

ASSET PROTECTION

PEOPLE | PROPERTY | REPUTATION

March 10-13, 2013

Pointe Hilton Tapatio Cliff | Phoenix, AZ.





Stop the Madness!



Safety for the 21st Century and Beyond

John Slager, Kroger Co.

Vic Alvarado III, Unified Grocers Inc.

Komilla John, Wakefern

Mike Bowers, Harris Teeter

Mike Bowers



- Harris Teeter, Inc.
- 211 stores
- 2 warehouses, 1 dairy
- Upscale presentation
- Operate in 8 states and Washington, DC



John Slager

20+ years in Risk Management, Safety, Retail

Kroger Company

- 2,400+ Grocery Retail Stores
(Union Affiliated)
- 790+ C-Stores
- 1,000+ Fuel Centers
- 348 Jewelry Stores
- 34 Distribution Centers
- 39 Manufacturing Facilities
- 340,000+ Associates
- 31 States



Vic Alvarado III

- Unified Grocers Inc.
- 26 years in Safety, Risk Management
- 13 Grocery/DC safety
- Insurance Specialty



About Unified Grocers, Inc.

Founded in 1922, Unified Grocers is a retailer-owned wholesale grocery distributor that supplies independent retailers throughout the western United States. Unified and its subsidiaries, which generated approximately \$3.8 billion in sales during fiscal 2012, offer independent retailers all the resources they need to compete in the supermarket industry.



Komilla John

- Corporate Safety Manager for Wakefern Food Corp.
- 13 years in occupational safety and health
- Cooperative with a unionized workforce at wholesale and retail locations
- 8 Distribution centers, 298 stores
- Operate in 7 states



We will cover

Paradigms

A light blue downward-pointing arrow indicating a flow from Paradigms to Customs.

Customs

A light orange downward-pointing arrow indicating a flow from Customs to Values.

Values

Paradigms

Set of rules which determine what problems are important and how you go about solving them

Customs

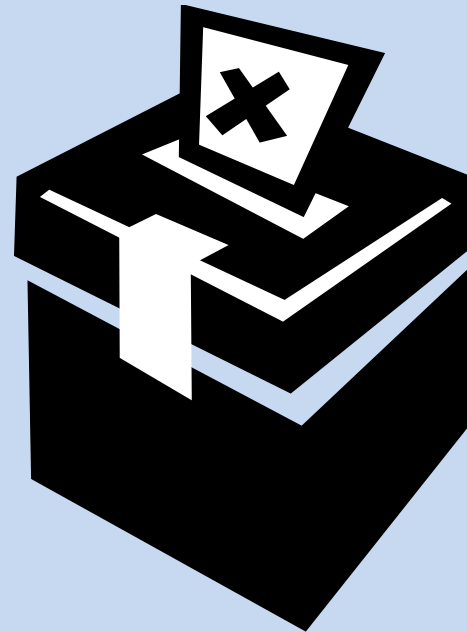
Customs are traditional and widely accepted way of behaving or doing something that is specific to a particular society, place, or time.

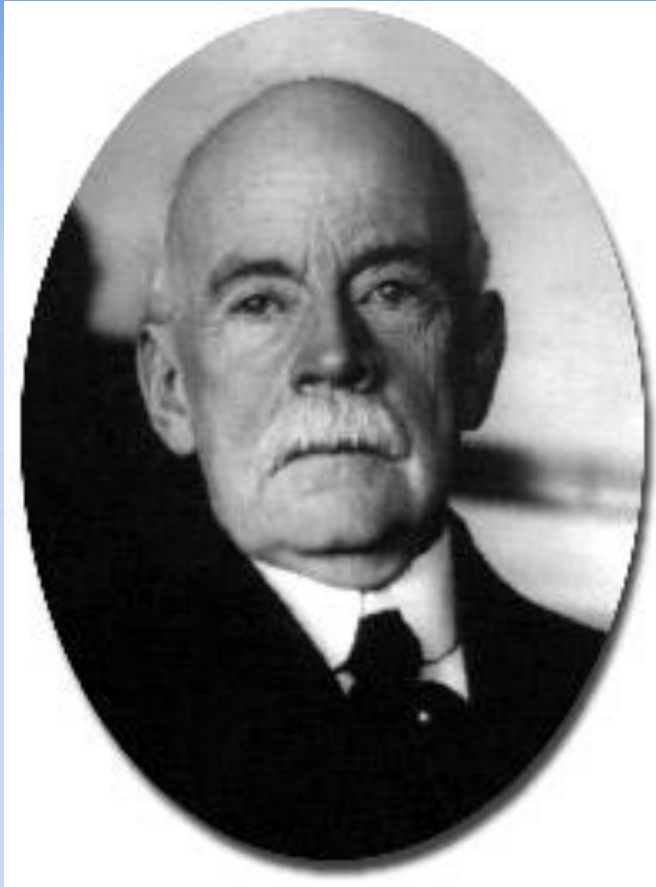
Values

Values are core beliefs that guide and motivate attitudes and actions

Audience Poll

What are some of the things that prevent companies from changing their safety customs?





“Everything that can be
invented has been invented.”

