



2015

CORPORATE
RESPONSIBILITY
REPORT

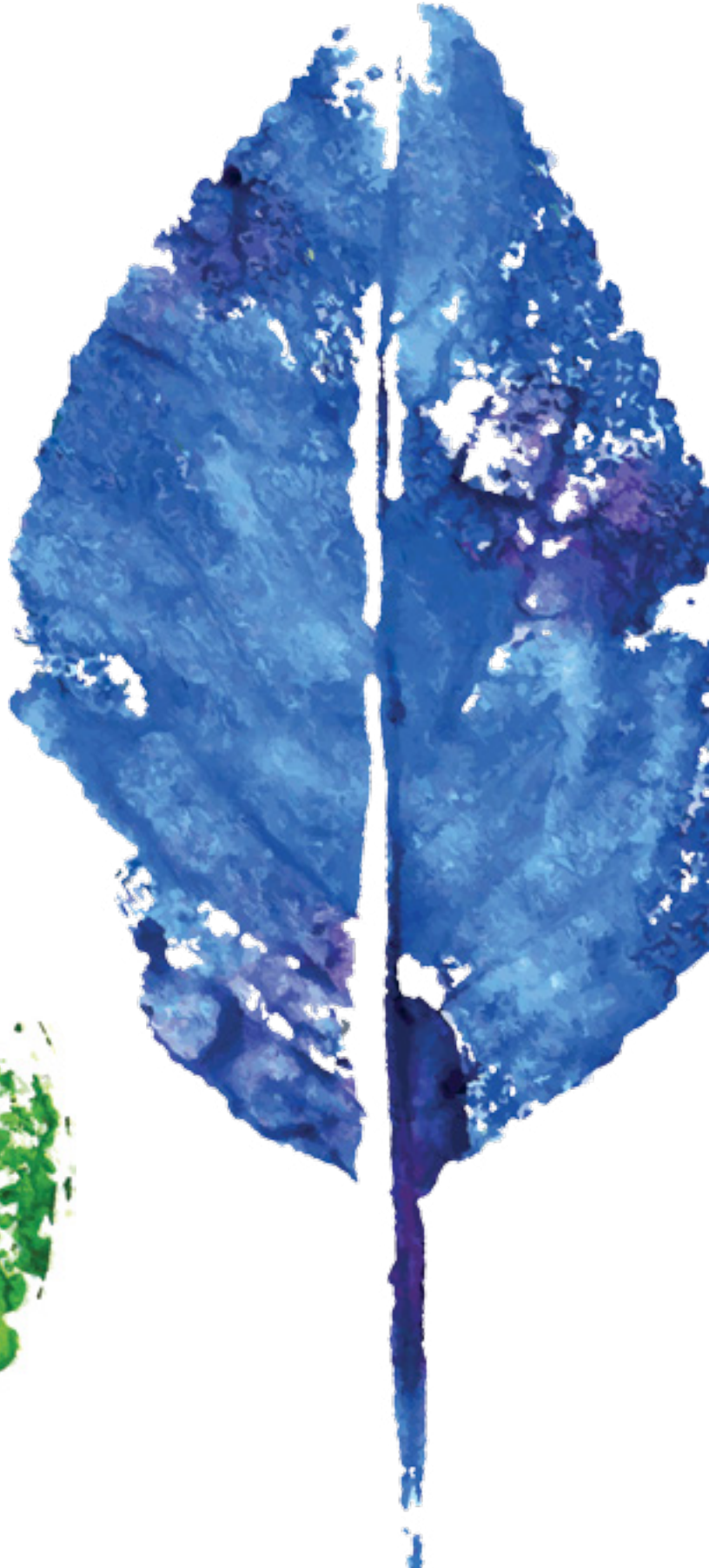
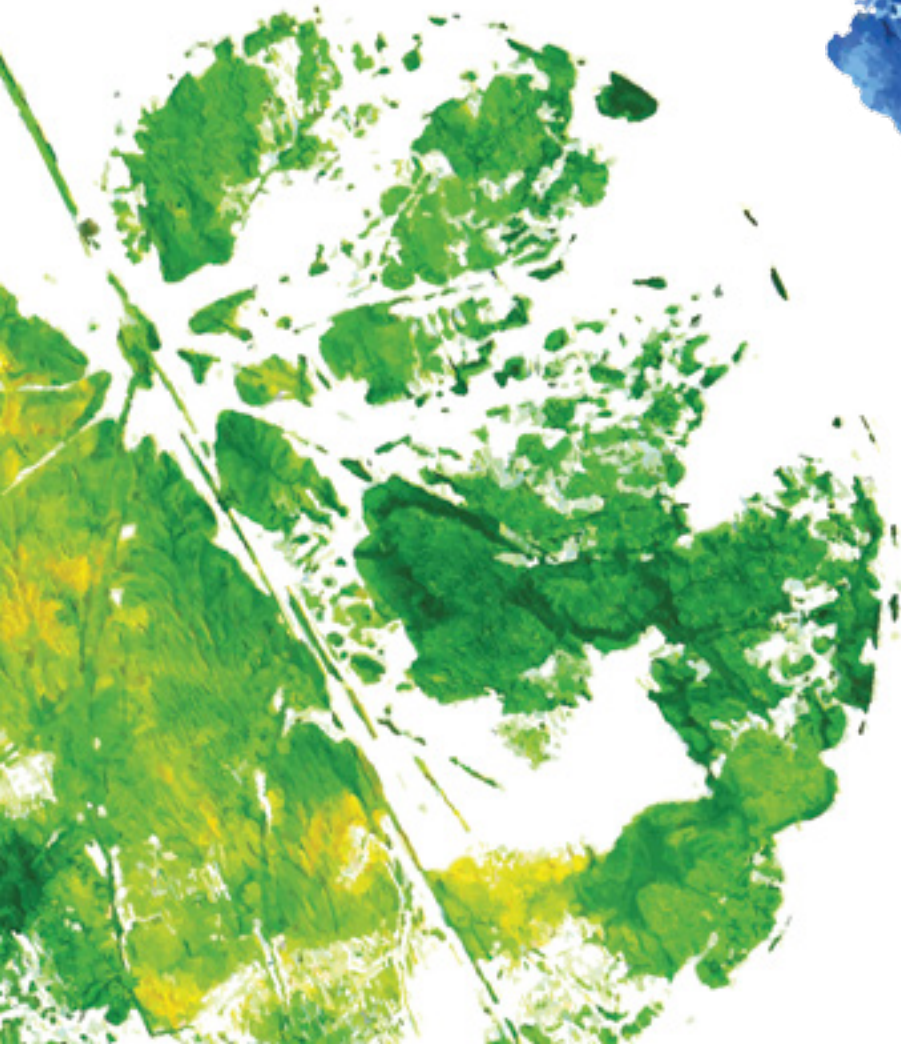


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A LETTER FROM THE CEO



For 135 years, The Davey Tree Expert Company has been pioneering excellence in arboriculture, horticulture and environmental services. Our name is synonymous with outstanding client care and our employees bring unmatched expertise to their work.

As we continue toward our strategic plan, Vision 20/20, it is important we stay focused on our mission to deliver superior tree, landscape and environmental service experience to every residential, utility, commercial and government client. It is as our founder, John Davey, reminds us: “Do it right or not at all.”

Corporate responsibility is a component of this “do it right” philosophy, and we remain committed to our corporate responsibility pillars.

- Safe Business Practices
- Sustainable Environment
- Innovative Thinking
- Engaged Employees

Davey Tree is uniquely situated to contribute solutions for some of our most pressing environmental and community challenges. The benefits of trees and landscapes that we maintain extend to mitigating effects of climate change, reducing air pollution and storm

water runoff, lessening building energy use and stimulating local economies. For this reason, our industry—and the innovation we contribute—is more important than ever.

As such, we are enthusiastically renewing our commitment to innovation and thought leadership throughout every facet of our operations. We are actively developing new ideas and solutions to bring innovative products, processes and service offerings to market.

I challenge every employee to keep innovation in mind when reading about each of the topics covered in this report, as the next generation of innovation and growth at Davey Tree will come from within.

On behalf of the entire Davey Tree organization, I invite all stakeholders to read this report and learn how we are advancing our commitments to each of our corporate responsibility pillars.

Sincerely,

Karl Warnke, Chairman, President & CEO

ABOUT

THE REPORT



MORE THAN A CENTURY OF CORPORATE RESPONSIBILITY

Since John Davey founded The Davey Tree Expert Company in 1880, we have worked tirelessly to deliver superior environmental services and outstanding client service in every endeavor. In 2007, we created our Corporate Environmental Responsibility (CER) team to establish governance and oversight of our environmental sustainability commitments. In 2012, we began codifying these commitments through Davey Tree's environmental policy and our first public CER Executive Summary Report.

CORPORATE RESPONSIBILITY PILLARS

As the CER team continued to evolve, in 2013, we engaged internal stakeholders to better understand Davey Tree's environmental, social and governance priorities. This process began with a comprehensive list of potential topics collected from internal interviews, internal and external surveys and stakeholder feedback. We define any person or group of persons that is affected by or affects our business as a 'stakeholder,' including employees, clients, suppliers, industry associations, regulators and the communities in which we work.

