



Valvoline™

# Voices of Valvoline

2017 CORPORATE SOCIAL RESPONSIBILITY REPORT



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# DRIVEN TO SERVE

**Valvoline™ employees around the globe drive our business and our corporate social responsibility initiatives. This report features perspectives from some of those team members. These “voices” help tell this year’s CSR story and provide insights into what motivates the Valvoline team worldwide.**



As a company, we are committed to applying the principles of sustainability to every aspect of our operations to maintain our leadership position in the marketplace and as a corporate citizen.

– SAM MITCHELL, CEO



**TO OUR SHAREHOLDERS**

As Valvoline moves through our second full year as an independent, publicly traded company, we proudly reflect on the rich 151-year heritage we’ve established. It’s one filled with imaginative people and innovative products and technologies, where we have pioneered breakthroughs in the automotive lubricant market. Our achievements are noteworthy by any standard, but most remarkable is the manner in which we accomplished them — by doing things the right way, with hands-on expertise to the benefit of our customers. It is under this precept that we plan our future.

Since our beginning, Valvoline products and services have helped improve the sustainability of engines, providing better reliability, efficiencies and longer lifespans. As a company, we are committed to applying the principles of sustainability to every aspect of our operations to maintain our leadership position in the marketplace and as a corporate citizen. This translates to a strategic focus in three areas: citizenship, sustainability, and diversity and inclusion.



**CITIZENSHIP:** creating and supporting initiatives to realize better communities.



**SUSTAINABILITY:** pursuing opportunities to realize safer workplaces and mitigate the environmental impacts of our products and operations.



**DIVERSITY & INCLUSION:** fostering innovative thinking in our workplaces and supply chain where diverse backgrounds and ideas are represented, encouraged and empowered.

On behalf of our 5,600 Valvoline employees worldwide, I’m proud to share that we made progress on these fronts in 2017. Examples of those results are illustrated in the following pages of our CSR report. We feature “Voices of Valvoline” that highlight specific testimonials from our employees who played integral roles in these stories. A few highlights of the achievements this year include:

- We completed construction of, and moved into, our new world headquarters, where we are able to realize the benefits of an employee-focused workplace with a smaller environmental footprint.

- We advanced in our Supplier Diversity Program.
- We implemented newly designed safety equipment in our Valvoline Instant Oil Change<sup>SM</sup> (VIOC) facilities.
- We launched innovative new-to-the-category products for today’s modern direct injection engines.
- We continued progress in our Zero-Landfill Program.
- We celebrated another year of active giving and volunteering by our employees.

While we celebrate our CSR achievements, we recognize there is always more work to do. I’m confident the Hands-On Expertise of our team will help ensure we reach our CSR goals and objectives. Through our hands-on service, focused generosity and the continuous pursuit of innovative and sustainable solutions, we are working to build communities that are healthier and have a more promising future.

**Samuel J. Mitchell, Jr.**  
Chief Executive Officer

**OUR CSR APPROACH // About Valvoline**

Valvoline Inc. (NYSE: VVV) is one of the most recognized and respected premium consumer brands in the global automotive lubricant industry. Our heritage spans more than 150 years, during which time we have become known across multiple channels for our high-quality products and superior levels of service. Today, we market those products and services through our fast-growing, best-in-class retail model to do-it-yourself (DIY) and do-it-for-me (DIFM) customers, and through heavy-duty commercial and industrial channels.

Our premium branded product and service offerings provide our customers with solutions that address a wide variety of needs. In addition to our iconic Valvoline-branded passenger car motor oils and other automotive lubricant products, we provide an array of lubricants used in heavy duty equipment, as well as automotive chemicals and fluids designed to help improve engine performance and lifespan.

We have significant positions in the United States in all of the key lubricant sales channels, and we also have a growing international presence with our products sold in more than 140 countries. In the United States and Canada, as of the end of fiscal 2017, our products were sold to consumers through more than 30,000 retail outlets, to installer customers in over 12,000 locations, and at 1,127 company-owned and franchised Valvoline Instant Oil Change quick lube centers. Around the world, we serve our customer base through an extensive sales force and technical support organization, allowing us to leverage our technology portfolio and customer relationships globally while meeting customer demands locally.

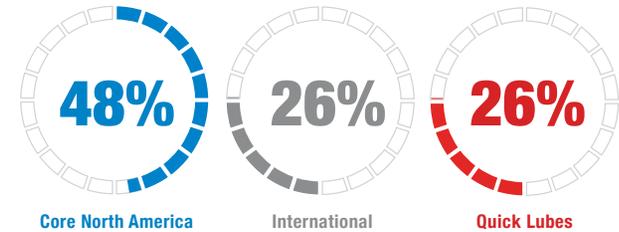
**OUR CSR APPROACH // Valvoline Management Systems**

From our plant personnel to our CEO, Valvoline has a passion for our People, Product and Planet-driven management systems. This is demonstrated by the high attendance and frequency of service center and plant floor safety and environmental topic meetings, as well as our “3P” plant and company management review meetings. Valvoline has two distinct management systems to meet the unique needs of the VIOC retail business and our supply chain operations.

At our VIOC locations, we incorporate environmental, health and safety (EH&S) into SuperPro™, (an internal management system) that covers every aspect our retail services business. From day one, our employees are trained, tested and certified on these standards as they support and encourage the proper use of callouts, personal protective equipment, tools, and system practices to drive superior EH&S performance. As a result, VIOC is almost 50 percent below the industry average on incident injury rates.

Valvoline continues to adhere to the Responsible Care 14001 (RC14001) standard as best-in-class for Valvoline’s Global Supply Chain’s Responsible Operations program. The program is a comprehensive certified management system assuring uniform transparent global implementation of environmental, health, safety and security standards. This framework helps identify and address risk, targets and objectives, monitor performance and drive continuous improvement within the Valvoline supply chain through documented standards and best practices. Our Responsible Operations Management System is externally group certified to RC14001 by the ABS Group of auditors.

**FY2017 Sales Contributions**



Our products were sold to consumers through more than:

**30,000**  
retail outlets

**12,000**  
installer locations

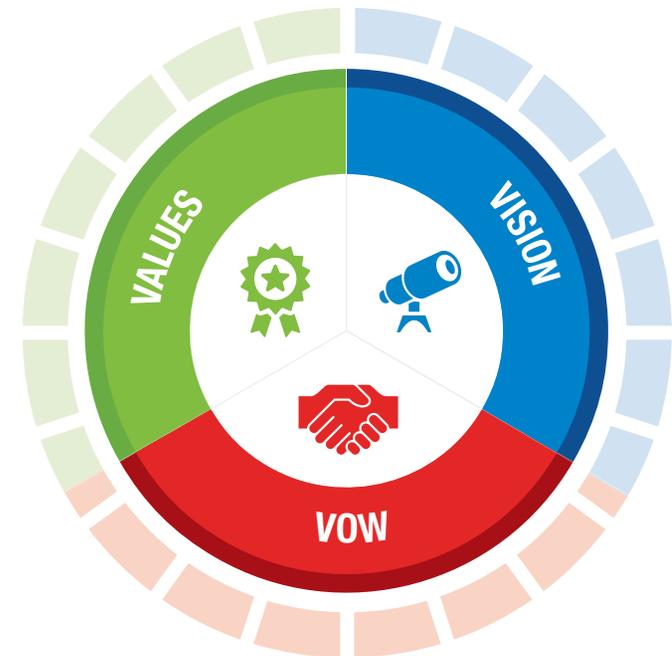
**1,127**  
company-owned and franchised  
VIOC quick lube centers

## OUR CSR APPROACH // Valvoline’s “Three V’s”

### At Valvoline, we strive for greatness in all that we do, and we are committed to winning ... the right way.

That tenet applies to all aspects of our operations and to all interactions with our myriad stakeholders, including building shareholder value through strong financial performance, creating innovative and environmentally friendly products for our customers, providing a safe and nurturing workplace for all employees, and making the communities in which we operate better places for our neighbors to live.

Valvoline’s “Three V”s—our Values, Vow and Vision—drive our culture and inform the decisions we make as we strive to build the world’s leading engine and automotive maintenance business.



### VALUES

- It all starts with our people.
- Safety is always our priority.
- We are committed to winning...the right way.
- We work hard, celebrate success and have fun.
- We strive for greatness.

### VOW

Our vow is to bring “Hands-On Expertise” for the benefit of our customers every day, moving the business forward with speed and excellence.

### VISION

We are building the world’s leading engine and automotive maintenance business. We will accelerate growth around the world by increasing our focus and investment in:

- The Valvoline brand, built on superior products and service.
- The industry’s best retail services model.
- Technology that enables speed, innovation and increased efficiency in every aspect of our business.
- Strong value-adding relationships with our channel partners.

OUR STORIES



→ SAFETY



→ CITIZENSHIP



→ DIVERSITY & INCLUSION



→ PRODUCT



→ ENVIRONMENT



→ WORKPLACE



SAFETY



**At Valvoline, we believe that all injuries, occupational illnesses and incidents are preventable, and we are committed to operating with a zero-incident culture. We design, build and operate our facilities to nurture a safe and secure workplace.**

## SAFETY // VIOC Faceguard

“

**We were determined to create a safety tool that would provide the proper protection to our employees while simultaneously delivering an acceptable appearance.**

– EUGEN OANA, VIOC EH&S MANAGER



Our team members regularly conduct work underneath cars in our service center environments, and this occasionally led to injuries from tool slips and falling objects. We never take the safety of our employees lightly at Valvoline, so as facial injuries to VIOC team members began to rise, we initiated faceguard tests to help eliminate the problem.

After testing dozens of off-the-shelf products that didn't adequately protect our team members or that might cause other unintended problems, we decided to create our own.

By partnering with a group of design engineers, we were able to develop a custom solution to mitigate the safety issues in our specific environment. Along with achieving the proper function to keep our employees safe, we created a faceguard design that has been received well by those who wear it everyday. Since we've implemented the new safety device, we have had zero incidents.