Charles H. Duell, U.S.
Commissioner of Patents, 1899

High Level Paradigms

We must recognize our own paradigms before
we can help others

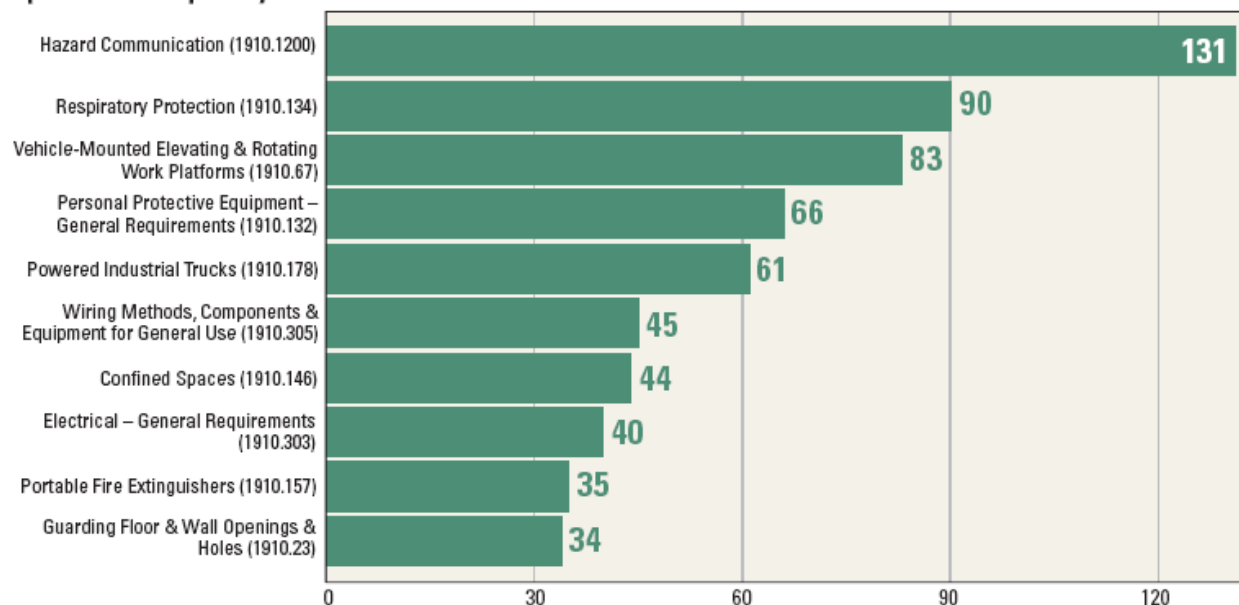
High Level Paradigms



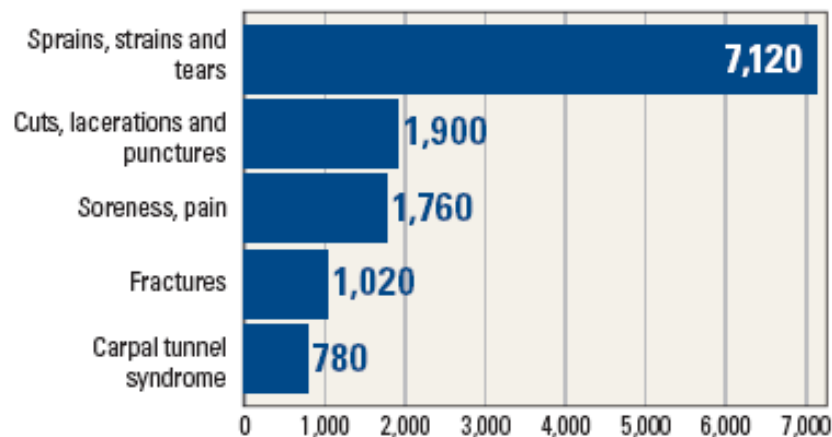
What's OSHA
doing now???

You mean in
the last five
minutes?