We analyzed and prioritized these topics using client satisfaction surveys and bidding questionnaires, peer sustainability reports, client requirements, regulatory requirements and trade association and industry research. Through this process, we expanded our thinking beyond environmental stewardship, leading to the development of our corporate responsibility pillars:

Safe Business Practices



Our behaviors and actions ensure that the safety of our employees and clients is a core value of our business.

Sustainable Environment



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 our business growth.

Innovative Thinking



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

Engaged Employees



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

REPORT SCOPE AND BOUNDARY

This report, our fourth annual corporate responsibility report, covers the 2015 reporting period. Content and data include both our U.S. and Canadian operations, unless noted otherwise.

The 2015 Corporate Responsibility Report contains disclosures from the Global Reporting Initiative (GRI) G4 reporting guidelines, the most widely used sustainability framework in the world.

In line with G4's guidance on materiality, we are narrowing our reporting to focus on the environmental, social and governance topics identified as most significant to our operations and our stakeholders:

- Safe Business Practices
- Energy and Emissions
- Chemical Use
- Engaged Employees
- Water
- Community
- Waste

Visit the GRI Content Index at the end of this report to reference where we utilize GRI G4 disclosures. We aspire to perform a robust materiality assessment to update and validate our priority topics in future reporting periods. We welcome your feedback throughout the year at corporateresponsibility@davey.com.





The Value of Trees



Several years ago, Davey Tree partnered with the U.S. Forest Service, National Arbor Day Foundation, International Society of Arboriculture and others to develop i-Tree: a state-of-the-art, peer-reviewed software suite that provides urban and community forestry analysis and benefits assessment tools. The suite has a variety of programs, including three tools:

- ▶ i-Tree Eco is a software application designed to use field data to quantify urban forest structure, environmental effects and value to communities.
- ▶ i-Tree Landscape is a web-based mapping tool to explore tree canopy, land cover and demographic information to understand who benefits from trees in your selected location and prioritize management and planting needs.
- ▶ i-Tree Design is an easy-to-use web application that allows anyone to make a simple estimation of the benefits provided by individual trees. Users will receive an understanding of tree benefits related to greenhouse gas mitigation, air quality improvements, storm water interception and energy effects.

Researchers at The Ohio State University incorporated i-Tree into an analysis of Columbus, Ohio's trees. They found that the city's 90,696 trees provided an annual value of \$8.6 million in benefits. These benefits include slowing rainwater and preventing storm runoff, providing shade to lower the urban heat island effect and reducing public health issues through filtering pollutants. But i-Tree does not only have academic applications. By selecting the right type of tree and placing that tree in the correct location, cities can maximize a tree's benefits while increasing its health.

In 2015, Pat Covey, president and chief operating officer for Davey Tree, and Tom Tidwell, chief of the U.S. Forest Service, signed a memorandum of understanding (MOU), strengthening coordination and collaboration to enable a better understanding of urban and community forest structure and the ecosystem services they provide. Through the MOU, which commemorates 10 years of partnership, the two organizations aim to:

- ▶ Continue cooperating to develop, maintain, disseminate and support the i-Tree suite of assessment tools
- ▶ Expand the geographic focus of i-Tree to include all landscapes, both public and private
- ▶ Contribute to a collaborative discussion that aims to improve the health of our urban forests and forests as a whole
- ▶ More effectively deliver a growing scientific-based body of knowledge of trees and ecosystem services to a broader, more diverse set of stakeholders and geographies
- ▶ Explore how mutually beneficial research and development can be better utilized in traditional forest management and managing emerging threats, such as climate change, invasive pests and increasing wildfire size and severity
- ▶ Engage youth and educators in the use of i-Tree to learn about forest dynamics, ecosystem services and their value, the wonder of nature, the importance of stewardship and encourage a greater appreciation for the natural environment within our next generation of conservation leaders



CORPORATE RESPONSIBILITY GOALS

In 2014, we established the following corporate responsibility goals based on our corporate responsibility pillars:

We will establish environmental, social and governance (ESG) guidelines.

Davey Tree has over 150 facilities in the United States and Canada. In the past, we reported data obtained from facility surveys, reporting approximately 48 percent of our facility footprint in 2014. This year, we improved our existing data management processes to ease reporting and add rigor to our facility data. As a result, we identified field water use and fleet energy use as significant topics to manage going forward.

We will establish strategic plan goals tied to each of our corporate responsibility pillars.

As we continue to implement the GRI G4 framework, we will update our materiality assessment to validate what ESG topics are most critical, both internally and for our external stakeholders. Upon updating material topics, we will revise our goals and associated metrics as part of our management and reporting process. These goals will complement Davey Tree's strategic plan and align with our corporate responsibility pillars. Our updated materiality assessment will be complete for the 2016 report.

We will review our supply chain procedures to ensure consideration of ESG issues.

We understand our supply chain, from business travel to vehicle fleet, and we are striving to improve it for the better. We aspire to work with suppliers that share our level of dedication to corporate responsibility and are currently in the process of identifying key suppliers with which we can collaborate. Our largest purchasing categories include equipment, insurance, fuel, chemicals and miscellaneous supplies.

This year, we created a company-wide chemical inventory (based on purchases) to better understand our global chemical footprint. In future years, we plan to use this data to inform purchasing decisions. Read more about our chemical footprint in the Chemical Use section of this report.

In addition, we plan to develop a procurement policy, which will codify our interest in working with partners who have formal corporate responsibility programs. Items included in the procurement policy will be finalized on the basis of the updated materiality assessment.

We will promote environmentally conscious driving practices, such as low idling and routing technology, to improve fuel efficiency for our fleet vehicles.

In 2012, we piloted a Global Positioning System (GPS) program in our utility operations to improve fuel efficiency and reduce lost/stolen equipment. The pilot of approximately 325 devices in Ohio, Pennsylvania, New Jersey and New England quickly proved successful. A second pilot program took place in our Bay Area, California, operations. Through the new GPS system, we were able to eliminate unauthorized use of vehicles, reduce fuel theft and easily locate vehicles in our fleet. The success of both pilots led to the expansion of the GPS system throughout our North American operations. The program has been particularly useful in improving the efficiency of our fleet, and we are continuously identifying ways to improve the system.

Because some of our equipment is powered by vehicle engines, idling our vehicles is sometimes necessary. We have since updated the GPS system to track engine idling with and without equipment in use, allowing us to minimize unnecessary idling and further conserve fuel. Our fleet energy use remains material to our environmental footprint and we continue to focus on innovating new mechanisms to achieve fuel reductions.

We will identify a method by which to track community investment, employee volunteerism, speaking engagements and contributions.

Prior to 2014, we tracked community investment at only the corporate level. Last year, we launched our first community engagement survey to expand our community investment reporting to include facility-level giving. We continued use of the survey in 2015 to ensure our giving is effective and aligns with community needs. This valuable feedback from the field assists us in determining how best to leverage our giving efforts. In 2016, we plan to formalize our community involvement with a specific policy and plan.

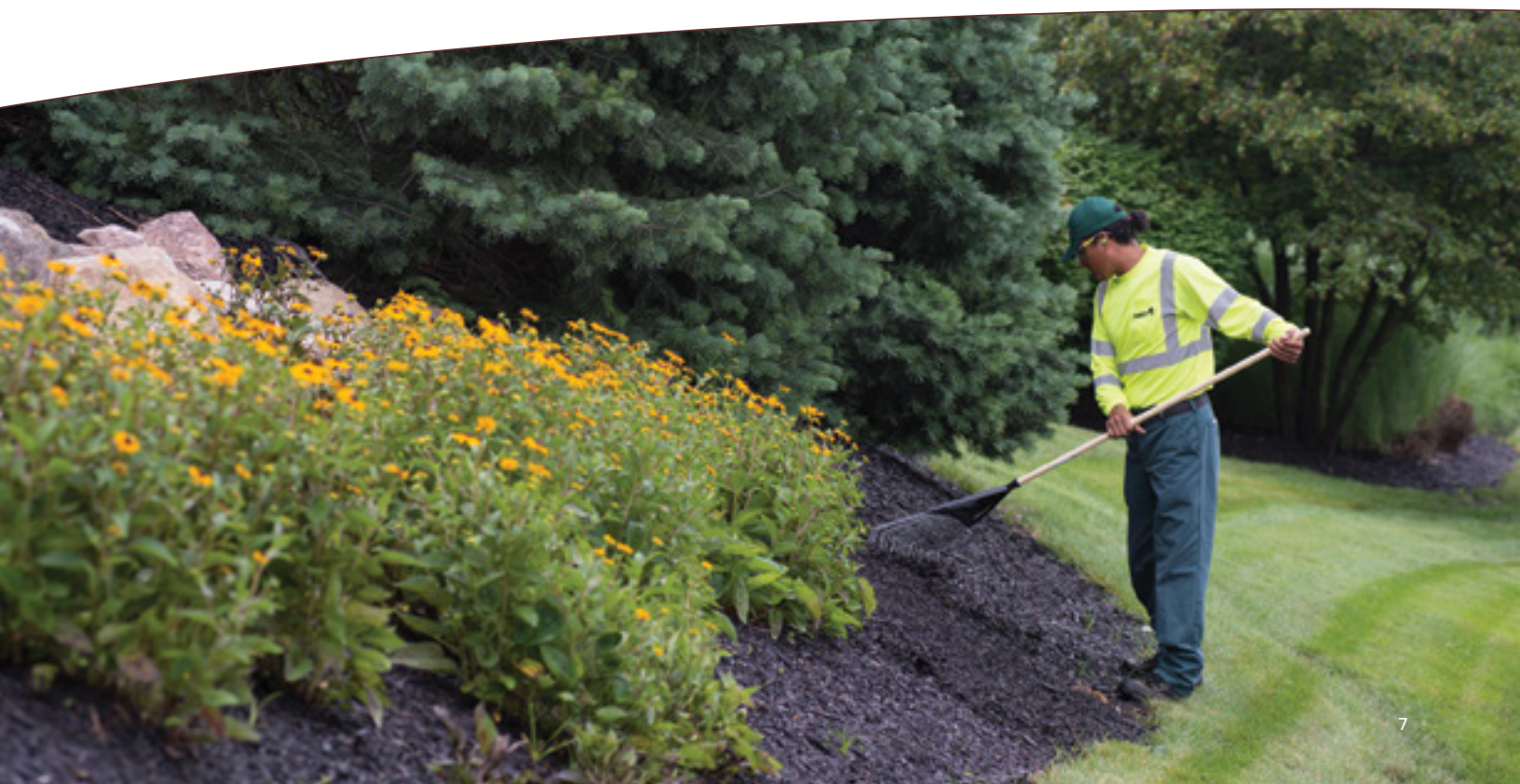
We will establish an office waste management and recycling policy for our facilities.

