



2015

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 family owned business founded in 1904, Murphy is focused on ensuring that our company is prepared for the future. We have seized opportunities in the past to innovate and understand that maintaining competitiveness is about embracing change. We have taken a leadership role in creating a more sustainable future for the logistics industry. We look at our facilities, operations, and place in the community with a holistic view of how we do business and the impact it has on our employees, our customers, and the environment.

The rest of the world is finally recognizing what Murphy has practiced for years—sustainability is an opportunity to innovate. An article from the Harvard Business Review outlines *Why Sustainability is Now the Key Driver of Innovation*:

“....sustainability is a mother lode of organizational and technological innovations that yield both bottom-line and top-line returns. Becoming environment-friendly lowers costs because companies end up reducing the inputs they use. In addition, the process generates additional revenues from better products or enables companies to create new businesses. In fact, because those are the goals of corporate innovation, we find that smart companies now treat sustainability as innovation’s new frontier....”

Murphy has been taking a leadership role in this industry through its sustainability efforts, detailed in this third annual Corporate Sustainability Report.

Our company mission is simple: We provide innovative logistics solutions driven by our enthusiasm to create a positive difference for our customers and employees. As the fourth generation leader of Murphy, I can assure you that our core family values of integrity, courage, imagination, risk taking, persistence, humility, leadership and community involvement are central to everything we do – now and in the future.

Murphy is constantly planning ahead to the next steps for our growth and development. Short-term priorities include setting aggressive sustainability goals, investing in our facilities to lower operating costs, and investing in our people to retain talent.

As you will see in the following pages, 2014 had some successes and challenges. We will continue to prove that it is possible to do the right thing for employees, partners, the community, and the environment while running a profitable enterprise. As we like to say, at Murphy, **we’ve always been Green.**

Richard T. Murphy, Jr.
FASLA



This report is prepared in accordance with Core GRI4 Guidelines, with external assurance provided by the local company Sustology, LLC. **Global Reporting Initiative (GRI)** is the internationally recognized sustainability reporting framework that enables companies and organizations to measure, understand, and communicate their sustainability efforts. GRI’s mission is to make sustainability reporting standard practice; one that helps to promote and manage change toward a sustainable global economy.

COMPANY SNAPSHOT

Murphy is a full-service supply chain logistics business offering multiple solutions to our customer partners. 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 helped our customers move, store, and ship freight throughout the Upper Midwest and internationally. The supply chain logistics services we provide include:

- Product distribution
- Transportation management and consolidation
- Warehouse logistics
- Rail transload
- Fulfillment
- Returns management
- Value added customer service
- Pick and pack

Today, our team of 200+ employees are motivated, determined, and innovative, with a focus on providing our customers excellent logistics solutions, no matter how complex the assignment.

The industries we serve include:

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



FACILITIES & PROPERTIES

- Minneapolis-St. Paul, Minnesota: 5 owned facilities and 9 leased properties
- Kansas City, Missouri: 3 leased properties

Owned & Occupied Square Footage

701 24th Ave SE, Minneapolis	610,640
4700 Main St SE, Fridley	265,482
4850 Main St SE, Fridley	189,904
7033 Central Ave NE, Fridley*	406,164
905 Yankee Doodle Road, Eagan	358,532

1,830,722

Leased Square Footage

+ 975,810

Total Square Footage

= 2,806,532

**This facility was sold at the end of 2014*

With **2.8** million square feet, Murphy is one of the largest warehouse companies in the Upper Midwest.

SUSTAINABILITY PRIORITIES

MATERIALITY

This report addresses business operations over which we have control: the **five facilities, 27 freight trucks, and 120 forklifts we own and operate** on a day-to-day basis. To comply with the Global Reporting Initiative, all Corporate Sustainability Reports must address “materiality,” or what is relevant in the operations of the business, to each particular sustainable aspect, or subject matter:



Energy: Direct energy consumed by our trucks, and indirect energy consumed by our facilities.



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



Materials & Resources: Purchases and disposal of office supplies, furniture, electronics, packaging, etc.



People: The safety, health, and well-being of our employees, as well as our place in the community.