Top 10 most frequently cited OSHA standards – Business services

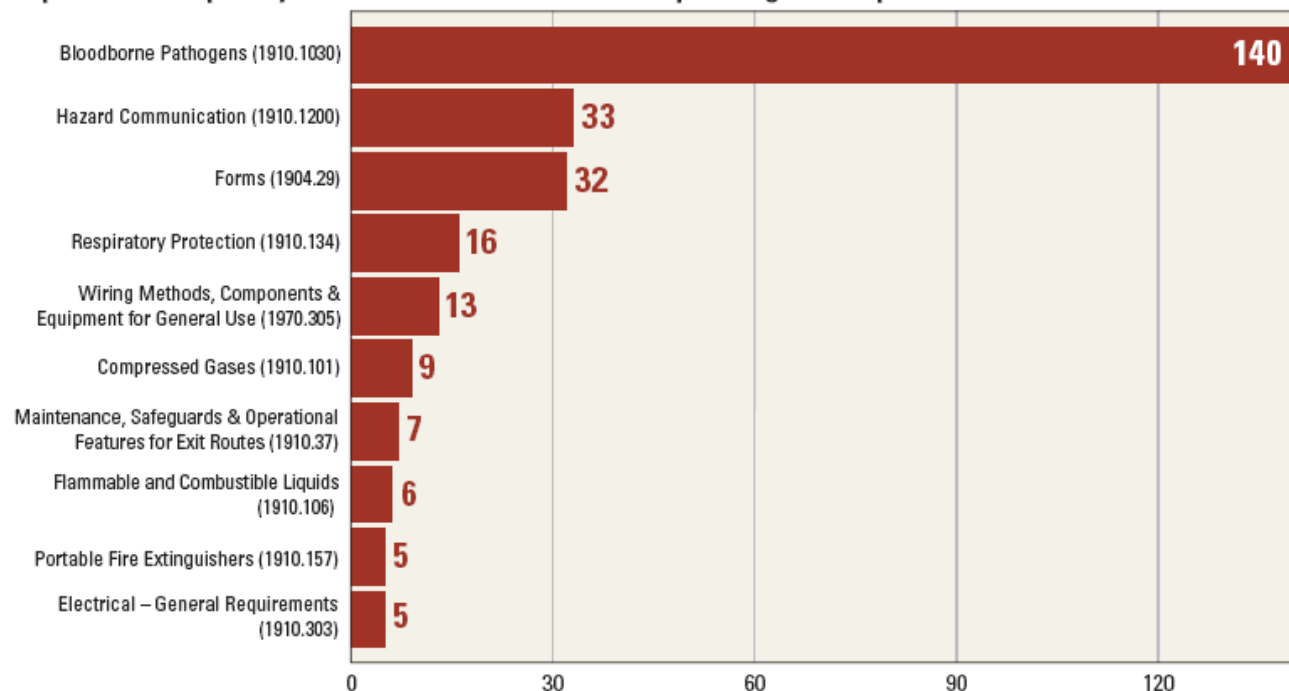


Top 5 types of injury or illness

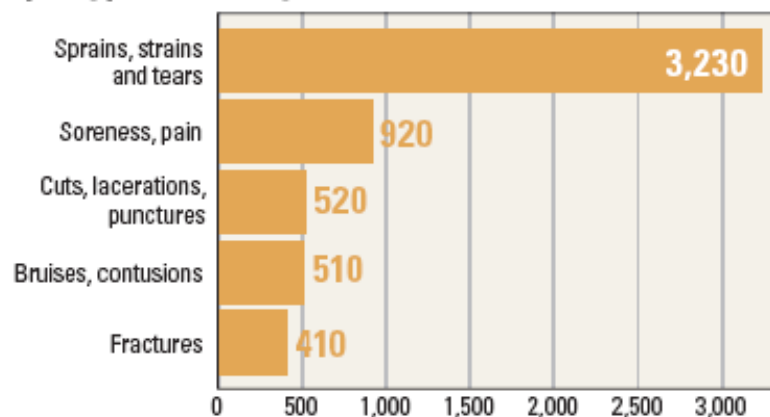


Source: *Safety + Health*,
Vol. 182 No.5

Top 10 most frequently cited OSHA standards – Local passenger transportation



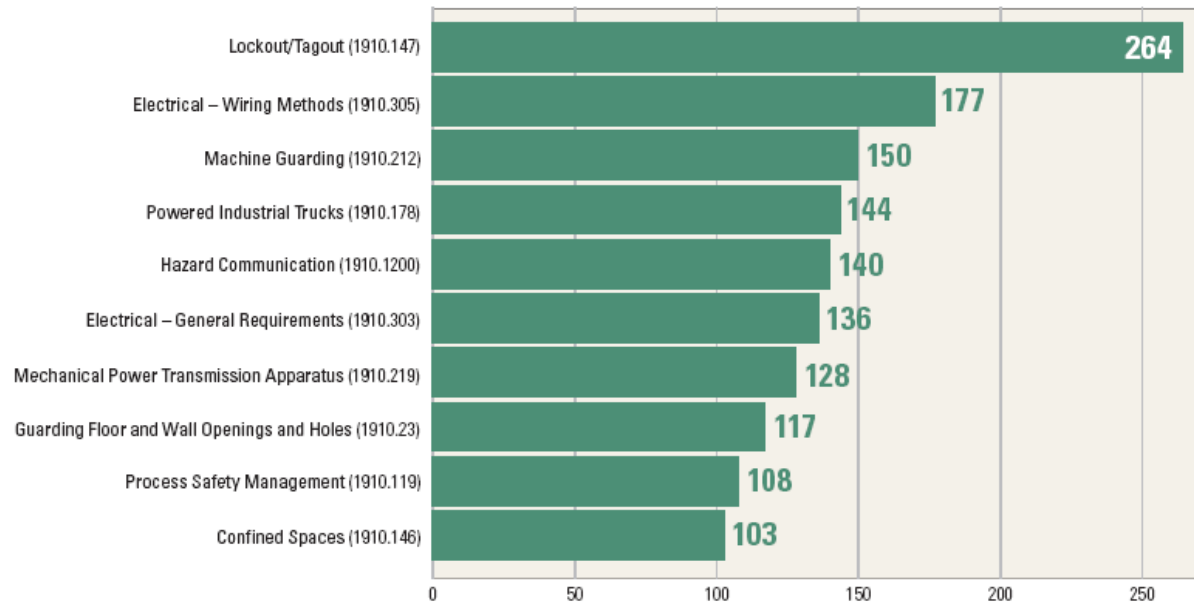
Top 5 types of injury or illness



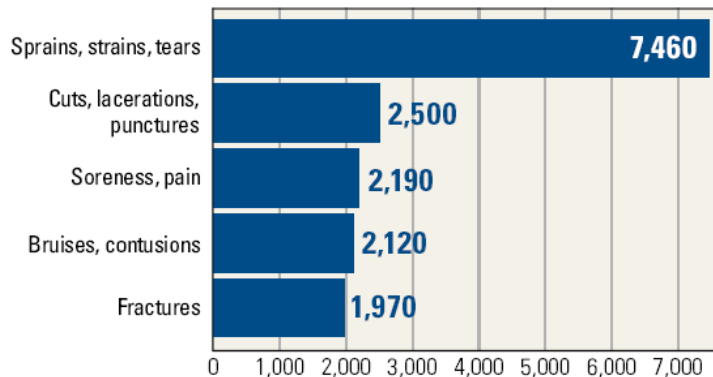
Source: BLS, using NAICS 485 data from 2008

Source: *Safety + Health*,
Vol. 182 No.9

Top 10 most frequently cited OSHA standards – Food and kindred products

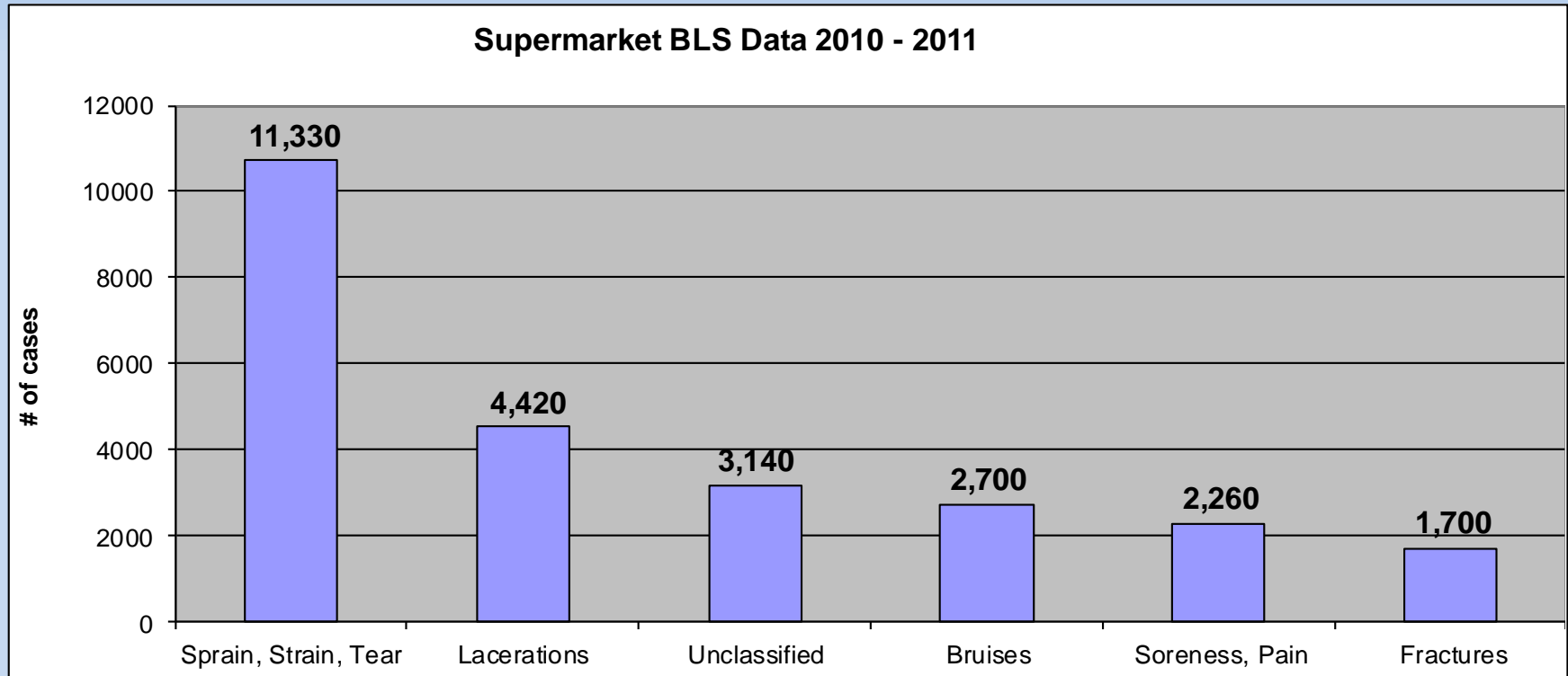


Top 5 types of injury or illness



Source: *Safety + Health*,
Vol. 182 No.2

Lost Time Injuries





5411 Grocery Stores

Listed below are the standards which were cited by **Federal OSHA** for the specified SIC during the period October 2011 through September 2012. Penalties shown reflect current rather than initial amounts. For more information, see [definitions](#).

