » Blood tests measuring 36 attributes
 - » Wellness coach available to all employees
 - » Wellness round-tables
 - » Health competitions and prizes
 - » Educational seminars regarding common concerns
 - » Employee Assistance Provider available for all employees and their families
- **Generous medical, vision, and dental coverage**
 - » Preventative care for ages 6 and older
 - » Well Child coverage up to age 6
 - » Routine cancer screening and gynecological exams
- Life insurance
- Short and long term disability insurance
- Parental leave policy
- 401K profit sharing contributions
- Financial counseling



LEED O+M Threshold:

Have in place sustainable policies and practices for:

- Cleaning supplies and equipment
- Hardscape management
- Landscape management
- Indoor air quality management
- Purchases of furniture, electronics, food, office supplies



2015 MURPHY Performance:

All policies and plans have been adopted corporate-wide, minimizing employees' exposure to toxins and chemicals and keeping them healthier at work



Our LEED O+M plans and policies that govern our purchases of cleaning supplies and equipment, furniture, landscape and hardscape management, and indoor air quality management ensure that our employees are not exposed to chemicals and toxins -- and helps keep them healthier at work.

As a family business with a family culture, Murphy promotes, encourages, and supports the health and wellness of all Murphy associates and their families.

SAFETY & SECURITY

Safety and security are essential to our sustainability as a business. Our clients expect it. Our employees expect it. We expect it.



SAFETY

Murphy's commitment to safety and security is demonstrated by our **OSHA Certification** through the Minnesota Department of Labor and Industry. We do this through a high level of leadership and employee involvement, systems in place that identify, correct, and control workplace hazards, and employee safety training and education.



Training

Additionally, our employees receive annual training, primarily related to safety, to ensure we stay current. In 2015, training consisted of the following:

- Material Cleanup Policy
- Good Manufacturing Practices (GMPs)
- Handling of Glass
- Shipping, Receiving and Storage
- Forklift Safety/Personal Responsibility
- Sanitation and Pest Control
- Emergency Action Plan
- Product Recall Team Training
- Fire Extinguisher Training
- Severe Weather Drill

Murphy utilizes OSHA Standard 1904 for recording and reporting accident statistics. For 2015, Murphy's incidence rate was 7.2%. The incidence rate takes into account total hours worked by Murphy employees and the amount of work-related injuries and illnesses that occurred.

Sanitation

In the interest of keeping employees and customers' goods safe and secure, we also invest in cleanliness. **We consistently achieve the "Excellence" certification from the American Sanitation Institute (ASI).**



SECURITY

Because our customers entrust Murphy to care for their goods while in storage, Murphy places a high value on security.

- All facilities are routinely assessed for risks associated with theft. We receive, by subscription, numerous security notices related to warehouse, logistics, and transportation activities in the United States.
- Murphy trains 100% of employees on anti-theft policies to protect clients' products in our care, custody, and control. We have a standalone inventory control department and perform cycle counts and full inventory reviews on a routine basis.

Murphy continued its reputation for excellence in safety, security, and sanitation in 2015.

COMMUNITY ENGAGEMENT

Community is the core of Murphy. We put a high value on community involvement and, in fact, require our senior management and owners to have active involvement on committees, leadership roles, and conference attendance at the following industry and community groups:

- Council of Supply Chain Management Professionals (CSCMP)
- Warehouse Education and Research Council (WERC)
- International Warehouse Logistics Association (IWLA)
- Minnesota Warehouse Association (MWA)
- Minnesota Trucking Association (MTA)
- Urban Land Institute (ULI)
- MN Department of Transportation - Freight Advisory Committee
- Children’s Hospital of MN – Board
- Carlson School of Business, Univeristy of MN - Operations and Supply Chain Advisory Committee
- Center for Transportation Studies, University of MN – Executive



We provide support, in terms of finances or volunteer time, to:

- St. Paul Schools
- Grand Old Days
- Irish Fair of Minnesota
- Local food shelves



Murphy Family in attendance at Shine Bright Bash 2015.

SPONSORSHIP

Murphy has acted as the Presenting Sponsor for the Children’s Hospitals and Clinics of Minnesota’s Annual Shine Bright Bash. In 2015, the event raised more than \$320,000 to support Cancer and Blood Disorders programs within the hospital and clinic as well as the Cancer Kids Fund. More than 400 attendees donated and purchased items at both live and silent auctions to raise money at the event. Families were also invited to share their stories and were honored by Dr. Susan Senser, Cancer and Blood Disorders Program medical directory.

We pride ourselves for being a **good neighbor** by

- managing our stormwater onsite
- reducing nighttime light pollution
- enhancing our surroundings by planting beautiful flowers and trees



Murphy Warehouse Company
701 24th Avenue SE
Minneapolis, MN 55414

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