This report does not address factors over which we do not have control: the impact of our leased facilities or tenants, the trucks serving our warehouses which we do not own or operate, or the upstream and downstream supply chain effects of our customers’ products we service. Our sustainability actions do, however, greatly support our clients’ sustainability priorities.

2014 HIGHLIGHTS

- Achieved LEED Gold certification at our Eagan Warehouse, bringing total Murphy LEED certified space to over 1.2 million square feet
- Received Energy Star certification for Eagan and Fridley Warehouses
- Began first LEED Recertification efforts for both Fridley locations
- Improved Main HQ Energy Star score from 88 to 92 year-over-year
- Reduced greenhouse gas emissions by 62% year-over-year
- Published first Corporate Sustainability Report that complies with Global Reporting Initiative GRI4 guidelines
- Sold 7033 Central facility at the end of 2014 and moved its solar panels to 4850 Fridley location

In 2014, Murphy reduced its greenhouse gas emissions by **62%** compared to 2013.

SUSTAINABILITY PRIORITIES

OUR VALUES

Integrity

Mutual Respect

Excellence

Creativity

Leadership



OUR GOALS

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



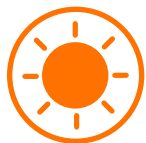
Greenhouse Gas Emissions

Emit less than 50% of the national average of greenhouse gases for similar size and type facilities. This involves undertaking energy efficiency measures, renewable energy, and carbon sequestration that we can do on our sites or other land we own.

Performance
2013 2014

38% → 19%

greenhouse gas emissions
compared to average



Energy

Increase the percent of our electricity generated through renewable sources each year. This can mean investing energy efficient technologies for our facilities as well as more in solar – so that the clean electricity generated from the sun will account for a greater proportion of our consumption. So far, we've increased our percentage from 4% in 2011 to 10% in 2014.

8% → 10%

electricity generated
from solar power



Water

Reduce water consumption by 25% from the 2010 baseline. In 2010, Murphy had its first two facilities LEED certified under the LEED: Operations & Maintenance rating system, so we use that year as our baseline as we continue to become more efficient with our water.

23% → 34%

reduction from
2010 baseline

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

For each of these goals, Murphy has significantly improved our performance year-over-year.

MANAGEMENT APPROACH

Managing businesses effectively in the 21st century involves constantly measuring, analyzing and improving our performance. It is essential to provide 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 its:

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

**In 2014, Murphy embarked on one of the first recertifications under the LEED for Building Operations and Maintenance (O+M) rating system for its two Fridley locations.*



Energy Star is a U.S. Environmental Protection Agency (EPA) 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 scored an average of **97** for its 4 owned facilities in 2014.



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.

By completing certification of our Eagan facility, Murphy now owns **4%** of the total LEED O+M-certified square footage at the Gold level or higher in Minnesota.

MANAGEMENT APPROACH

WHY DO WE CARE?

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.

EVALUATION OF MANAGEMENT APPROACH

Murphy approaches each of these certifications not as an ironclad principle, but as investments that make sense. We cannot always pursue every sustainability strategy. For example, due to existing site conditions at our Eagan campus, we were unable to implement the profound onsite stormwater management we have achieved at other campuses. It was deemed unfeasible due to existing site issues and cost.

For each material aspect 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 Support and the VP of Client Solutions and Business Development 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 has consistently achieved above average to exceptional ratings from our customer service satisfaction surveys.

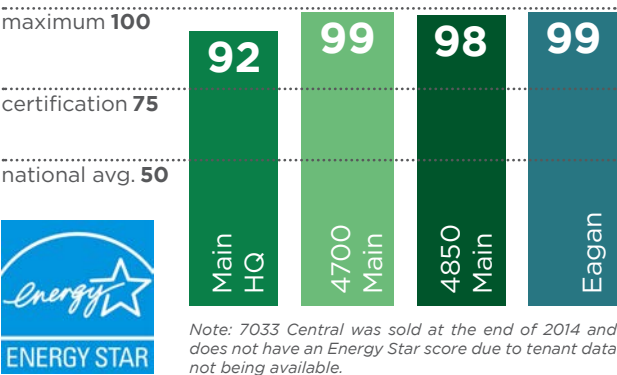
ENERGY EFFICIENCY



Energy Star scores compare similar properties nationwide, with over 400,000 buildings being actively tracked. A score of 50 represents median energy performance. Murphy’s high scores mean that Murphy facilities cost less to operate – **meaning we can invest more in our people and customer service compared to our competitors** – keeping our company financially sustainable as well.