**Zero incidents reported with the implementation of the new faceguard**

## SAFETY // Safety Recognition



**Our inclusion in EHS Today's list of America's Safest Companies is a testament to the hard work and diligence of all of our team members globally and to Valvoline's culture of safety.** – GARY ALLEN, VICE PRESIDENT, EH&S

Valvoline is proud to be recognized by EHS Today as one of America's Safest Companies in 2017. This represents a culmination of efforts from our leaders and all team members to identify new ways of addressing safety challenges and creating accountability for every action on the job. To be included in this distinguished list, each company was required, among other things, to demonstrate support for safety across the organization, cite examples of innovative solutions to safety challenges, beat industry averages of safety metrics, and support a comprehensive training program. "Valvoline believes in safety, and we have the metrics and the culture to prove it," said Nate Snyder, MPH, CSP, global manager, EH&S operations. "We go above and beyond the regulations, are creative and effective when dealing with safety issues, and have an effective program with a number of innovative elements. Our management team leads with safety in mind, and our employees recognize the importance of safety at work and at home."

Eugen Oana, VIOC EH&S manager, said, "For years, safety has been a top priority at Valvoline, and we take

great pride in the culture we've created. That culture is instilled in all of our team members during our onboarding and training exercises and then reinforced through continuing certifications over time." And best of all, our safety metrics back this up. Over the past five years we've experienced a 53 percent reduction in our injury rate, and last year, our companywide total preventable recordable rate was 58 percent below our industry average. Gary Allen, vice president, EH&S, said, "Our inclusion in EHS Today's list of America's Safest Companies is a testament to the hard work and diligence of all our team members globally and to Valvoline's culture of safety. We believe that all occupational injuries are preventable, and every day we set out to prove it across our facilities worldwide."



**53% reduction** in our injury rate over the past five years

**58% below** our industry average in our companywide injury recordable rate



### SAFETY // Safety Selfies

As part of our celebration of National Safety Month, Valvoline asked team members to share tips on how to be safe—at home, at work and at play—in the form of "safety selfies." The safety selfies range from fun to serious but always provide good lessons on how to avoid injuries. We ultimately received more than **130 submissions** and posted them on a website for all of our employees to view.

[VISIT SITE →](#)



CITIZENSHIP



**Being a good corporate citizen is fundamental to our values as a company. We recognize the importance of caring for and supporting those who live in the communities in which Valvoline operates.**

CITIZENSHIP // Habitat for Humanity

“  
We are so grateful Valvoline chose us to benefit from the incredible day of celebrating their new home by helping others in our community have a decent place to live.

– RACHEL CHILDRESS, CEO, LEXINGTON HABITAT FOR HUMANITY

Valvoline’s continuing support of Habitat for Humanity, now totaling over \$300,000 in corporate and employee gifts, and significant volunteer hours since 2002, demonstrates our commitment to improving the communities in which we operate and live. From donations to volunteering, our team members around the globe believe strongly in helping our fellow citizens achieve the goals of homeownership that Habitat embodies.

headquarters were auctioned, raised \$40,000 for Lexington Habitat for Humanity.

“We are so grateful Valvoline chose us to benefit from the incredible day of celebrating their new home by helping others in our community have a decent place to live,” said Rachel Childress, CEO, Lexington Habitat for Humanity. Valvoline CEO Sam Mitchell said, “Being able to celebrate Valvoline’s new home and share it with our community and with Habitat made it a special day. The Valvoline team’s willingness to pitch in and contribute to the community never ceases to amaze me.”

Valvoline also contributes to and volunteers for Habitat for Humanity outside of the U.S. Valvoline and Lubricantes Internacionales de Guatemala have partnered with Habitat Guatemala for 20 years to make homeownership a reality for families in need. “At Habitat, we are happy to be able to count on allied companies such as Valvoline, that always trust our projects can make a change in Guatemala,” said Andrés Minondo, vice president, Habitat Guatemala. In 2017 alone, 21 families benefited from Valvoline’s support.

 **\$300K+**  
raised in corporate and employee gifts and significant volunteer hours since 2002

Our Community Celebration, a one-day event in which office furniture and racing memorabilia from our previous



2017 Habitat for Humanity Build

CITIZENSHIP // Kentucky Teacher of the Year



Valvoline recognizes the important role education plays in our communities and ultimately in the sustainability of our company's future. As a result, we strive to support education. Valvoline understands that without great teachers, students won't reach their full potential. We're proud to sponsor the Kentucky Teacher of the Year program, where our home state's best teachers are provided the recognition they deserve.

Each year, Valvoline and the Kentucky Department of Education acknowledge outstanding Kentucky teachers. The program recognizes 24 Valvoline Achievement Award winners from eight regions of the state, and from this group, three are recognized as the state Elementary, Middle and High School Teachers of the Year. These finalists then compete for the overall Kentucky Teacher of the Year.

In addition to the awards and certificates, \$10,000 in cash is given to the overall Kentucky Teacher of the Year, \$3,000 is given to each Kentucky Teacher of the Year finalist, and the remaining 21 regional finalists each receive cash awards of \$500. "Having the opportunity to recognize and support outstanding teachers that bring energy, passion and dedication to the classroom highlights our commitment to education, especially in preparing Kentucky's students to excel in a global society," said Sam Mitchell, chief executive officer of Valvoline, Inc.

24

Valvoline Achievement Awards were given to winners from 8 regions of the state



3

teachers were recognized as the state Elementary, Middle and High School Teachers of the Year

1

teacher was awarded \$10,000 and the title of Kentucky Teacher of the Year



Teachers Awards Video

## CITIZENSHIP // Children's Miracle Network Hospitals



**Our employees see firsthand the impact that Children's Miracle Network Hospitals have on kids and their families in the communities in which we operate. We are passionate about raising funds to pay for pediatric medical care for children who might not have it otherwise.**

— ROB STRAVITZ, VIOC VICE PRESIDENT OF MARKETING

Valvoline Instant Oil Change service centers raised over \$245,000 in 2017, mostly in \$1 increments from customers and team members, to benefit 36 Children's Miracle Network Hospitals, representing a 15 percent increase from 2016. Participation and giving is often boosted by creating internal challenges and contests among the VIOC markets to determine who can make the biggest impact. The 2017 donation will help support approximately 37 million patient visits, including ER stays, cancer treatments, long- and short-term critical illnesses, research and education, for the approximately 10 million children treated annually at the hospitals.



“Our employees see, first-hand, the impact that Children's Miracle Network Hospitals have on kids and their families in the communities where we operate. We care about our team members and are passionate about making a difference in each of our communities by raising funds to pay for pediatric medical care for children who might not have it otherwise,” said Rob Stravitz, VIOC vice president of marketing. Since our partnership with Children's Miracle Network began in 2009, we're proud to report that over \$1 million has been raised.



**\$245,000** raised in 2017  
to benefit **36** Children's  
Miracle Network Hospitals

CITIZENSHIP // Valvoline Mole Day



**As a scientist at Valvoline, my job is awesome. I get to come to work and do something I love every day. With Mole Day, we get to show kids that same enthusiasm and ambition for STEM. Science is challenging, but it is also a lot of fun.**

– GINNI WHITTINGTON-BYRD, VALVOLINE TECHNICAL MANAGER, SPECIALTY CHEMICALS

Core to Valvoline’s sustainability are the creative people who imagine, develop, test and refine our innovative, market-leading products. We support education in our communities, through programs like the Valvoline Achievement Awards, to help ensure our future workforce is properly prepared to meet tomorrow’s challenges. Because of the technical nature of our products, Valvoline also promotes science, technology, engineering and math (STEM) subjects by opening our facilities to students to help spark an interest in STEM courses on Oct. 23, which is known as Mole Day. Celebrated annually from 6:02 a.m. to 6:02 p.m. Oct 23, Mole Day commemorates Avogadro’s Number ( $6.02 \times 10^{23}$ ), a basic measuring unit in chemistry.

“Our primary goals were to spark an interest in STEM courses at school and in related careers,” said Ashley Heighton, a Valvoline scientist. “A lot of kids say, ‘I don’t want to be a scientist; it’s too hard.’ Valvoline’s Mole Day activities help kids in the community get to know the types of science that happen right where they live and may want to explore as a career someday. By the end of the day, they were telling their moms that science is cool—and they want to do experiments at home.”



Last year, more than 100 children — ages 2 to 16 — gathered at Valvoline’s Lexington campus on Oct. 23 to commemorate Mole Day and to discover STEM subjects can be fun. **Mole Day initiatives included:**



**Making colorful nitrogen/dish-soap bubbles in glass cylinders the children could pop**



**Lab tours with interactive demonstrations on density and column chromatography, tasks commonly performed in the lab**



**Hands-on presentations by Newton’s Attic and by the Kentucky Science Center**



**Building houses and other structures from candy “molecules”**

**CITIZENSHIP // International Citizenship**

**Australia**

Last year more than 4,500 children with serious illnesses, disabilities and unique challenges attended Sydney Children’s Christmas Party, the region’s largest party for children, to enjoy rides, entertainment, treats and new experiences. Valvoline Australia team members generously donated funds and their time to help support this amazing event.

**China**

After an earthquake struck Jiuzhaigou, China, Valvoline China and one of our distributors joined in the relief efforts by volunteering, giving financial support and providing Valvoline equipment and motor oil to maintain the relief vehicles. Other examples of our efforts in China include helping children construct mini farms in schools, mentoring students from local universities on leadership and business management skills, and on a more personal level, providing financial relief to an employee with a daughter suffering from Leukemia.

