Corporate Responsibility Report **2013**



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CEO Letter



Dear Valued Stakeholder:

Since John Davey founded The Davey Tree Expert Company in 1880, the company has valued the connection between our services and our impacts on employees, clients, natural environments and communities. We are dedicated to being responsible corporate citizens to ensure today's business practices are not detriments to tomorrow's landscape. As environmental stewards, we must be accountable for our actions each day and by doing so, we promote proven solutions for a growing world.

Corporate responsibility is a natural extension of our strategic plan. We have outlined our vision for corporate responsibility based upon the following pillars, which guide us toward our company vision for differentiating Davey, employee engagement, financial strength and unmatched excellence in client experience.

Corporate Responsibility Pillars



We commit ourselves to environmentally responsible practices that sustain the planet, our communities and our business. We take pride in the fact that our environmental practices can complement corporate growth.



Our behaviors and actions ensure that the safety of our employees and clients remain our highest priority.



We are leaders in leveraging our research, experience and people to address challenges facing the natural environment through product and service innovation.





As an employee-owned company, our employees are fully engaged in their work and our purpose as a company. We invest in them as they invest in us. Together, we grow personally and professionally.

I invite you to read this report and learn how we are applying these pillars in our everyday work.

Sincerely,

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Karl Warnke, Chairman, President & CEO

About the Report

Our Corporate Responsibility History

Responsible stewardship has been a part of our culture since we were founded. As corporate responsibility and sustainability gained more widespread understanding, we took the opportunity to connect with our clients, engage our employees, stimulate innovation, gain efficiencies and demonstrate industry leadership. We formalized a cross-functional Corporate Environmental Responsibility (CER) team in 2007 to oversee our sustainability efforts. The progress of the CER team informed the creation of Davey's environmental policy and our first public CER Executive Summary Report in May 2013 for the 2012 reporting year.

Our first CER Executive Summary Report was a declaration of our commitment to responsibility and aspiration for continuous improvement. It provided an overview of Davey's policies and approach to environmental stewardship. It included internal and external stakeholder perspectives based on interviews with management, employee and client surveys, and industry perspectives. The CER Executive Summary Report gave us the opportunity to better understand our environmental impacts.

For the 2013 reporting year, we have expanded our CER Executive Summary Report to follow the Global Reporting Initiative (GRI), the international standard in sustainability reporting. We use GRI to better manage our environmental, social and governance (ESG) impacts. As a first step, we conducted a materiality assessment to expand our understanding of our ESG impacts. We compiled a list of potential issues and stakeholder concerns gathered from surveys and interviews with employees, clients, local communities, suppliers, industry associations and regulators. We assessed and ranked priority topics according to client satisfaction surveys and bidding questionnaires, peer GRI reports, client requirements, regulatory requirements, and trade association and industry research.

Through the materiality assessment process, we recognized that our responsibilities encompass much more than the environment. Our people, our clients and our communities all intersect to increase our positive impacts and reduce our negative impacts. While our environmental impact remains a top priority, other material topics include employee ownership, client health and safety, employee health and safety, training and education, product stewardship, and product and service innovation.

Report Scope and Boundary

This report covers the 2013 reporting period, including survey response data from 106 Davey-owned and leased facilities throughout the United States and Canada, including our four largest facilities—Kent, Ohio corporate headquarters; Davey Tree Surgery in Livermore, California; Wolf Tree in Knoxville, Tennessee; and Davey Tree Ltd. in Ontario, Canada. We are especially proud to include our Canadian operations in this year's report as it expands the boundary of this report and the environmental, social and economic issues we are actively managing. We intend for the report to serve as the beginning of an open and ongoing dialogue on how we address and continuously improve the responsibility of our company. At the end of the report, you will find a GRI Content Index, which organizes our responses to the GRI G3.1 Sustainability Reporting Guidelines. GRI has verified that the report is prepared according to the GRI Guidelines at Application Level C. We invite you to provide feedback throughout the year at corporateresponsibility@davey.com.



Corporate Responsibility Goals

Our materiality assessment results are guiding us in the establishment of 2014 and 2020 corporate responsibility (CR) goals. The goals are a first step to build a foundation of targets tied to our most material issues. For 2014, we have established the following goals:

- ⊕ We will establish 2020 goals tied to each of our corporate responsibility pillars by the end of 2014.
- We will review our supply chain procedures to ensure consideration of ESG issues by the end of 2014.

- We will promote environmentally conscious driving practices, such as low idling and routing technology to improve fuel efficiency for our fleet vehicles.
- We will identify a method by which to track community investment, employee volunteerism, speaking engagements and contributions by the end of 2014.
- ⊕ We will establish an office waste management and recycling policy for our facilities by the end of 2014.
- We will develop a landscape environmental quotient model for homeowner education and outreach.



About Us

Company Overview

Founded in 1880, Davey provides a variety of tree care, grounds maintenance and consulting services for the residential, utility, and commercial and government markets. We have 152 facilities in the United States (including 40 owned and 112 leased facilities in 45 states) and 16 facilities in Canada (including four owned and 12 leased facilities in five provinces). Our employee ownership is a key driver of our innovation, collaboration and client focus. As employee owners, we care deeply about, and are invested in, the success and future of our company. In 2013, we had more than 7,300 employees and were ranked the 18th largest majority employee-owned company on the Employee Ownership 100 list, according to the National Center for Employee Ownership (NCEO).

We are rooted in our 135-year history, taking pride in the legacy that our founder, John Davey, began. He instilled his philosophy to "do it right or not at all" in the culture of Davey. This philosophy continues to guide us in our daily operations and inspires us to be responsible corporate citizens.