We are proud of each facility’s Energy Star score. In 2014, we received official Energy Star certification for our Eagan and Fridley facilities. Our Main HQ’s Energy Star score improved from 88 in 2013 to 92 in 2014, due to a reduction in electricity usage.

Energy Star Score by Facility



ENERGY STRATEGY

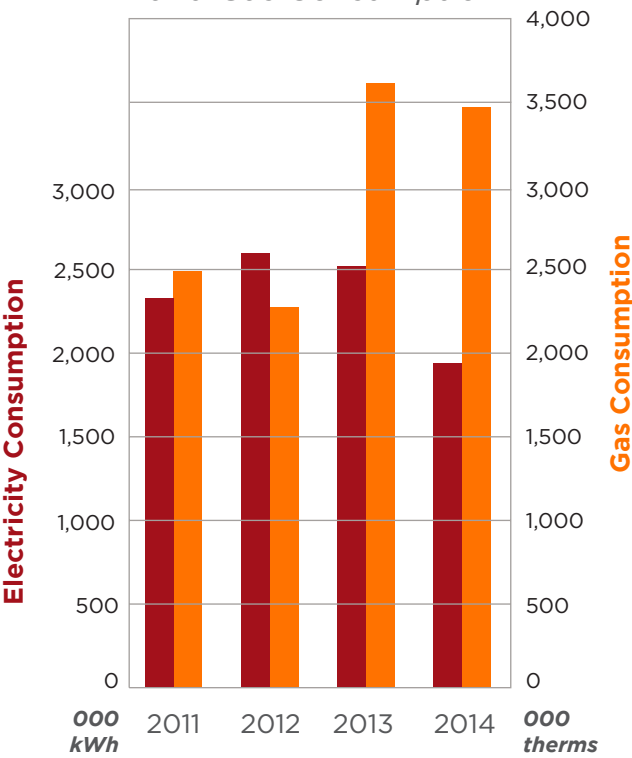
Reducing energy use—both gas and electric—is the single greatest opportunity to reduce our dependence on fossil fuels and decrease carbon emissions. Becoming more energy efficient at our warehouses is an on-going effort, as we continue to look for technological improvements and upgrades that will reduce our energy consumption *and* save money on utility bills.

While the environmental benefits of reducing energy are the primary driver of our efforts, Murphy benefits in another important way: financially. As we reduce energy consumption, we also become less vulnerable to fluctuations in energy prices.

Strategies that have helped us in the past include:

- Building Recommissioning through our LEED certification efforts, which identifies low and no cost energy conservation opportunities
- Investing in LED lighting and high efficiency HVAC equipment
- Installation of programmable thermostats and occupancy sensors
- Re-roofing to improve insulation

Murphy Electricity and Gas Consumption



Murphy’s 4 owned facilities have an average Energy Star score of **97** on a scale of 1 to 100, 47 points above average.