Through our materiality assessment, we identified wood waste from our field operations as the majority of our waste footprint. Our field operations strive for 100 percent recycling of wood waste—our largest source of waste—where allowable by law. While we strive to minimize our facility waste across our North American footprint through reduction and recycling programs, we

focus company-wide waste efforts on recycling wood waste. We plan to confirm this focus through the updated materiality assessment.

We will develop a landscape environment quotient model of homeowner education and outreach.

John Davey created Davey Tree around the core concept of environmental stewardship. More than 135 years later, Davey Tree continues to incorporate environmental awareness into our business model and improve our methods for delivering environmentally friendly solutions. Throughout 2015, we found existing environmental impact quotient (EIQ) models that we believe can help us better understand the risks associated with pesticide products in urban landscapes. Such an EIQ would provide another tool to help us and the clients we serve consider the environmental impacts of product use—in a quantifiable manner—when delivering plant health care. In 2016, we will validate the model with our top 10 chemicals by volume and, if proven accurate, will complete the analysis on the rest of our chemicals. The EIQ will then be incorporated into all new product decisions.



ABOUT US



John Davey, the father of tree surgery, founded The Davey Tree Expert Company in 1880 to provide arboricultural and horticultural services—tree care methods he perfected while working as the caretaker of Kent, Ohio’s Standing Rock Cemetery. Over 135 years later, we celebrate the 30th birthday of our corporate headquarters’ location at 1500 North Mantua Street, which stands across the street from the very cemetery where Davey developed the science of tree care. Today, Davey Tree operates throughout North America, providing a variety of tree care, grounds maintenance and consulting services for the residential, commercial, government and utility markets.

BUSINESS SEGMENTS

Our residential and commercial services division provides services to residential and commercial customers, including:

- The treatment, preservation, maintenance, removal and planting of trees, shrubs and other plant life
- The practice of landscaping, grounds maintenance and tree surgery
- The application of fertilizers, herbicides and insecticides
- Natural resource management and consulting, environmental planning and forestry research and development

Our utility segment is principally engaged in providing services to utility customers, including Investor-owned, Municipal, REA, Co-ops, Communications and Natural Gas Utilities:

- 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

We also maintain research, technical support and laboratory diagnostic facilities.

Celebrating 135 Years

In celebration of Davey Tree's founding as North America's first tree care company, the Kent Historical Society Museum in Kent, Ohio, ran an exhibit titled, "Davey and Kent: Growing Together since 1880," from April to December 2015. The exhibit focused on Davey Tree's history as arboriculture pioneers, our transition to employee ownership in 1979 and the construction of our corporate headquarters in 1985.

Items on display include a letter to our founder, John Davey, from Buckingham Palace; 90-year-old company group photographs; antique tree care equipment and training videos from the mid-20th century. Davey Tree partnered with the Kent Historical Society Museum to provide many of the historic materials from our Davey Tree historical archives at the Davey Institute. We are honored to be a longstanding member of the Kent, Ohio, community and look forward to the next century of Davey Tree's and the city's success.

"The Kent Historical Society does a wonderful job telling the stories of the people and businesses that shaped Kent, and we're excited to partner with them to tell the story of Davey Tree."

SANDRA REID, VICE PRESIDENT, CORPORATE COMMUNICATIONS
AND STRATEGIC PLANNING ADMINISTRATION



PERFORMANCE

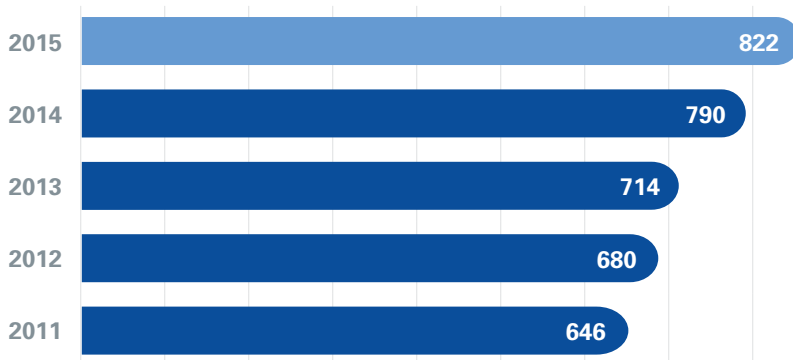
We owe our 135 years of success to the tremendous work of our dedicated employees. According to the National Center for Employee Ownership (NCEO), we are one of the largest employee-owned companies in the United States with approximately 8,000 employees.

Coming off of a successful year of growth in 2014, we continued to expand our reach to new markets in 2015 through organic growth and strategic acquisitions. Acquisitions in 2015 include:

- Conservation Land Stewardship, LLC in Elmhurst, Illinois
- Kerns Brothers Tree Service in Wilmington, Delaware
- Nature First in Santa Cruz, California

These acquisitions not only build our market presence, but also expand our service offerings and expertise.

Revenue Trends (Millions, USD)



Nature First

In April 2015, Nature First joined the Davey Tree family. Since 2006, Nature First has provided tree pruning and removal, planting and diagnosis and garden renovation to clients in the Santa Cruz area. The acquisition builds density in the Bay Area and continues our focus on high-quality companies with customer demographics similar to our own.



Kerns Brothers Tree Service

In April 2015, Davey Tree welcomed Kerns Brothers Tree Service to our family of brands. Kerns Brothers has provided exceptional service to the Delaware and eastern Pennsylvania markets for more than 40 years. Kerns Brothers' two dozen employees contribute residential tree care, plant health care and landscaping expertise to our clients in the greater Wilmington area. We look forward to providing opportunities for growth to Kerns Brothers' passionate arborists through our training programs, technology and equipment resources, research and development capabilities and culture of employee ownership.

"We will continue to focus on high-quality companies with customer demographics that are similar to our own, within markets where we want to grow density."

JIM STIEF, EXECUTIVE VICE PRESIDENT,
U.S. RESIDENTIAL OPERATIONS

Conservation Land Stewardship, LLC

In August 2015, we welcomed Conservation Land Stewardship, LLC to the Davey Tree family. Since 1999, Conservation Land Stewardship has provided comprehensive ecosystem restoration, construction and stewardship services to clients in Illinois, Indiana, Iowa and Wisconsin. As a newly formed subsidiary of Wetland Studies and Solutions, Inc. (WSSI), a Davey company, Conservation Land Stewardship provides Davey Tree expanded offerings in the natural resource marketplace.





International Society of Arboriculture

Davey Tree is a long-time partner of the International Society of Arboriculture (ISA). Don Winsett, vice president, national business development for Davey Tree, proudly serves on ISA's board of directors. Additionally, dozens of Davey Tree employees hold leadership positions with ISA through international committees and regional and state chapters. In 2015, we continued our sponsorship of the ISA International Conference, which took place in Orlando, Florida. In addition, several Davey Tree employees were included on the conference agenda. Davey Tree presenters educated attendees on a variety of topics, including:

- ▶ Tree Physiology 201—the Advanced Basics—connecting physiological principles with common arboriculture practices
- ▶ Why Do Trees Die?—understanding the challenges trees face on a daily basis to determine the best options to offset those challenges
- ▶ Hone Your Diagnostic Skills—expanding the focus of tree care to account for the environmental conditions that may be affecting the tree
- ▶ i-Tree 2015: New Innovations for Assessing Community Tree Services and Values—enabling tree care professionals to demonstrate the comprehensive value of trees through the i-Tree software suite

This year, we also continued our sponsorship of ISA's International Tree Climbing Championship (ITCC). Several Davey Tree employees volunteered for events at the 39th ITCC, which took place in Tampa, Florida. For each attendee photographed with our giant, ITCC postcard, Davey Tree donated \$1 to a local organization. The final count led to a \$500 donation to Keep Tampa Bay Beautiful.