Our Business Segments

Residential and Commercial Services: Residential and Commercial Services provides services to our residential and commercial customer. Services include the treatment, preservation, maintenance, removal and planting of trees, shrubs and other plant life; the practice of landscaping, grounds maintenance, tree surgery, tree feeding and tree spraying; the application of fertilizer, herbicides and insecticides; and, natural resource management and consulting, forestry research and development, and environmental planning. Utility Services: Utility Services is principally engaged in providing services to our utility customers—investor-owned, municipal utilities and rural electric cooperatives. Services include line-clearing and vegetation management around power lines, rights-of-way and chemical brush control, natural resource management and consulting, forestry research and development, and environmental planning.

Governance and Ethics

We integrate responsible stewardship considerations into all business decisions, including our operations, workplace environment, and strategic planning of new and existing products and services. Operating responsibly and ethically, caring for our employees, and protecting the environment and the communities we serve are our highest priorities.

Board Structure: We have 15 executive officers and our board structure can be found in our Annual Report at http://goo.gl/g2pxOR. The board has three committees—audit, compensation and governance. Read more on the Board Committee Charters page of our website at http://goo.gl/8r5Uks.

Corporate Responsibility Governance: Oversight of our corporate responsibility efforts is from our corporate responsibility team, consisting of representatives from across the organization, including operations, corporate purchasing, facilities, human resources, environmental management, financial accounting, communications and information systems. The team meets on a regular basis to determine Davey's corporate responsibility priorities, goals and timelines, and reviews them with our president and board of directors. The team actively contributed to the content of this report.

RANKED 18TH LARGEST MAJORITY EMPLOYEE-OWNED COMPANY ON THE EMPLOYEE OWNERSHIP 100 LIST

5% INCREASE IN REVENUE FROM 2012

Policies: We hold ourselves to high ethical standards in terms of company conduct, operations and equal employment opportunity. Read all of our corporate policies on our website at http://goo.gl/57y2oF.

- Our Code of Ethics and Whistleblower Conduct Reporting Policy outline our standards for business affairs and disclosure process for misconduct to make sure that our business matters are conducted ethically and in compliance with all federal, state and local laws. A supplement to the Code of Ethics is the Code of Ethics for Financial Matters, which ensures that our financial representatives comply with legal requirements, specifically the Sarbanes-Oxley Act of 2002 and related regulations.
- Our Equal Employment Opportunity Policy and Harassment Policy foster a diverse and inclusive environment at Davey.
- Our Environment Policy supports responsible environmental management throughout our operations and informs our board of directors and chief executive officer about pertinent environmental issues related to our environmental performance. Learn more about our specific environmental policies in the Sustainable Environment section of this report.

Performance Highlights

Davey's annual revenue was \$713,848,000—a five-percent increase from 2012 revenue. View our financial statement on our website at http://goo.gl/ovBGhf.

REVENUE TRENDS (millions, USD)



We take pride in growing responsibly. Who we acquire reflects our commitment to aligning our culture, values and focus on corporate responsibility.

- As part of Davey's growth and expansion strategy, we acquired S&S Tree and Landscaping Specialists in Minnesota. The acquisition expands the wood waste recycling element of our business. To better serve clients in North Carolina and Ohio, we expanded our presence with Green Tree Experts, Inc. in Raleigh and opened another office in Cincinnati.
- To develop our reliability service capabilities, we established a strategic partnership with Exacter, Inc. Exacter's Grid Assessment Technology and Analytics allow us to identify equipment deterioration across utility distribution systems, providing the ability to perform predictive maintenance and improve the reliability of electric power delivery.





Environmental Awareness of At-Risk Landscapes

The Landscape Architecture Legacy of Dan Kiley

For five years, Davey has proudly sponsored The Cultural Landscape Foundation (TCLF) Landslide program, which draws immediate and lasting attention to threatened landscapes and unique features. In November 2013, TCLF announced that Davey would be the presenting sponsor of The Landscape Architecture Legacy of Dan Kiley at various locations throughout the United States. The traveling exhibition honors Dan Kiley's modernist landscape design legacy with photographs by Marion Brenner, Todd Eberle, Millicent Harvey and Alan Ward. It also opens dialogue about the need for stewardship of Kiley's work and stewardship in general.

DAVEY PROMOTES ENVIRONMENTAL STEWARDSHIP THROUGH COMMUNITY EFFORTS



America's urban forests store an estimated 708 million tons of carbon, an environmental service with an estimated value of \$50 billion.

Learn more from the U.S. Forest Service study at http://goo.gl/Z9DJ2G.



Partnerships and Industry Leadership

Since our founding, we have supported and partnered with organizations to promote healthy trees and healthy communities. We encourage employees to participate as leaders in these organizations through committees and board positions. By investing in programs that educate and promote a sustainable environment, we strengthen our communities and ensure that future generations will care for trees and enjoy their benefits. Below is a sampling of our partnerships and industry leadership:

American Academy for Park & Recreation Administration:

We sponsor The Honorable Cornelius Amory Pugsley Medals, which are prestigious awards that recognize outstanding contributions to the promotion and development of public parks in the United States.

American Forests: We are the premier sponsor of the National Register of Big Trees, which records and documents the most well-known trees, including more than 800 native and naturalized tree species in the United States.

Arbor Day Foundation (ADF): We collaborated to develop Energy Saving Trees (EST), which helps homeowners and utility companies save energy through strategically placed trees. In 2013, we donated \$1.00 to the ADF community tree recovery program for every Davey holiday card we sent.

Canadian Urban Forest Conference (CUFC): Since 1992, the National Community Tree Foundation (now Tree Canada) and the Canadian Forestry Association, collaborated to organize a Canadian Urban Forest Conference. Every two years, the CUFC brings together professionals and community groups to share their experiences and innovative approaches to the stewardship of Canada's urban forests. We take pride in being one of the conference hosts to promote dialogue around urban forest strategies, policies, technologies and management practices.