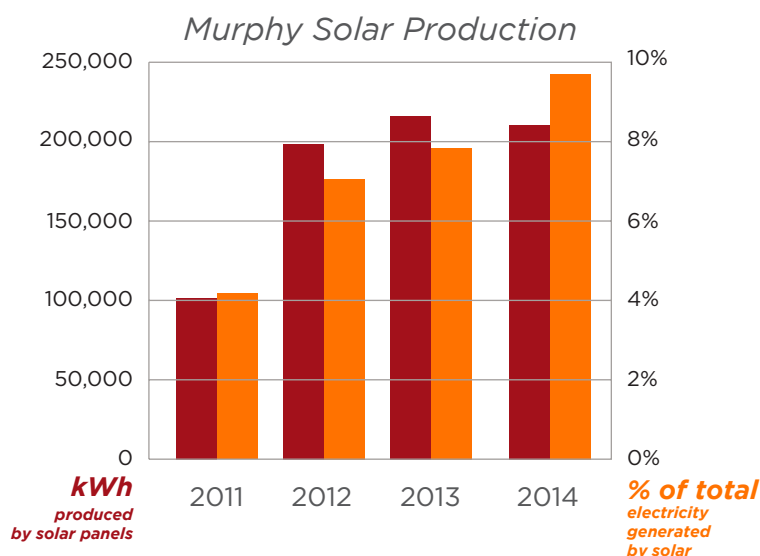
RENEWABLE ENERGY



Energy efficiency can only take us so far toward reducing our reliance on coal and natural gas. Renewable energy can take us even further, and Murphy's strategy is two-pronged: on-site solar energy and investment in off-site renewable energy projects through purchasing renewable energy credits.

ON-SITE SOLAR ENERGY

Murphy started 2014 as the fifth largest solar energy producer in Minnesota. We are investing in solar energy because of environmental and financial incentives. In 2014, solar panels reduced our electric bills by about \$21,000 annually.



What do these systems do?

Each 40 kW system can produce between 30,000-50,000 kilowatt hours (kWh) per year, primarily depending on sunlight or snowfall.



Murphy has been a leader in on-site solar energy generation, as each of our owned facilities has at least one 40 kilowatt (kW), made-in-Minnesota tenKSolar system on its roof. Each 40 kW system takes up only about 2,000 square feet, and there is plenty more space on the roofs of Murphy warehouses. We will continue to invest in solar if and when it makes sound financial sense.

RENEWABLE ENERGY CREDITS

Murphy is contributing to renewable energy development in the U.S. by purchasing Renewable Energy Credits (RECs) to ensure the amount of energy our buildings consume is replaced on the electric grid by renewable sources. In 2014, Murphy purchased RECs to offset 100% of its electric and natural gas usage for its Eagan warehouse and both Fridley warehouses, equating to 1,127 metric ton equivalents of greenhouse gases being off-set (see Page 15). These Renewable Energy Credits are Green-e Energy Certified, ensuring renewable energy development meets environmental and consumer protection standards.



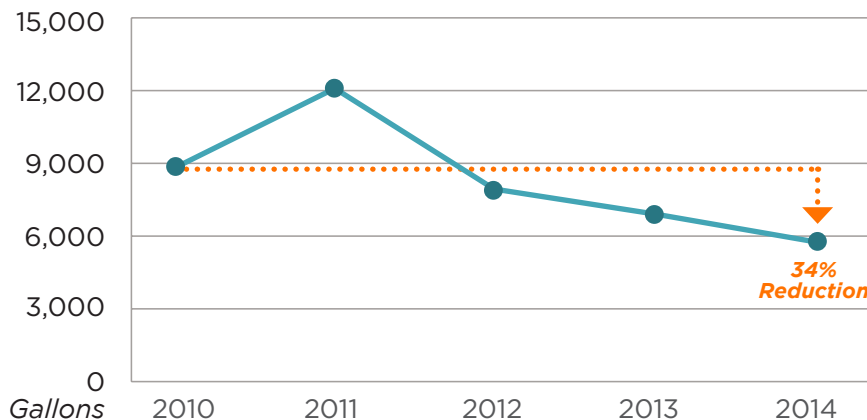
In 2014, almost **10%** of Murphy's electricity was produced from on-site solar panels, up 2% year-over-year.

WATER EFFICIENCY



Water is a precious resource. Last year, we set **our goal to reduce water consumption to 25% below the 2010 baseline**. In 2013, we were at 22.5% below the baseline; for 2014, we reduced water consumption to **34% below the 2010 baseline**.