Energy-Saving Trees

In partnership with the Arbor Day Foundation, The Davey Institute developed the Energy-Saving Trees program to help homeowners and utility companies save energy and money. Through the Energy-Saving Trees program, utilities provide free trees to their customers to lower energy use. The program uses the innovative i-Tree software to strategically plant trees to maximize the benefits they provide. Not only do trees reduce energy costs, they also improve air quality, reduce storm water runoff, reduce urban heat island effect and beautify customers' yards. Five new utilities joined Energy-Saving Trees in 2015. Together, utilities have provided 135,168 trees to 76,032 homeowners to date. The program is estimated to save 294,043 megawatt hours of electricity and will generate \$87 million in combined energy and community benefits over the next 20 years.

GOVERNANCE AND ETHICS

In our daily operations, we prioritize operating responsibly and ethically. We care for our employees and protect the environment and the communities we serve.

Policies

Our policies drive our commitment to high ethical standards, including company governance, daily operations and environmental responsibility. Read all of our Corporate Policies at bit.ly/1gCv2uv.

- Our Code of Ethics and Whistleblower Conduct Reporting Policies outline our standards for business affairs and disclosure process for misconduct, ensuring business matters are conducted ethically and in compliance with all federal, state and local laws. Our Code of Ethics for Financial Matters ensures compliance with legal requirements, specifically the Sarbanes-Oxley Act of 2002 and related rules and regulations.
- Our Equal Employment Opportunity and Harassment Policies foster a healthy work environment.
- Our Environmental Policy supports responsible environmental management throughout our operations. Learn more about our Environmental Policy at bit.ly/1CHMyHs.

Board Structure

We have 14 executive officers and our board structure can be found in our Annual Report at bit.ly/2345S90. The board has three committees—audit, compensation and governance. Read more on the Board Committee Charters at bit.ly/1I3gi3Y.

Our corporate responsibility team is responsible for oversight of our corporate responsibility efforts and meets on a regular basis to determine Davey Tree's corporate responsibility priorities, goals and timelines. The team includes representatives from operations, corporate purchasing, facilities, human resources, environmental management, financial accounting, communications and information systems, and

contributes to the content of this report. It reports to the vice president and general manager of the Davey Institute, who reports to the board of directors and Pat Covey, president and chief operating officer of U.S. operations.

INDUSTRY LEADERSHIP

We have long supported and partnered with organizations to promote healthy trees and healthy communities. For 135 years, our employees have participated as industry and community partners. We devote time and talent to programs that promote and provide education on environmental sustainability, including the importance of trees and plant health care. By doing so, we strengthen our communities and ensure that future generations will enjoy the benefits of trees for years to come.

Davey Tree and our employees partner with a variety of organizations to advance healthy environments and promote tree stewardship. These partnerships include:

- Alliance for Community Trees
- American Academy for Park & Recreation Administration
- American Public Gardens Association
- American Forests
- Arbor Day Foundation
- Arboriculture Research and Education Academy
- Garden Writers Association
- International Society of Arboriculture
- National Association of Landscape Professionals
- National Park Foundation
- Responsible Industry for a Sound Environment
- Sustainable Urban Forest Coalition
- Tree Care Industry Association
- TREE Fund
- U.S. Forest Service
- Utility Arborist Association

SAFE

BUSINESS PRACTICES



The safety of our employees, clients and the general public is paramount to our business. Our commitment and actions in safety and accident prevention define our brand and emphasize the value we place on each employee. Incidents not only affect our employees, but also lead to efficiency declines, customer dissatisfaction, economic loss and loss of brand integrity—all of which are unacceptable.

EMPLOYEE SAFETY

The corporate safety department is ultimately responsible for employee safety at Davey Tree. Corporate safety works with operations management to create, implement, monitor and enforce Davey Tree's safety culture. Every employee, including management and officers, is held accountable for upholding the policies and procedures developed by corporate safety and the Davey Tree risk management oversight process.

Corporate safety sets the standard for the tree care industry by ethically reporting all reportable incidents. Making sure our numbers are accurate is a part of our core safety values and is another way we lead the industry.

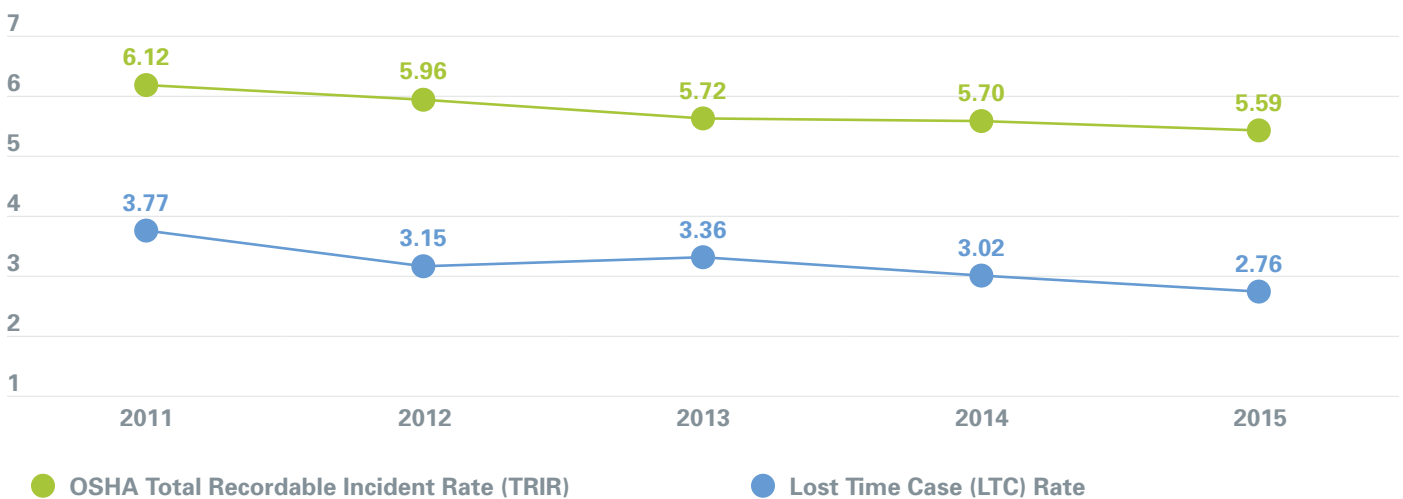
The ultimate incident prevention goal of the company is zero. On this journey on the road to zero, we established the following 2015 goals:

- 3.9 OSHA Total Recordable Incident Rate (TRIR)
- 2.5 Lost Time Case (LTC) Rate

Each business segment is responsible for focusing attention and action toward achieving this goal. Business segments are responsible for reporting safety performance to Davey Tree leadership each month to measure progress toward our safety benchmarks and goals. Executive leadership, general managers and vice presidents also meet quarterly for safety meetings, and our management and supervisory personnel throughout North America must attend three-day safety seminars every three years. These seminars cover topics, including:

- Accident trends and prevention
- Training techniques
- Team building
- Accident investigation
- Claims management
- Internal cost of insurance
- Substance abuse policy

Workforce Related Incidents

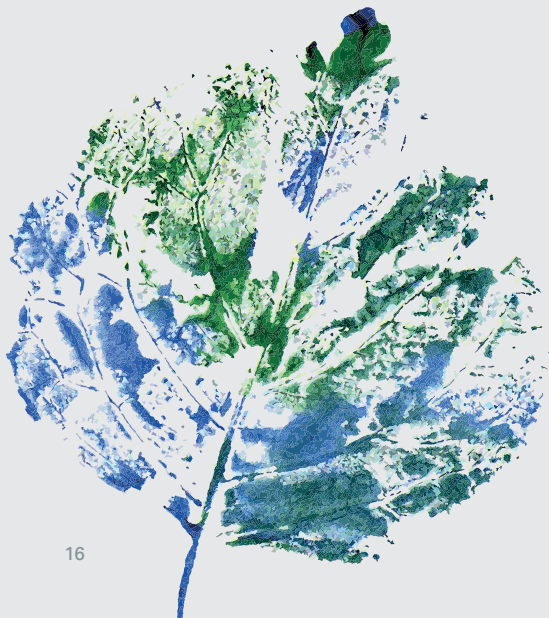


Road to Zero

A decade ago, we cemented our commitment to employee safety through our Road to Zero program. Road to Zero embodies our commitment to a safe and productive workplace. The program encourages our employees to proactively correct unsafe conditions and achieve annual injury-free workplace goals. Our Safety Honor Road includes Davey Tree employees who have been free of a recordable accident for one or more years. Due to our focus on safety, the number of employees on the Safety Honor Road has increased 14 percent, while total labor hours have increased more than 6.5 million, since 2005.

We are consistent and vigilant when it comes to safeguarding our employees, customers and the general public from preventable accidents as related to our performed services and in enforcing our safety policies. This priority defines our brand and emphasizes the value we place on each employee.

Freedom from harm is not a privilege but a goal to be achieved and perpetuated day by day through our Road to Zero program—no employee works entirely alone. Each employee is involved with all employees and is responsible to conduct their work in a safe manner. A safe, healthy workplace is dependent on each employee's participation and support toward safety practices and procedures. It is vital for all employees to keep out of harm's way; they owe this to themselves, their families, their fellow employees and to their jobs.



