

MOVE
CREATE
LIVE



Lubrizol

2020 CORPORATE REPORT

ABOUT THIS REPORT

This report comes at a unique time. The COVID-19 pandemic has affected everyone and reinforced how we are all interdependent and connected. It has reminded us that everyone can make a difference, that we have a responsibility to each other, and that business operations can, and should, positively benefit employees, communities and the environment. With that sense of a shared world, we have combined our Company Overview with our Sustainability Report into a comprehensive 2020 Corporate Report.

Lubrizol's 2020 Corporate Report highlights our mission to help the world **Move Cleaner, Create Smarter and Live Better**. This mission is tied to bold goals, further illustrating our commitment to sustainability and improving the world we share. To achieve our mission, we continue to partner with our customers to leverage our science for the benefit of consumers, the environment and the world.

We take a proactive approach to addressing Environmental, Social and Governance (ESG) issues across our global footprint, and strive to embed sustainability into every area of our business. We are proud to share these updates on our progress with you in this report.

Please visit our website, lubrizol.com, to learn more about our business and sustainability efforts. If you have any questions or comments about this report, please contact us at LubrizolCorporateCommunications@Lubrizol.com.

Thank you for your interest in The Lubrizol Corporation.

Sustainability Disclosure Information

This report was issued in May 2020, and it is based on activities that occurred in 2018, 2019 and early 2020 (with dates indicated throughout the report). In addition, we update our sustainability data online at least once a year on our Sustainability Scorecard, which is posted on our website at lubrizol.com/Sustainability/Scorecard.

The sustainability content in this Corporate Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option, and our GRI Index can be found online at lubrizol.com/sustainability/resources/gri-index. We have not sought external assurance for this report. We published our 2017 GRI sustainability report in 2018. Previously, we published corporate citizenship reports for 2015, 2013, 2011, 2009 and 2007. These reports are available on our website.



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COMPANY OVERVIEW



The Lubrizol Corporation, a Berkshire Hathaway company, is committed to enabling a sustainable future. Our unmatched science unlocks immense possibilities at the molecular level, driving sustainable and measurable results to help the world **Move Cleaner, Create Smarter and Live Better**. Our solutions are used by people every day, improving billions of lives around the world.

OUR BUSINESS IS COMPRISED OF TWO SEGMENTS: LUBRIZOL ADDITIVES AND LUBRIZOL ADVANCED MATERIALS

Half of the vehicles on the planet rely on Lubrizol science. Our Lubrizol Additives segment partners with customers, including Original Equipment Manufacturers (OEMs), to address a wide variety of vehicle needs, including improving energy efficiency, reducing emissions, and enhancing engine reliability and durability. We are known the world over for our expertise in helping make internal combustion engines work better – for

passenger cars, commercial vehicles, motorcycles, off-highway vehicles and ships. We are also continuing on our commitment to help create new formulations for electrical systems and battery applications to serve the growing hybrid/electric vehicle market.

For industrial applications, Lubrizol additives are used for hydraulic, industrial gear, turbine, grease, metal processing and metal protection applications – helping those operations run efficiently and ensuring machine reliability and durability. Our products also are involved in practically every step of the food processing and cold-chain storage

transportation industry. Finally, our diverse industrial fluids are hard at work in your home, ensuring you have a comfortable living space and fresh food as part of your refrigerators and air conditioners, and we bring efficiency into the home as part of the delivery of natural gas and electricity.

Half of the world's consumers use at least one product containing a Lubrizol ingredient. Advanced Materials products improve the performance of our customers' products and enable unique performance attributes. For medical applications, our products provide targeted drug delivery of active pharmaceuticals and ensure the durability and performance of life-saving medical devices. For health and beauty applications, our materials make shampoo,

soap, hand sanitizer and skin cream, smoother and easier to apply, while reducing the impact on the environment. In the home, our products are used in detergents and other cleaners to improve surface cleanliness and durability and reduce water use.

We also create materials that are used in nutraceuticals to improve the absorption of nutrients into the body for enhanced health and wellness. Other wellness-related applications include materials for active wear and athletic shoes, and easy-to-install plumbing systems that deliver safe drinking water in various parts of the world. Our products also are used to improve the performance and color consistency of inks for digital printing across many industries.

OUR GLOBAL OPERATIONS

With global sales and manufacturing networks, Lubrizol serves customers in more than 100 countries – delivering the products and services they need, where and when they need them. We are headquartered in Wickliffe, Ohio, and have a significant presence in the United States, Belgium, Brazil, China, France, Germany, India, Japan, Malaysia, the Netherlands, Singapore, South Africa, Spain and the United Kingdom.

Lubrizol's Corporate Philosophy

The success of our business stems from our organizational beliefs:

Rewarding our shareholder by providing a high return on invested capital.

Providing superior products and outstanding service to our customers.

Investing in research and development to maintain and improve our technical position.

Insisting on honesty and integrity with customers, suppliers, all third parties and with one another.

Treating each employee with dignity and a sense of worth and supporting open communication with one another.

Developing and promoting personnel from within our ranks on the basis of individual performance.

Rewarding employees' efforts through a merit-oriented compensation program.

Maintaining the health and safety of our employees, customers and neighbors, and protecting the environment.

Employees Globally

8,800

Labs/Technical Facilities

39

Manufacturing Sites

58

Sales Offices

48

Some locations provide more than one function and are represented in multiple categories.

Global Employees by Region

- Latin America 3%
- Asia Pacific 10%
- Europe 33%
- North America 54%





As we collectively face the many challenges of COVID-19, the medical professionals and first responders whose tireless work is saving the lives of so many have our sincere and deepest gratitude. They truly are the heroes of our time. We are also so very thankful to our customers and partners for their efforts in the fight against the virus. We are privileged to help support our medical professionals and fellow citizens while working alongside so many outstanding organizations and people. I am so very proud of how our employees have responded and the positive impact they are having. Our science touches billions of people every day, and our commitment to improve lives has never been more critical.

COVID-19 has disrupted many things, but it has not changed the principles that govern who we are as a company. These are grounded in the past, guiding us in the present and positioning us for a tremendous future. We always strive to be a positive and enabling global corporate citizen – providing our employees significant personal growth opportunities, serving our customers at the highest level and supporting the communities where we live

and work. We focus on doing the right thing to improve lives and have a measurable, sustainable impact on the world. I see this clearly as I reflect on the past and as I see our company in action today. It allows me to look forward with great confidence to our future.

2019 REFLECTIONS

As I look back on 2019, I also reflect on the decade that has passed. The last 10 years

marked the most successful decade, by most any measure, in Lubrizol's nine-decade history. We reached new highs in both revenue and income. Our global capabilities expanded dramatically to support the growing needs of our customers, and we continued to leverage science in ways only Lubrizol can, creating value for our customers and consumers. This was also a period where we embedded sustainability more deeply into everything we do. This report, which combines our previously separate company overview and our sustainability report, is a testament to that integration.

Over the last 10 years, our **Advanced Materials** segment transformed from a high-quality specialty component supplier to a true solutions provider, combining chemistry, application expertise and end-user insights to deliver unique solutions to improve our customers' success. 2019 was the segment's most successful year to-date, and our work across our Advanced Materials portfolio is having a real, positive impact on our customers and on the world.

Our innovation in reliable, cost-effective piping systems has meant clean drinking water for millions across the globe. Our advanced polymer technology has delivered better performance and improved recyclability for footwear and fabrics. Consumers are benefiting from advanced skin care solutions, targeted drug delivery and coatings solutions across most any surface imaginable, all thanks to the Lubrizol Advanced Materials team.

We also saw great impact over the past decade from our **Additives** segment, with lubricant additive solutions that enable lower emissions, increased efficiency and longer asset life across transportation and industrial applications. Among many highlights in 2019, our Fuel Additives product line delivered strong results and increased value to customers with tailored solutions. Today, you will find Lubrizol technology in half the vehicles globally, and we are well positioned to continue to improve efficiency and reduce emissions as we move into an increasingly electrified future.

When we look back on our history, our success in 2019 will be overshadowed by a fire that spread to our manufacturing facility in

Rouen, France, on September 26. Thankfully, there were no injuries, and our manufacturing assets in Rouen were not impacted by the fire. However, this was one of the most significant incidents in our history, idling the plant for nearly three months. It tested the character and resolve of our company, but I can confidently and proudly say that our character was unwavering and our employees' resolve to help each other, serve our customers and help those in the community was never stronger. Our work to support the city of Rouen and the surrounding community continues, and the restart of our Rouen facility in mid-December was a major step in our supply recovery.

We became a much more capable and confident company over the last few months of the decade, and as we navigate 2020, we are stronger than ever.

THE DECADE AHEAD

In the decade ahead, one where we'll celebrate our centennial (in 2028), we'll have an even greater impact. Lubrizol will help the world **Move Cleaner, Create Smarter** and **Live Better** than ever before. Sustainability will continue to be fundamental to what we do and how we operate. We have great opportunities to reduce vehicle emissions, enable circularity, and improve lives for billions of consumers. We have invested billions of dollars in innovation across these areas over the past decade alone, and we are planning to invest more in the decade ahead.