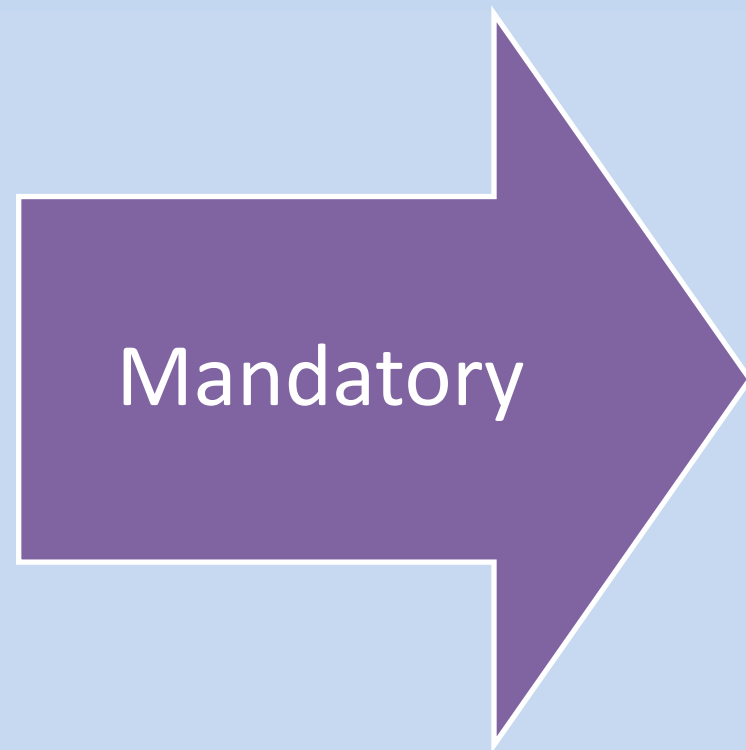
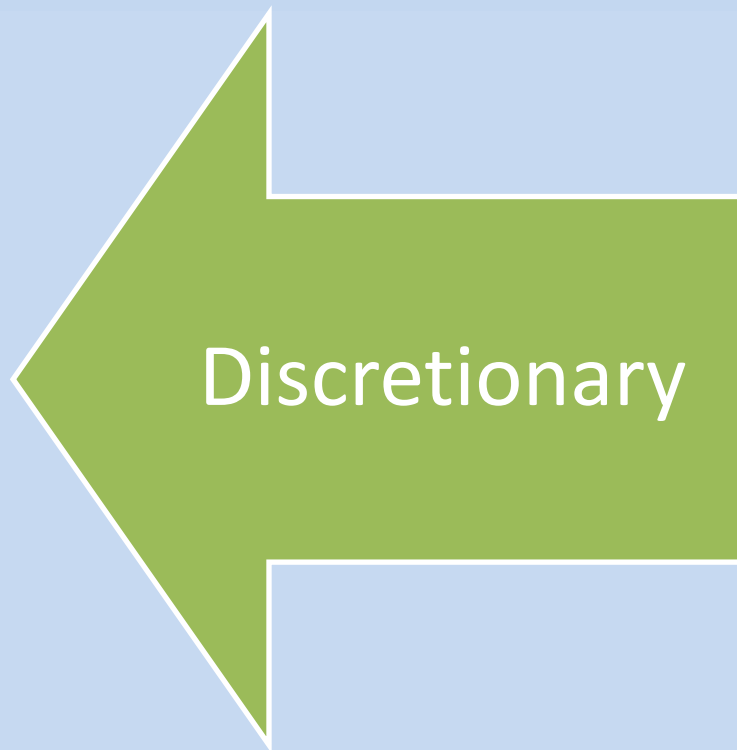
Standard	#Cited	#Ins	\$Penalty	Description
Total	41	13	82318	
19100147	5	3	6125	The control of hazardous energy (lockout/tagout).
19100178	5	3	10760	Powered industrial trucks.
5A0001	4	4	16025	
19100303	3	3	7000	General requirements.
19100333	3	1	7000	Selection and use of work practices
19100212	2	2	7750	General requirements for all machines.
19100335	2	1	0	Safeguards for personnel protection.
19040007	1	1	750	General recording criteria.
19040032	1	1	0	Annual summary.
19040039	1	1	3500	
19040040	1	1	0	
19100022	1	1	0	General requirements.
19100023	1	1	3780	Guarding floor and wall openings and holes.
19100037	1	1	0	Maintenance, safeguards, and operational features for exit routes.
19100132	1	1	4125	General requirements.
19100133	1	1	0	Eye and face protection.
19100138	1	1	0	Hand Protection.
19100145	1	1	1000	Specifications for accident prevention signs and tags.

\$82,318

High Level Paradigms

- Our custom is to be very focused on OSHA
- We have gotten good at regulatory compliance
- Efforts are centered on policies

Types of Safety Programs



Discretionary Safety Programs



The slicer fence prevents the product from wobbling

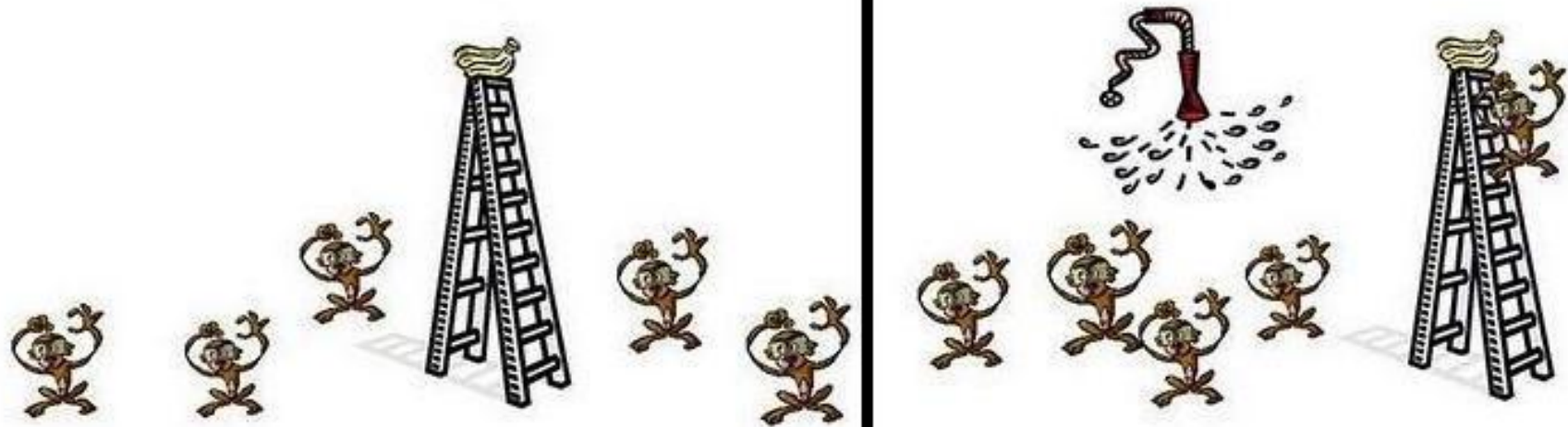


Breaking Paradigms

“...but there was a long line of customers”

– What is the associate really saying?