DAVEY SUPPORTS AND PARTNERS with organizations to promote HEALTHY TREES AND HEALTHY COMMUNITIES

The Cultural Landscape Foundation (TCLF): We support Landslide, which highlights and monitors at-risk landscapes to reveal the features and values of these threatened spaces through web features, traveling exhibits and print publications.

International Society of Arboriculture (ISA): We sponsor the International Tree Climbing Championship (ITCC), where the best professional tree climbers in the world compete for the title of World Champion. The competition promotes safe working practices, demonstrates improvements through equipment and techniques, and provides industry recognition.

National Park Foundation: We help with preservation efforts of trees and shrubs throughout the Flight 93 National Memorial site, a dedication to the memory of the heroes of 9/11.

Professional Landcare Network (PLANET): We are a member of PLANET, which is a national trade association representing more than 100,000 landscape industry professionals who create and maintain healthy, green living spaces for communities.

Tree Care Industry Association (TCIA): We are a member of TCIA, which is a trade association of more than 2,200 commercial tree care firms and affiliated companies. Through TCIA, we help develop safety and education programs, tree care standards and management information for international arboriculture firms.

TREE Fund: We are a Crown Partner for the TREE Fund, which is an industry 501(c)(3) non-profit that raises money for arboricultural research, scholarships and education.







Maintained trees are attractive and increase property values by as much as 15 percent.

Find out more tree facts on our "In the Shade" blog at http://goo.gl/PV7xeb.



Protecting Urban Forestry

Partners in Community Forestry Conference

In November 2013, we sponsored the Partners in Community Forestry Conference. Davey Resource Group regional business developer and project manager, Josh Behounek, presented at the conference and highlighted our participation in the development of the Pittsburgh urban forest master plan. Davey also sponsored a special event-focused Twitter feed to cultivate conversation at the conference.

DAVEY DONATED \$1 TO TREE PITTSBURGH FOR EVERY TWEET THAT USED #PCF2013

Sustainable Environment



Environmental Stewardship and Policies

Environmental stewardship has been engrained at Davey since our founding. We manage the impact of our operations and apply technical expertise to plant health care to conserve the landscape for generations to come. We promote specific environmental policies in order to achieve sustainable environmental goals:

Business Directives: Integrate environmental considerations into all business decisions, including strategic planning of new and existing products, services, waste and business opportunities.

Health, Safety & Risk Reduction: Design or modify our landscape services to minimize their environmental impact by reducing the amount of materials used, following prudent best management practices and/or using reduced risk materials.

Open Communication with Stakeholders: Be open and responsive to public concerns through thoughtful listening and meaningful action. Assume a leadership role in promoting partnerships between the industry, government and environmental communities.

Resource Conservation and Pollution Prevention:

Prolong the useful life of all products used in our offices and field services through reuse, recycling and recovery; continuously improve the efficiencies of our current and future services to better conserve energy and natural resources; incorporate and utilize the best available technology throughout our operations and field services.

Sustainable Paper Use Policy: We are heavily reliant on paper in our everyday business, but recognize that paper use and its production have environmental impacts. We are committed to implementing and monitoring paper efficiency and procurement strategies. **Pesticide Stewardship Policy:** The safe use of pesticides or alternatives is a requisite tool in landscape management. We developed the following objectives to clearly define the safe use of pesticides:

- All pesticide management practices and/or material will be thoroughly researched and subject to ongoing technical and operational evaluation to ensure that any material or practices are the most responsible and most effective solution (best management practices) to the pest management problems for our employees, the public and the environment. Since the early 1980s, Davey has created and followed practices like plant health care that are designed to reduce the need for traditional pesticide applications through monitoring and proactive cultural practices. As such, Davey will continue to research the use of alternatives to traditional pesticides as well as other pest management practices.
- Continue to develop, implement and enforce operational policies and procedures to ensure the safe storage, handling, transportation, application and disposal of all pesticides, including the use of closed, loading systems and returnable, recyclable or refillable containers whenever possible.
- Continue to develop, implement and disseminate educational information regarding Davey pesticide programs and procedures for employees, clients and the public.
- Design and develop programs to aggressively monitor progress.

Compliance: Work closely with our employees and clients to ensure that our services are environmentally responsible and lawfully compliant, and continuously strive to improve our services.



Conservation of the Environment: Participate in conservation projects to enhance our natural ecosystems and preserve biodiversity.

Educational Initiatives: Use our resources and expertise to support educational initiatives at all levels to help improve the scientific and environmental literacy of our employees, clients and the public.

Monitor and Evaluate Environmental Performance and Progress: Audit our performance and progress to support our environmental stewardship.

Waste

We are committed to preventing pollution and managing hazardous and solid wastes in compliance with applicable regulations. In addition, we have a written policy and action plans on Solid Waste & Hazardous Waste Management & Reduction. For example, we encourage recycling of used oils according to state regulations, we dispose of pesticide residues according to label recommendations and we dispose of hazardous waste by incineration or other permitted processes by licensed hazardous waste disposal companies. We continue to work toward a company-wide solution for comprehensive waste management and recycling. In addition, wood waste/mulching has a triple bottom line impact. We strive to achieve a 100-percent wood recycling rate across our operations (where allowable by law) by finding alternatives to landfilling wood waste. We estimated in 2013 that our overall operations achieved a 95-percent wood waste recycling rate, with the residential/commercial service line at 85 percent and the utility service line at 97 percent. The majority of wood waste sent to landfills was due to regulated or contaminated wood removals (e.g., trees infested with emerald ash borer). We continue to track our wood waste and plan to achieve further reductions by finding alternative solutions when local sustainable solutions are unavailable.