**“As a corporate citizen, we feel it is our responsibility to extend our hands to the people afflicted,” said Dominic Seto, vice president of Valvoline and managing director of Valvoline China. “We encourage and nurture the corporate social responsibility mindset within the company.”**



**Two new health clinics in India were opened in 2017. Each facility serves the medical needs of about 40,000 people per year.**

**India**

Valvoline Cummins Private Limited, our joint venture partnership with Cummins, continued to improve health and living conditions across India with the opening of two new healthcare clinics in 2017. Each facility serves the medical needs of about 40,000 people per year. Valvoline Cummins Private Limited invested 2 percent of the company’s net profit toward the facilities last year, and we’re currently formalizing volunteer opportunities for our team members to assist at the clinics.

In addition to our support of the health clinics, our India employees are required to volunteer a minimum of four hours annually, but we encourage greater participation. One example is hosting children from Joining Hands, a nonprofit organization that empowers youth from underprivileged families by developing skills leading to employment, on Christmas Eve to celebrate with our team members. We provided supporting funds, career advice, and gifts for the children who attended.





CITIZENSHIP // Employee Giving Campaign



It's great to see how we all can come together to lend a helping hand — especially during the holidays, when organizations need all the help they can get.

– MANDY TURNER, VALVOLINE CREDIT ASSISTANT

Our annual U.S. Valvoline Employee Giving Campaign was held during November and marked our first campaign as an independent company. Valvoline employees pledged \$187,609, and the company provided a 50 percent match, resulting in an overall total of \$281,413. The campaign allowed employees to pledge their support among 10 charitable organizations. The campaign's theme was appropriately titled, "Transforming Lives in Our Community," which is exactly what we were able to do.



Not only did our employees share generously with cash donations, but for our headquarters location, the campaign culminated in our annual "Day of Volunteering," which included Valvoline employees volunteering at five organizations such as God's Pantry food bank, The Hope Center shelter and Habitat ReStore. "Our employees love to volunteer," said Mandy Turner, Valvoline credit assistant, who led the project. "It's great to see how we all can come together to lend a helping hand — especially during the holidays, when organizations need all the help they can get."



Over **\$281,000** raised to support **10** charitable organizations



**DIVERSITY &  
INCLUSION**



**Fostering a diverse and inclusive workforce and supplier base is an important component of Valvoline's strategic mission, and we continually seek new ways to make meaningful advances in those efforts.**



We foster an environment that promotes:



Innovative Thinking



Employee Value



Teamwork



**We have launched a number of efforts to help promote a more diverse and inclusive company — from our employee base, to our suppliers, and to those we care for through our community outreach initiatives.**

– DARYL LOVE, VALVOLINE COMMUNITY RELATIONS MANAGER

### DIVERSITY & INCLUSION // Our D&I Approach

We believe a diverse workforce is critical to generating new ideas and inspiring innovation at Valvoline. We foster an environment where team members feel valued, engaged and inspired to do their best work. By celebrating the similarities and differences that shape each individual, we encourage and promote the kind of innovative thinking that fuels our sustainable, competitive advantage in the marketplace. This inclusive mindset allows Valvoline to recognize new opportunities and drive value to our customers and shareholders. “We have launched a number of efforts to help promote a more diverse and inclusive company — from our employee base, to our suppliers, and to those we care for through our community outreach initiatives,” said Daryl Love, Valvoline community relations manager.

Valvoline supports our Employee Resource Groups, led by team members, that are designed to promote diversity within the company, further personal and professional development, and strengthen networking, volunteerism and community involvement. We also recognize the importance of partnering with a diverse supplier base. Through our Supplier Diversity Program, Valvoline works to promote business opportunities for certified minority- and woman-owned business enterprises (MWBES), certified veteran-owned businesses and other diverse supplier groups that might better support our business.

## DIVERSITY & INCLUSION // Valvoline Supplier Diversity



**Nurturing a diverse supplier base is good for business. We're able to leverage our diverse supplier networks, gain unique perspectives and expertise from our supply chain partners, and help support an economic engine that helps put people to work.**

— MAREE MCMINN, VALVOLINE PROCUREMENT MANAGER



2017 marked a significant increase of \$21 million in our diverse supplier spending, a strategic initiative within our broader diversity and inclusion efforts, to help bring fresh ideas and perspectives to Valvoline through our supply chain. This increase represents a 365 percent increase from 2016, demonstrating our firm commitment to expanding our work with diverse suppliers.

During the past year we participated in events and joined organizations to help grow our supplier diversity, including attending the Lexington Bluegrass Area Minority Business Expo, a business conference, trade

show and networking event, and becoming part of the Ohio River Valley—Women's Business Council. With these outreach programs, we are able to more effectively connect with potential suppliers to help them prepare to do business with Valvoline and other corporations. Maree McMinn, Valvoline procurement manager, said, "Nurturing a diverse supplier base is good for business. We're able to leverage our diverse supplier networks, gain unique perspectives and expertise from our supply chain partners, and support an economic engine that helps put people to work."



**365%** increase in our diverse supplier spending in 2017

## DIVERSITY & INCLUSION // Employee Resource Groups



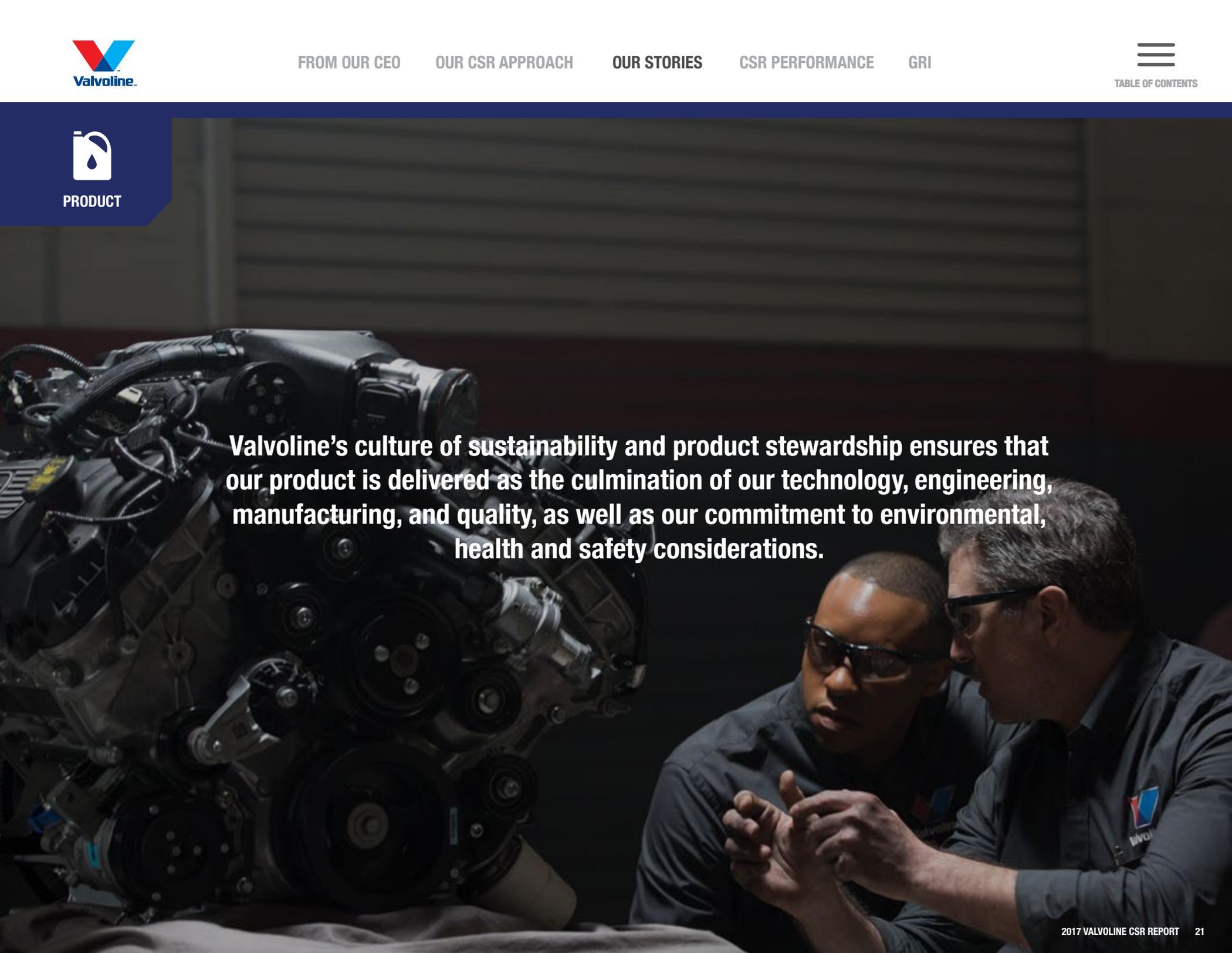
**Our women's employee resource group provides a place to share their opinions and challenges and to receive advice or support from those who may have dealt with similar situations.**

– MAREE MCMINN, VALVOLINE PROCUREMENT MANAGER

To help develop and nurture a more inclusive workforce at Valvoline, we fully support the employee resource groups (ERGs) that have become more prominent within our workplace. The ERGs, led by Valvoline team members, are created to further personal and professional development; strengthen networking among our employees, volunteerism and community involvement; and promote diversity within the company. Members usually share a common interest, such as race, gender or cultural identity, but membership is open to all employees. ERGs provide a new and different way for employees to be heard, valued and engaged, and members provide key insights back to the business.