As we continue to invest in innovation that enables greater sustainability, we also remain focused on measuring and reducing the environmental footprint of our own operations. We are continuously improving our plant operations by reducing waste, increasing efficiency and conserving natural resources.

We enter this new decade with great partners who share our vision for a better world and a more sustainable future. We are very fortunate to count some of the world's most respected and admired companies as our customers and partners, and we are very thankful for the relationships and for their loyalty. We also are grateful to begin another decade as a member of the Berkshire

Hathaway family and to have the fantastic benefit of Berkshire's unique resources and support.

Most importantly, we enter the new decade fortunate to have an incredible group of talented and committed employees. We're committed to enabling them to be the best they can be by providing a safe, secure and inclusive workplace where they can lead decisively and take action to create meaningful impact. We will continue to foster a collaborative and accountable company culture, provide targeted training and development programs, and encourage community engagement.

I am inspired everyday by our team. Their energy, commitment and passion will continue to drive us forward and allow us to be an even greater positive force in the world. I want to thank each of them for all they do every day to make Lubrizol and our customers successful.

We are committed to using our talents and resources to help those in need during this pandemic. As the world emerges from crisis, we will fully turn our focus to the coming decade and the incredibly bright future we see ahead. I think you will see it too as you explore this report.

Thank you for your interest in The Lubrizol Corporation. Our very best wishes for your safety and health, as well as the safety and health of your families and all those close to you.



ERIC R. SCHNUR
Lubrizol Chairman,
President and CEO



LUBRIZOL TAKES ON THE GLOBAL CHALLENGE OF CORONAVIRUS



Lubrizol's science touches billions of consumers across the world every day, enabling people to **Move Cleaner, Create Smarter and Live Better**. While our company and employees consistently deliver innovation and services to improve lives, this commitment has never been more evident or critical than during the global battle against the novel coronavirus (COVID-19).

Lubrizol's commitment to improving lives during COVID-19 is a far-reaching effort for our organization and our people. Lubrizol is providing financial support and other donations to support our communities, we are working with our customers to leverage our science to meet critical needs, and, of course, we are unwavering in our attention to protecting our employees.

Providing financial support and other donations. In response to the crisis, Lubrizol established and met a \$2 million donation commitment to support COVID-19 needs globally. As part of the pledge, Lubrizol

contributed critical supplies to hospitals and charitable organizations across the world, including medical gowns, face shields, gloves, hand sanitizer and medical equipment. We've supported local restaurants by donating their food to frontline workers and provided for our neighbors in need with contributions to foodbanks. We also encouraged efforts among our employees, setting a challenge for 2,020 virtual or at-home volunteer hours starting in this environment, and creating a new U.S. matching gift program with the American Red Cross that extends our company match program.



Working with our customers to leverage our science to meet critical needs. We are contributing to the production of a wide variety of critical end-use products, some of which have been in short supply during the pandemic, including:

- Increasing production of our Carbopol® polymer, used as a thickening agent in most gel hand sanitizers, to enable an additional 1 billion bottles of hand sanitizer to be produced globally every month;
- Collaborating with Nike's Innovation team to help evaluate materials and provide insights for their development of face shields for healthcare workers. Once Nike's design was finalized, we quickly updated our production and supply chain to produce and donate our ESTANE® thermoplastic polyurethane (TPU) polymers to support this critical effort;
- Increasing our production of products that are most needed to fight the virus – including solutions to ensure active drug delivery in a variety of medicines and medical device components utilized in

ventilators, valves and infusion pumps;

- Supporting the world's infrastructure through our continued additives production, which helped keep first responder and delivery vehicles running reliably and efficiently;
- Utilizing our coatings chemistry to protect millions of packages of food and other staples and delivering clean water for hand washing and safe drinking.

Protecting our people. Above all, Lubrizol is focused on keeping its 8,800 employees safe. As part of our safety culture, Lubrizol had pandemic plans and teams in place well before COVID-19. These teams were activated early, and they regularly assess and follow global and local health recommendations. We followed the pandemic team's guidance and required all employees to work from home if their job allowed. In other situations, we minimized the number of employees on site, initiated rotations where feasible, practiced social distancing, instituted on-site screening procedures, and initiated additional cleaning procedures.

Although we are seeing signs that worldwide efforts are working, COVID-19 continues to generate significant medical, social and economic challenges and uncertainty. We are incredibly proud of how the Lubrizol family has navigated this unprecedented time. Every employee has risen to the challenge, and we have come together at a time when the world has needed us most.



MISSION FOR THE FUTURE



At Lubrizol, we apply our science capabilities and market expertise to improve products that people use every day. We improve how we live our lives, from the way we move, to how we travel, to how we take care of ourselves and our families, to how we work and play. We apply our science capabilities and market expertise to overcome everyday challenges and improve product performance, ultimately delivering the ability to **Move Cleaner, Create Smarter and Live Better.**

We have come a long way since our founding in 1928. Today, more than half the vehicles on the planet rely on technology produced by Lubrizol and at least half of the world's consumers use one product containing a Lubrizol ingredient. And that's just the beginning as we look ahead to our 100th anniversary in 2028 and seek to deliver even greater impact.

The goals that follow are the result of a yearlong process that engaged groups across our organization in discussions about our impact, our capacity to reduce our footprint and expand our handprint, and what the world needs from us now and in the future. The goals are summarized here and covered in more detail throughout the sections that follow.

OUR MISSION FOR THE FUTURE

Move Cleaner. Help enable a > 50% reduction in vehicle emissions by 2040*

Create Smarter. Improve the circularity of our products by 25% by 2028**

Live Better. Improve at least 2 billion lives by 2028 – through our solutions for health, beauty, cleanliness, wellness and fitness.

To support these goals that define our future, Lubrizol has also established these additional sustainability goals:

Diversity and Inclusion. Increase the percentage of women in senior leadership roles to 46% by 2023, which would represent a 39% increase compared with 2019.

Community Engagement. Assist 2,028,000 individuals globally by 2028 through engagement activities in the communities where we live and work. We will do this by:

- Giving at least \$20,280,000 to organizations that are aligned with our community engagement priorities;

- Giving at least 80,000 volunteer hours to activities that are aligned with our community engagement priorities, including a goal of 2,020 virtual or at-home volunteering hours in 2020.

Environment. We continue to measure our environmental performance against our current sustainability goals and objectives, which were established in 2013 and are scheduled to sunset at the end of 2020. Our goals and most recent progress can be found on our Sustainability Scorecard, which is published on our website and updated at least annually. The development of new goals is a key priority in 2020, and we are currently going through that process. Our ultimate goal is to be “environment positive,” which would mean that our solutions bring more positive impacts to the environment and society than the footprint it takes to produce them.

From the beginning... to today.

Lubrizol began in Cleveland in 1928, with the founding of our company under its original name, The Graphite Oil Products Company, by father Frank A. Nason and son Francis A. “Alex” Nason, Thomas W. James, and brothers Kent H. Smith, Vincent K. Smith and A. Kelvin Smith. Our first product was a graphited lubricant and applicator marketed under the Lubri-Graph name, and the young company changed its name to The Lubri-Graph Corporation. We became The Lubri-Zol Corporation in 1934 and the hyphen was dropped in the 1940s. Lubrizol went public on the New York Stock Exchange in the 1960s, and in 2011, the company was acquired by Berkshire Hathaway. Today, the company has annual revenues of more than \$6 billion, 8,800 employees, more than 100 facilities and customers in over 100 countries.

Lubrizol's Mission

MOVE CLEANER

Enable a **>50%** reduction in vehicle emissions by 2040.*

CREATE SMARTER

Ensure **25%** more products in our portfolio meet one or more circularity characteristics by 2028.**

LIVE BETTER

Improve at least **2B** lives by 2028.***

*2020 total vehicles vs. 2040 total vehicles

**Compared with a 2019 baseline

***Through our solutions for health, beauty, cleanliness, wellness and fitness



MOVE CLEANER

Lubrizol solutions
will enable a

>50%

reduction in vehicle
emissions by 2040.*



Economic prosperity and social progress depend on movement – of people and goods. We offer the enabling technologies so we can all **Move Cleaner**. Our lubricant and fuel technology, services and solutions are enablers of high-performance, energy-saving, clean-running transportation. In fact, half the vehicles on the planet rely on Lubrizol technology to extend vehicle life, prevent equipment failure, reduce downtime, improve fuel economy and reduce emissions. We continue to identify new applications where our lubrication and fuel expertise can solve meaningful problems – over 40% of our lubricant and fuel additives sales are generated from products launched within the last five years.

The world's annual new vehicle market is approaching 100 million vehicles each year, and that growth will continue. According to some estimates, the number of light-duty vehicles on

the road could double within the next 20 years, and markets such as China and India continue to experience accelerated vehicle growth. At the same time, many regions, including Europe,

China and India, are setting increasingly stringent vehicle emissions standards.

As the market grows, so do opportunities for product innovation, advanced problem-solving, and analytical testing and services to anticipate the next generation of performance requirements, standards, and original equipment manufacturer (OEM) and end-customer

needs and expectations. Our expertise in fluid technology, material science and a full suite of end-to-end solutions becomes indispensable when seeking to improve the performance and environmental impact of vehicles across a broad spectrum – ranging from older models that remain in use to new, ultra-modern, high-performance vehicles.