2013 WASTE MANAGEMENT

ANNUAL WASTE (Tons)		
Estimated Wood Waste Generated	1,189,450	
Estimated Wood Waste Recycled	1,127,683	
Office Waste to Landfill	5,578	
Paper Waste Recycled	141	



Fundraising for Research and Support

Cycling for a Cause

We are a perennial sponsor of the Tour des Trees, a bike riding and fundraising event for research that supports the advancement of arboriculture and urban forestry. Participants rode 104 miles from Niagra Falls, Ontario to Rochester, New York on the first day and 585 miles (two countries and eight cities) throughout the event. Some Davey employees joined Team Ohio, which was the top fundraising team.

DAVEY EMPLOYEES PARTICIPATED IN



Trees save energy by reducing the heating and cooling required for buildings.

Learn more about the benefits of trees from i-Tree resources, such as http://goo.gl/KesJoO.

Water

Water management is another important aspect of responsible stewardship. We started to track our water consumption in order to establish management goals going forward. In addition, we help our clients improve their watering practices by educating them about proper planting locations and promoting less frequent, but longer, irrigation periods to encourage higher quality tree and turf roots.

We promote native landscapes in order to reduce water use. For example, at the Sanctuary of Bull Valley in Woodstock, Illinois, Davey Resource Group unites the principles of traditional and environmental design through burning and invasive species control for meadows, oak hickory savannas, prairies and wetlands. Davey Resource Group hosts volunteer days and educational seminars for the sanctuary's residents and neighbors. In addition, Davey Resource Group created a master plan in Barrington Hills, Illinois for transforming client Dr. Paul Getz's landscaping from a conventional design to a natural refuge with natural landscapes and restored wetlands. Davey was a presenting sponsor at the Midwest Ecological Landscape Alliance Conference, "Navigating Change," where we discussed the challenges of changing behaviors and culture and how we can encourage sustainable landscaping.

We will continue to investigate how vegetation impacts water flow and quality in urban areas, and how our services can impact and improve water conservation.

WE EDUCATE CLIENTS ON SUSTAINABLE WATERING PRACTICES TO PROMOTE HEALTHY LANDSCAPES, DEEPER ROOT GROWTH AND DROUGHT RECOVERY

Chemical Use

In landscape management, we recognize that the safe use of pesticides or alternatives is important to ensure the highest degree of safety for all employees, the general public and the environment. We believe that properly regulated and thoughtfully used pesticide products continue to provide benefits to public health, plants, animals and the environment, which far outweigh both real and perceived risks. We work to reduce chemical pesticide use through the following initiatives:

- Research of pesticide management practices, materials and alternatives to traditional pesticides.
- Operational policies and procedures to ensure the safe storage, handling, transportation, application and disposal of all pesticides, including the use of closed loading systems and the use of returnable, recyclable or refillable containers whenever possible.
- Educational information regarding Davey pesticide programs and procedures for employees, clients and the public.
- Programs to aggressively monitor progress toward the achievement of defined objectives.

Our environmental programs office produces regular environmental performance audit reports to the vice president of the Davey Institute who, in turn, provides the information to Davey executive management. The environmental programs office reviews its policy on an annual basis in light of new technological advances, environmental regulation, new management systems or action plans.

Energy and Carbon Consumption

We understand the importance of managing our energy and fuel consumption in order to reduce our energy costs and environmental footprint. We track our electricity, heating and fuel consumption, and invest in improving operational efficiency. In 2013, we conducted a survey to begin tracking consumption and achieve our goal of establishing ESG baselines by the end of 2014. For a first time effort, we were pleased to collect responses from 106 offices (63 percent). While the results do not provide a full account of our consumption, we are building the foundation to better understand our consumption and implement energy management programs for all of our operations in the future.

Energy/Electricity Use: We strive to minimize the adverse environmental, health and safety risks to our employees and the communities in which we operate, and we evaluate our performance on a regular basis. Our main operational energy sources are electricity, natural gas, propane, heating oil and kerosene.



Vehicle Fleet: We calculated greenhouse gas emissions of our entire vehicle fleet in the United States and Canada, which we will monitor as we purchase vehicles in the future. We are moving toward a light duty vehicle fleet to improve fuel efficiency. We are also expanding our GPS program to implement efficient routing and provide better service to clients. We currently have 35 percent of our medium duty fleet (vehicles with a gross weight of 10,001–20,000 pounds, such as Ford F350, F450, F550, Hino and Isuzu cabs) utilizing GPS.

VEHICLE CATEGORY	NUMBER OF VEHICLES		TOTAL FUEL UNITS (Gal)	
	U.S.	Canada	U.S.	Canada
Cars, Light Trucks and Vans	1,425	99	1,879,792	121,206
Super Duty	960	137	1,290,650	206,053
Medium Duty	1,924	226	2,450,876	418,288
Heavy Duty	64	6	78,641	3,460
Chippers and Grinders	1,379	291	391,250	69,195
Off Road, Turf Equipment, Misc. Powered Equipment	549	73	204,695	48,444
Other	976	4	374,749	108
TOTAL BY COUNTRY	7,277	836	6,670,651	866,753
TOTAL	8,113		7,53	7,404

2013 FLEET FUEL USE IN THE U.S. AND CANADA





U.S. Emissions = 64,703 (Tonnes CO2e)

Canada Emissions = 8,570 (Tonnes CO2e)

SUSTAINABLE ENVIRONMENT Opportunities

Reflecting on our 2012 opportunities, we have made progress investing in cleaner, more fuel efficient vehicles and heavy equipment, helping our clients with water management and utilizing wood waste. As we establish our goals within the corporate responsibility pillar of sustainable environment by the end of 2014, we will continue to manage our progress on our 2012 opportunities and further define opportunities for leadership, including:

- Promoting environmentally responsible practices for clients
- + Providing education on forestry and tree preservation
- Improving water management and our role in water conservation regulation
- Tracking vehicles and equipment by expanding our GPS systems, hybrid systems, fuel data and fuel mix
- Promoting more efficient and environmentally conscious awareness of chemical applications
- Understanding the bee population and colony collapse through pollinator research and providing bee-friendly solutions and education to concerned clients
- Reviewing supply chain, supplier diversity and vendor policies, and providing supplier training



Reshaping a Wildlife Habitat

The Restoration of Pond Brook in Summit County, Ohio

At the end of 2013, Davey Resource Group began supervising and directing a \$451,900 restoration project to reshape the wildlife habitat of Pond Brook in Summit County, Ohio. The project involves removing soil, planting trees, narrowing the stream with stone and other natural materials, and installing burlap bags to reduce erosion. The restoration should significantly reduce the amount of nitrogen, phosphorous and sediments discharging from Pond Brook into Tinkers Creek and help improve overall water quality in the watershed.