PRODUCT



**Valvoline's culture of sustainability and product stewardship ensures that our product is delivered as the culmination of our technology, engineering, manufacturing, and quality, as well as our commitment to environmental, health and safety considerations.**

## PRODUCT // Valvoline Test Labs



**Our team members love the challenge of continually improving our products to meet market demands. Our work with the U.S. Department of Energy was a true honor and the results speak for themselves.** – GEFEI WU, MANAGER OF VALVOLINE NEW PRODUCT DEVELOPMENT LAB

Innovation is the lifeblood of all successful and enduring product brands, and Valvoline has been on the forefront of automotive lubricant industry advancements for more than 150 years. At Valvoline, our engine testing and formulation research and development delivers new product development, world-class technical service, product sample analysis and field tech support. Valvoline’s around-the-clock global engineering and technical service representatives are available for a wide array of needs from product recommendations and root cause failure analysis to troubleshooting and interpretation of used oil analysis. Valvoline’s lubricant and automotive chemical breakthroughs in fuel economies, extended drain intervals, viscosity thresholds and alternative fuel-burning engine technologies all have their origins in our testing labs.

Our recent strides in developing better performing motor oil and cleaning treatments for modern, direct-inject engines include new product lines such as Modern Engine Full Synthetic Motor Oil, First Defense and EasyGDI. All of our new products are tested again and again to ensure we’re meeting Valvoline’s strict internal criteria as well as that of our customers. Timothy Caudill, manager of our Ashland, Kentucky, engine test lab, said,

“We have a long history of stringent, innovative product testing for a number of unique applications, even testing NASCAR engines.”

Because of our industry-leading facilities and knowledge base, Valvoline was recently contracted by the U.S. Department of Energy to help develop novel lubricant formulations to improve fuel efficiency in medium- and heavy-duty vehicles by 2 percent. The tests resulted in a greater than 2 percent increase in fuel efficiency. “Our team members love the challenge of continually improving our products to meet market demands. Our work with the U.S. Department of Energy was a true honor and the results speak for themselves,” said Gefei Wu, manager of the Valvoline New Product Development Lab.



**Valvoline’s lubricant automotive chemical breakthroughs in fuel economies all have their origins in our testing labs.**



## PRODUCT // Valvoline New Product Development



**Valvoline Modern Engine captures key learnings from extensive research on how motor oil formulation—namely oil properties and additive composition—not only influence but can actually help prevent the formation of carbon deposits in the newest engine models.** – FRAN LOCKWOOD, VALVOLINE CHIEF TECHNOLOGY OFFICER

As automotive engines have evolved over the past 150 years, Valvoline has consistently developed new products to maintain its leader position in the marketplace. Today's modern engines use a system commonly known as Gasoline Direct Injection (GDI), in which the fuel is directly injected into the combustion chamber to help meet the higher requirements in fuel economy standards and emissions requirements. A combination of GDI technology and today's smaller, more powerful engines left the motor oils and cleaning solutions of yesterday less effective in helping modern, hotter-running engines run efficiently and smoothly. Because of the increased temperatures, engines are now more susceptible to developing deposit formations and low-speed pre-ignition (LSPI), which can both lead to power and fuel economy loss, and ultimately engine breakdown. Low-speed pre-ignition is a pre-ignition event that occurs in turbocharged gasoline direct injection engines when there is a premature ignition of the main fuel charge.

Valvoline's innovative team has answered this need with three new products — First Defense™, Easy GDI™ and Modern Engine Full Synthetic Motor Oil™. “Valvoline Modern Engine captures key learnings from extensive research on how motor oil formulation — namely oil properties and additive composition — not only influence but can actually help prevent the formation of carbon deposits in the newest engine models,” said Fran Lockwood, Valvoline chief technology officer. “With this innovative new product, we are seeing a significant reduction of carbon build-up.” Valvoline's research also indicates that its Modern Engine brand provides up to 30 percent better protection against carbon build-up than industry standards\*.



**Modern Engine provides 30% better protection against carbon build-up than industry standards\***



\*Based on average of industry standard piston and intake valve deposit test results of 5W-30 product.



## PRODUCT // Product Stewardship

As a long-standing member of the Household and Commercial Products Association (formerly the Consumer Specialty Products Association), Valvoline subscribes to ProductCare™, a comprehensive product stewardship program. The values that drive this program squarely align with those of Valvoline as we strive to deliver products that maximize benefits to our customers and their vehicles, while minimizing impacts on the environment. At Valvoline, product stewardship is applied broadly and touches almost every aspect of our business from product design and packaging to maintaining safe manufacturing facilities. We are always careful to consider the attributes and impacts of new and existing products and packaging whenever possible.

The ProductCare principles include:

- Designing products
- Utilizing sustainable materials and packaging
- Operating safe manufacturing facilities
- Promoting safe storage and distribution
- Providing useful product information
- Answering consumer questions
- Anticipating product disposal needs

In 2017 we introduced new products that closely follow the principles of product stewardship. Our [Easy Pour Bottle](#) utilizes sustainable materials and packaging while promoting safe storage and distribution. Our new [Valvoline HD GEO SLF](#) illustrates a product that helps engines run smoother and more efficiently while the machines they power help repurpose harmful landfill gasses.



**At Valvoline, product stewardship is a natural extension of our culture—we simply want to make the best product, in the safest fashion possible.**

—GREGG STARR, VALVOLINE PRODUCT REGULATORY PROFESSIONAL

**PRODUCT // Easy Pour Bottle**

Our DIY customers know how messy motor oil bottles can be, but Valvoline is turning that notion on its head with our new Easy Pour Bottle. Out with spills, glugs and messes, and in with clean, easy, ultra-smooth pours — every time.

“Our Easy Pour Bottle is one of the biggest packaging innovations in the history of Valvoline and was developed with integral feedback from DIYers and auto experts alike,” said Michelle Allen, director of marketing for Valvoline. “As we look to the future, we will continue to innovate in every area — from design to products and services — to meet the needs of our customers.” At Valvoline, we’re serious about product innovations, and our newly designed bottle makes delivering the ultimate protection for your vehicle as easy as grab, twist, pull and pour.



**01.** **The Resealable Overcap with No-Slip Grip™**  
Large textured overcap provides more surface area for an easier open and includes a locking feature with a noticeable “click” when closed to help prevent accidental spills.

**02.**  
**Anti-Glug Tube™**  
Allows air back into the bottle providing a smooth, continuous and glug-free pour.

**03.**  
**Easy Pull Tab™**  
Features an easy pull-ring and foil tab, that removes in one piece, making for a cleaner and easier open.

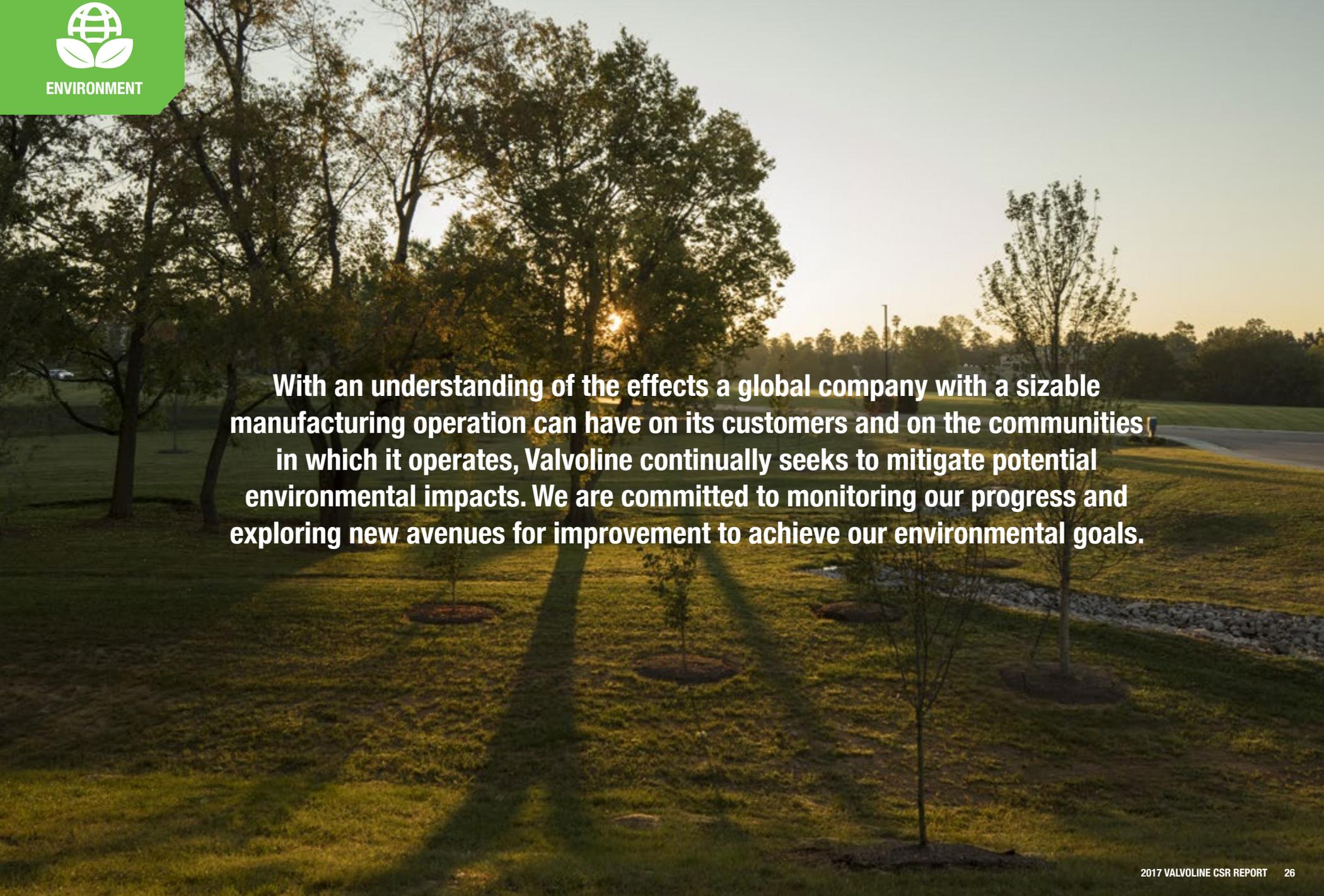
**04.**  
**Precision Pour Spout™**  
Provides a tighter stream of oil for a more accurate pour, clean cut-off and mess-free experience.