CHANGING EXPECTATIONS CREATE GREATER NEEDS

The global vehicle market is changing dramatically. Internal combustion engine (ICE) customers are seeking increasingly efficient and emissions-reducing technologies, and the hybrid/electric vehicle (EV) market continues to grow and expand. To develop leading-edge solutions in both areas, we are continuing to innovate current products and investing today in new solutions that will be required for the future. We also continue to evaluate the full lifecycle impacts of both ICE and EVs, taking into account CO₂ emissions across the entire life cycle (not just at the tailpipe), as well as other impacts such as the extraction of metals, water and toxicity.

INTERNAL COMBUSTION ENGINE VEHICLES

In the ICE market, Lubrizol has earned a long-standing reputation for end-to-end capabilities that include engine oil, axle oil, gasoline, diesel fuel, transmission fluids, greases and air conditioning lubricants. Our drive to innovate is never-ending, as we partner with OEMs and

other market leaders in the development of new powertrain designs, and work with them to create and test higher-performance fluids that will keep those new designs running smoothly. Identifying ways to continue to reduce emissions and improve fuel efficiency, while optimizing cost competitiveness and flexibility, is a critical component of our work.

ELECTRIC VEHICLES

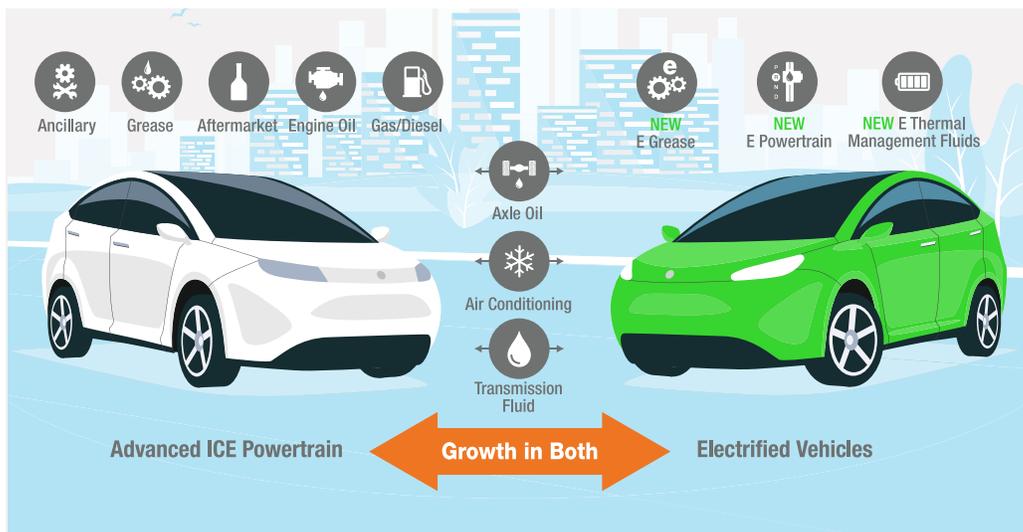
For electric vehicles, Lubrizol is expanding its capabilities to enable broader electric vehicle adoption. This includes capabilities in high-value adjacent areas, such as developing specialized thermal management fluids (TMFs) for electric vehicles. These electric TMFs enable rapid recharging and battery cooling, which help solve today's pain point that many batteries take too long to charge. Our solutions also will help to improve durability and lithium ion battery safety. We are building out a full suite of EV-specific solutions, encompassing axle oil, transmission fluids, grease, powertrain and battery thermal management systems.

“Lubrizol Additives is on an exciting growth journey. We’re leaning into our formulating expertise to pave new roads and create greater opportunity with solutions and services for internal combustion engines, hybrid/electric vehicles and industrial applications.”



TOM CURTIS
President
Lubrizol Additives

*2020 total vehicles vs. 2040 total vehicles



Transportation – Changing the Mobility Landscape

For both the ICE and EV markets, Lubrizol's services, testing and overall solutions enable customers to optimize vehicle system performance, differentiate their products and deliver environmental benefits.



CREATE SMARTER

Lubrizol aims to
improve the circularity
of its products by

25%
by 2028.*



For decades, we have been developing solutions that have environmental and sustainability benefits – lower emissions, better energy efficiency, greater durability, recyclability, societal impacts and more. Today, we take that one step further by intentionally designing for sustainability as part of our processes and mindset to enable responsible consumption and efficient production. We are committed to advancing industrial systems and processes by improving product circularity, engineering with the goal of decreasing waste and increasing product lifecycle – this is what we mean by **Create Smarter**.

To think about these opportunities in the initial phases of product development, Lubrizol is deploying new, data-driven tools and systems. This includes adopting a new lifecycle analysis (LCA) tool that enables the company to expedite carbon footprint LCAs, accounting for our raw materials, intermediates and finished products.

FOCUSING ON BREAKTHROUGH OPPORTUNITIES

We have identified a number of opportunities to deliver on our promise to **Create Smarter**, including:

EFFICIENT HVAC AND REFRIGERATION

Due to the Montreal Protocol, ozone-depleting chlorofluorocarbons and hydrochlorofluorocarbons (CFCs and HCFCs) have been replaced by non-ozone-depleting hydrofluorocarbons (HFCs) as the primary refrigerants used in air conditioning and refrigeration units today. However, HFC refrigerants have some of the highest global warming potential among greenhouse gases. Demand for AC and HVAC products is only growing, as the middle class expands in emerging economies.

Faced with increasing regulations to phase out HFCs, manufacturers of these systems are migrating toward low global warming potential (GWP) gases, which require new formulations of high-performance fluids and lubricants that reduce the environmental impact in both production and use. The need for these formulations represents a tremendous opportunity for Lubrizol’s chemistry development and polymer manufacturing capabilities. We anticipate that there will be as many as 2 billion new air conditioning customers and 900 million new refrigerator customers globally over the next decade.

ENABLING EFFICIENT CONSUMPTION WITH TPUs

Lubrizol’s Engineered Polymers team is helping to revolutionize the footwear industry with a

broad portfolio of thermoplastic urethane (TPU) solutions that can be used to form almost every part of an athletic shoe. TPUs are essentially a “super-material” – simple to produce, flexible for a wide variety of uses, durable and long-lasting, and 100% recyclable. Not only does this material enhance comfort and performance, but it is also a signature example of circularity. Simple production means increased efficiency and reduced manufacturing waste, and longer life and recyclability mean easier to break down at the end of the shoe’s use. Other TPU applications include active wear, coatings, automotive, 3D printing, personal electronics and eyewear. Learn more in this video: <http://go.lubrizol.com/OneShoe>.

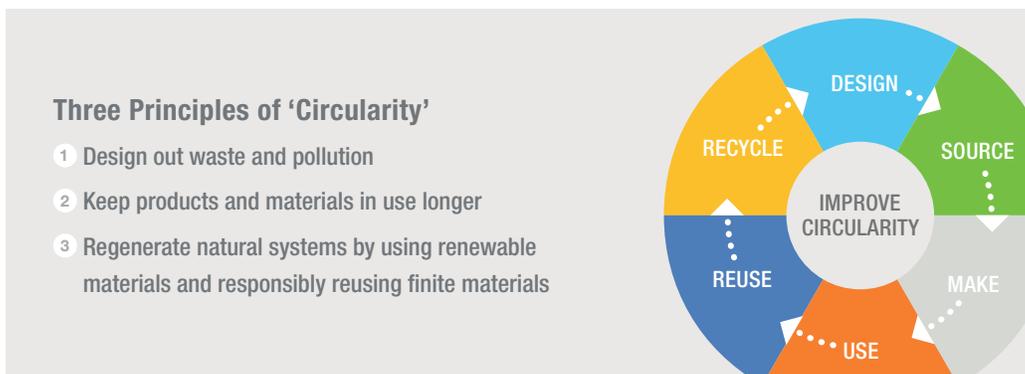
ACCESS TO CLEAN DRINKING WATER

Lubrizol is the world leader in producing chlorinated polyvinyl chloride (CPVC) resins and compounds used in systems for plumbing, fire protection and commercial/industrial applications. Our plumbing pipe and fittings are trusted the world over to deliver clean, safe drinking water to millions of single-family residences, apartments and commercial buildings in North America, the Middle East, Africa, China, India, Pakistan, Brazil and Mexico. Our easier-to-use CPVC polymers require less energy to connect pipes, eliminating the need for electricity in the installation. With billions of feet installed globally, our CPVC solutions also enable long-lasting systems – resulting in less waste, and, of course, reliable access to life-sustaining drinking water.

“Lubrizol is committed to improving our own circularity and helping to advance a circular economy in the markets we serve by enabling efficient production and responsible consumption.”



JULIE EDGAR
Chief Sustainability Officer and Corporate Vice President, Innovation



*Compared with a 2019 baseline.



LIVE BETTER

Improve at least

2B

lives by 2028 through
our array of solutions
for health, beauty,
cleanliness, protection,
wellness and fitness.

Today, more than ever, people around the world realize that health and wellness are essential to our quality of life. Utilizing our formulating expertise, testing capabilities, market insights and global scale, we are helping our customers deliver products that enable billions of people to **Live Better** every day.