PARK OFFICIALS BELIEVE THAT OUR WORK AT POND BROOK IS THE LARGEST STREAM RESTORATION PROJECT IN OHIO'S HISTORY

Safe Business Practices



Employee Safety

We foster a culture of safety by adhering to rigorous safety standards. We have a comprehensive Safety and Loss Prevention Program that is designed to prevent workplace accidents, injuries and illnesses. The program promotes the safety and health of our workers, provides a safe and healthy work environment, safeguards our drivers and prevents property damage. Key responsibilities of our managers include:

- Vigorously promoting safety as an integral value at Davey
- Enforcing company policies and making certain all employees are trained in accordance with The Davey Tree Expert Company Safety Program
- Conducting inspections to recognize, identify and evaluate workplace hazards on a continuing basis
- Assisting in abating workplace hazards through written job plans and daily project briefings
- Making certain that workplace hazards are abated in a timely and efficient manner

- Timely reporting and proactive investigation of incidents and claims
- Actively participating in the appropriate resolution of claims and Return to Work Program for injured workers
- Taking corrective measures toward prevention of incident reoccurrence

Under management's leadership, all employees of Davey are held accountable for providing a safe work environment for themselves and their co-workers as part of their conditions of employment, which are referenced in our Code of Ethics.

In 2013, we had one fatality and are working tirelessly to address work-related safety incidents.

We encourage safe business practices through:

Road to Zero Program: We have annual injury-free workplace goals, which encourage employees to proactively mitigate unsafe working conditions. The Road to Zero requires a commitment from all of us—from the chief executive officer to the newest employee.

WORK RELATED INCIDENTS	2013	2012	2011	2010
Total Incident Rate	5.71	6.05	6.21	7.55
Lost Time Case (LTC) Rate	3.37	4.95	3.55	4.10

WORK SAFETY PERFORMANCE (Occupational, Safety and Health Administration (OSHA) Reportables)

OSHA calculates an incidence rate of injuries and illnesses (including LTC rates) with the following formula: (Number of injuries and illnesses X 200,000) / Employee hours worked = Incidence rate

Note: The LTC rates only consider incidents in which workdays were lost. The 200,000 hours in the formula represents the equivalent of 100 employees working 40 hours per week, 50 weeks per year, and provides the standard base for the incidence rates. Learn more from the United States Department of Labor Bureau of Labor Statistics at http://goo.gl/UrCx3P.

Safety Culture: Our certified tree care safety professionals and other experts demonstrate the latest safety techniques, technology and support to our employees and clients. They collaborate with local, state and federal agencies to confirm our employees meet regulatory requirements.

Young worker safety (ages 18–25) within our industry is of particular concern due to their formative months on the job. Young workers represent 40 percent of our new hires. We inform our employees about potential challenges posed by young workers and how to help them stay safe.

Safety Department: The safety department assists operations management in creating, implementing and sustaining the Davey safety culture. Our facilities hazards and controls are verified on a regular basis at each company shop, warehouse and office facility.

Safety Tailgate Meetings: We have weekly safety tailgate meetings for all field and shop personnel, including sales and service.

Safety Committee Meetings: Our executive leadership (chief executive officer, chief operating officer, chief financial officer), general managers and vice presidents have quarterly safety committee meetings. Executive management regularly communicates about safety issues.

Leadership Seminars: The safety department conducts multiple three-day, regional seminars for our management and supervisory personnel each year throughout North America. Attendees recycle through the program on an approximate three-year basis. Topics include accident trends and prevention, training techniques, team building, accident investigation, claims management, internal costing of insurance, substance abuse policy, fleet safety, equipment maintenance and regulatory compliance.

Postings: Safety posters, emergency action procedures and Occupational, Safety and Health Administration (OSHA) Form 300A are kept at each facility.

Statistical Reporting: We distribute territory safety summary reports every month, including safety alerts, incident rates and policy changes from operating vice presidents or executive leadership.



Safety Training: We are committed to instruct employees in safe and healthy work practices. To achieve this goal, we provide safety training to each employee specific to that employee's work assignment, such as:

- Davey Career Development Program of Task-Specific Safe Work Procedures
- PPE Policy and Davey Safety Department Approved Equipment Selection
- Hearing Conservation
- Eye Protection
- Fire Prevention
- Davey Drug/Alcohol Abuse Policy
- Job Hazard Identification, Planning, Control and Briefing
- Worksite Setup
- Davey First Aid CPR and Aerial Rescue Program
- Davey Defensive Driving Program
- Federal Motor Carrier Safety Requirements
- Equipment Inspection and Maintenance
- Equipment Guarding
- Lock-out Tag-out
- OSHA Hazard Communication Standard
- Pesticide and Chemical Storage, Use and Care
- Storm Work Procedures

Supervisors have had previous on-the-job training in all phases of the work to which they are assigned. Further safety education and training is achieved through:

- Direct instruction and mentoring by experienced managers, supervisors and safety department representatives
- Periodic safety management meetings
- Periodic safety leadership seminars

- Conducting safety meetings
- Periodic leaflets, pamphlets and brochures supplied by the company
- Department of Transportation (DOT) compliance guides and technical journals
- Assistance from corporate safety department, human resources and Davey Institute personnel

Client Health and Safety

Safety is our first priority when we interact with clients. We encourage safety by offering services that benefit and protect community landscapes and educate clients on tree and landscape care.