Paradigms



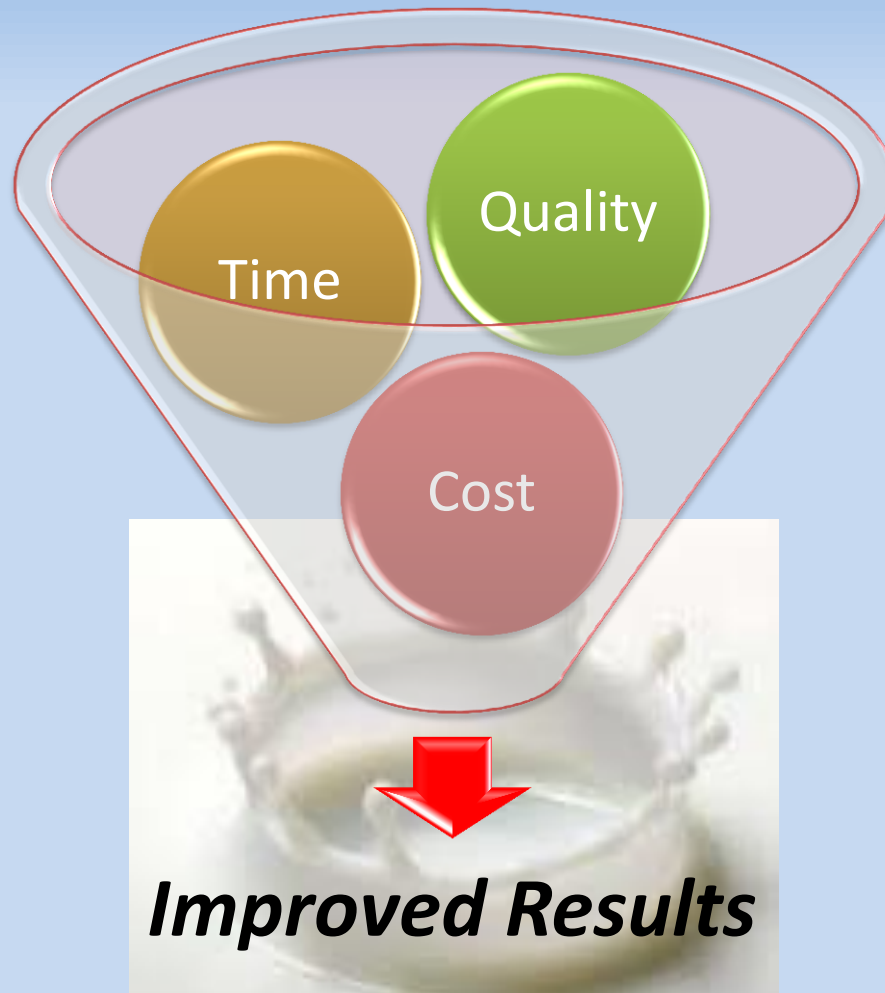
Beliefs that cause accidents

- “Accidents just happen”
- “I don’t have time to focus on safety”
- “People don’t like being preached to about safety”
- “Safety slows us down”

Audience Poll

- What are some of the things that prevent companies from changing their safety customs?

Barriers to Improvement

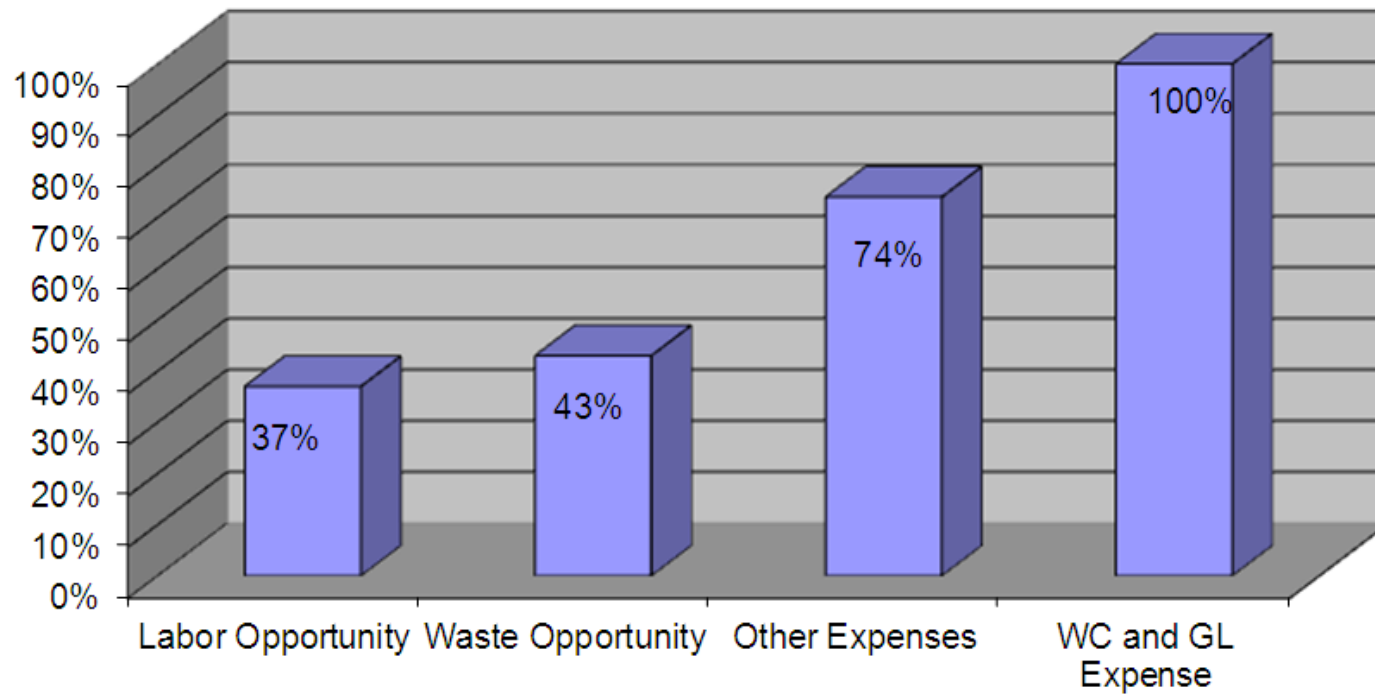


Removing Barriers

- Whenever we think the problem is out there, that very thought is the problem.
 - Dr. Steven Covey