Our solutions include:

- Chemistry and technology to make pharmaceuticals and medical equipment more patient-friendly and effective;
- Nutraceutical ingredients that promote the healthy, natural absorption and digestion of nutrients in the body;
- Polymers used in hand sanitizer, body wash, shampoo and skin care products – to make them cleaner, healthier, earth- and ocean-friendly, and help the active ingredients work better;
- Thermoplastic polyurethanes (TPUs) that are 100% recyclable and used in medical devices, active wear and athletic footwear for healthy lifestyles, as well as in protective garments;
- Materials used to formulate fabric care systems, which enable clothes, even if stained, to be cleaned effectively and safely at lower temperatures, thereby reducing energy usage and minimizing environmental impact.

HEALTH AND BEAUTY OPPORTUNITIES GROW THROUGH PARTNERSHIPS

Lubrizol materials are essential ingredients in a wide range of health and beauty products. Consumers are seeking natural and effective ingredients, and Lubrizol provides our science-based, market-ready solutions that enable more natural and effective products.

We work with companies of all sizes – global brands, startups and smaller brands with market-leading ideas. Our technology and marketing teams specialize in helping our key customers identify and capitalize on “brand accelerator” opportunities, including rapid prototyping, testing to substantiate product performance and new ways to

reinvigorate established brands. We believe our ability to utilize our unique market insights to drive innovation, and then help our customers rapidly build the supply chain and scale production sets us apart from other specialty chemical companies.

In late 2019, we established a partnership with IGNITE Growth Brands, which is creating new, leading-edge beauty and digital health brands. Our support includes providing critical infrastructure capabilities to help new ventures with end-to-end brand development, customer research, supply chain logistics and global expansion.

TARGETING PHARMACEUTICAL AND MEDICAL DEVICE INNOVATION

Lubrizol is at the forefront of drug product innovation with our excipient technology, contract development and manufacturing services. Both large and small pharmaceutical companies rely on us as an end-to-end innovation partner and for our expertise in clinical drug product manufacturing. Our solutions include materials that enable time-release medicines to work as directed, help medications reach their target organs, and make tablets smaller and easier to take without compromising performance.

Because of their rigidity and strength, our medical-grade polymers are used to manufacture medical equipment. In addition, our TPU science ensures that medical devices such as catheters work as intended and in the most comfortable way possible for patients. To further expand our pharma and medical products expertise, in 2019, Lubrizol acquired Germany-based Bavaria Medizin Technologie GmbH (BMT), which provides the ability to develop next-generation drug-coated balloons (DCBs).

SERVING THE FAST-GROWING NUTRACEUTICALS MARKET

Nutraceuticals, pharmaceutical supplements with potential physiological benefits, are the fastest-growing health and wellness category in the world. Building on our targeted delivery capabilities, Lubrizol is developing a strong development and manufacturing position, leveraging our targeted drug delivery capabilities and formulating expertise to position our company as a leader in this growing space.

In 2019, we acquired France-based Laboratoire Phenobio, which expanded our capabilities to provide natural ingredients across the cosmetic, nutraceutical and life sciences industries. Laboratoire Phenobio’s unique capabilities in subcritical water extraction (SWE) are used to extract phytoactives from botanical raw materials using only water, which provides significant value to Lubrizol’s global sustainability efforts.

“Lubrizol has the science, market insights and global scale to improve billions of lives globally. This is a serious responsibility and a challenge that we are poised to deliver upon.”



RICK TOLIN
President
Lubrizol Advanced
Materials



Fighting COVID-19

Lubrizol’s Carbopol® polymer products have been instrumental in the fight against COVID-19. In April 2020, Lubrizol announced an increase in its Carbopol polymer production to enable an additional 1 billion bottles of hand sanitizer to be produced globally every month. For more information on our response to the COVID-19 pandemic, see page 6 of this report.

SUSTAINABILITY AT LUBRIZOL

**We view sustainability
as a vital driver to the
long-term health and growth
of our organization.**

Lubrizol has a long-standing commitment to operate ethically and responsibly while creating value for our customers, employees, communities and other stakeholders. Commitments to “do the right thing,” “be a good neighbor” and “help customers solve problems” were built into our culture when the company was founded in 1928 and continue to ring true as we look to the company’s centennial in 2028 and beyond.

Sustainability is becoming an increasingly important part of everything we do. We view sustainability as a vital driver to the long-term health and growth of our organization. We subscribe to a broad definition of sustainability that includes environmental, social, governance and ethics (ESG) factors, as we pursue objectives that add value to our business, employees, society, and protect the planet.

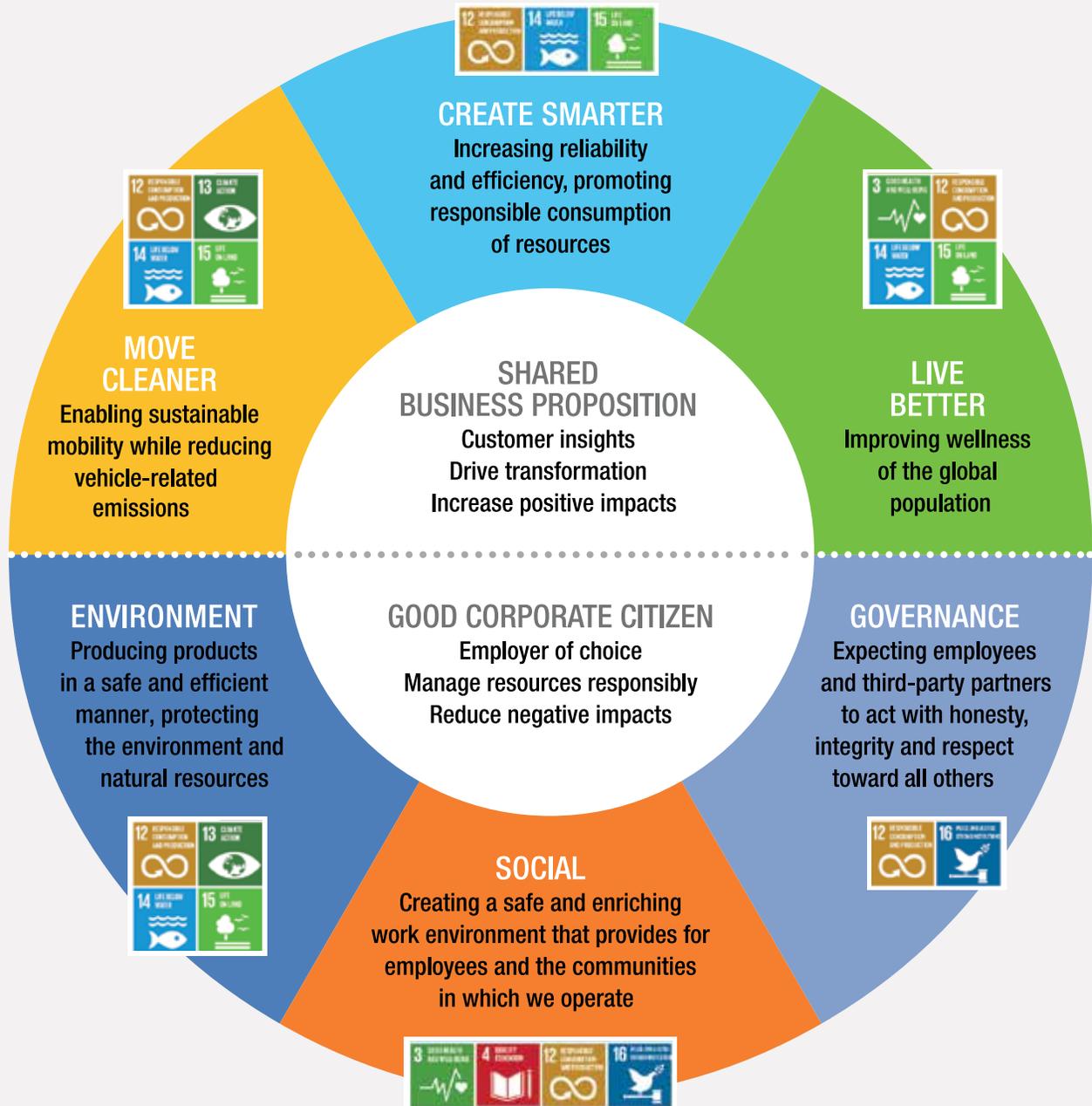


UPDATE ON OUR SUSTAINABILITY JOURNEY

We are committed to enabling a more sustainable world. Following our first Global Reporting Initiative (GRI) Standards report in 2018, our sustainability journey continued to accelerate in 2019 and into 2020. Among the recent highlights are:

- Adopting impact metrics and setting new sustainability goals;
- Increasing our use of lifecycle thinking – considering the impact of our own manufacturing processes as well as the environmental, social and economic impacts of our products over their lifecycles;
- Improving our ability to address fast-moving trends and emerging global needs, as demonstrated by our all-in response to help in the fight against the COVID-19 pandemic;
- Pursuing our “Mars Mission” to identify leading-edge technologies and processes for significant carbon footprint reduction;
- Expanding our efforts to embed gender diversity throughout our organization;
- Enhancing our enterprise risk management approach through risk identification, assessment and mitigation;
- Aligning our employee resource group efforts and community engagement resources with our corporate strategy and the UN Sustainable Development Goals that Lubrizol has chosen to adopt.