Our certified tree care safety professionals and other experts demonstrate the latest safety techniques and technology. They collaborate with local, state and federal agencies to verify our employees meet regulatory requirements. We distribute monthly safety summary reports, which include safety alerts, incident rates and policy changes. In addition, we host weekly safety tailgate meetings for all field and shop personnel, including sales and service. All employees are provided safety training that covers hazards and safety procedures specific to each employee's work assignment. Training includes:

- Davey Tree career development program of task-specific safe work procedures
- Personal Protective Equipment (PPE) policy and Davey Tree safety department approved equipment selection
- Hearing conservation
- Eye protection
- Fire prevention
- Davey Tree drug/alcohol abuse policy (standard and DOT)
- Job hazard identification, planning, control and briefing
- Worksite setup
- Davey Tree first aid – CPR and aerial rescue program
- Davey Tree defensive driving program
- Federal motor carrier safety requirements (DOT)
- Equipment inspection and maintenance
- Equipment guarding
- Lock-out tag-out
- OSHA hazard communication standard
- Pesticide storage, use and care
- Storm work procedures

Western Safety Summit

Davey Tree Surgery Company works with utilities to ensure the delivery of safe, reliable power to customers across North America. In October 2015, employees from Davey Tree Surgery Company joined industry workers at all levels—from tree climbers and linemen to CEOs—at the Utility Arborist Association's (UAA) Western Safety Summit in Sacramento, California.

The day-long summit, hosted by the Sacramento Municipal Utility District, focused on broad topics, such as safety culture, as well as specific risks, including fall protection, wildfire prevention and field exposures like distracted drivers.

Mike Santos, a utility safety specialist for Davey Tree Surgery Company, led the electrical hazards for utility arborists discussion.

Some of the specific suggestions for reducing electrical hazards for utility arborists included:

- Matching the worker to the job, developing detailed work plans and holding clear job briefings
- Using a ground spotter for aerial lifts to maintain minimum approach distances
- Always grounding conductors on both sides of a job on hazardous jobs or shut-downs
- Designating contacts for the utility and contractor to confirm a job site is clear of personnel before re-energizing a line
- Treating conductors as hot—even when de-energized

Attendees enjoyed the sense of collaboration and learned how other UAA member companies approach various aspects of daily line clearance work. Davey Tree is a gold sponsor of the UAA and is proud of their work in driving a safe culture through the industry.

"For some of our general foremen who attended, it was invaluable to listen to and talk directly with folks from the utilities to learn why some practices are necessary, and in fact critical, to our daily work."

DAVE HANDT, OPERATIONS MANAGER

CLIENT HEALTH AND SAFETY

With every client engagement, we encourage safety by offering services that benefit and protect all landscapes. We continuously educate clients on proper tree and landscape care, with a focus on safety.

- Product Safety and Labeling – we evaluate every product we use or deliver to clients on safety, efficacy and economic value. As part of our Environmental Policy, we are committed to reducing and, where possible, eliminating the use of products and services that cause environmental harm or health and safety hazards to our clients, our employees and our communities.
- Emergency Responses – when emergencies, especially storms, occur in our communities, we collaborate with the government, public and private sectors to respond. Davey Tree utility services works with utilities to clear power lines and restore electricity after storms. Davey Resource Group utility operations offer field inspections for compliance and safety, damage assessments and notifications and expert data collection.
- Fire Safety – fire safety and prevention is a serious issue, particularly in dry regions. We reduce the risk of wildfires by removing unwanted brush and providing maintenance to keep trees clear from power lines.



ENERGY

AND EMISSIONS

DAVEY 
powered by clean energy



Due to the nature of our business, transportation from our fleet constitutes a majority of our emissions. Measuring our fleet emissions not only helps us calculate our environmental footprint, but also assists in future purchasing decisions. We report fleet data for both U.S. and Canadian operations.

FLEET ENERGY AND EMISSIONS

Davey Tree's GPS program enables our employees to reduce fleet emissions by implementing efficient routing. These efficiency gains also lead to service improvements for clients. The GPS program helps reduce our fuel usage and emissions by eliminating unauthorized use of equipment and closer monitoring of equipment.

2015 Global Fleet Fuel Use

Vehicle Category	Number of Vehicles	Fuel Units (U.S. Gallons)
Cars, Light Trucks and Vans	1,576	1,634,877
Super Duty	1,676	2,283,524
Medium Duty	2,180	2,644,672
Heavy Duty	130	238,575
Chippers and Grinders	1,661	459,693
Off Road, Turf Equipment and Miscellaneous Powered Equipment	1,476	588,825
Total	8,699	7,850,166

FACILITY ENERGY AND EMISSIONS

As part of our environmental strategy, we actively manage our fuel consumption and aim to reduce our environmental footprint and energy costs. In 2014, we reported data from 80 offices in the United States and Canada. In 2015, we took a significant leap forward and through data management improvements, we were able to collect electricity data from 100 percent of our facilities, a 33 percent improvement in our reporting boundary. This year, our facilities consumed 25,182 Gigajoules (GJ) of energy.

Davey Tree operates over 150 facilities throughout North America. Facilities range in employee counts from less than 10 to more than 100, and operations change drastically between them. Additionally, because we lease many of our facilities, we do not have control of their energy use. Due to this diversity in our building footprint, we do not have a formal facility energy reduction program. As we remodel Davey Tree-owned facilities, however, we perform energy reduction initiatives, such as upgrading lights to LEDs and adding motion sensors.

In 2015, we began renovating our Bryce Road facility in Kent, Ohio. Formerly used for record storage and furniture inventory, the newly remodeled building will house several employees from Davey Resource Group. As part of the renovations, we installed new LED lighting and added more windows to provide natural light. We are testing new motion sensors in the Bryce Road facility's break room, server room and bathrooms, which we plan to expand to other facilities in the future.

2015 Energy and Emissions

	Energy (GJ)	Emissions (mtCO ₂ e)
Facility	25,182	3,497
Fleet	1,141,526	69,447
Total	1,166,708	72,944

As facility energy and emissions are only 2 percent and less than 5 percent of Davey Tree's total energy and emissions footprints, respectively, and therefore not significant, future reporting will only include a discussion of our fleet.



Going Green at the WSSI Office

The office of Wetland Studies and Solutions, Inc. (WSSI), a Davey company, in Gainesville, Virginia, is one of Virginia's most sustainable buildings. The 42,000 square foot office uses 70 percent less potable water and 42 percent less energy than a typical office building of its size and capacity. Certified as LEED Gold, the facility is home to Virginia's largest rooftop photovoltaic system and two large rainwater harvesting cisterns. WSSI's office is open to the public and self-guided tours allow visitors to see the building's green features at their own pace. Read more about WSSI's office at bit.ly/1M0tC63.

CHEMICAL USE



Chemical stewardship and proper use of chemicals are among Davey Tree's most significant environmental issues. As a provider of tree and landscape services, our chemical footprint includes fertilizers, herbicides, insecticides, fungicides and growth regulators.

We have in place operational policies and procedures to ensure the safe storage, handling, transportation, application and disposal of all chemicals. When possible, we use closed loading systems and returnable, recyclable and refillable containers to maximize chemical safety for our employees, clients and the environment.

Individual facilities are responsible for the purchase and storage of chemicals used in their operations. As part of our chemical management system, chemical types and quantities used at every site are logged in a local chemical inventory, which is updated each month. This year, we created a company-wide chemical inventory (based on purchases) to better understand our global chemical footprint. We plan to include total fertilizer use in future inventories.

2015 Chemical Use

Chemical Category	Amount Used (Liters)
Algaecides	10
Fungicides	20,778
Growth Regulators	761
Herbicides	90,200
Insecticides	24,597



This inventory enables us to better manage our chemical footprint. In 2016, we plan to use our landscape Environmental Impact Quotient (EIQ) to evaluate the impacts of each chemical on the environment. Armed with this knowledge, we will work to reduce or eliminate the most impactful chemicals from our inventory and to lower our overall chemical load.

Additionally, in 2015, we collected data on the amount of water needed to mix each of the chemicals in our inventory. Moving forward, we would like to replace or remove water-intensive chemicals from our inventory where possible. Read more about our water management in the Water section of this report.

Our clients are also concerned with chemical stewardship and the proper use of chemicals. We regularly engage with them on topics, such as safe and responsible use of chemicals, preventive plant health care and chemical application techniques and alternatives to traditional pesticides and other chemicals.

Protecting Pollinators



Pollinators, such as honeybees and butterflies, contribute over \$24 billion to the U.S. economy, facilitating the growth of fruits, nuts and vegetables. Habitat destruction and food source depletion have led to the loss of these important insects. For instance, over the last 70 years, honeybee colony counts have fallen by 90 percent.

Through our scientific research, experience in plant health care and innovative technologies, we can design pollinator habitats that create a suitable environment for pollinators at every stage of their life cycle. Native wildflower species are planted using a customized seed mix tailored for the site conditions.

Coordinating these habitats with regular monitoring and proper plant health care may go a long way toward saving our pollinators.