Safety - The Cost

1 Year Expense Opportunity Dollars (Index)



Paradigms

Customs

Values



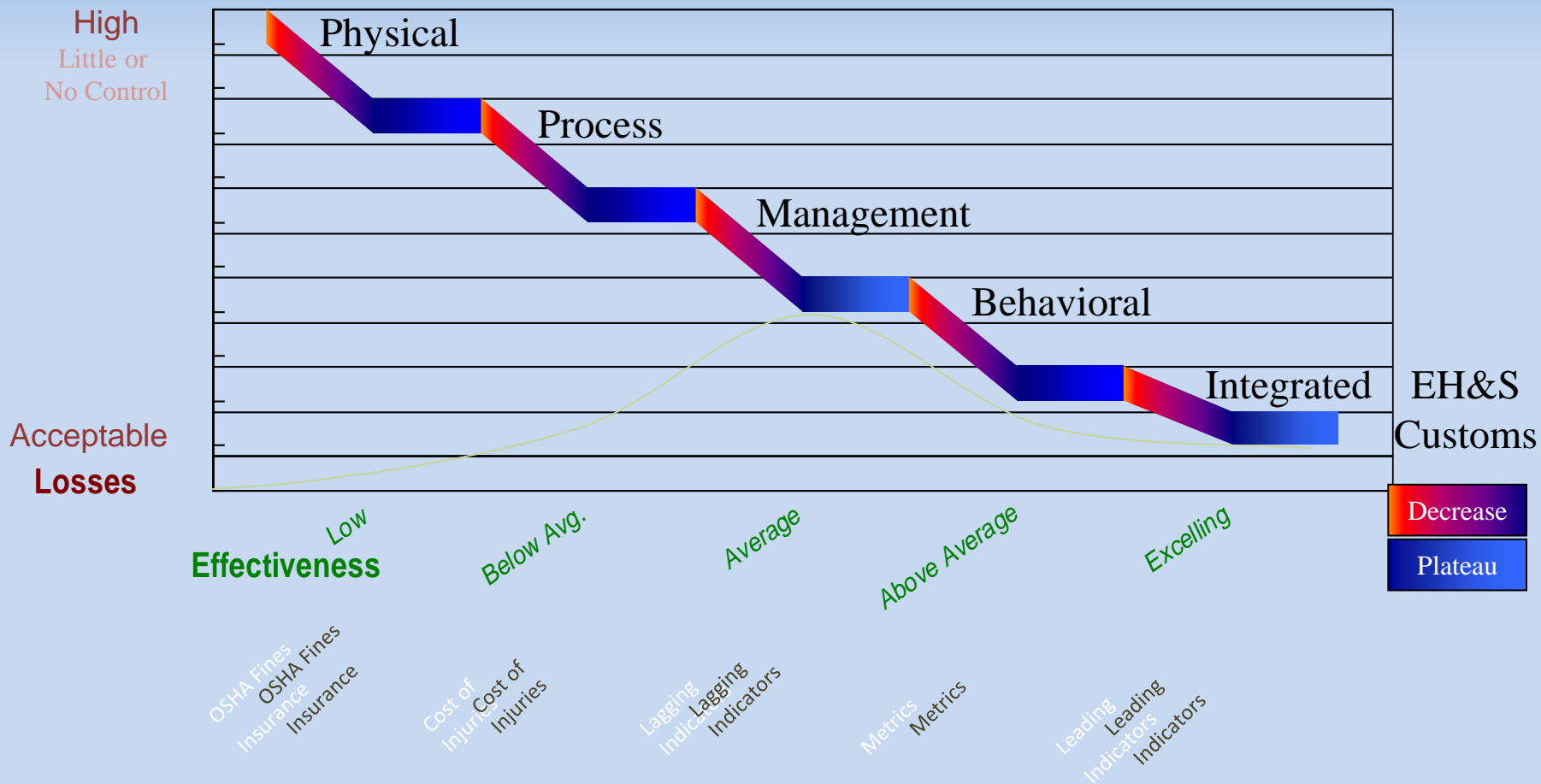
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Control-Effectiveness Theory



"A company's effectiveness at controlling losses is proportional to the type of effort."



Changing Safety Customs



Moving Customs to Values



Enhancing Custom Change

SAFETY CREED

Safety is equal to service, sales, profit, productivity, quality, costs and sanitation”.

Kroger Co. will provide a safe and healthy environment for the protection of resources, our associates and customers. The safety of our customers shall be of the greatest value to all levels of management and supervision, ranking equal to service, sales and profit, productivity, quality, costs and sanitation.

The company's basic philosophy is that all personal injuries can and must be prevented. All associates at every level are responsible for their own safety and for the safety of those with whom they work. There will be no place in the organization for an unsafe associate.

The company will maintain a vigorous safety culture at each location and allocate the resources necessary to assure a safe and healthful environment. We will continually evaluate and improve until our safety performance becomes the Standard for Excellence. We will meet our goals through the continuous education, training and involvement of every Kroger associate, encouraging the promotion of safe work practices among all.

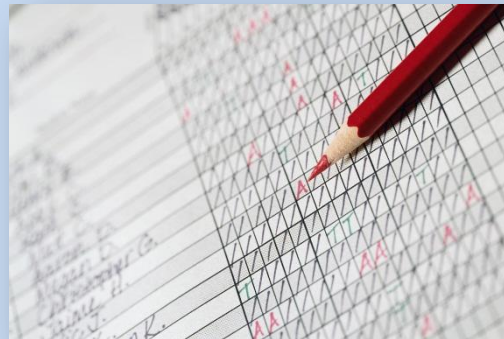
Recognizing that our associates and customers are the company's most important assets, we will develop a culture that reduces accidents to zero.



Accountability



- We should never discipline for an injury
- We should always discipline for non-conformance to a safety requirement



How do you enhance Customs?

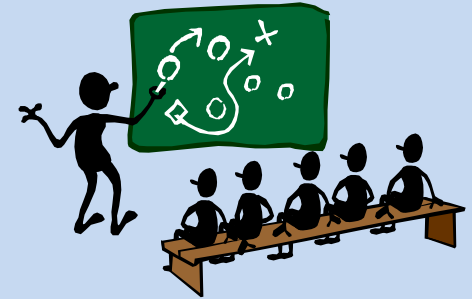
- You have to know what they are
- Understand that changing a custom means changing behavior



Drive Safety to the Front Line

- Align safety performance with department manager accountability

WHY?