ALIGNMENT WITH THE UN SDGs

Application of the United Nations Sustainable Development Goals (SDGs) is a key component of our corporate sustainability strategy. In 2019, we began aligning our employee resource group efforts and community engagement resources with the seven

UN Sustainable Development Goals that Lubrizol has chosen to adopt. The seven goals were chosen based on where we believe we can have the greatest positive impact on the UN's targets and indicators by the 2030 target date.



STAKEHOLDER ENGAGEMENT AND MATERIAL TOPICS

Our sustainability materiality assessment was conducted by a third-party during the first half of 2018. In 2019, we made slight updates to the assessment to align our topics under the ESG categories and to best reflect the current state of our business and stakeholder interest.

Our assessment and review process included the following steps:

Identification of stakeholders – to assure we engaged with key stakeholders, identified as our functional leaders, employees, customers, peers, suppliers and industry associations;

Prioritization of topics – based on stakeholder input and analysis of the information collected; and

Validation – of the results with key leaders in the organization.

Lubrizol's Material Topics

Through more than 30 internal and external interviews, input synthesis, analysis and the validation process, we identified the material topics of highest priority to manage, set goals and discuss in our sustainability reporting.

ENVIRONMENTAL

- Product Footprint and Lifecycle Thinking
- Air Quality
- Water Consumption and Safety
- Energy, Emissions and Climate Change
- Waste and Recycling
- Sustainable Sourcing

SOCIAL

- Workplace Health, Safety and Security
- Product Health and Safety
- Employee Attraction, Engagement and Retention
- Human Rights and Fair Labor Practices
- Diversity and Inclusion
- Community Involvement

GOVERNANCE AND ETHICS

- Corporate Governance
- Information Security
- Ethics
- Innovation, Research and Development

ENVIRONMENTAL

SUSTAINABILITY MATERIAL TOPICS:

Product Footprint and
Lifecycle Thinking

Air Quality

Water Consumption
and Safety

Energy Emissions and
Climate Change

Waste and Recycling

Sustainable Sourcing

For more information on these topics,
see: lubrizol.com/Sustainability.

For our latest performance data,
see our Sustainability Scorecard at:
lubrizol.com/Sustainability/Scorecard.



MAXIMIZING
OUR HANDPRINT

MINIMIZING OUR
FOOTPRINT



Lubrizol's role in advancing environmental sustainability is focused in two key areas: maximizing our handprint by providing products and solutions that meet and exceed our customers' and consumers' performance and sustainability goals and minimizing our footprint by producing our products in a safe, efficient and responsible manner that minimizes our carbon footprint and preserves and protects natural resources.

MAXIMIZING OUR HANDPRINT

As highlighted in the **Move Cleaner**, **Create Smarter** and **Live Better** sections of this report, we are maximizing our handprint by providing solutions that help our customers and their end-users increase energy efficiency, reduce emissions, limit landfill waste, use water more efficiently and address other environmental impacts.

Ultimately, we are on a journey to provide customers and end-users with sustainable solutions that improve lives and create a net-positive impact on the environment. This commitment to environment-driven innovation is reflected in the fact that Innovation, Research and Development is one of our sustainability material topics.

MINIMIZING OUR FOOTPRINT

We also are focused on continuing to minimize the environmental footprint of our own operations, including working to drive energy efficiency, reduce emissions, lessen waste and protect natural resources. We seek to measure and manage our footprint through consistent application of lifecycle thinking and robust lifecycle assessment capabilities.

ENVIRONMENTAL COMPLIANCE

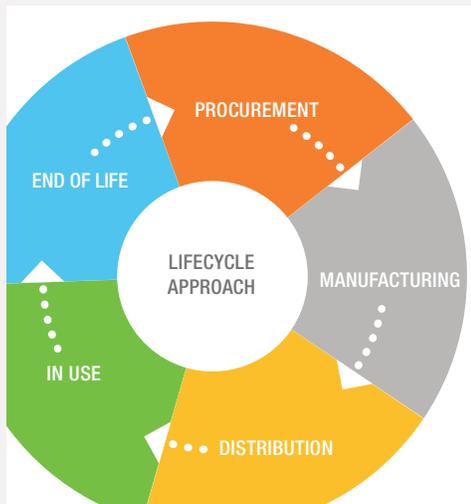
We are committed to maintaining a high level of compliance with all environmental laws and regulations related to air quality, chemical safety, waste and water, and to adopting industry best practices, including being an award-winning participant in the American Chemistry Council's (ACC) Responsible Care® program. As members of ACC and as signatories to the International Council of Chemical Associations' Global Charter, we follow the guiding principles of Responsible Care across all our headquarters, manufacturing and R&D facilities. Our corporate headquarters facility has been certified to the RC 14001 multi-site standard, and we are in the process of conducting site-specific audits against this standard at all U.S. facilities where applicable. Globally, our sites are certified to various management system certifications,

including ISO 14001, OHSAS 18001, ISO 45001, ISO 50001 and ISO 9001.

ENERGY, EMISSIONS AND CLIMATE CHANGE

Lubrizol believes climate change is a significant challenge to a sustainable future and that the business community has a critical role in helping to reduce greenhouse gas (GHG) emissions and the negative impacts of climate change.

Our efforts to manage our energy consumption and reduce GHG emissions include the use of cleaner-burning natural gas for heat and transportation, recapturing energy that can be used for heat, and upgrading the efficiency of our lighting and production and office equipment. Three of our facilities – Ritterhude, Germany; Hamburg, Germany; and Songjiang, China – have achieved ISO 50001 certification for their energy management systems. However, our energy, emissions and climate change story doesn't end here. We also are addressing these issues by considering the entire lifecycle of our products and how they impact our customers' footprints. Central to that effort are our enhanced lifecycle capabilities and commitment to innovation that creates increasingly sustainable products.

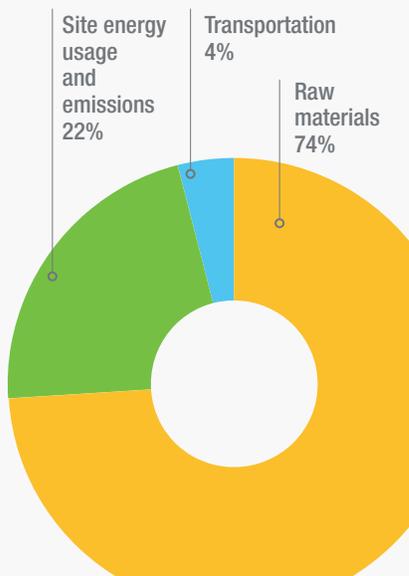


Enhancing Our Lifecycle Thinking and Capabilities

Since the early 2000s, we have used a mix of internal resources and external consultants to conduct lifecycle assessments for our products. While those assessments were highly reliable, we have continued to enhance our organizational efficiency and capacity to meet the lifecycle assessment needs of our increasingly aggressive sustainability agenda.

In 2019, we committed to enhance our assessment resources and build our organization's capacity by investing in a combination of leading-edge software and dedicated staff. Our lifecycle approach is intended to be broad – to bring lifecycle thinking to everything we do. We have begun to conduct assessments of raw materials, intermediates and finished products. This inventory of information can be used in what-if analyses to determine what adjustments or alternatives we could implement to improve our products' environmental footprint while continuing to meet customers' performance expectations.

Corporate Footprint by Source



WASTE AND RECYCLING

In waste reduction, we are focused on reducing the overall amount of waste we generate and the amount of waste we send to landfills by taking advantage of reuse and recycle programs. Our facilities around the world are highly active in reducing hazardous and non-hazardous waste. Notable activities include finding beneficial reuse for waste from our manufacturing processes instead of disposal, such as replacements for commercial chemical products or removing impurities from chemicals contaminated during use so that they can be reused for their original purpose. Some waste streams can be used as fuels to power equipment or generate electricity and heat buildings. In addition to chemical recycling, our facilities also recycle materials such as glass, paper and cardboard, plastics, wood, scrap metal, cafeteria waste, and office electronic equipment (e-waste).

ENVIRONMENTAL FOOTPRINT AND GOALS

We conducted our first corporate cradle-to-gate environmental footprint in 2010, with an update in 2014 and an entirely new assessment completed in 2020. With each iteration of our evaluation, we have been able to make a more comprehensive and inclusive assessment of our footprint. This most recent assessment utilized 2018 data and included an increase of 24 sites (9 Additives and 15 Advanced Materials) from the count

included in the 2014 update. These additional sites represent a broad expansion in our product and manufacturing portfolio and associated raw materials. Our 2020 assessment demonstrates an absolute cradle-to-gate carbon footprint of 4.9M MT CO₂ eq.

Consistent with previous footprint assessments, the most significant contributor to the footprint was raw materials (74%), followed by site energy usage and emissions (22%) and transportation (4%). We are in the process of developing plans to address the impact of key raw materials and large manufacturing sites that are material to our overall footprint.