**05.**  
**Centralized Handle**  
Aligns the bottle’s center of gravity, providing a more controlled pour.





## ENVIRONMENT



**With an understanding of the effects a global company with a sizable manufacturing operation can have on its customers and on the communities in which it operates, Valvoline continually seeks to mitigate potential environmental impacts. We are committed to monitoring our progress and exploring new avenues for improvement to achieve our environmental goals.**



ENVIRONMENT // India GreenCo



**It's a point of pride at our facility to be recognized as a good corporate citizen and to reduce the impact we have on the planet, but our journey has just begun.**

– DR. NITIN KONDALKAR, VALVOLINE CUMMINS PRIVATE LIMITED SENIOR MANAGER, EH&S

As we continue efforts to reduce our environmental footprint across the globe, Valvoline Cummins Private Limited—our joint venture with Cummins Inc.—achieved a GreenCo Gold rating for the Ambernath, India, facility. The external certification is awarded based on on-site assessments and performance against certain criteria that include energy efficiency, water conservation, waste management and material conservation. Our team members also participated in educational and awareness training sessions to prepare them for the process and for future site improvements.

“It’s a point of pride at our facility to be recognized as a good corporate citizen and to reduce the impact we have on the planet, but our journey has just begun,” noted Dr. Nitin Kondalkar, Valvoline Cummins Private Limited senior manager, EH&S. The GreenCo rating system includes five levels, with Platinum as the highest ranking. Our Gold rating, the second highest level awarded, is an exemplary accomplishment, yet we hope to achieve platinum status so we continue to seek new ways to improve the plant.

Since 2015, highlights of the plants sustainability efforts include:

  
33%  
reduction in energy consumption

  
25%  
reduction in packaging material consumption

  
90%  
reduction in hazardous waste

  
29%  
reduction in Scope I and II GHG emissions

  
25%  
reduction in water consumption

**ENVIRONMENT // Alternative Fuel-Burning Engine Technology**

“

**Testing and developing new formulations is always exciting for us at Valvoline, but when we can help our customers and create something that's beneficial to the environment, it's just that much sweeter.**

– JEFFREY TORKELSON, VALVOLINE TECHNICAL DIRECTOR, OEM APPROVALS

The environmental efforts at Valvoline to reduce the impact of our operations extend well beyond our own walls. By seeking new and innovative ways to reduce our customers' environmental impacts and to help advance clean energy technologies, we're able to enhance our efforts exponentially. One such way is by developing products that help support and improve alternative fuel-burning engine technology to make it more affordable and efficient for our customers to pursue. In 2017, Valvoline developed two new products on this front: Valvoline™ HD GEO SLF and Premium Blue One Solution™ 9200.



**One customer reported \$62,000 in savings per engine from reduced maintenance costs due to Valvoline's new HD GEO SLF lubricant**

Valvoline HD GEO SLF is a lubricant that is applied to stationary engines operating at landfills. These engines are actually fueled by the landfill-produced gas while simultaneously converting the landfill gas to electricity for energy consumption. Because landfills are a large source of methane emissions, the capture and destruction of the gas, which occurs when it's burned to produce electricity, provides significant environmental benefits by reducing greenhouse gas emissions. Our product, which was first to market in North America using a new innovative chemistry, enables extended maintenance intervals and helps “protect the engine from rapid deposit formation caused by siloxanes, which are part of the gas mixture evolved from landfills. One customer calculated annual savings of \$62,000 per engine from reduced maintenance costs and downtime.

Our new Premium Blue One Solution 9200 is a mobile natural gas engine oil that helps stretch drain intervals in long-haul trucks and vocational vehicle applications that are fueled by natural gas. Because the extended drain intervals—which have doubled in our development work—mitigate used oil waste, we're reducing our customer's environmental footprint. As an added benefit, the cost savings help make the conversion from diesel-fueled engines to natural gas a more economical proposition.



**Premium Blue One Solution 9200 helps stretch drain intervals in long-haul trucks that are fueled by natural gas.**

## ENVIRONMENT // Zero-Landfill Program

### 2017 Highlights Include:



**45% of blending and packaging facilities and 30% of warehouses have achieved zero-landfill status**



**11% reduction in solid waste generation**



**5 million pounds of recycled materials**



**ZERO-LANDFILL** global goal is set to be achieved within 10 years at all Valvoline plants and warehouses

At Valvoline, we've pledged to use our resources in the most effective and efficient manner to better protect the environment. To demonstrate our commitment to this practice, we've set a goal to achieve zero-landfill status within 10 years at all Valvoline plants and warehouses. As of 2017, 45 percent of Valvoline's blending and packaging facilities and 30 percent of our warehouses have achieved zero-landfill status. Last year, Valvoline sites reduced solid waste generation from 620,600\* pounds to 551,800 pounds, a drop of 11 percent, while recycling over 5 million pounds of materials. Valvoline has not yet achieved zero-landfill status at all sites but is moving closer to the goal with 99.9 percent of our raw material currently being used to produce our products

or being recycled. Through our Waste Minimization Program, Valvoline sites create central collection areas to segregate miscellaneous waste for recycling to make the process convenient, easy and sustainable. We employ many elements of the Lean 5S program (sort, shine, straighten, standardize and sustain), and these practices have become a part of our culture. Our sites actively pursue source reduction, reuse, recycling and recovering materials. We have challenged each facility to move waste streams to recycling or to eliminate them through our source-reduction program as even the smallest of waste streams can add up to significant volumes due to facility scale.

\*Valvoline previously reported solid waste generation of 644,248 pounds for 2016 but has since restated that amount to 620,600 pounds.

ENVIRONMENT // Valvoline Headquarters Building



**We're proud to work in a building that was designed and constructed with the environment in mind, and our employees have also assisted our efforts by focusing on energy conservation and waste reduction to further reduce our impact.**

– TIM HEABERLIN, VALVOLINE MANAGER, FACILITY SERVICES

Throughout the planning and design phases of Valvoline's new world headquarters, special attention was given to ensure sustainable design features would play an integral role in the building's construction to make it a great work environment and to lessen the impact it would have on the environment. Last year when the move was made into our new home, the fruits of that diligent planning became evident. Our overall footprint was reduced from 225,000 square feet to 162,000 square feet through better space planning. We still made room for collaborative workspaces so our employees are able to interact in a more amenable environment. "Light harvesting," a process in which sensors automatically adjust lighting usage based on available external light, is employed to help reduce our energy consumption. In addition, lighting occupancy sensors are incorporated throughout to further reduce consumption. During the first six months in our new headquarters, we recorded a 68 percent reduction in energy use and a 78 percent reduction in water use compared to the same six months from the previous year.

The new building's roof includes a reflective membrane to help mitigate heat absorption, which lessens our cooling load on warm, sunny days. At the same time, this reduces the "urban heat island" effect — warmer temperatures in metropolitan areas due to human activities and closely constructed buildings. We also employed environmentally friendly materials such as steel with high-recycled content, low-VOC finishes, energy-efficient glass and water-conserving plumbing fixtures.

"We're proud to work in a building that was designed and constructed with the environment in mind, and our employees have also assisted our efforts by focusing on energy conservation and waste reduction to further reduce our impact," said Tim Heaberlin, Valvoline manager, facility services. Valvoline's Green Team, a group of environmentally conscious team members, helps organize and energize initiatives like Earth Day events, recycling efforts and energy conservation tips at the new headquarters. By fusing our team members' efforts and a well-built facility, we collectively make a bigger impact.



Sustainability Features



Reflective roof membrane



Energy-efficient glass



Water-conserving plumbing fixtures



Structural steel with high recycled content



Low-VOC finishes



High-efficiency lighting and occupancy sensors



## ENVIRONMENT // Valvoline Earth Day

To celebrate Earth Day in 2017, Valvoline’s global facilities and team members planned grass-roots efforts to help make the planet a little cleaner. In Willow Springs, Illinois, USA, team members planted milkweed and wildflowers to help protect monarch butterfly populations, while in Wetherhill Park, Australia, employees recycled old office equipment and planted saplings to create a green space in front of facility. Recycling training was conducted and light motion detectors were installed in our Deer Park, Texas, USA, facility. The grounds of our plants

in Mississauga, Ontario, in Canada, and Noblesville, Indiana, and St. Louis, Missouri, in the United States and at our world headquarters in Lexington, Kentucky, USA, were cleaned by our team members. Employees in Santa Fe Springs, California, USA, joined the city in cleaning trash from a neighborhood park and team members in Leetsdale and Rochester, Pennsylvania, USA, recycled and cleaned up their grounds. In addition to all the volunteer work, Valvoline donated \$10,000 to EarthShare and Global Impact to top off the day.