- Coach and Teach
- Observe Associates While They Work
- Provide Feedback to Associates
- Are Role Models

Train, Coach, Teach



Learn, Repeat, Retain



- A----Activators
- B----Behavior
- C----Consequences



Prevention

”LET’S BE CLEAR”

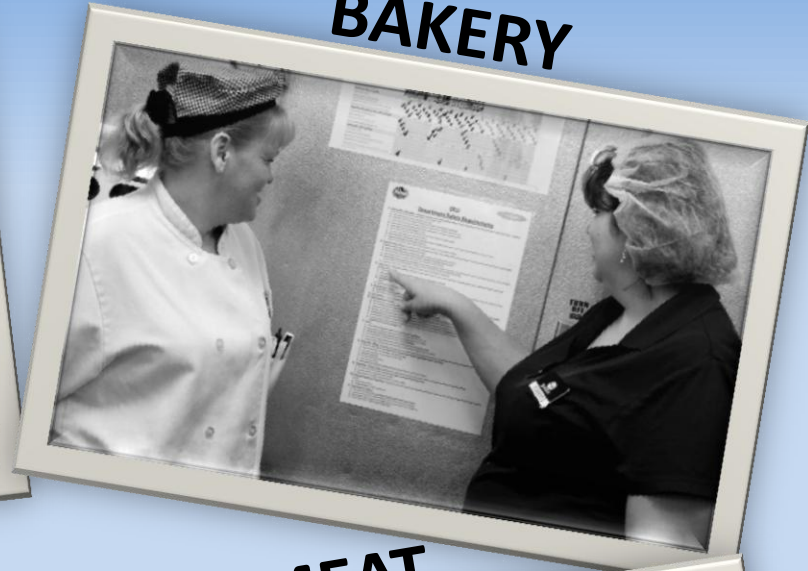
- Responsibility for the Department Safety Performance is directed to the Department Managers in each store.
- Department Managers are accountable for the Department Safety Requirements and the Safety Standards of the company.
- Store Managers are accountable for the safety performance of their store.
- Associates not following these safety requirements will be required to provide an answer for why they were not followed.

SAFETY REQUIREMENTS

DELI



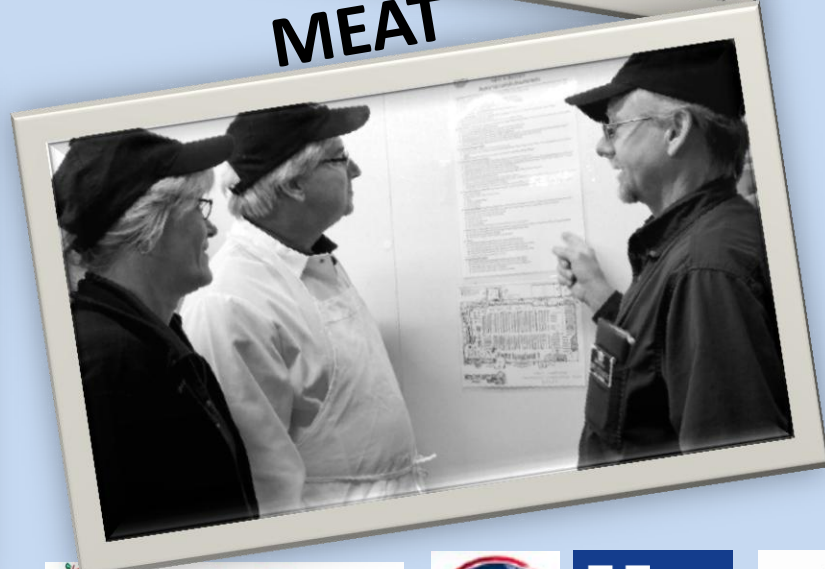
BAKERY



PHARMACY



MEAT



SAFETY AWARENESS TOOLS

Step Stools

Step Stool Safety Awareness

STEP STOOL USE

- Company approved Step Stools or Ladders should be used. Product above shoulder level.
- Associates must inspect step stools and ladders before use.
- Associates must use the proper step and 4-step ladders.
- Department Manager and Labels
- All Ven product
- Milk crates, ladders or

Folding Ladders

- Ensure the ladder is not to use.

Fixed Step Stools

- Ensure the rubber tips are when in use.
- Ensure the spring loaded bar order.

All employees at every level are responsible for their own safety and the safety of those with whom they work.

Date _____ Department _____

I have reviewed Step Stool Safety Awareness with my Department Manager. I agree that I will follow these requirements in my work and that I share in the responsibility for my safety and the safety of all associates and customers. I understand if I fail to follow the above safety guidelines I will be subject to disciplinary action up to and including termination.

Print Name _____

1. _____
2. _____
3. _____

Please return this completed form to your Department Manager

Slip, Trip, Fall

The most frequent customer accident is a slip, trip or a fall caused by something on the floor. Employees are required to maintain a clean and orderly work area.

Prevention

- Clean up spills immediately.
- Pick up objects and debris.
- Keep floors clean and dry.
- Be aware of your surroundings with a clear path or travel.
- Remove items interfering with a clear path or travel.

Spilled Liquids

- Identify the liquid. If it's a chemical, call the manager.
- Do not leave the spill unattended.
- Ask another employee to watch the spill.
- Clean up spilled liquids right away.

Trip Hazard / Slip Surfaces

- Damaged ties, potholes in parking lots, etc.
- Be aware of your surroundings.
- Use the proper walking technique.
- Report potholes to the manager.
- Use approved shoes.

Every employee is responsible for their own safety and the safety of those with whom they work.

Date _____ Department _____

I have reviewed Slip, Trip, Fall Safety Awareness with my Department Manager. I agree that I will follow these requirements in my work and that I share in the responsibility for my safety and the safety of all associates and customers. I understand if I fail to follow the above safety guidelines I will be subject to disciplinary action up to and including termination.

Print Name _____

1. _____
2. _____
3. _____
4. _____
5. _____

Please return this completed form to your Department Manager

Shopping Cart

Shopping Cart Safety Awareness

- No more than six (6) carts shall be retrieved at any one time. Cart "train" carts are not allowed.
- A cart strap must be used when pushing more than one cart.
- A reflective vest must be worn at all times while retrieving carts from the parking lot.
- Extreme care should be taken to observe and avoid traffic while retrieving carts from the parking lot.
- Child seat belts in the shopping carts shall be inspected regularly and, if damaged or unsafe, the cart removed from service.
- Damaged or unsafe carts should be removed from service and labeled for repair.
- Keep control of Shopping Carts at all times. Care should be taken to avoid collisions with carts.
- Cell Phones and music playing devices are expressly prohibited while operating a cart.
- Running with a cart or using one as a scooter is prohibited.
- Debris in and around carts shall be cleaned up and disposed of in the proper manner.
- Caution should be used when loading merchandise into vehicles. Carts should be stable and will remain open while loading merchandise.
- Parking lots and sidewalks shall be monitored continuously for hazards to a supervisor or Store Management immediately.