2020 will mark the final year of rating our performance against the environmental goals we set for ourselves in 2013. Specifically, we established 2020 targets of a 10% reduction in energy use, greenhouse gas emissions, waste generated and waste to landfill. More than 60% of our facilities met one or more of the 10% reduction goals in 2018, but we are not in position to achieve the 10% reduction goals for the company overall by 2020. As our sustainability program has matured, we now have a better understanding of where we can have an impact and how to set more appropriate goals. We remain committed to reporting on our performance annually (refer to the Sustainability Scorecard on our website), and to developing updated, more impactful metrics and goals in the near future.





Reducing Our Offices' Environmental Footprint

To maximize the efficiency of our office operations globally, and to minimize the associated environmental footprint, Lubrizol has standardized its printing and copying equipment, including:

- Multifunction printers whose exterior body is made from used plastic PET bottles and recycled polycarbonate;
- ENERGY STAR®-certified printing equipment that is 70% more energy efficient than ENERGY STAR requirements;
- Toner bottles that are made from recycled polyethylene milk containers;
- Toner that is made from plant-based biomass materials, which reduce toner consumption, fuse to paper at lower temperatures and warm up faster.

Additionally, printer defaults have been set to double-sided and black and white, and the company uses paper that contains 30% recycled content and is certified by the Forest Stewardship Council. We have worked with a partner to institute tracking of our impact.

Offices' Environmental Footprint Reduction Results

Paper Consumption

Percent reductions vs. 2016



Toner Cartridge Recycling (2016-2019)

70% facility participation within the United States

4,795 pounds of recycled toner cartridges

“Lubrizol is on a mission to integrate sustainability into everything we do. We are driving collaboration at all levels – corporate, business segments, facilities, our teams and as individuals. On a global scale, we are committed to improving lives by further expanding our handprint and reducing our footprint.”



PATTY BARTEE
Senior Director,
Corporate
Sustainability



OUR 'MARS MISSION'

**Pursuing far-reaching
climate change
footprint reduction.**

In late 2018, we launched an aggressive “Mars Mission” to envision and transform manufacturing of our additives in a way that substantially reduces our carbon footprint. We have convened a steering team of senior leaders and a working team of visionary technology strategists, chemists and engineers – who are charged with executing on this mission: “By 2028, we will enable fluids with technology that have half the footprint to manufacture, are sustainably derived, have a holistic, positive impact on the environment and improve lives.”

In this Mars Mission, everything is up for consideration: the base oils and other basic materials that we use, the way we make our products, the energy required, the waste we create and how much of it we can divert from landfills, and, of course, the ultimate performance, reliability and durability of our products.

We know that approximately 80% of our carbon footprint is in the supply chain, which creates the need to utilize raw materials and develop finished chemicals that are much less dependent on fossil fuels. We also intend to use “process intensification” techniques, which will enable us to be more energy efficient and make sustainability a driving force in all aspects of production. The ultimate goal

is to combine low-carbon-intensity raw materials to significantly lower our footprint and provide the performance that our customers and stakeholders expect.

Given the far-reaching impact of this work, we have identified partners in academia and government globally to help us drive the program forward and maximize our impact. This includes collaborating with research centers such as the University of Nottingham’s Centre for Sustainable Chemistry and the University of Pittsburgh’s Swanson School of Engineering, along with the Department of Energy’s Office of Energy Efficiency and Renewable Energy’s Rapid Advancement in Process Intensification Deployment (RAPID) National Manufacturing Institute.

Sustainability ERG Links Actions to Sustainability Strategy and UN SDGs

In 2019, Lubrizol employees launched a grassroots effort to establish a Sustainability Employee Resource Group (ERG) organization that includes a global team and local chapters. Various locations – from the corporate level to sites of all sizes – have formed cross-functional sustainability ERG chapters, and a few of their projects are featured below. The chapters align their projects with Lubrizol's corporate sustainability strategy and one or more of the seven United Nations Sustainable Development Goals that Lubrizol has adopted.



IN BARCELONA, SPAIN, Lubrizol employees and their families worked alongside the Gavà Environmental Authority to do cleaning, maintenance work and marram grass planting on the sand dunes at Gavà Beach to protect against coastal storms and beach erosion. Dunes play a key role in protecting the coast against sea level rise as a consequence of climate change. **Sustainable Development Goal: 14 Life Below Water**



IN LEWISVILLE, TEXAS, our team transformed an unused area of facility grounds into a sustainability garden and rainwater collection system. Employees planted more than 35 species in the raised bed garden. The rainwater collection system utilizes the site's unused storage tanks to collect runoff rain from the facility roof, which is then reused for the garden. **Sustainable Development Goal: 12 Responsible Consumption and Production**



To help its community understand the importance of environmental protection, Lubrizol's **DAHEJ, INDIA**, facility partnered with a local nonprofit organization and community members to plant trees that can survive in the local climate and provided funds to take care of the trees. The local chapter also planted trees at a local primary school.

Sustainable Development Goal: 15 Life on Land



IN BRAZIL, employee teams from our Rio de Janeiro and São Paulo facilities established a recycling program for all non-organic trash. The sites also eliminated the use of plastic cups and collects and donates plastic bottle caps to a local organization that uses the proceeds from caps sales to build wheelchairs for vulnerable people in the area.

Sustainable Development Goals: 3 Good Health and Well-Being; and 15 Life on Land



IN OHIO, at our corporate headquarters in Wickliffe and the Lubrizol Advanced Materials headquarters in Brecksville, the sustainability chapters have focused on waste reduction. Brecksville's cafeteria switched to compostable cups and containers, removing all plastic, foam and non-compostable materials. Overall, Brecksville reduced coffee and plastic cup usage by 24% and compostable container usage by 41% in just one year. Meanwhile, Wickliffe's cafeteria switched from foam to compostable products, reducing disposable cup usage by 20% and plate and lid usage by nearly 94%. By also reducing its print magazine subscriptions, Wickliffe now has 1,700 less pounds of paper coming on-site annually. **Sustainable Development Goal: 12 Responsible Consumption and Production**



SOCIAL

SUSTAINABILITY MATERIAL TOPICS:

Workplace Health,
Safety and Security

Product Health and Safety

Employee Attraction,
Engagement and Retention

Human Rights and
Fair Labor Practices

Diversity and Inclusion

Community Engagement

For more information on these topics,
see: lubrizol.com/Sustainability.

For our latest performance data,
see our Sustainability Scorecard at:
lubrizol.com/Sustainability/Scorecard.

Lubrizol's approach to social responsibility is based on our commitments to protect and provide for our employees and the communities where we work and live. We make progress by:

- Continuously improving our health, safety and security performance to protect our approximately 8,800 employees;
- Providing products that meet high standards for health and safety, environment, quality and performance;
- Investing in the attraction, development and training of our talented employees;
- Extending our efforts to create a diverse workforce and a culture of inclusive engagement in the workplace, and treating everyone with respect and dignity;
- Engaging with the communities where we live and work through a sustained focus on philanthropy and volunteerism.

EMPLOYEE HEALTH, SAFETY AND SECURITY

Every day, we build a culture of safety and accountability where every employee is empowered to be a safety leader in the

workplace. Every employee contributes to our "Journey to Zero," which we define as zero accidents, zero errors and zero harm. Even in challenging times, which we have seen with the fire that impacted our Rouen facility in fall 2019 and in 2020 with the COVID-19 pandemic, our employees are committed to "Make Safe Happen."

While the training, risk assessment and personal protective equipment programs we have in place are critical, the commitment of our employees and their care for each other, our customers and neighbors continue to make a positive impact on our safety performance.

For our latest safety and security performance data, refer to the Sustainability Scorecard on our website.

PRODUCT HEALTH AND SAFETY

Consistent with our Product Safety Policy, regulatory compliance and continuous

improvement of product-related health, safety and environmental performance are top priorities for Lubrizol. To ensure compliance and to meet customer needs, we employ a variety of tools and processes, including “heat mapping” of chemical substances and a proprietary index of chemicals’ environmental and lifecycle impacts.

Lubrizol scientists are working every day to take innovation and leadership to the highest levels possible, and we are truly humbled when our efforts are recognized by outside organizations. In 2019, our Product Safety Heat Map Process and Tool received the Responsible Care® Product Safety Award from the American Chemistry Council (ACC). The process and substance “heat map,” a visual representation of data that is fully interactive, allows for an integrated risk assessment approach that combines business and regulatory impact. It enables us to identify possible actions, develop alternative chemistries, respond to regulatory concerns and communicate issues to our stakeholders quickly and efficiently.

EMPLOYEE ATTRACTION, ENGAGEMENT AND RETENTION

At the core of our social responsibility efforts is a company-wide culture where our employees are accountable, engaged and included. We strive to provide a safe, enriching and

engaging work environment that cultivates opportunities for growth and development through our:

Policies that protect human rights, employee health and safety, promote equal employment and advancement opportunities, and ensure a respectful and productive work environment;

Benefits and resources that support, celebrate and inspire employees, while allowing them to maintain a healthy work-life balance;

Early-in-career opportunities that are effective in attracting quality entry-level candidates and developing a talented workforce;

Leadership development programs that empower our current and future leaders to create a successful future for Lubrizol.