Product Safety and Labeling: Our primary responsibility is to ensure that the products we use are evaluated and selected based upon safety (to employees and the environment), efficacy and economic value.

Storm Responses: We collaborate with the government, public and private sectors in various storm response projects. Davey Resource Group utility operations offer field inspections for compliance and safety, damage assessments and notifications, and expert data collection. In 2013, severe ice storms were prevalent, especially in Toronto, Ontario, where the largest Christmas-week storm in Toronto's history damaged an estimated 20 percent of the city's urban canopy. The ice storm also impacted Michigan, where hundreds of our employees helped over 350,000 residential properties that did not have power. Despite the challenges our crewmembers faced, they rose to the occasion without one safety-related incident. We work diligently so we are always prepared to respond to storm emergencies for our clients.

Fire Safety: We recognize that fire safety is an important issue, particularly in dry regions. We reduce the risk of wildfires by removing unwanted brush and providing maintenance to keep trees from power lines.

SAFE BUSINESS PRACTICES



As we establish goals within the corporate responsibility pillar of safe business practices by the end of 2014, we will consider the following topics:

- Maximizing employee safety in the workplace and the field
- Additional on-the-job training, such as defensive driving courses
- + Best practices in client safety





Community Education

Thought Leadership in Emerald Ash Borer Management

With the staggering fact that the emerald ash borer (EAB) has killed 100 million trees since 2002, Davey has taken the initiative to educate managers of ash trees about proactive pest management approaches. The emerald ash borer was discovered in Colorado in 2013. As a result, Davey partnered with Denver Parks and Recreation and the Colorado Forest Service to offer a one-day seminar on EAB management. With firsthand knowledge of the pest and management strategies, it was a natural fit for Davey to become a thought leader in the local Colorado community.

DAVEY IS A THOUGHT LEADER IN PEST MANAGEMENT

Innovative Thinking



The Davey Institute: Our Innovation Center

The Davey Institute is where we develop ideas to promote the future of plant health and landscape stewardship. The Institute focuses on the following:

Research and Development: Our research focuses on ecosystem services, pest management strategies, screening of new products/materials, biomechanics of trees and plant health care.

Technical Services: We provide support for all of Davey's business units, with emphasis on solutions for plant nutrition disorders, proactive plant health care, insect management and disease management. Our diagnostic laboratories help identify disorders for proper treatment recommendations.

Environmental Programs: Our environmental programs promote the protection of natural resources through policy and management.

Education and Training Programs: We offer education and training for employees to learn the latest plant care techniques and products.

DAVEY HAS A BREADTH OF INNOVATIONS, FROM TREE SCIENCE TO QUANTIFYING THE BENEFITS THAT TREES PROVIDE

Product Responsibility: The Davey Institute tests new organic and synthetic products and reviews university research before introducing products to our service teams. We have a breadth of innovations, from tree science to quantifying the benefits that trees provide. The Davey Institute, along with the USDA Forest Service, Arbor Day Foundation, Society of Municipal Arborists, International Society of Arboriculture and Casey Trees, developed the i-Tree software suite to help communities improve their urban forest management by quantifying the benefits and services that trees provide.



INNOVATIVE THINKING



As we establish goals within the corporate responsibility pillar of innovative thinking by the end of 2014, we will consider the following topics:

- Expanding service offerings such as water conservation and technology
- Reducing our information technology footprint by integrating information systems and software systems
- Creating electronic tools to manage landscapes in a more
 timely and efficient manner



Innovative Technology

i-Tree Design Software

i-Tree has become the de facto urban forest analysis tool in the world with more than 34,000 users in over 100 countries. With this software, people have a new way to look at trees from cleaning air and water to offsetting carbon footprints. As homeowners, businesses and entire communities think about proactive tree care, i-Tree enables them to quantify the value and better understand optimal placement of trees to maximize energy benefits.

i-TREE HAS MORE THAN **34,000 USERS** IN OVER 100 COUNTRIES

Engaged Employees



Our People

Celebrating our 34th year as an employee-owned company reinforces that our people are at the center of Davey. We recognize the challenges and opportunities to attract and retain employees from diverse backgrounds. We recruit people who have a passion for trees, are technically capable and are attracted by our professional growth opportunities. We take pride in fielding the most knowledgeable, safety conscious and hardworking teams in the green industry.

Our Tenure and Ownership

Employee ownership inspires employee loyalty. Over 700 of our employees have more than 15 years of service. We have established a management mentoring program which will be expanded throughout the company in the future, providing valuable guidance and direction for the leaders of tomorrow.

IN 2013, WE INVESTED \$5.6 MILLION IN EMPLOYEE TRAINING



Demographics do not include Canadian facilities.



Health and Wellness

Our health and wellness programs promote healthier employee lifestyles. In order to help employees stay informed about and manage their health, we offer biometric screenings, with an incentive of a discounted health insurance plan premium.

Our Employee Assistance Program through Guardian and Integrated Behavioral Health provides employees support with education, lifestyle and fitness management, dependent care and care giving, and working smarter. Employees have unlimited access to a professional counselor via telephone, free face-to-face counseling sessions and free initial telephone consultations regarding legal and financial topics.

In addition to providing various levels of task appropriate hearing protection, we offer annual audiometric tests for all landscape and arborist field employees. The tests are mandatory for landscape employees who use powered lawn/turf mowing, trimming and shearing equipment for more than half of the work day, and for arborist employees assigned to stump grinding operations.