All employees at every level are responsible for their own safety and the safety of those with whom they work.

Date _____ Department _____

I have reviewed Shopping Cart Safety Awareness with my Department Manager. I agree that I will follow these requirements in my work and that I share in the responsibility for my safety and the safety of all associates and customers. I understand if I fail to follow the above safety guidelines I will be subject to disciplinary action up to and including termination.

Print Name _____

1. _____
2. _____
3. _____
4. _____
5. _____

Please return this completed form to your Department Manager

Dairy Cooler

Dairy Cooler Safety Awareness

- A visual inspection of the floor must be completed prior to moving the Dairy racks. The floor must be clear of debris before moving racks, sweep as necessary.
- Milk and Dairy racks on wheels are only moved to clean the dairy cooler floor when necessary.
- Be aware of dips, pits, or uneven floor surface.
- It is recommended that Dairy racks only be moved by two individuals, one on each side. Never stand in front of a moving rack.
- If two individuals are not available, the single person must move the rack from the back. Always use extreme caution when moving racks.
- Due to the size and weight of the milk/dairy racks, please limit such movement of the racks to employees 18 years of age and older.
- At no time should a rack be removed from the dairy cooler with product on it.
- Milk crates should not be stacked more than 5 crates high.

All employees at every level are responsible for their own safety, and for the safety of those with whom they work.

Date _____ Department _____

I have reviewed Dairy Cooler Safety Awareness with my Department Manager. I agree that I will follow these requirements in my work and that I share in the responsibility for my safety and the safety of all associates and customers. I understand if I fail to follow the above safety guidelines I will be subject to disciplinary action up to and including termination.

Print Name _____

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

Signature _____

Please return this completed form to your Department Manager

KEY ROLES

Execution



Determines Your Results!

Old Paradigms, Customs & Values

- 85% of accidents are caused by unsafe acts
- We are safe because we are compliant with OSHA regulations
- Employees lack the motivation to be safe at work
- To prevent accidents, we must change behavior
- Employees must be told what to do

Shifting Paradigms

*The beatings
will continue
until morale
improves!*



What if...

- Accidents were symptoms of system failure?
- Money or reward wasn't the biggest motivator for safe behavior?
- Employees were the major architects of safety policies in your workplace?



THE WALL STREET JOURNAL

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WWW.JOURNAL.COM

Stop the Madness in Phoenix! FMI Brings Safety into the 21st Century

By Tom Ichniowski,
David S. Schwartz
And Amanda Linn

They crowded through the U.S. Federal Reserve on Wednesday, all eyes on a Fed chief who would lead the world's most powerful central bank.

Bankers crowded, investors grew silent, and the Fed's chief would lead the world's most powerful central bank. The Fed's chief would lead the world's most powerful central bank.

The chief would lead the world's most powerful central bank. The Fed's chief would lead the world's most powerful central bank.

The desperation was especially striking in the market for U.S. government debt, long considered the safest of investments. At one point during the day, investors were willing to pay more for overnight Treasury bills than they would expect to get back when the bills matured. Some investors, in an ironic twist, had decided that a short-term Treasury bill was better than the uncertainty associated with other types of investments.

There's never happened before in the history of the U.S. government debt market. It was the first time since 1929 that the Treasury Department had to sell U.S. Treasury bills at a discount to face value.

"We're in a crisis. We're in a crisis. We're in a crisis."

Joseph Blomstein, a portfolio manager at Federated Investors, says "it's just crazy."

A 440-point rally took the Dow Jones Industrial Average to its lowest level in almost three years, ending at 12,800.96, down 440.18 points from its peak of 13,241.11 on Tuesday. The rally was the second highest in history, taking just one of the four days of the rally.

In Europe, stock markets fell roughly 2% of their value. In Asia, the Tokyo Nikkei 225 fell 1.5%, ending at 14,000.00, down 210.00 points from its peak of 14,210.00 on Tuesday.

"Forget about retail investors, all the pros are scared," says one trader. "People have to see where to put their money."

For now, "I just have cash, and I'm going to get it in the short term, most liquid money I can," says Steve Van Oort, chief executive officer for Calvert Asset Management.

Adding to the fear was a loss in a prominent money market fund, the Fidelity Primary Fund, which held Lehman Brothers debt. It was the first time since 1929 that a fund, which is supposed to be as safe as a bank account, had lost money. The fund lost \$1.1 billion in value on Tuesday. Over the next days, other funds lost money.



In a stark sign of the severity of the crisis, investors poured money into Treasury bills, one of the safest investments. Wednesday, yields hit their lowest level since the 1930s, as the premium on security rose sharply.

Morgan Stanley in Talks With Wachovia, Others

By Aaron Levkovitz,
Barbara Slom
And Jeremy Schneider

Morgan Stanley sought shelter from the growing financial crisis Wednesday, seeking preliminary merger talks with Wachovia Corp. and other banks as a way to strengthen its balance sheet.

After a late-afternoon Morgan Stanley share price tumbled down 10%, or 10%, to \$21.75, Goldman Sachs Group, the largest U.S. investment bank by market value, also fell 10%, or 10%, to \$21.50.

While the market in these stocks at Morgan Stanley, the new Wall Street banks are both looking for a way to survive. Morgan Stanley has already secured a \$10 billion line of credit from Citigroup, and Wachovia has a \$10 billion line of credit from Citigroup. Morgan Stanley and Goldman Sachs, one of the oldest and most successful investment banks, market confidence weakened in the past 24 hours for firms that were once trusted and admired.

An employee noted in their trading rooms and sales offices, a sense of disbelief among other people who had thought themselves largely insulated from credit-market fears. "The last time I saw, half my net worth was gone," he said.

Reaching Down

Morgan Stanley's share price dropped 10% Wednesday



The perception among investors is that they can no longer rely on other global markets to replace the cash they need to fund their businesses. That has forced the companies to raise money, even higher, which means they will likely be even more heavily exposed to the risk to fund their businesses.

Customers such as Wachovia are perceived as more stable, offering strong liquidity for investment funds to take up with them, as Merrill Lynch did earlier this week with Bank of America Corp. But even the Fed has been on a similar track, such as the large savings and loan crisis.