A Breakthrough in EAB



Emerald Ash Borer (EAB) is one of the most significant challenges to keeping North America's forests healthy. First discovered in the United States in Michigan more than a decade ago, this highly invasive Asian beetle has killed millions of ash trees across North America.

Thanks to pioneering research by the Davey Institute, arborists may be able to detect EAB much earlier. Infected trees first show signs of infection at the treetop, but this is difficult to see from the ground. It's often a matter of years before signs of infection present at ground level, which is often too late to save them. Anand Persad, manager of arboriculture and plant sciences, discovered that EAB-infected tree branches break uniquely when compared to those of a healthy tree—midway along the branch rather than close to the trunk. Looking for these breaks high in a tree's canopy can lead to an early EAB diagnosis and more successful treatment of trees.

There are several treatments available to protect ash trees from EAB, including chemicals that repel egg laying or that kill EAB larvae. Cover sprays can also be applied to branches and trunks when the adult EAB are active and flying around.

Armed with early diagnosis techniques and chemical treatments, Davey Tree stands ready to protect billions of ash trees.



ENGAGED

EMPLOYEES



For 135 years, our people have defined the superior tree, landscape and environmental service we provide to our residential, utility, commercial and government clients. We engage and aim to inspire our employees to grow alongside our company.

As an employee-owned company, we provide our employees with the opportunity to invest in and become an owner of the company for which they work. Through employee ownership, our employees have a direct interest in the success of our company. While our industry faces seasonal employment and high average turnover, our employee ownership promotes employee performance and loyalty. The company provides a unique opportunity to our employees, through stock ownership, to be part of a culture that allows them to share in the profitable growth and success of the company.

More than 800 employees have over 15 years of service with Davey Tree, bringing knowledge, expertise and experience to our clients.

Employee Service Length

Length of Service	United States	Canada	Total
1–5 years	5,109	633	5,742
5–10 years	1,092	111	1,203
10–15 years	645	40	685
15+ years	791	51	842
Total	7,637	835	8,472

We report turnover by job category, rather than by age group, gender or region, due to the high levels of variation between job types and seasonal nature of our work.

Turnover by Job Category

	Field	Sales	Management	Office/Support	Total
Total hires, re-entries and returns from layoff	5,676	21	57	297	6,051
Total terminations, layoffs, leaves of absence and retirements	5,805	25	9	349	6,188



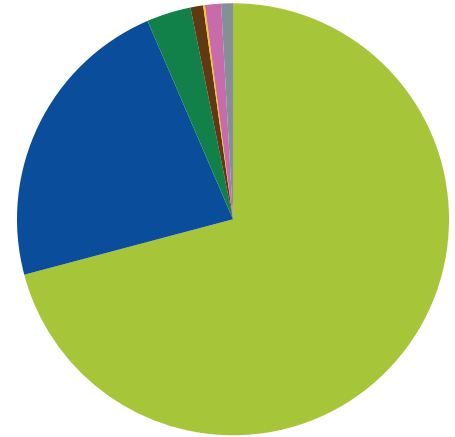
OUR PEOPLE

We are committed to attracting and retaining employees from diverse backgrounds. We recruit talented candidates with a passion for trees and who take pride in cultivating their professional development. In 2015, Davey Tree employed approximately 8,400 employees.

Ethnicity*

	United States	
White	5,386	70.87%
Hispanic	1,722	22.66%
Black or African American	252	3.32%
Asian	91	1.20%
American Indian or Alaskan Native	72	0.95%
Two or More Races	67	0.88%
Native Hawaiian or Pacific Islander	10	0.13%
Total	7,600	

*Ethnicity demographics include U.S. only.



Gender

	United States	Canada
Male	6,920	650
Female	680	63
Total	7,600	713

Employee Development Program



As part of our company's strategic plan, we are implementing the Davey Tree Employee Development (Ed) program. The focus of this program is strengthening our workforce—specifically, recruiting, onboarding and retention efforts, as well as increasing career-development opportunities and improving training and education programs. In addition, our Ed initiative helps us develop and prepare our next generation of leaders at all locations and levels of operation.

In 2015, we successfully launched a new jobs website which assists in our recruiting efforts (view at Jobs.Davey.com). Additionally, we expanded our Learning Management System (LMS) program to simplify employee access to Davey Tree's education and development programs and connect employees to other online trainings.





TRAINING AND EDUCATION

To continue to grow as a company, it is essential that we invest in our employees' personal development. Training and education programs are developed at a company-wide level through collaboration between departments, including the safety department and recruiting and development department.

For more than 135 years, we have ensured that each employee has all the tools he or she needs to deliver the best possible care to our clients. Through our Learning Management System (LMS), employees gain access to our vast education and development programs—along with access to additional online trainings. We plan to integrate the LMS with employee development efforts to include a personalized profile that will enable employees to learn at their own pace.

Employees who utilize the LMS can receive ISA recertification credits and pesticide certification credits, as well as take free classes in sales, communication, leadership and other business-related topics. In addition, required safety training is recorded directly to an employee's profile when it is completed via the LMS.

Davey Tree provides a wide array of educational and development programs to employees, at both a company-wide and local level.

At a corporate level, each department integrates employee development goals that align to the strategic plan. Regional vice presidents and managers are responsible for performance toward goals and results are reported to the board of directors.

Davey Tree offers several company-wide development programs through the Davey Institute. Open to employees from all regions and all business segments, these intensive and proprietary courses deliver industry-best education and thought leadership to Davey Tree employees. Courses are offered annually and include the:

- Davey Institute of Tree Sciences
- Davey Institute of Horticultural Sciences
- Davey Institute of Grounds Management

At a local level, foremen are responsible for leading by example and implementing training based on the needs of their crews. In 1998, we established various mentorship programs tailored to specific service lines. These programs, which are broken into modules, educate employees on specific tasks needed to execute their day-to-day work. Modules include:

- Rigging
- Tree Climbing
- Tree Felling
- Aerial Rescue

Davey Institute of Tree Sciences

For more than a century, the Davey Institute of Tree Sciences (D.I.T.S.) has trained Davey Tree employees to be the stewards of North America's trees. The month-long intensive training program at Davey Tree's headquarters in Kent, Ohio, includes both classroom and field training in a variety of areas, such as:

- Biological sciences
- Tree and plant care
- Management techniques
- Disease and insect management
- Climbing and safety procedures

Courses are taught by master arborists, entomologists and plant pathologists. Upon graduation, D.I.T.S. attendees have the option to sit for the International Society of Arboriculture exam to become an ISA Certified Arborist®. In addition to career development, the D.I.T.S. program brings together Davey Tree employees from every region and service line, forging new friendships and energizing participants as ambassadors of Davey Tree's culture of excellence.

"I have a much wider range of knowledge than I did before coming to the program. Instead of just learning utility knowledge, I learned how to deal with land owners and proper client communication."

JASON HENRY, DUQUESNE LIGHT ACCOUNT





Employee Scholarships to Kent State University

For over a century, Davey Tree has helped educate the arboriculture workforce. In 2009, we partnered with Kent State University to build on our legacy of shaping some of the industry's most promising employees through a two-year associate degree program in environmental management.

Designed to be completed online, the program offers employees the ability to further their education while employed full-time at Davey Tree. Employees can earn credits by taking company-offered extension programs, including attending the month-long D.I.T.S. trainings. In addition, students take a mix of business, psychology, sociology and other college courses.

This year, we introduced a new company scholarship for employees interested in the program. The Davey Foundation will pay 80 percent of the tuition cost each time an employee registers and is accepted into Kent State's online program. Employees who continue working for Davey Tree for two years after graduation qualify to receive the additional 20 percent of tuition reimbursement from the Foundation. The degree can also be applied toward Kent State's bachelor's degree program in technical and applied studies.

"Davey's legacy of educating the arboriculture workforce dates back over a century, and the fact it continues today shows our commitment to help shape the industry's best and brightest."

RJ LAVERNE, MANAGER OF EDUCATION AND TRAINING

HEALTH AND WELLNESS

The health and well-being of our employees is essential to Davey Tree's success. Our health and wellness programs promote healthier lifestyles and more engaged employees. Davey Tree's biometric screening program offers employees financial incentives to participate through discounted health insurance plan premiums. We also offer annual audiometric tests for all landscape and arborist field employees who use powered lawn/turf mowing, trimming or shearing equipment for more than half of the day.

In addition, our Employee Assistance Program, through Guardian, and Integrated Behavioral Health program provide support with:

- Education
- Lifestyle and fitness management
- Dependent care and care giving
- Work effectiveness

Employees have unlimited access to a professional counselor via telephone and free initial face-to-face counseling sessions regarding legal and financial topics.



WASTE



Our Solid Waste & Hazardous Waste Management and Reduction action plans ensure we are complying with all laws regarding the proper disposal of hazardous waste and preventing pollution. In 2014, we analyzed our facility waste footprint and determined only 0.28 metric tonnes of waste were sent to landfill per employee per year. While we continue to manage our facility waste footprint, given how little waste our facilities send to landfill, we no longer track and report on facility waste.