[VISIT WEBSITE →](#)



## Valvoline celebrates Earth Day across the globe

**LEETSDALE, PENNSYLVANIA, USA:** Grounds were cleaned

**DEER PARK, TEXAS, USA:** Recycling training was conducted and light motion detectors were installed

**ST. LOUIS, MISSOURI, USA:** Plant grounds were cleaned

**WILLIOW SPRINGS, ILLINOIS, USA:** Milkweed and wildflowers were planted to help protect monarch butterfly population

**MISSISSAUGA, ONTARIO, CANADA:** Grounds were cleaned

**SANTA FE SPRINGS, CALIFORNIA, USA:** Employees joined the city in cleaning trash from a neighborhood park

**ROCHESTER, PENNSYLVANIA, USA:** Grounds were cleaned

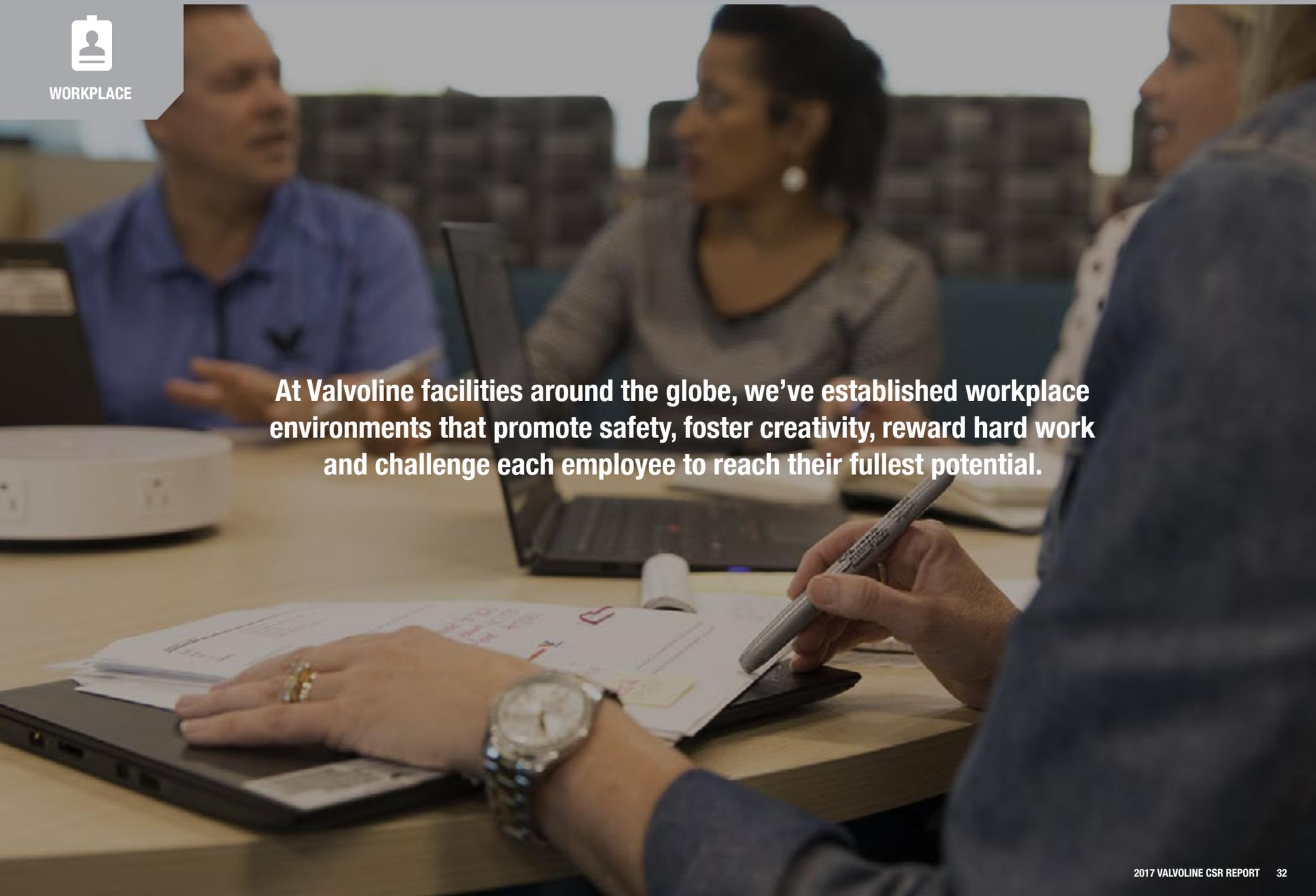
**WETHERHILL PARK, AUSTRALIA:** Old office equipment was recycled and saplings were planted to create a green space for the facility

**LEXINGTON, KENTUCKY, USA:** Grounds were cleaned

**NOBLESVILLE, INDIANA, USA:** Grounds were cleaned



## WORKPLACE



**At Valvoline facilities around the globe, we've established workplace environments that promote safety, foster creativity, reward hard work and challenge each employee to reach their fullest potential.**



WORKPLACE // VIOC Talent Development Program

“

Valvoline has, hands down, the best onboarding and safety training program I’ve ever experienced. It’s clear that employees matter here.

– MIKE DANIELS, DRIVER/MATERIAL HANDLER

At Valvoline, we champion workplace advancement initiatives that provide real opportunities for employees to progress along an upward career path. Over the past five years, in our Valvoline Instant Oil Change service centers, 100 percent of our service center managers were promoted from hourly positions. In addition, 100 percent of the company’s area managers and 90 percent of our market managers were hired internally. Our talent development program allows us to enjoy such impressive internal hiring metrics by utilizing print and online resources, and interactive courses as learning tools for all new VIOC employees. This on-boarding and educational curriculum properly prepares our new hires not only for their current position, but for their next position as



well. In fact, VIOC was named the second-best talent development program in the world by the Association for Talent Developments’ BEST Awards, finishing only behind Western Union and in front of companies such as IBM.

This practice allows Valvoline to fill open managerial positions from within our pool of talented, entry-level associates. “This is important to us because we have a much higher success rate with homegrown leadership in our service centers. So, we’re not simply hiring technicians, we’re hiring our future,” said Jamie Hinely, Valvoline’s director of global learning solutions. “It’s a win-win situation for both Valvoline and our employees.”



**100%** of our VIOC service center managers were promoted from hourly positions and 100% of the company’s area managers, and 90% of our market managers, were hired internally

WORKPLACE // Hands-On Assistance Charitable Foundation

“

I am extremely proud of the Hands-On Assistance program because we are demonstrating that we truly care about our team members.

– MATT FURCOLO, VICE PRESIDENT, VIOC OPERATIONS

We strive to maintain a “culture of caring” at Valvoline where we collectively support one another in all workplace interactions, but often the support stretches beyond our work environment. When a VIOC team member faces an unexpected personal hardship or natural disaster, we’ve created a charitable foundation — funded entirely and personally by VIOC team members — to help them through the difficult time. A decision committee reviews all applications and manages the assets to ensure financial assistance is available for those in need. “I am extremely proud of the Hands-On Assistance program because we are demonstrating that we truly care about our team members. At Valvoline Instant Oil Change, we understand that we are successful because of our people. What better way to demonstrate this understanding taking care of our own when they need us the most?” said Matt Furcolo, vice president of operations for VIOC.

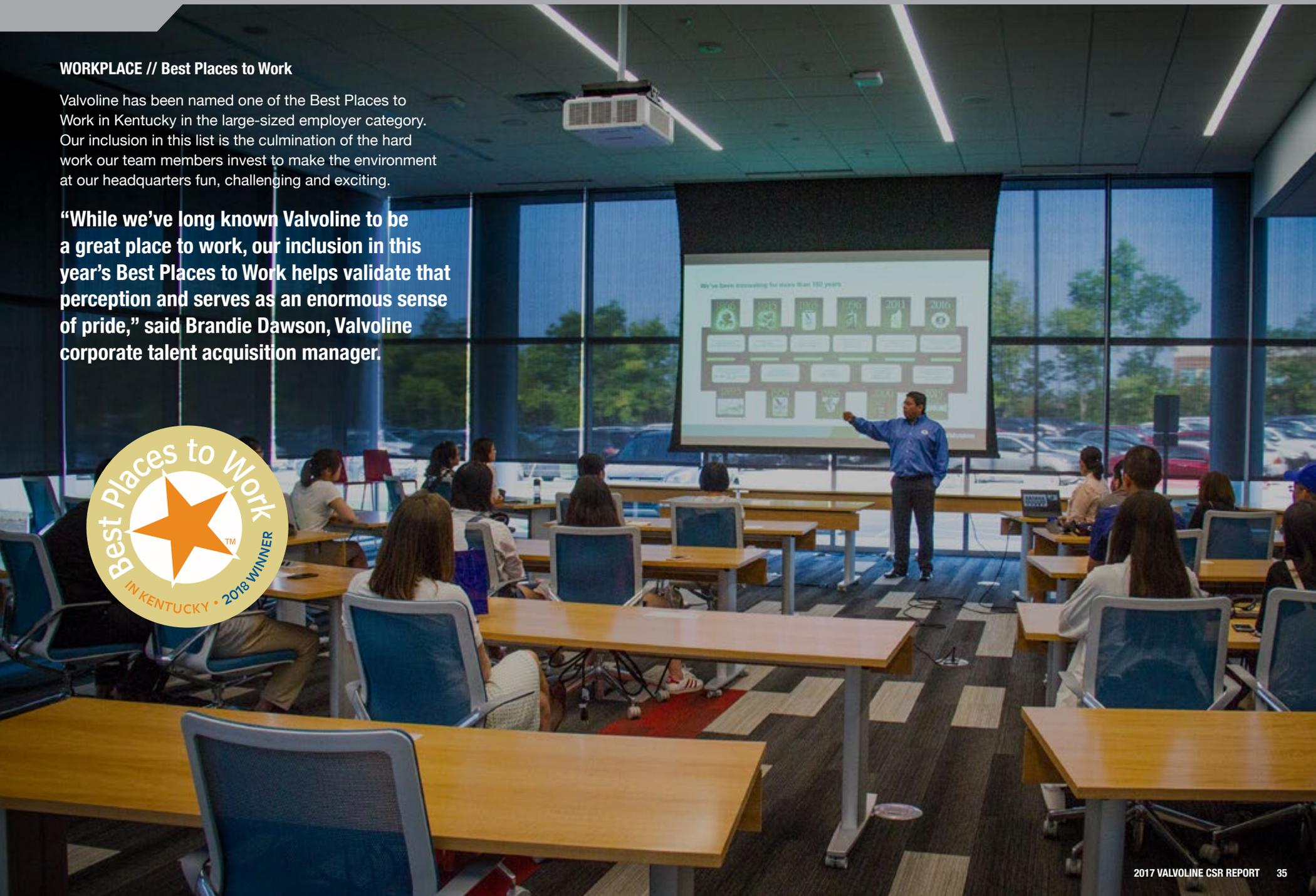


Our charitable foundation was established and is funded by VIOC team members to help other VIOC team members when faced with hardships.