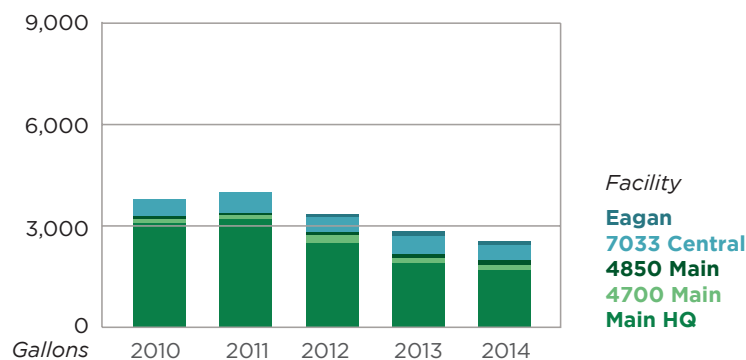
Murphy Water Consumption



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

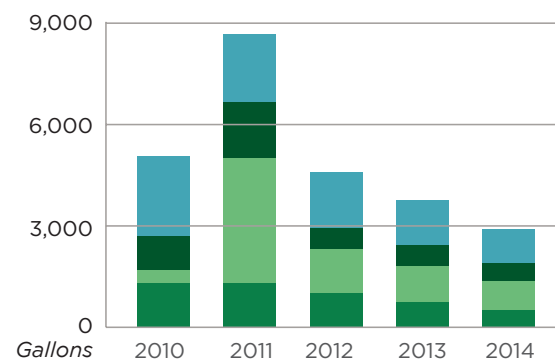
INDOOR WATER USAGE

- Upgrades of plumbing fixtures to low-flow and low-flush
- Long-term goal to replace Main HQ office's cooling system, which uses water for air conditioning, with a roof-top unit



OUTDOOR WATER USAGE

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



In 2014, Murphy's facilities used nearly **3** million gallons of water less than the 2010 baseline, or 375,000 regular 16 oz. water bottles.

STORMWATER MANAGEMENT



Realizing the significant contribution that the logistics industry makes to regional and national stormwater challenges, **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. These investments include:



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

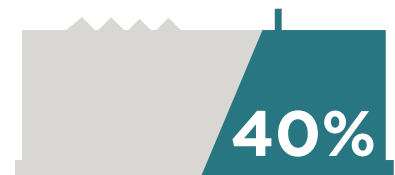


Typical sign on Murphy properties.

4700 & 4850 Campuses

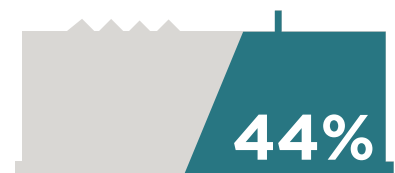
Stormwater retention is based upon how much water the property will absorb on site for a two-year/twenty-four-hour storm event. At our 4700 and 4850 Fridley facilities, we collectively mitigate 42% of our stormwater on-site, which is a truly remarkable feat considering the vast impervious footprints of the warehouses, loading docks and drive lanes — that's a lot of storm water!

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.



4700 Main Campus

40% of stormwater is mitigated for the two-year, 24-hour design storm



4850 Main Campus

44% of stormwater is mitigated for the two-year, 24-hour design storm

At its headquarters,
Murphy retains

100%

of its stormwater on-site and is the largest landowner in Minneapolis that does not pay a stormwater utility fee.

BIODIVERSITY



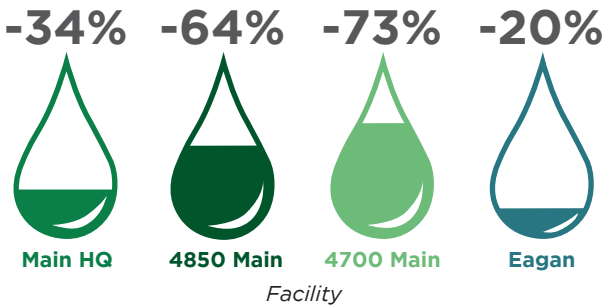
In 1994, Murphy installed its first native prairie at our Fridley campus. **Today, all of our campuses have been planted with biologically diverse native prairie and woodland species.** Our efforts replaced conventional landscapes, made up of excessive turf grass area, with native vegetation that promotes stormwater retention, biodiversity, and carbon sequestration.