We strive to achieve our target of a 100 percent wood recycling rate across our operations by finding alternatives to landfilling wood waste. However, not all wood waste is recyclable due to regulations and health concerns with some wood, such as diseased wood. In 2015, we reformulated our wood waste recycling estimates to better account for our waste footprint. Historically, we calculated wood recycling rates based on average production rates per truck per day. This year and moving forward, estimations are based on the amount of wood produced by labor-hour by service line. Calculating wood recycling rates by service line rather than per truck load provides a more accurate estimate due to the differences in work performed by the different businesses.

Through internal research, we determined our landscaping services produce the least amount of wood waste while our utility services provide the most wood waste. In total, we recycled more than 93 percent of our wood waste in 2015.

Annual Wood Waste

	Wood Waste Generated (Tonnes)	Wood Waste Recycled (Tonnes)
Landscaping	40,980	34,833
Tree Surgery	486,835	413,810
Utility	991,397	966,612



WATER



Water is an essential element for plant health care and is therefore significant to our operations. We are committed to being good stewards of water, both at our facilities and in the field.

Last year, we began tracking our facility water use and learned our facilities use only about one cubic meter of water per employee a year. Our two nurseries use an overwhelming majority of this water for plant growth. Our nurseries mostly obtain water from privately owned lakes rather than municipal sources. Lake water is supplemented with groundwater from on-site wells. Water not needed by plants is returned directly to the ground.

In the field, we use water for plant health care and maintenance, and to mix chemicals. Because we operate throughout North America, including in regions prone to drought conditions such as California, Colorado and Texas, responsible water use is essential to our sustainable environment pillar. We strive to use water responsibly in the field to limit our impacts on the environment and society.



In 2015, we worked to identify our water use in the field. Using our chemical inventory as a proxy, we estimated our field operations accounted for 257,364 cubic meters of water in 2015. Moving forward, we plan to replace or remove water-intensive chemicals from our inventory.

In addition to managing water within Davey Tree's operations, we also work with clients to improve water efficiency. Creating the correct landscape for a setting goes a long way toward water stewardship. Our specialists work with clients to optimize their landscapes through selecting and siting plants to work with their individual microclimate and educating clients on efficient watering practices.



Save Our Water and Our Trees

In 2015, Davey Tree partnered with Save Our Water and California ReLeaf, two California nonprofits, to help preserve the state's plant life. California, which is experiencing one of the most severe droughts on record, is taking action to reduce water consumption throughout the state. Sadly, as lawns are neglected, trees across the state are dying. The Save Our Water and Our Trees campaign seeks to educate Californians on the value of protecting trees and how they can properly care for their trees while conserving water.



COMMUNITY



For 135 years, Davey Tree has embraced a strong culture of giving. Engaging in our communities promotes Davey Tree's visibility and reputation. More importantly, however, giving our time, talent and treasure strengthens both our employee family and the communities in which we work. Our community giving strategy is executed at both a corporate and local level.

CORPORATE GIVING

At a company-wide level, our giving strategy complements our business strategy. Corporate sponsorships in 2015 include:

- American Academy for Park & Recreation Administration – sponsorship of The Honorable Cornelius Amory Pugsley Medals, which are prestigious awards that recognize outstanding contributions to the promotion and development of public parks, recreation and conservation in the United States.
- American Forests – premier sponsorship of the National Register of Big Trees, which records and documents the largest trees of each species in the United States.
- International Society of Arboriculture – as Distinguished Partners in the ISA's OneTree Program, we are proud sponsors of the ISA International Conference and International Tree Climbing Championship.
- The Nature Conservancy in Ohio – sponsorship of the grand opening of the Nature Conservancy's Grand River Conservation campus and donated work on the property. Additionally, Davey Tree hosted the chapter's spring board meeting at our corporate office.
- TREE Fund – Media Crown Partner for the TREE Fund, which is dedicated to supporting scientific discovery and dissemination of new knowledge in the fields of arboriculture and urban forestry.

At a local level, each site is responsible for giving back to their communities. In addition to corporate volunteer events, Davey Tree employees volunteered nearly 5,500 hours in their communities through partnerships with schools, nonprofits, cities and other charitable organizations.



LOCAL GIVING

Davey Tree employees
volunteered in communities
around North America.



Saluting Branches

On September 23, the first official day of fall, more than 1,100 arborists and tree care professionals awoke, put on their personal protective equipment and jumped into their vehicles to travel to 27 National Cemeteries in 20 states across the U.S.—all for one reason: to give back to the nation’s fallen warriors. Davey Tree employees accounted for more than 10 percent of volunteers in the first “Saluting Branches: Arborists United for Veteran Remembrance.” Volunteers from utility services, residential/commercial and the Davey Resource Group worked across the nation’s cemeteries to provide large and small tree and branch removals, raise tree canopies and prune and clear ground debris. Together, Davey Tree employees and volunteers from other tree companies helped create beautiful and lasting change to enrich 27 national cemeteries and pay tribute to our nation’s veterans.

“As a veteran (U.S. Navy Seabees 1978–1983), it was a way to help pay back those who have served, along with their families, and some that have paid the ultimate sacrifice for our freedom.”

JEFF NEWBORN, DISTRICT MANAGER, KANSAS CITY R/C OFFICE

HeroWork Renovation

Mark Logtenberg, district manager of the Victoria, British Columbia, office learned about HeroWork and knew Davey Tree could help. HeroWork renovates charities' properties through community-style events and has completed four projects across Canada with the support of 150 companies and more than 1,000 volunteers.

When HeroWork chose the Citizens' Counselling Centre in Great Victoria as its next project, the Davey Tree Victoria office was ready to pitch in. The Centre provides counseling for adults who would otherwise not be able to afford it.

Volunteers from the Victoria office removed overgrown vines from the buildings and used a bucket truck to trim and prune the surrounding hawthorn trees to prepare for painting crews. With their and other volunteers' support, HeroWork completed the project, providing a \$200,000 renovation to the Centre's 50-year-old building.



"It's such a remarkable time working with HeroWork. It's a really great group of people; a lot of big hearts. We are now HeroWork's go-to people when it comes to tree and aerial work."

MARK LOGTENBERG, DISTRICT MANAGER, VICTORIA OFFICE



#Trees4Threes

In collaboration with PwC and the Cleveland Cavaliers, Davey Tree was proud to be part of the Trees for Threes program. Through the program, PwC and the Cavaliers pledged to plant a tree in Cleveland, Ohio, and the surrounding area for every "three pointer" scored at home by the Cavaliers in the 2014–2015 season. Over the past few centuries, Cleveland's tree cover has fallen to only 19 percent; however, trees offer vital environmental benefits. Experts say Cleveland's trees can take in 21 billion gallons of rainwater and eliminate 42,000 tons of air pollution annually. Trees also contribute to an increase of over \$4 million annually in property values in the Cleveland area. Davey Tree not only donated the trees for this effort, but also assisted volunteers in planting trees at Cleveland's Anton Grdina Elementary school and in nearby Akron, Ohio. In total, Trees for Threes came through on its promise of planting 422 trees in honor of the Cavaliers' 422 "three pointers" scored at home.



Make-A-Wish for a Pirate Ship

Davey Tree volunteers were humbled to make a young boy's dream come true through the Make-A-Wish Foundation® Ethan, a six-year-old boy from Massachusetts with complex congenital heart disease, wished to become a pirate and sail the seas in a tree house-shaped pirate ship. Davey Tree partnered with Liberty Construction Services to make a tree house in which he and his brother, Lucas, could play pirates together.

Because Ethan deals with severe fatigue, the tree house structure needed to meet certain physical requirements. Natascha Batchelor, district manager at the Cape Cod R/C office, visited Ethan's house to examine the trees and ensure their stability. When Batchelor discovered a few white oak trees that needed to be removed, she contacted her crew to voluntarily complete the job. The crew, including trimmer Alfred Blackburn, foreman Arthur Pinckney and trimmer trainee John Craig, removed a small white oak that otherwise would be in the way of the pirate ship's future rope bridge plan, and designed a large, maple wood, round tic-tac-toe table.

The pirate ship treehouse, completed in less than three months, is named "The Wish Ship" and includes a captain's wheel, a slide, built-in binoculars, a pirate flag and fisherman netting. Batchelor joined Ethan—who was fittingly dressed as a pirate—and his family and friends at the Make-A-Wish Foundation's ribbon cutting ceremony to reveal "The Wish Ship" tree house.

"The Davey Tree crewmembers were thrilled to help out this little boy and work with the Make-A-Wish Foundation. We live and work in these communities, so it's important to give back to the community we not only live in but work and thrive in as well."

NATASCHA BATCHELOR, DISTRICT MANAGER, CAPE COD R/C OFFICE



Lending a Helping Hand

After hearing that a storm downed several trees in the yard of a local retiree, Gilbert Plamondon, field manager on the EPCOR Utilities account in Beaumont, Alberta, rallied a Davey Tree crew to help. Plamondon saw photos of the destruction caused by the fallen trees on Facebook and called Mark Pickup—retired and wheelchair-dependent for more than 20 years—to let him know a Davey Tree crew would be at his house within half an hour to clear away the debris at no cost. The crew, including Plamondon, laborer Cody McNeil and foreman Kyle Milberry, worked a full day to clear away the three downed trees and remove two other trees on Pickup's property that posed future risk.



"I cannot find words to express my deep appreciation to you and to Davey for coming to my rescue. Your kindness will be remembered. Every once in a while, something happens that completely restores my faith in people and corporations."