## WORKPLACE // Best Places to Work

Valvoline has been named one of the Best Places to Work in Kentucky in the large-sized employer category. Our inclusion in this list is the culmination of the hard work our team members invest to make the environment at our headquarters fun, challenging and exciting.

**“While we’ve long known Valvoline to be a great place to work, our inclusion in this year’s Best Places to Work helps validate that perception and serves as an enormous sense of pride,”** said Brandie Dawson, Valvoline corporate talent acquisition manager.





### WORKPLACE // Valvoline World Headquarters

When Valvoline set out to build its new headquarters, we had two main points of emphasis — one was keeping environmental stewardship at the fore, and the other was creating a workplace environment that would foster collaboration and energize our team members. Last year when we began to occupy the new space, our team members found abundant natural light to brighten the offices, an open floorplan to encourage collaboration, and a lobby that showcases our rich history through displays of racing sponsorships and other points of interest that instill pride in our brand. “The moment you walk through our front doors, you get a sense of the excitement, and rich history behind Valvoline,” said Amanda Plakosh, Valvoline Talent Management Business Partner. “Our open workspaces, collaborative areas and exterior views allow that energy to continue throughout the building.”

“

The moment you walk through our front doors, you get a sense of the excitement, and rich history behind Valvoline. Our open workspaces, collaborative areas and exterior views allow that energy to continue throughout the building.

– AMANDA PLAKOSH, VALVOLINE TALENT MANAGEMENT BUSINESS PARTNER

## 2017 KEY DATA AND PERFORMANCE INDICATORS

### SAFETY



**53%**

reduction in our injury rate over the past five years

**58%** below

our industry average in our companywide injury recordable rate



**44%**

below our industry average in our VIOC injury recordable rate

### CITIZENSHIP



**56%**

improvement in total preventable recordable rate since 2013 at VIOC



**\$281 K+**

raised for charitable organizations during our annual U.S. Valvoline Employee Giving Campaign

**8+** years

of conducting Earth Day events across the company



## 2017 KEY DATA AND PERFORMANCE INDICATORS

### DIVERSITY & INCLUSION



**\$1M+**  
raised for Children's  
Miracle Network  
Hospitals since 2009



**365%**  
increase in diverse  
supplier spend since  
2016



**50%**  
of Valvoline's  
senior leadership team  
are women

### PRODUCT

**30%**   
better protection against carbon  
build-up with Modern Engine  
than industry standards\*

**204K**   
total safety data  
sheets generation rate

**89.3%**  
of our safety data sheets  
were generated electronically,  
greatly reducing paper use

\*Based on average of industry standard piston and intake valve deposit test results of 5W-30 product.

2017 KEY DATA AND PERFORMANCE INDICATORS

SUSTAINABILITY

**11%**  
reduction in solid  
waste generation last year



**5M** pounds  
of recycled materials  
in 2017



**68%**  
reduction in  
energy use in  
Valvoline's new world  
headquarters



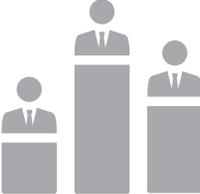
WORKPLACE

**5.6M** gallons  
of auto fluid recycled by  
company-owned VIOC  
stores in 2017

**78%**  
reduction in  
water use in  
Valvoline's new  
world headquarters



**100%**  
of our VIOC service  
center managers  
promoted from within



## GRI // Global Reporting Initiative Content Index

This index was developed to help our interested readers compare the information in Valvoline’s online sustainability report on our website with the Global Reporting Initiative (GRI) G4 guidelines. This report is in accordance with the “core” option of the G4 guidelines.

Profile	Description	Reference
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## General Standard Disclosures

### Strategy and Analysis

G4-1	Statement from senior decision-maker	<a href="#">From Our CEO</a>
G4-2	Key impacts, risks and opportunities	<a href="#">10-K</a>

### Organizational Profile

G4-3	Name of the organization	<a href="#">Our CSR Approach</a>
G4-4	Primary brands, products, and/or services	<a href="#">Our CSR Approach</a>
G4-5	Location of organization’s headquarters	Lexington, KY
G4-6	Countries of operation	<a href="#">Our CSR Approach</a>
G4-7	Nature of ownership and legal form	<a href="#">10-K</a>
G4-8	Markets served	<a href="#">Our CSR Approach, 10-K</a>
G4-9	Scale of the reporting organization	<a href="#">10-K</a>

## GRI // Global Reporting Initiative Content Index

Profile	Description	Reference
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### General Standard Disclosures (continued)

#### Organizational Profile

G4-10	Total workforce by employment type, gender, employment contract and region	<a href="#">Diversity &amp; Inclusion</a>
G4-11	Percentage of total employees covered by collective bargaining agreements	Specific to North America employee population, including VIOC, 1.4% of employees are covered by collective bargaining agreements.
G4-12	Describe the organization's supply chain	<a href="#">Supply Chain Management</a>
G4-13	Significant changes during the reporting period	<a href="#">10-K</a>
G4-14	Whether or how the precautionary approach or principle is addressed by the organization	Valvoline supports the intent of the Precautionary Principle with regard to risk management. We have established formal programs throughout our organization to identify potential impacts from risks and develop appropriate action plans to mitigate those risks. Our risk management program covers all aspects of our operations—from design of our operations and product development and production through the distribution of our products to our customers.
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	<a href="#">External Commitments</a>
G4-16	Memberships in associations and/or advocacy organizations	<a href="#">External Commitments</a>

#### Identified Material Aspects & Boundaries

G4-17	Entities included in the organization's consolidated financial statements	<a href="#">10-K Schedule 1</a>
G4-18	Process for defining the report content	<a href="#">About this Report</a>

## GRI // Global Reporting Initiative Content Index

Profile	Description	Reference
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### General Standard Disclosures (continued)

#### Identified Material Aspects & Boundaries (continued)

G4-19	List material aspects identified	<a href="#">About this Report</a>
G4-20	Aspect boundary within the organization	<a href="#">About this Report</a>
G4-21	Aspect boundary outside the organization	<a href="#">About this Report</a>
G4-22	Explanation of any re-statements of information in earlier reports	None
G4-23	Significant changes from previous reporting periods	None

#### Stakeholder Agreement

G4-24	List of stakeholder groups engaged by the organization	<a href="#">About this Report</a>
G4-25	Basis for identification and selection of stakeholders with whom to engage	<a href="#">About this Report</a>
G4-26	Approaches to stakeholder engagement	<a href="#">About this Report</a>
G4-27	Key stakeholder topics and concerns and organization response	<a href="#">About this Report</a>

## GRI // Global Reporting Initiative Content Index

Profile	Description	Reference
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### General Standard Disclosures (continued)

#### Report Files

G4-28	Reporting period	<a href="#">About this Report</a>
G4-29	Date of the most recent previous report	<a href="#">About this Report</a>
G4-30	Reporting cycle	<a href="#">About this Report</a>
G4-31	Contact point for questions regarding the report or its contents	<a href="#">About this Report</a>
G4-32	Table identifying the location of the Standard Disclosures in the report	<a href="#">About this Report</a>
G4-33	Policy and practice with regard to external assurance for the report	<a href="#">About this Report</a>

#### Governance

G4-34	Governance structure of the organization	<a href="#">Governance, Proxy (page 16-19)</a>
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	<a href="#">Governance, Proxy (page 16-19)</a>
G4-36	Executive-level position with responsibility for economic, environmental and social topics	<a href="#">Governance</a>
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	<a href="#">Governance, Proxy (page 17-21)</a>

## GRI // Global Reporting Initiative Content Index

Profile	Description	Reference
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### General Standard Disclosures (continued)

#### Governance (continued)

G4-38	Composition of the highest governance body and its committees	<a href="#">Governance, Proxy (page 16)</a>
G4-39	Report whether the chair of the highest governance body is also an executive officer and, if so, his or her function within the organization's management and the reasons for this arrangement	<a href="#">Governance, Proxy (page 16)</a>
G4-40	Nomination and selection processes for the highest governance body and its committees	<a href="#">Governance, Proxy (pages 17-19, 23)</a>
G4-41	Processes in place for the highest governance body to ensure conflicts of interest are avoided	<a href="#">Governance</a>
G4-42	The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	<a href="#">Governance, Proxy (pages 16-21)</a>
G4-43	The measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	<a href="#">Governance, Proxy (pages 16-21)</a>
G4-44	Process for the evaluation of the highest governance body's performance particularly with respect to economic, environmental and social performance	<a href="#">Governance, Proxy (pages 16-21)</a>
G4-45	The highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities	<a href="#">Governance, Proxy (pages 16-21)</a>
G4-46	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	<a href="#">Governance, Proxy (pages 20-21)</a>

## GRI // Global Reporting Initiative Content Index

Profile	Description	Reference
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### General Standard Disclosures (continued)

#### Governance (continued)

G4-47	The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	<a href="#">Governance, Proxy (page 17), Audit Committee Charter</a>
G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered	<a href="#">Governance, Proxy (page 17-21)</a>
G4-49	Process for communicating critical concerns to the highest governance body	<a href="#">Governance, Proxy (page 17-21)</a>
G4-50	The nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	<a href="#">Governance</a>
G4-51	Remuneration policies for the highest governance body and senior executives	<a href="#">Governance, Proxy (page 20)</a>
G4-52	Process for determining remuneration	<a href="#">Governance, Proxy (page 29, 50)</a>

#### Ethics and Integrity

G4-56	Describe the organization's values, principles, standards and norms of behavior, such as codes of conduct and codes of ethics	<a href="#">Our CSR Approach, Standards of Business Conduct</a>
G4-57	Internal and external mechanism for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as help lines or advice lines	<a href="#">Our CSR Approach, Standards of Business Conduct</a>
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistle blowing mechanisms or hotlines	<a href="#">Our CSR Approach, Standards of Business Conduct</a>