These investments dramatically reduce maintenance costs and improve 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.”**

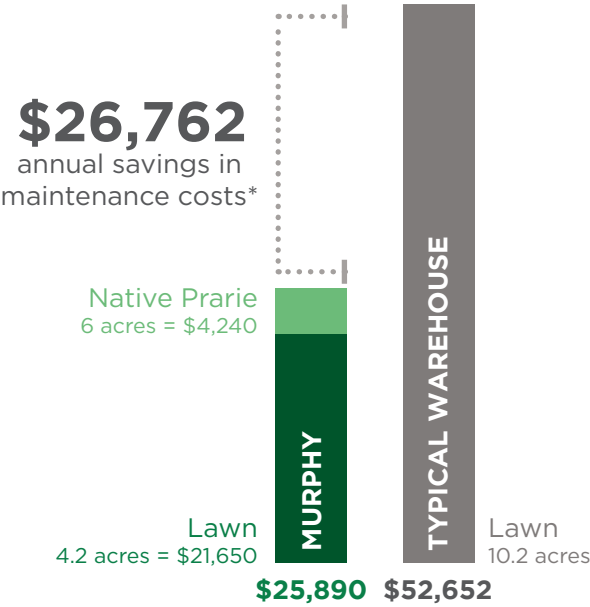


In 2014, Murphy analyzed each of its owned campuses for water-efficient landscaping as defined by LEED O+M v2009 standards. As seen in the graphic below, maximizing the use of native and adaptive vegetation and diminishing the use of conventional lawns significantly decreases the demand for irrigation. This strategy helps us meet our water efficiency goals.

Percent Reduction in Potable Water Usage for Irrigation as compared to standard turf grass



*Maintenance Cost Savings
Murphy vs. Typical Warehouse*



*\$508,500 savings over 19 years at our Fridley campus



Murphy's native prairies contribute to an overall average of **48%** reduction in irrigation needs.

TRANSPORTATION



Thousands of trucks go in and out of our warehouses, consuming fuel. Being in the logistics business, we concentrate on what we can control: our own trucks. Murphy's 27 long-haul trucks travel between 150-450 miles per day and consume diesel fuel at an average rate of 6.5 miles per gallon, which means our trucks burn about 246,000 gallons of diesel per year. Murphy follows three strategies for decreasing fuel consumption:



Retrofitting trucks and trailers to reduce wind resistance



saves
10% on fuel.

Increasing our usage of biodiesel fuel



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

Locating our facilities near...



Cities



Airports



Rail lines

...reduces the miles traveled to store and transport our customers' goods. By lowering the miles traveled, we save on fuel costs while reducing our direct emissions from diesel fuel.



3x
more efficient
than trucks

For every pound of freight carried on a truck, a train carrying that same load would consume three times less fuel.

In 2014, Murphy serviced an average of 17 rail cars per day. This equals **17,860** trucks taken off the highway.

Data source: BNSF Rail Carbon Calculator

GREENHOUSE GAS EMISSIONS



Murphy reports on both direct and indirect greenhouse gas emissions (“GHG”). Direct GHG are from fossil fuels being consumed directly by our operations of trucks and forklifts. Indirect GHG are from operating our warehouses.

Murphy’s goal is to be less than 50% the national median for indirect greenhouse gas emissions for similar facilities, measured by the EPA’s Portfolio Manager online tool. Each of our strategies outlined in this report somehow contributes to reducing GHG. As we reduce carbon emissions, we are reducing pollutants - such as carbon dioxide, nitrous oxide, and methane - in addition to helping reduce smog and fine particulate matter.



Direct Greenhouse Gas Emissions



Murphy owns 27 trucks, which are powered by diesel fuel. For every 1,000 gallons of diesel fuel consumed, 10.22 metric ton equivalents of carbon dioxide are emitted.

2014
246,000
gallons
of diesel fuel



Equivalent Metric Tons
of Carbon Dioxide
in 2014 (Mte)

2,515 Mte

Data Source: U.S. EPA Greenhouse Gas Equivalencies Calculator.



Murphy owns 95 propane-powered forklifts to run its warehouse operations. For every 1,000 gallons of propane consumed, 5.63 metric ton equivalents of carbon dioxide are emitted.

85,041
gallons
of propane



478 Mte

Data Source: U.S. EPA Greenhouse Gas Equivalencies Calculator: Calculations and References.