In 2019 and 2020, we have enhanced our recruiting and hiring efforts to ensure that early in the process, candidates have a clear understanding of Lubrizol’s culture and aspirations. These efforts include more robust and globally standardized hiring, employee onboarding, and new-hire development programs that ensure alignment between each employee’s career objectives and our cultural beliefs of All In, Lead Decisively, Take Action, Think External and Be Courageous.

For more information about employee benefits, training and career development, visit lubrizol.com/Careers.

2019 Culture Survey Highlights

Employees saw greater evidence of the cultural beliefs in practice

Employees have seen an improvement in how we give and share feedback, stories and recognition

Nearly 90% of employees said continuing to focus on the culture is important for moving the company forward

New in the 2019 survey: our Inclusion Index found that 85% of employees said team members receive fair consideration of their ideas and suggestions

LUBRIZOL’S CULTURAL BELIEFS



All in

I take accountability, step up and ask “what else can I do” because results matter.



Lead Decisively

I rise to the challenge by making timely and informed decisions.



Take Action

I accept uncertainty, take timely action and adapt quickly to get it done.



Think External

I explore new ideas and diverse perspectives to accentuate success.



Be Courageous

I challenge the status quo, take risks and learn from failures to do it better.

DIVERSITY AND INCLUSION

For many years, Lubrizol has been at the forefront of policies and programs that recognize and nurture a diverse and inclusive workforce. These efforts include policies that promote equality and inclusion, training related to unconscious bias and inclusion leadership, and a strong network of Employee Resource Groups (ERGs).

We also believe additional improvements are necessary and attainable. Under the guidance of our Global Diversity and Inclusion Council, we are poised to take diversity and inclusion to the next level, to enable our employees to bring their best selves to work each day. Our enhanced efforts include embedding “cognitive diversity” into the organization, which means we will accept, and encourage, diversity of thought, information processing and decision-making styles. Our ability to increase sustainable diversity and inclusion across the globe rests on three pillars:

Owned by the Organization – We will establish accountabilities for all Lubrizol employees to drive ownership throughout the organization.

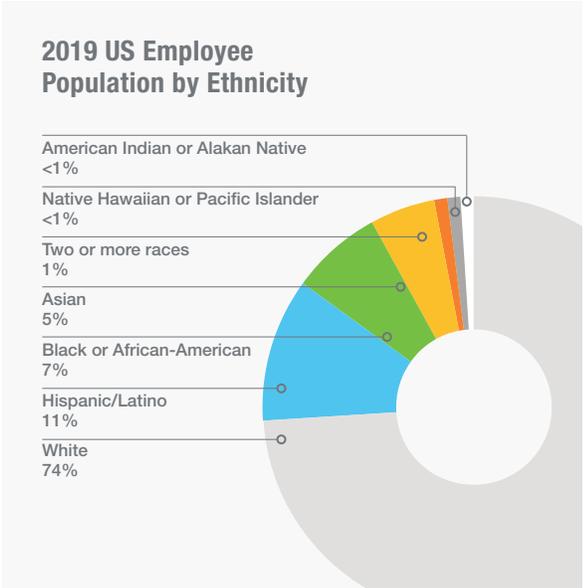
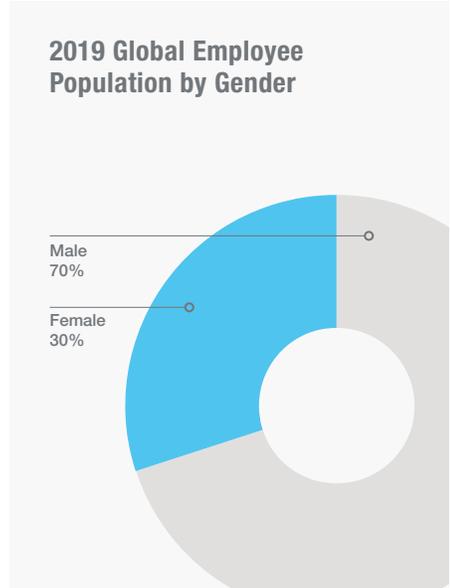
Measured – Results matter. We will set transparent goals and report on our progress.

Embedded – We will reengineer systems and processes to accelerate success, remove bias and embed inclusion.

Greater gender diversity in our senior leadership is an organizational priority, as demonstrated by our goal to increase the percentage of women in senior leadership roles from 33% in 2019 to 46% by 2023. To make this a reality, we must continue to diversify our talent pipeline and ensure that we are maximizing our ability to develop and retain talented employees across all demographic groups. We are also conducting Inclusive Leadership Workshops to help all our managers identify and overcome unconscious bias and develop skills to build inclusive teams.

- Lubrizol's Employee Resource Groups**
- African American Resource Group
 - Asia Pacific Resource Group
 - Group of Aspiring Lubrizol Leaders
 - Latin American Network
 - Lubrizol Lesbian, Gay, Bisexual, Transgender and Allies
 - Military Veterans Network
 - Sustainability
 - Women in Lubrizol Leadership

Our goal is to increase the percentage of women in senior leadership roles to 46% by 2023, which would represent a 39% increase compared with 2019.





Diversity and Inclusion Efforts Earn Third-Party Recognition

- CEO Action for Diversity & Inclusion pledge in 2019
- Score of 90 out of 100 in Corporate Equality Index Rating, Human Rights Campaign Foundation in 2019
- *Forbes'* America's Best Employers for Diversity Award in 2020

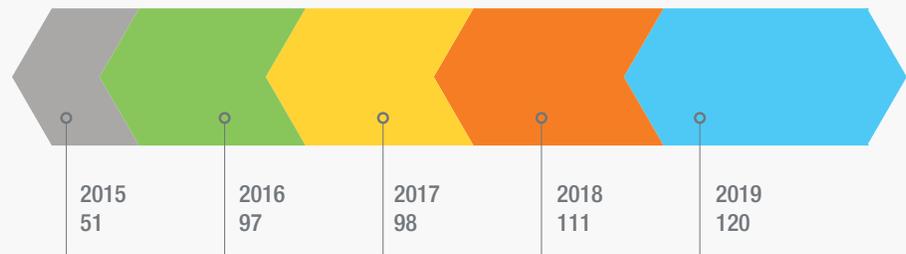


Employee Resource Groups (ERGs) Promote Global Inclusion

As we enhanced our approach to diversity and inclusion in 2019, we also evolved the mission of Lubrizol's Diversity and Inclusion Employee Resource Groups (ERGs) to help broaden their impact and advance our global inclusion efforts. Our ERGs continue to offer networking and learning events for group members. In addition, they are engaging with employees outside of their groups and providing educational opportunities for all employees to learn about varied backgrounds and different ways of thinking. This includes:

- In February 2020, during Black History Month, our **African American Resource Group** members hosted weekly challenges for employees to learn more about the Black experience in the workplace and support diverse perspectives. Additionally, the group encouraged employees to participate in the March 2020 YWCA 21-Day Challenge to end racism and led a virtual World Café to engage employees globally to discuss topics such as inclusivity, social injustice and race relations.
- In March 2020, our **Women in Lubrizol Leadership** group coordinated a companywide effort to acknowledge International Women's Day, which included internal articles and social media postings focused on equality as signified by the equality symbol (parallel arms).
- In addition, our **Lubrizol Lesbian, Gay, Bisexual, Transgender and Allies** group sponsored programs featuring parents with transgender children talking about their experiences related to equality and mutual respect.

Community Engagement Efforts Continue to Grow



Lubrizol's Community Engagement Goals

By 2028, Lubrizol will assist 2,028,000 individuals globally through engagement activities in the communities where we live and work. We will do this by:

Giving at least \$20,280,000 to organizations that are aligned with our community engagement priorities.

Giving at least 80,000 volunteer hours to activities that are aligned with our community engagement priorities.

GLOBAL GOALS/LOCAL ACTIONS – OUR COMMITMENT TO COMMUNITIES

Improving lives in communities where our employees work and live has been a core value of Lubrizol since our founding 92 years ago. In 1952, The Lubrizol Foundation was officially established, and since that time, we have donated over \$90 million to organizations with missions that provide for the education, health and welfare of our neighbors. In 2019, the Foundation donated more than \$3 million in grants and matched employee contributions in excess of \$800,000. We continue to build our community engagement with a strong tradition of employees volunteering in their local communities.

Our community engagement strategy, Global Goals/Local Actions, recognizes the global scope of our employees' participation and focus on doing good in the local communities where we live and work. This strategy is an engine to achieve Lubrizol's goal of improving 2 billion lives by its centennial in 2028 and aligns our priorities with the following United Nations Sustainable Development Goals (SDGs):

- UN SDG 3: good health and wellbeing
- UN SDG 4: quality education
- UN SDGs 13, 14 and 15: climate action, life under water and life on land

Global Goals/Local Actions sets engagement goals that allow our global team to work together to achieve common targets in ways that are uniquely relevant and impactful in the local communities that we call home.

SUPPORT FOR EDUCATION

Consistent with our longstanding support for education and the more recent alignment with the UN SDGs, engagement on education continues to be a high priority for Lubrizol. During the last decade, Lubrizol and the

Lubrizol Foundation have awarded grants totaling more than \$10 million to support education initiatives in the communities where we operate.