We value helping employees take action to live tobacco-free. Our "Quit for Life Program" provides employees with Quit Coaches, Quitting Aids and a Quit Guide. Employees receive a monthly incentive of \$25 for signing the non-tobacco use pledge.

Training and Education

We offer professional development and continuous learning opportunities to encourage our employees to grow as professionals, deliver superior service and contribute to company growth. In 2013, we offered over 330,000 hours of training for employee development. Examples include:

- Davey Institute of Tree Science, a comprehensive four-week educational program divided into three sections—practical tree care, technical sciences and management skills
- Davey Institute of Lawn Science, a week-long training seminar that develops plant health care technicians and landscape workers' introductory skills in lawn and landscape maintenance
- Davey Institute of Horticultural Science, a week-long seminar that covers pest and disease management
- Davey Institute of Grounds Maintenance, a week-long seminar focusing on the technical side of grounds management along with business aspects
- Davey Self Study Extension courses (most of which are available in English and Spanish), including tree care, line clearance tree trimming, lawn care, landscaping/grounds maintenance, tree moving, management training, practical tree care, utility forestry and utility equipment
- Various management leadership trainings



We encourage our employees to enroll and maintain current active status in the International Society of Arboriculture (ISA) certification programs, including Tree Worker Certification, Certified Arborist, Utility Specialist Certification, Municipal Specialist and Master Arborist. Our annual Educational Resources document outlines certification opportunities and extension courses that qualify for ISA, the American Landscape Contractors Association of Certified Landscape Professionals and Certified Landscape Technicians, and the Golf Course Superintendents Association.

Our certification and education programs provide comprehensive training and a career development curriculum, including advanced skills, professional courses and an associate's degree in environmental management. For example, we partner with Kent State University Trumbull to offer a program for employees to receive an associate's degree through Davey in-house training and academic course work. In June 2013, we launched our new Learning Management System, which will be a new repository for our education and training materials for employees. The system provides employees easier access to materials (through employee computers or mobile devices) and programs, helping managers to direct employees to the specific content they need. The system is being updated with video-based and interactive content, enabling employees to provide feedback and interact with instructors and their service-line supervisors. Offering these programs strengthens our greatest asset—our employees—and inspires innovation and community development.

Communications

Davey is proud of our employees' projects, successes and accomplishments. To inform all employees about the work Davey performs every day, we publish stories in the My*Davey Bulletin*—a publication more than 100 years old. We also use the Davey blog, "In the



Shade," our employee portal and external website to engage employees. Employees connect with Davey on social media outlets, such as Facebook, Twitter, Pinterest, Google+ and LinkedIn.



ENGAGED EMPLOYEES



As we establish goals within the corporate responsibility pillar of engaged employee by the end of 2014, we will consider the following topics:

- Improving training by expanding curriculum in the Learning Management System, offering online tree care courses, improving associate's degree accessibility and our overall program with Kent State University and supporting distance learning programs
- Developing a Green Leaders program to track employee volunteerism and contributions

DAVEY

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Scholarships

The Davey Arbor Grant Program

The Davey Arbor Grant Program provides financial assistance to students in colleges and universities pursuing studies in the green Cwiklik, said that the Arbor Grant helped him manage tuition expenses and encouraged him to pursue opportunities in urban forestry. He joined the Davey Resource Group upon graduation, obtained the Ohio Department of Agriculture Commercial Pesticide Applicator License and prepared for International Society of Arboriculture (ISA) certification. "In a lot of ways the grant helped lead me to my current success and I couldn't be more thankful," he said. The Arbor Grant program not only assists quality students in reaching their education objectives, but it also helps our company attract the best and the brightest.

IN 2013, WE AWARDED DAVEY ARBOR GRANTS TO 43 UNIVERSITY STUDENTS THROUGHOUT THE U.S.



GRI Content Index



Fully Partially

PRO DISC	FILE CLOSURE	LEVEL OF REPORTING	LOCATION OF DISCLOSURE			
Stan	Standard Disclosures Part I: Profile Disclosures					
1. St	rategy and Analysis					
1.1	Statement from the most senior decision-maker of the organization.		CEO Letter, p. 1			
2. Or	ganizational Profile					
2.1	Name of the organization.		The Davey Tree Expert Company			
2.2	Primary brands, products, and/or services.	٠	Company Overview, p. 4			
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.	•	Company Overview, p. 4			
2.4	Location of organization's headquarters.		Kent, Ohio, U.S.A.			
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	•	United States and Canada			
2.6	Nature of ownership and legal form.	•	Private, employee owned			
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	•	Company Overview, p. 4			
2.8	Scale of the reporting organization.		About Us, pp. 4–5			
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	•	Company Overview, p. 4			
2.10	Awards received in the reporting period.	•	Davey's responsible stewardship was recognized throughout the community. Several of our U.S. offices received the 2013 Angie's List Super Service Award and several of our Canadian offices received Canadian Consumer Choice Awards. Davey's corporate communications and marketing department received national awards for client and employee communications. Davey's social media marketing, including Facebook (facebook.com/daveytree), Twitter (twitter.com/daveytree), YouTube (youtube.com/daveytreeexpertco) and Pinterest (pinterest.com/daveytree), won a first place Innovative Use of Social Media award from the Turf and Ornamental Communicators Association (TOCA). TOCA also recognized Davey's social media as best in the industry; Davey's blog, "In the Shade," Davey's internal publication, the MyDavey <i>Bulletin</i> , and Davey's client publication, <i>Growing Together</i> received writing awards. <i>Growing Together</i> also received a silver award for writing from the Garden Writers Association.			