Indirect Greenhouse Gas Emissions



Murphy’s 5 owned and operated facilities use natural gas for heating; and electricity (primarily coal-powered) for air conditioning, ventilating, lighting, electronics, and for charging its 25 electric-powered forklifts.

49.0
million
BTUs

3,889 Mte

Data source: U.S. Department of Energy Portfolio Manager, Energy Star Statement of Energy Performance, 2014.

Murphy’s indirect emissions from warehouse operations contribute 30% more greenhouse gas emissions than do operating our trucks and forklifts combined. That is one of the reasons Murphy prioritizes its corporate-wide goals on measuring and managing our facilities.

Murphy’s greenhouse gas emissions are only **19%** of what similar size & type facilities emit, down from 37.5% last year.

CARBON NEUTRALITY

Our goal of reducing greenhouse gas emissions is accomplished in two ways:

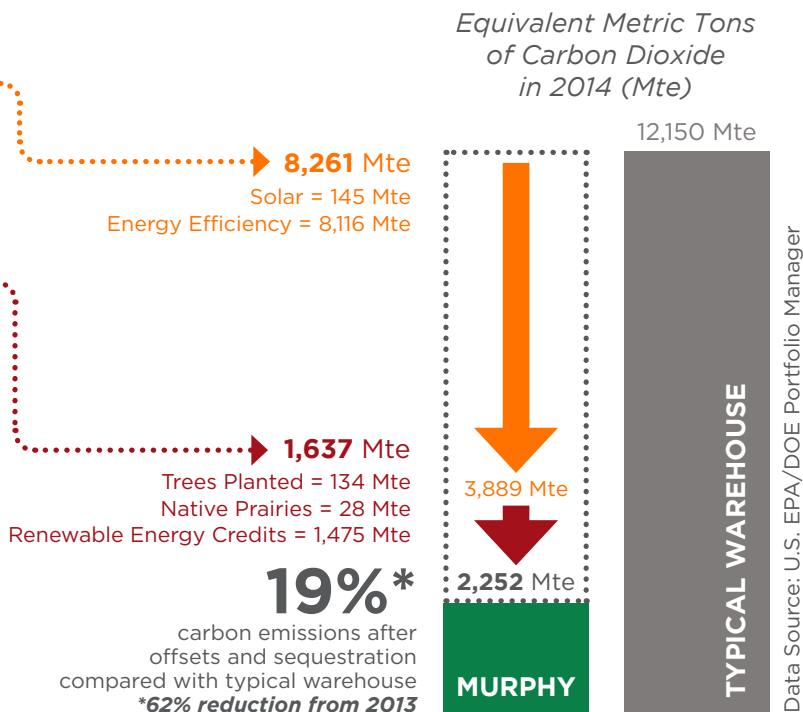
Reducing Carbon

Accomplished by reducing fossil fuel consumption through energy efficiency measures as well as generating electricity from clean, renewable sources like the sun.

Carbon Offsets & Sequestration

Existing carbon still being emitted is offset through the purchase of renewable energy credits and by sequestering carbon through planting trees and installing native prairies.

Results for 2014 are significantly better than 2013 because Energy Star scores went up and we purchased renewable energy credits to offset 100% of our emissions at three of our warehouses (see RENEWABLE ENERGY, page 9).



CLIMATE CHANGE

Opportunity

More and more, customers are looking to green their supply chain, so we see our efforts 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, and the better we help our client partners meet their objectives.

Risk

Climate change presents regulatory and physical risks for our business operations. From a regulatory standpoint, a carbon tax would have financial implications to our bottom line. It could also affect the ability to transport goods. We believe our central locations and access to rail lines are important risk-mitigating factors.

From a physical standpoint, our locations are not near shorelines and our facilities are not that vulnerable. As a logistics company that serves the entire United States, however, any weather-related disaster on either coast affects our business. To manage this risk, we continue to diversify across industries and customers.

Murphy's reduction in greenhouse gas emissions is equivalent to taking **2,084** passenger vehicles off the road for one year.

MATERIALS & RESOURCES

Materials flow in and out of businesses in our day-to-day operations. Material selection is important because it takes resources to create materials, and these products will ultimately become reusable, recyclable, or *landfilled*. The material choices we make directly affect the environment as well as Murphy’s bottom line.