MARK PICKUP, BEAUMONT, ALBERTA, RESIDENT

Bringing Nature to the Classroom



Allison Bond, executive director of the Brown Memorial Weekday School in Baltimore, Maryland, believes many children do not get enough exposure to nature. For that reason, she incorporated a nature component into the school's curriculum, and promoted Alice Wetzell, formerly an assistant teacher, to fourth grade teacher and the school's nature coordinator. Explaining that many parents often believe it is too dangerous to play outside, Brown Memorial believes it is their "responsibility to get children outside and reconnect them with nature."

The school decided to bring nature to their students by creating a nature-themed play area. With a grant from Baltimore Gas & Electric Co., the school reinvented its aging playground with revamped play areas, including tree branch climbing structures, vegetable and native plant gardens, a certified monarch butterfly way station and other outdoor play areas.

Davey Tree's South Baltimore residential and commercial office was eager to help in the construction of the new play area through the donation of logs and removal of unwanted trees from the surrounding neighborhood. Along with school employees and the parents of the school's students, Davey Tree volunteers placed logs for the tree climbing structure, balanced logs and built a mud kitchen equipped with a stump table and chairs.

"The playground gives you a connection to nature that we feel so many children are missing out on. It's getting children to look at the things around them."

ALLISON BOND, EXECUTIVE DIRECTOR, BROWN MEMORIAL WEEKDAY SCHOOL



ARBOR DAY

2015

Around North America, Davey Tree partnered with communities to celebrate Arbor Day events in 2015.

Encinitas, California

This year, Encinitas, California, achieved "Tree City USA" designation for the fourth time in a row. As part of their Arbor Day celebration, senior consulting utility foresters from Davey Resource Group (DRG) led volunteers in planting 28 trees throughout four of the city's parks. More than 35 volunteers of all ages contributed to the effort, planting a multitude of tree species, including California sycamores, white elders, western redbud and coast live oaks.

"Days like this show what kind of community we are. We are not only in the city working to get a paycheck, but we also show we care about trees and their benefits."

RYAN FEURA, SENIOR CONSULTING UTILITY FORESTER, DRG



Naples, Florida

More than 8,000 community members joined Davey Tree for the Naples Zoo Arbor Day event in Naples, Florida. For the third consecutive year, Davey Tree enthralled visitors with tree climbing demonstrations in the Rainforest Grove exhibit next to the lions and bears. Children attending the event enjoyed being greeted from above by Davey Tree climbers. Davey Tree employees were also available to answer tree- and landscape-related questions while distributing eco pens, drink holders and green Davey Tree wristbands.



"The event is important because it helps spread awareness of the trees' value and educate individuals on tree maintenance and planting."

DAN POWELL, DISTRICT MANAGER, NAPLES R/C OFFICE

Kirtland, Ohio



Davey Tree was again a proud sponsor of Arbor Day 2015 at Northeast Ohio's Holden Arboretum, one of the nation's largest arboreta. The multi-day celebration of trees provided hands-on activities, interactive shows and educational activities to attendees. Davey Tree supplied equipment and assisted at the children's tree climbing station. In addition, Davey Tree representatives offered attendees free consultation services and information packets at the Davey Tree tent. More than 2,500 people attended the event.

"I care for trees and I want to get the public interested in caring for trees, too. When I see ambition in a young person, I figure just one tree climbing experience could potentially influence his or her career as an adult. Hopefully some of the young participants have found a new respect for trees."

JOE SHAW, RECRUITER/TRAINER

Rochester, Minnesota

Maier Tree & Lawn, a Davey company, celebrated their 13th annual Arbor Day Celebration with support from their sponsoring partner, Rochester Public Utilities. The event began in 2002 with an Arbor Day Poster Contest at a local school. Students were challenged to draw posters about why trees are terrific in cities and towns. The poster contest has grown to include more than 81 schools and 1,000 poster entries. This year, the Arbor Day Celebration included boxed lunches, rope climbing, bean bag toss, clowns and balloonists. After the event, participants planted trees in the community.



"This is a bigger-than-myself event and I am lucky to be a part of it. It's an educational day that is fun and well organized."

JAY MAIER, DISTRICT MANAGER, MAIER TREE & LAWN R/C OFFICE

GRI

CONTENT INDEX



GENERAL STANDARD DISCLOSURES

G4 Indicator	Description	Location
Strategy and Analysis		
G4-1	Statement from the most senior decision-maker of the organization about relevance of sustainability to the organization and the organization's strategy for addressing sustainability	CEO Letter
Organizational Profile		
G4-3	Name of the organization	The Davey Tree Expert Company
G4-4	Primary brands, products and services	About Us
G4-5	Location of organization's headquarters	Kent, Ohio, U.S.A.
G4-6	Number of countries where the organization operates, and names of countries with significant operations or that are specifically relevant to the sustainability topics covered in the report	United States and Canada
G4-7	Nature of ownership and legal form	Private; employee-owned
G4-8	Markets served	About Us
G4-9	Scale of the reporting organization	About Us
G4-10	Total workforce by employment type, employment contract and region, broken down by gender	About Us
G4-12	Description of the organization's supply chain	About the Report
G4-13	Significant changes during the reporting period regarding organization's size, structure, ownership or supply chain	About Us
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	Davey Tree does not currently address the Precautionary Approach.
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses	About the Report
G4-16	Memberships in associations and/or national/international advocacy organizations	About Us

GENERAL STANDARD DISCLOSURES *(continued)*

G4 Indicator	Description	Location
Identified Material Aspects and Boundaries		
G4-17	Entities included in the organization consolidated financial and nonfinancial reports	About Us
G4-18	Process for defining report content	About the Report
G4-19	Material aspects identified in the process for defining report content	About the Report
G4-22	Explanation of the effect of and reasons for any restatements of information provided in earlier reports	Safety data in previous reports covered The Davey Tree Utility Service Line. Data are restated to include Davey Tree's full operations.
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	Our boundary has changed to include 100 percent of our operations.
Stakeholder Engagement		
G4-24	List of stakeholder groups engaged by the organization	About the Report
G4-25	The basis for identification and selection of stakeholders with whom to engage	About the Report
Report Profile		
G4-28	Reporting period	2015
G4-29	Date of most recent previous report	October 2015
G4-30	Reporting cycle	Annual
G4-31	Contact point for questions regarding the report or its contents	corporateresponsibility@davey.com
G4-32	'In accordance' option and GRI Content Index	About the Report, GRI Content Index
Governance		
G4-34	Governance structure of organization, including committees of the highest governance body	About Us
Ethics and Integrity		
G4-56	The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	About Us



SPECIFIC STANDARD DISCLOSURES

G4 Indicator	Description	Location
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ECONOMIC

Economic Performance

G4-EC1	Direct economic value generated and distributed	About Us, Community; Summary financial data available on inside cover of the Annual Report at bit.ly/2345S90
G4-EC2	Risks and opportunities for the organization's activities due to climate change	p. 9 of the 10-K at bit.ly/22ofwse
G4-EC3	Coverage of the organization's defined benefit plan obligations	p. F-24 of the 10-K at bit.ly/22ofwse
G4-EC4	Financial assistance received from government	Davey Tree does not receive significant financial assistance from the government.

ENVIRONMENTAL

Energy and Emissions

G4-DMA	Disclosure on Management Approach for Aspect	Energy and Emissions
G4-EN3	Energy consumption within the organization	Energy and Emissions
G4-EN5	Energy intensity	Energy and Emissions
G4-EN6	Reduction of energy consumption	About Us, Energy and Emissions
G4-EN7	Reductions in energy requirements of products and services	Energy and Emissions
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Energy and Emissions
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Energy and Emissions
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Energy and Emissions

Water

G4-DMA	Disclosure on Management Approach for Aspect	Water
G4-EN8	Total water withdrawal by source	Water; In 2015, we consumed 257,364 cubic meters (67,988,372 gallons) of water.

Effluents and Waste

G4-DMA	Disclosure on Management Approach for Aspect	Waste
G4-EN23	Total weight of waste by type and disposal method	Waste
G4-EN24	Total number and volume of significant spills	No incidents to report.

SPECIFIC STANDARD DISCLOSURES (continued)

G4 Indicator	Description	Location
ENVIRONMENTAL (continued)		
Chemicals		
G4-DMA	Disclosure on Management Approach for Aspect	Chemical Use
Indicator	Report total chemical use in liters or multiples, including chemical types used.	Chemical Use
SOCIAL		
Safety		
G4-DMA	Disclosure on Management Approach for Aspect	Safe Business Practices
G4-LA5	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	Safe Business Practices
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Safe Business Practices
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	Safe Business Practices
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	No incidents to report.
Employment		
G4-DMA	Disclosure on Management Approach for Aspect	Engaged Employees
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Engaged Employees
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Engaged Employees
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Safe Business Practices, Engaged Employees
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Safe Business Practices, Engaged Employees
Local Communities		
G4-DMA	Disclosure on Management Approach for Aspect	Community
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	About Us, Community

FEEDBACK

We welcome feedback on both this 2015 Corporate Responsibility Report and our corporate responsibility efforts. Please send comments to corporateresponsibility@davey.com.

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