PROFILE DISCLOSURE		LEVEL OF REPORTING	LOCATION OF DISCLOSURE		
3. Report Parameters					
3.1	Reporting period (e.g., fiscal calendar year) for information provided.	•	2013		
3.2	Date of most recent previous report (if any).	•	May 2013		
3.3	Reporting cycle (annual, biennial, etc.)		Annual		
3.4	Contact point for questions regarding the report or its contents.	•	corporateresponsibility@davey.com		
3.5	Process for defining report content.	•	Our Corporate Responsibility History, p. 2		
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	•	Report Scope and Boundary, p. 2 and About Us, p. 4		
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	•	Report Scope and Boundary, p. 2 and About Us, p. 4; The report data disclosed accounts for 63 percent of our facilities. As our systems become more sophisticated, we will track and measure necessary data for all of our facilities.		
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	•	We have 152 facilities in the United States (including 40 owned and 112 leased facilities in 45 states) and 16 facilities in Canada (including four owned and 12 leased facilities in five provinces).		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	•	We do not have any re-statements of information provided in earlier reports.		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	•	There were no significant changes in scope, boundary or mesurement methods.		
3.12	Table identifying the location of the Standard Disclosures in the report.	•	GRI Content Index		
4. Go	vernance, Commitments and Engagement				
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	•	Governance and Ethics, p. 4		
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	•	Yes, p. 11 of Annual Report at http://goo.gl/ovBGhf		



PROF DISC	ile Losure	LEVEL OF REPORTING	LOCATION OF DISCLOSURE
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	•	Our board of directors has seven members, including six males and one female. Two members are part of the executive team and five members are independent.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	•	2014 Proxy Statement at http://goo.gl/W4ar7C
4.14	List of stakeholder groups engaged by the organization.		About the Report, p. 2
4.15	Basis for identification and selection of stakeholders with whom to engage.	•	About the Report, p. 2
Stand	lard Disclosures Part III: Performance Indicators		:
Econ	omic		
Econ	omic Performance		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	٥	Performance Highlights, p. 5 and Annual Report at http://goo.gl/ovBGhf
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Ð	P. 8 of Annual Report at http://goo.gl/ovBGhf
EC3	Coverage of the organization's defined benefit plan obligations.	•	P. 60 of Annual Report at http://goo.gl/ovBGhf
EC4	Significant financial assistance received from government.	•	Davey does not receive significant financial assistance from the government.
Envir	onmental		
Energ	ју		
EN3	Direct energy consumption by primary energy source.		Energy and Carbon Consumption, p. 14
EN4	Indirect energy consumption by primary source.	•	Energy and Carbon Consumption, p. 14
EN5	Energy saved due to conservation and efficiency improvements.	D	Energy and Carbon Consumption, p. 14
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	D	Sustainable Environment, pp. 10–15 and About Us, p. 4
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Ð	Sustainable Environment, pp. 10–15 and About Us, p. 4

PROFI DISCL	LE .OSURE	LEVEL OF REPORTING	LOCATION OF DISCLOSURE	
Water				
EN8	Total water withdrawal by source.		In 2013, we consumed 90,221 cubic meters (23,833,916 gallons) of water.	
Emiss	ions, Effluents and Waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.		Energy and Carbon Consumption, p. 14	
EN17	Other relevant indirect greenhouse gas emissions by weight.	•	Energy and Carbon Consumption, p. 14	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	D	Energy and Carbon Consumption, p. 14	
EN22	Total weight of waste by type and disposal method.	٠	Waste, p. 11	
EN23	Total number and volume of significant spills.	•	In 2013, we had one significant spill of 90 gallons and reported to appropriate state lead agencies.	
Produ	cts and Services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.		Sustainable Environment, pp. 10–15 and Partnerships and Industry Leadership, p. 7	
Trans	port			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	●	Energy and Carbon Consumption, p. 14	
Social	: Labor Practices and Decent Work	9 		
Emplo	yment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	D	Engaged Employees, p. 22	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	D	Our Tenure and Ownership, p. 22; Our turnover rate of 44.2 percent reflects our seasonal industry.	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	٠	Engaged Employees, p. 22	
Occup	ational Health and Safety	- 		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	D	Employee Safety, p. 16	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	D	Employee Safety, p. 16	

Fully Partially

PROI DISC	FILE LOSURE	LEVEL OF REPORTING	LOCATION OF DISCLOSURE
Train	ing and Education		
LA10	Average hours of training per year per employee by gender, and by employee category.	●	Employee Safety, p. 16 and Training and Education, p. 23
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	D	Employee Safety, p. 16 and Training and Education, p. 23
Socia	al: Product Responsibility		
Prod	uct and Service Labeling		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	●	Client Health and Safety, p. 18
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	•	In 2013, there were three reported penalties for label infractions/non-compliance totaling \$1,700 and two reported landscape property events that have been or are being mitigated for the betterment of the landscape.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	•	We regularly gather client feedback to ensure that we are upholding the highest client standards. Some divisions conduct surveys and mystery shops to measure and observe client service practices and understand areas of improvement. We safeguard the information clients share with us according to our Privacy Policy at http://goo.gl/80rl7g.



Statement GRI Application Level Check

GRI hereby states that **The Davey Tree Expert Company** has presented its report "Corporate Responsibility Report 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level C.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 9 July 2014

All. Hultatte

Ásthildur Hjaltadóttir Director Services Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check 3 July 2014. GRI explicitly excludes the statement being applied to any later changes to such material.



Trees improve air quality and reduce water runoff and soil erosion. DAVEY

Learn more from our Arborist Advice video, "Talking Trees: Trees Provide Amazing Benefits," at http://goo.gl/wfEuZA.

Contact Us

Feedback

We welcome feedback on both this Corporate Responsibility Report 2013 and our corporate responsibility efforts. Please send comments to corporateresponsibility@davey.com.

If you wish to contact us directly:

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Printed responsibly using FSC certified 100 percent recycled paper, processed chlorine free and manufactured using biogas energy.