PURCHASING

By purchasing products with recycled content and products that are recyclable, we help expand markets for recycled materials and slow the consumption of raw materials. We also purchase refurbished and reusable items, which helps to reduce waste entering landfills. **Due to our corporate-wide Sustainable Purchasing Policy, we continue to exceed LEED-mandated thresholds for recycled content, rapidly renewable content, local, or third-party certified products.**



WASTE MANAGEMENT

In our business, we encounter a great deal of packaging materials coming in to our warehouses. While this is unavoidable, we can make a difference in where those materials end up. At Murphy, our corporate-wide Sustainable Waste Management Policy ensures that we continue with our extensive cardboard, metal, and plastic recycling practices. Our goal is to manage solid waste in a manner that will:

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



By participating in the Shred-It™ shredding and recycling program, Murphy saved 25 trees from destruction in 2014.

REUSE

Murphy’s commitment to reuse is further exemplified by several standard policies in which we:



Recycle 99% of our solid stream waste



Utilize refurbished furniture



Donate used electronics



Reuse 100% of shipping pallets and reuse 40% of dunnage



Murphy diverts **99%** of its solid stream waste stream from going into landfills.

HEALTH & WELLNESS

At Murphy, our people make us great. It is important to us that they and their families are healthy—in mind, body and spirit. We feel this is an essential component to running a sustainable business.



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
 - » 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
- Life insurance
- Short and long term disability insurance
- Parental leave policy
- 401K profit sharing contributions
- Financial counseling

FINANCIAL COUNSELING

As a new benefit to employees in 2014, we offer optional third-party financial consulting, advising, and planning. We recognize that a part of mental health is knowing that you are prepared for the future, as well as life's bumps along the road. It is important to Murphy that our employees feel supported in their financial preparedness, because financial soundness helps foster peace of mind. For this reason, we invest in our most vital resource, our people and their families.



Source: The Triple Helix Online. www.triplehelixblog.com

In 2014, Murphy added financial counseling as an additional benefit for employees.

SAFETY & SECURITY

Providing safety and security is cornerstone to any sound logistics firm. Our clients trust that we will properly manage their assets; our employees trust that we will provide a safe and secure workplace. For these reasons, safety and security are essential to our sustainability as a business.



SAFETY

We place a high value on safety, as demonstrated by our **OSHA SHARP Certification** through the Minnesota Department of Labor and Industry. We do this via a high level of leadership and employee involvement with systems in place that identify, correct, and control workplace hazards, and employee safety training and education.

Safety Training

Our employees receive annual safety training to ensure we stay current, and we rotate the training locations among our owned facilities. In 2014, training consisted of the following:

- Emergency Response Plan Training
- Global Harmonization Training
- Forklift Safety and Training
- Safety (AWAIR) Program Training

Murphy utilizes OSHA Standard 1904 for recording and reporting accident statistics. For 2014, Murphy's incidence rate was 3.7%. 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 updated its security cameras and software in 2014 to make a more user-friendly and efficient monitoring system.

COMMUNITY ENGAGEMENT

Community is the core of Murphy. Murphy puts a high value on community involvement and, in fact, requires 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, U of MN - Chair, Operations and Supply Chain Advisory Committee
- Center for Transportation Studies, U of MN - Executive



Grand Old Days. Source: www.grandave.com

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2014 Distinguished Alumni Service Award, University of Minnesota

In 2014, Richard T. Murphy Jr., received the prestigious Distinguished Alumni Service Award from the University of Minnesota for his invaluable contributions to the Department of Landscape Architecture at the College of Design and the Carlson School of Management. As part of this Award, he was asked by both departments to lecture on a Business Case for Sustainability in Design: Balancing Economic & Environmental Factors.



Carlson School of Management Professor Kingshuk Sinha, University of Minnesota Regent Darrin Rosh, Richard T. Murphy, Jr., College of Design Dean Tom Fisher, and Landscape Architecture Department Head Kristine Miller pictured after presenting Mr. Murphy with the Distinguished Alumni Service Award.

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