



people

The employees of Valspar are the core of our company's strength. Their creativity and talent drives the success of everything we do, and their dedication to our customers, shareholders and communities shapes the Valspar experience.

Our employees are our most valuable asset. Our innovations draw on their creativity, talent and dedication. Their commitment to quality drives our operational excellence. Our engagement with the community is powered by their time and generosity. Their integrity shapes every interaction with our customers, shareholders and the public. We are committed to their well-being and to continuous improvement in employee and environmental safety. Our Health, Safety and Environment teams lead these efforts, but it is in the actions of each individual employee that bring this commitment to life.

Our systems are designed to recognize and mitigate risks, to learn from our best practices as well as from our mistakes, to celebrate superior safety achievement and to hold ourselves accountable for continuous improvement.

Consistent focus helps improve safety record

Every employee responsible for learning and practicing safety

At Valspar, sustainable business practices begin with safeguarding our employees' health and safety on the job. We work to instill safe practices as our standard in every operation, not simply as a short-term reaction after an incident or injury has occurred. To keep safety at the forefront of every employee's behavior, our program relies on employee engagement.

Every employee is expected to take responsibility for safe working conditions and promote safe practices. Employees raise questions and make suggestions to ensure safety remains at the forefront of our work. Each employee's annual performance review includes a rating for working safely according to the employee's job function. Managers are held accountable for meeting performance targets related to safety in their areas of responsibility.

While Valspar is proud of its safety record, we are continuing to make significant improvements. We believe that every incident is preventable. Our goal is to get to zero incidents. We are currently tracking to record 0.5 incidents or fewer per 100 employees by the end of 2015, a 32 percent reduction in on-the-job injuries among Valspar employees over three years. Reaching that target will extend our significant progress toward safer work environments and zero incidents. Our incident rate has declined nearly 84 percent since 1995 and has dropped more than 35 percent in just the past five years.





We will reach our targets through an ongoing emphasis on safe behaviors, as well as safe working environments. Every business function, in every location, begins meetings with a safety message. Senior leaders tailor the messages to individual functions and strive to involve employees directly in keeping health, safety and environmental objectives at the forefront of everything we do. This consistent focus and openness to learning helps Valspar create a collaborative commitment to safety.

In each of our manufacturing facilities, every shift, every day begins with a safety huddle. The topic of the huddles focuses on the day's work conditions, recent incidents that present learning opportunities, or other opportunities to share safety best practices.

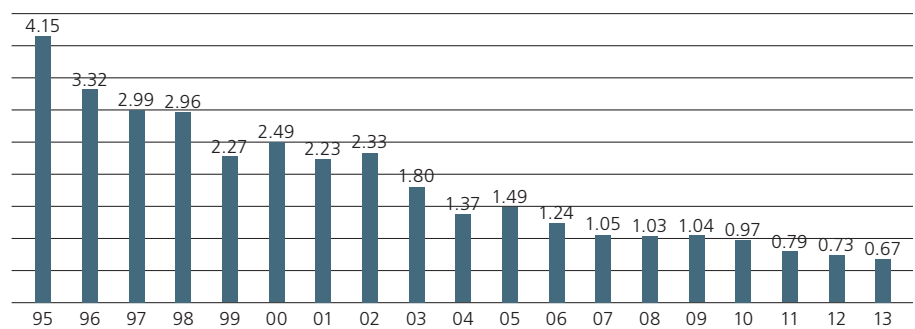
A senior leader spearheads monthly safety conferences within the manufacturing function and encourages every participant to ask questions as well as sharing progress and knowledge across the organization. Each call provides a structured opportunity to:

- evaluate performance against internal and external Health, Safety and Environmental metrics,
- review incidents to identify and correct gaps in safety practices,
- learn from best practices,
- update information on Valspar standards or governmental regulations, and
- ask questions and suggest topics for future review.

Other teams present safety information at regular meetings, using approaches and topics most relevant to each employee group. To extend our commitment to employee health and safety beyond the workplace, these presentations also help employees learn about safe behavior at home and in their recreational activities.

We also share information with our customers during site visits, when specific product handling questions might arise. We work closely with our suppliers to identify and remediate safety concerns related to the packaging, handling or delivery of materials.

Valspar safety performance TRIR* rate



*TRIR = number of injuries per 100 employees



President's Award honors exemplary safety improvements

Facilities honored for continuous improvement

Our President's Award for Safety and Environmental Achievement recognizes facilities that have exemplified our culture of continuous improvement in safety. Five Valspar facilities earned the President's Award for Safety and Environmental Achievement in 2013.

"The key to success is ensuring every single employee understands the aim, is a part of this change and buys in, day after day," one winning team said. "Safety is a continuing process. There is always room for improvement. We need to make sure we maintain our workplace in a safe and clean condition, with a high level of quality and productivity."

The teams who earned the 2013 award were:

- Tournus Packaging, France (six-time winner),
- Ballinamore, Ireland (three-time winner),
- Moline, Illinois (two-time winner),
- Bowling Green, Kentucky (four-time winner), and
- Selangor, Malaysia (four-time winner).

We continue to review and strengthen the award criteria and requirements to support continuous improvement in our operations.

Safety and health management programs earn independent recognition

Awards recognize prevention-based, systemic hazard control programs

Valspar earned recognition from U.S. federal and state authorities for safety programs that go beyond mere compliance.

- Four of our U.S.-based manufacturing sites earned recognition through the Voluntary Protection Programs standards of the U.S. Department of Labor. VPP recognizes businesses who “have implemented effective safety and health management systems and maintain injury and illness rates below national Bureau of Labor Statistics averages for their respective industries.” Several other Valspar plants are in the midst of the rigorous site evaluations required for VPP recognition. The VPP system focuses on hazard prevention and control, worksite analysis, training, management commitment and worker involvement.
- Our flagship research and development facility, the Valspar Applied Science and Technology (VAST) Center in Minneapolis, earned the Governor’s Award in occupational safety and recognition from the Minnesota STAR program, modeled on the federal VPP program.

The Governor’s Award recognizes “exceptional efforts in implementing a comprehensive safety program and the excellent safety record” Valspar has achieved. “Your safety measures reduce worker injuries and related costs, maximize productivity, and build morale,” Governor Mark Dayton wrote in a letter of commendation. “These outcomes improve the lives of your workforce and strengthen your organization which, in turn, benefits all Minnesotans.”

The VAST in Minneapolis is one of 35 Minnesota facilities named as a model worksite through the Minnesota STAR program. The program recognizes companies that go beyond simple compliance with federal occupational safety and health standards to create environments that foster long-term prevention of job-related injuries and illnesses. Factors included in the STAR evaluation include: management leadership and employee involvement; an allocation of resources to address safety issues; systems that identify and control workplace hazards; and a plan for employee safety training and education.