## GRI // Global Reporting Initiative Content Index

Profile	Description	Reference
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### General Standard Disclosures (continued)

#### Economic Performance

G4-EC1	Direct economic value generated and distributed	<a href="#">Annual Report</a>
G4-EC3	Coverage of the organization's defined benefit plan obligations	<a href="#">10-K</a>

### Environmental

#### Materials

G4-EN1	Materials used by weight or volume	179.7 million gallons FY 2017
G4-EN2	Percentage of materials used that are recycled input materials	7.0% recycled input materials

#### Energy

G4-EN3	Energy consumption within the organization	316,300 MMBTU. Valvoline is continuously seeking out opportunities to reduce energy consumption and greenhouse gases. Our operations and service centers are not energy intensive, therefore, variations in weather tend to overshadow conservation measures. Valvoline's energy usage has trended downward for an extended period of time and in 2017 energy usage is down 4.5%.
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## GRI // Global Reporting Initiative Content Index

Profile	Description	Reference
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### Environment (continued)

#### Water

G4-EN8	Total water withdrawal by source	107,060 cubic meters of total water usage. Valvoline supports water conservation by installing low flow fixtures, monitoring water usage and seeking opportunities to reduce water usage. Valvoline's product manufacturing and operations are not water intensive and rely on municipal water sources. The primary sources of water consumption is sanitation with lessor quantities used for lawn maintenance, cleaning and boilers.
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#### Biodiversity

G4-EN11	Operational sites owned, leased, managed in, or adjacent, to protected areas and areas of high biodiversity value outside protected areas	Valvoline does not own, lease or manage operational sites in or adjacent to protected areas or areas of high biodiversity value outside protected areas. We also do not own, lease or manage operational sites in areas where habitat restoration has occurred or in habitat protected areas. Nor do our activities result in significant impacts to these types of areas.
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	
G4-EN13	Habitats protected or restored	

#### Emissions

G4-EN15	Direct greenhouse gas emissions (Scope 1)	Total GHG Emissions: 34,980 mt. Direct GHG Emissions*: 10,140 mt. *excludes transportation GHG emissions
G4-EN16	Indirect greenhouse gas emissions (Scope 2)	Indirect GHG Emissions: 24,840 mt.

## GRI // Global Reporting Initiative Content Index

Profile	Description	Reference
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### Environment (continued)

#### Effluent and Waste

G4-EN23	Total weight of waste by type and disposal method	551,800 pounds of overall waste generation <a href="#">Waste Management</a>
G4-EN24	Total number and volume of significant spills	None
G4-EN25	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII and percentage of transported waste shipped internationally	None

#### Products and Services

G4-EN27	Initiatives to mitigate environmental impacts of products and services	<a href="#">Product Stewardship</a>
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	Valvoline purchased 161 million rigid plastic containers made up of 26.6 million pounds of plastic with 6.7 million of these pounds, or 25%, being Post Consumer Resin Content.

#### Compliance

G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Confirmed there were no significant fines
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## GRI // Global Reporting Initiative Content Index

Profile	Description	Reference
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### Environment (continued)

#### Supplier Environmental Assessment Compliance

G4-EN32	Percentage of new suppliers that were screened using environmental criteria	<a href="#">Supply Chain Management</a>
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### Social—Labor & Decent Work

#### Employment

G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employee, by significant location of operation	<a href="#">Workforce Profile</a>
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#### Labor Management Relations

G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	<a href="#">Workforce Profile</a>
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#### Occupational Health and Safety

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	Valvoline currently has 208 employees globally that participate on established safety committees. This equates to 3.7% of the total employee population of the company. <a href="#">Health and Safety</a>
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	As a whole, ergonomic related injuries accounted for 14% of the recordable cases in non-VIOC locations. Slips, Trips, and Falls closely followed with 36% of the overall case load. North America region experienced the most recordable injuries as well as had the highest TRIL rate. Valvoline does not currently track injury data by gender. <a href="#">Health and Safety</a>

## GRI // Global Reporting Initiative Content Index

Profile	Description	Reference
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## Social—Labor & Decent Work (continued)

### Occupational Health and Safety (continued)

G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Noise-induced hearing loss is the only type of occupational disease that has been experienced by Valvoline, primarily impacting manufacturing employees. Seasonal heat stress is the primary cause of occupational illness at Valvoline, primarily impacting VIOC employees. <a href="#">Health and Safety</a>
G4-LA8	Health and safety topics covered in formal agreements with trade unions	Valvoline does not collect this information at this time. All of our employees are covered by Valvolines's safety programs.

### Training and Education

G4-LA9	Average hours training per year per employee by gender, and by employee category	VIOC delivers 233 hours of training per year per hourly employee. There is no gender variation. Management receives 12 hours on average. <a href="#">Workforce Profile</a>
G4-LA10	Programs or skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	<a href="#">Workforce Profile</a>
G4-LA11	Percentage of employees receiving regular performance and career development reviews by gender and employee category	We require one hour and twenty minutes of on-line compliance learning every year for every employee, most of which touches on these issues. Managers receive four hours of training in this category.
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	<a href="#">Supply Chain Management</a>

## GRI // Global Reporting Initiative Content Index

Profile	Description	Reference
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### Human Rights

#### Investment

G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	<a href="#">Workforce Profile</a>
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#### Freedom of Association and Collective Bargaining

G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	<a href="#">Workforce Profile</a>
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#### Child Labor

G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	<a href="#">Workforce Profile</a>
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#### Forced or Compulsory Labor

G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	<a href="#">Workforce Profile</a>
G4-HR8	Total number of incidents of violations involving rights of indigenous people and actions taken	Valvoline has no violations
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	<a href="#">Supply Chain Management</a>

## GRI // Global Reporting Initiative Content Index

Profile	Description	Reference
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## Society

### Local Communities

G4-S01	Percentage of operations with implemented local community engagement, impact assessments and development programs	Valvoline requires all plants and facilities with 10 or employees to annually assess and develop a community engagement plan.
G4-S02	Operations with significant potential or actual negative impacts on local communities	None

### Anti-Corruption

G4-S04	Communication and training on anti-corruption policies	<a href="#">Ethics and Compliance</a>
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### Public Policy

G4-S06	Total value of political contributions by country and recipient/beneficiary	Valvoline made no political contributions in fiscal year 2017
G4-S09	Percentage of new suppliers that were screened using criteria for impacts on society	<a href="#">Supply Chain Management</a>

## GRI // Global Reporting Initiative Content Index

Profile	Description	Reference
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## Product Responsibility

### Customer Health and Safety

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	All of Valvoline's lubricants and chemical products are evaluated for health, safety and environmental impact as part of our new product design, testing, and implementation processes.
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## GRI // Report Information

### // About This Report

We prepared this report in accordance with the Global Reporting Initiative (GRI) G4 Reporting Guidelines for core reports. This is our second GRI report and it documents October 1, 2016, through September 30, 2017. We plan to publish our reports online annually. Valvoline has not obtained external assurance for the development of this CSR report. However, Valvoline has rigorous internal policies and practices that provide assurance about the accuracy of the content of this report.

### Report Scope and Boundaries

This report covers all of our operating units, 100 percent of our leased and owned facilities, and 100 percent of our workforce in the regions in which we operate, unless otherwise noted. It also covers joint ventures and subsidiaries that are part of our business segments.

### // Material Boundaries

#### How We Chose What to Include in Our Report

Valvoline's CSR Report contains information on the company's performance in the following areas: environmental stewardship, social, health and safety, product stewardship, community development and economic performance. This report includes information on our majority-owned operations where Valvoline operates. The company's stakeholders include employees, customers, suppliers, owners, contractors, business partners, governmental and non-governmental organizations, unions, industry colleagues and the communities where we operate.

Our stakeholders help shape our businesses and contribute to our overall success. We strive to be transparent with regard to our activities and operations, and we engage with our stakeholders on their issues of concern in a manner that is positive and constructive.

Throughout the year we respond to many direct requests from our stakeholders regarding the company's environment, health and safety and social responsibility policies, programs and performance.

Our primary audience for this report includes, but is not limited to, the following stakeholders:

- Current shareholders and prospective investors;
- Current and prospective employees seeking to work for a sustainability-minded company;
- Communities where we operate that want to understand how we manage and operate our business as a responsible corporate citizen;
- Suppliers with whom we partner, who are critical to our operations; and
- Governmental and non-governmental agencies that have an interest in our business and operations.

#### Materiality

This is Valvoline's first CSR report and we are striving to develop a formal process to determine our material aspects, in accordance with the GRI guidelines, our management systems, goals and objectives and their importance to our stakeholders.

In addition to reporting on these material aspects, we continue to provide relevant information on many other topics to meet the needs of our diverse stakeholders.

[Material Aspects table](#)→

### // Engaging Stakeholders

Stakeholder engagement at Valvoline is an ongoing activity, occurring at all levels of our organization. Valvoline seeks to establish and maintain productive relationships with all of its key stakeholders, encompassing employees, customers, suppliers, government officials, investors and residents of communities in which Valvoline operates.

Valvoline gathers specific feedback from internal sources to better understand how the company interacts with its key stakeholders. Feedback is obtained from departments such as sales and marketing within each business, corporate environmental, health and safety, procurement and logistics, investor relations, and corporate communications.

This analysis is conducted on an ongoing basis throughout the company. The table below summarizes some of the many stakeholder engagement practices. Although it is not inclusive of all stakeholder engagement practices, it summarizes the core elements how Valvoline engages stakeholder groups on topics of interest.

[This table summarizes who we engage with and how](#)→

Your feedback is welcome and appreciated. Please address any questions or comments about our CSR report to [csr@valvoline.com](mailto:csr@valvoline.com).