We are active on education-related activities across our global footprint, including:

- **Brazil:** Partnering with Junior Achievement on programs related to entrepreneurship and environmental responsibility, local high schools on chemistry programs, and universities to create physical education programs for vulnerable children.



- **India:** Working with several organizations to help women become financially independent through work and educational opportunities. This includes supporting local groups that provide sewing lessons, sewing machines

and a market for selling their handmade cloth bags. We are also helping to create a production unit for the cloth bags.

- **U.K.:** Sponsoring the British Science Festival, which enabled Lubrizol to demonstrate how science impacts everyday products and improves everyday lives.



- **U.S.:** In 2019, we awarded a five-year \$2.2 million grant to Case Western University. The grant will be used to support science, technology, engineering and math (STEM) scholarships for diverse students, internship and co-op positions, and joint research, as well as other university programs that



promote student research and women in science and engineering.

FOR MORE INFORMATION

By investing in education, and supporting community engagement more broadly, we believe there are many benefits to be realized: attracting and retaining talented employees, contributing to prosperity in our communities, helping to educate future generations, and being recognized as a responsible and caring corporate citizen. For more information on our involvement in local communities, visit lubrizol.com/Sustainability/Community and The Lubrizol Foundation's annual report.

“Who Lubrizol is as an organization is best represented by the actions of our employees, and we are proud of the many ways they provide meaningful support in the communities where we work and live.”



ELIZABETH GROVE
President, The Lubrizol Foundation, Global Lead Public Affairs

Lubrizol Addresses Concerns in Rouen, France

Lubrizol has been committed to the people and community of Rouen, France, since we began operations there in 1954. Our work in France provides more than 600 direct jobs and nearly 2,200 indirect jobs. Unfortunately, on September 26, 2019, a fire impacted our Rouen production facility. As of the writing of this report, the origin of the fire remains under investigation. Fortunately, no one was injured in the incident and 90% of our site was not impacted by the fire. Since then, we have worked with our employees, regulatory authorities, community leaders and neighbors to help address potential environmental, social and economic impacts of the fire.

Without waiting for judicial decisions, Lubrizol set up emergency assistance funds to provide support to workers, including farmers whose crops were impacted or whose farms and products required post-fire cleanup. We also signed agreements to support businesses and communities that experienced losses as a result of the fire and to help ensure continued tourism in the beautiful city of Rouen and the historic Normandy region.

In addition, we have participated in third-party environmental testing, provided funding for cleaning of public spaces and continued to pay our Rouen employees in full during the recovery. We also convened an expanded community advisory panel and continued to communicate with a variety of other local stakeholders through meetings and a newsletter. In December 2019, we received approval for a partial restart of the facility, allowing us to safely and securely operate, ensure the livelihood of our employees and restore customer supply. We continue to actively cooperate with local judicial authorities and community leaders to resolve any outstanding issues and support the needs of our community.



GOVERNANCE & ETHICS

SUSTAINABILITY MATERIAL TOPICS:

Corporate Governance

Information Security

Ethics

Innovation, Research and
Development

For more information on these topics,
see: lubrizol.com/Sustainability.

For our latest performance data,
see our Sustainability Scorecard at:
lubrizol.com/Sustainability/Scorecard.

Doing business in a responsible and ethical manner is essential to who we are and has been a core piece of Lubrizol's culture since our founding. Our commitment to strong governance and ethics goes beyond compliance to ensure that running our business is never done at the expense of our values. At Lubrizol, we believe that doing business the right way is the only way to do business.

CORPORATE GOVERNANCE

Our governance practices are embedded across the organization and reinforced by the behaviors of our leadership team. Through regular training, auditing and risk management procedures, we have the requirements in place to achieve sustained success.

The members of our executive leadership team embody the skills and talent necessary to position Lubrizol as an industry leader. Our senior managers are experts in their fields and use their unique talents and perspectives to move the organization forward. They are focused on achieving our financial, sustainability and operational goals, while remaining committed to our corporate philosophy.

SUSTAINABILITY GOVERNANCE

Lubrizol's Corporate Sustainability Team is led by our Chief Sustainability Officer (CSO), who has overall accountability for establishing the vision, direction, programs and initiatives that support sustainability for Lubrizol. Our CSO also currently serves as our Corporate Vice

President, Innovation, which ensures that our sustainability and innovation, research and development efforts are appropriately linked.

The Director of Corporate Sustainability, managers and staff are responsible for day-to-day implementation, coordination and management of topic-specific initiatives that

have enterprise-wide impact. In addition, we have a cross-functional Corporate Sustainability Council, which is accountable for establishing the sustainability vision and priorities for Lubrizol. With representatives from across functional support areas and business units, the Council is positioned to make strategic and tactical recommendations for how we proceed on our sustainability journey.

The business units are accountable for identifying the appropriate leaders to address their specific sustainability matters. The business units are also responsible for identifying the need for, and establishing, product-specific sustainability and marketing strategies.

In 2019, we formed a Sustainability Employee Resource Group (ERG) that includes a global team and local chapters. The ERG directs impactful local activities that are aligned with the overall goals and strategies of the company. For more information on the Sustainability ERG's impact, see the Environmental section of this report.

ENTERPRISE RISK MANAGEMENT

Our Enterprise Risk Management (ERM) program aims to mitigate vulnerabilities and lessen the impact of potential disruptions to our business. While risk management has always been a priority, in 2019, we took additional steps to enhance our approach to risk identification, assessment and mitigation including the formation of an ERM committee.



The ERM committee is responsible for overseeing the program and our progress from an integrated, cross-functional perspective.

The ERM committee developed a refreshed company-wide risk inventory process. Using industry benchmarking and internal expertise, the team completed an in-depth analysis of risks and assigned scores based on the likelihood of occurrence and potential impact on the business. Each enterprise-level risk is assigned an executive owner who is responsible for implementing control and mitigation plans and monitoring and reporting on progress.

INFORMATION SECURITY

Robust information systems are a critical component of our business, and we are unwavering in our commitment to protect the privacy and security of data entrusted to us by our employees, suppliers, partners and customers. We utilize comprehensive information security policies and practices to ensure the protection of private information. We continuously monitor the flow, access and usage of data across our networks, flagging suspicious behavior, investigating and taking appropriate actions when warranted. Additionally, we continue to work with third-party vendors to assess new technologies and areas of risk to ensure we have the right capabilities in place to protect our business and stakeholders.

In recent years, we have made several updates to our existing security and privacy policies in an effort to support evolving global regulations. In 2018, we reviewed and adjusted our policies to reflect the European Union's General Data Protection Regulation (GDPR) and its guidelines around personal information. In 2019, we incorporated an ethical phishing program to assess employee awareness about phishing and other vulnerabilities, and we provide ongoing training to continuously improve our ability to reduce our risk in this area. Visit our website for more information on our Third-Party Personal Data Protection Notice and Lubrizol's Key Privacy Rules (a document that is available online in multiple languages).



Our Code of Ethics

Published in 11 languages, the Lubrizol Code of Ethics affirms our commitment to conducting business with honesty and integrity. It outlines our expectations for doing things the right way in areas such as:

Fostering an inclusive and respectful workplace;

Using technology respectfully and responsibly;

Continuously improving safety;

Supporting Lubrizol's commitment to the environment;

Respecting the intellectual property rights of others;

Creating accurate and complete records;

Avoiding conflicts of interest;

Competing fairly and ethically;

Complying with anti-bribery laws and trade regulations.



ETHICS

All employees, regardless of their position in the company, are required to act with honesty and integrity, treat each other with respect, and comply with all applicable laws. Our Chief Legal and Ethics Officer provides oversight of our ethics program and is supported by our director of ethics and compliance, corporate ethics manager, and a team of local ethics leaders. These individuals are responsible for implementing our Code of Ethics and serve as local liaisons to answer questions or concerns about our policies and procedures.

We review our Code of Ethics on a regular basis to ensure it reflects the current business environment and the challenges our employees face. Within the Code, each section features “Everyday Ethics” callouts to help employees understand how the topics apply to their typical responsibilities at Lubrizol. In 2019, we initiated a comprehensive assessment of our ethics, anti-corruption

and compliance programs to ensure we are continuing to operate at the highest level of honesty and integrity. Our assessment included interviews with key leaders, and in 2020, we will be conducting a global ethics survey to gather additional input. In 2020, we also will be requiring all employees to complete three-part computer-based ethics awareness training.

OUR EXPECTATIONS OF SUPPLIERS

We look to partner with suppliers who share our corporate philosophy and commitment to ethical business practices. Available in seven languages, Lubrizol's Supplier Code of Conduct defines the expectations for our supply chain in a wide variety of areas, including conflicts of interest, health and safety, employment practices, compliance with competition laws, financial transactions

and conflict minerals. Our suppliers must be committed to a workplace that is free from all forms of human trafficking, forced labor and unlawful child labor in their operations. Failure by a supplier to conduct its activities in a manner consistent with expectations, including Lubrizol's Code of Ethics, will jeopardize the supplier's opportunity to do business with us.

The Lubrizol Code of Ethics affirms our commitment to conducting business with honesty and integrity.

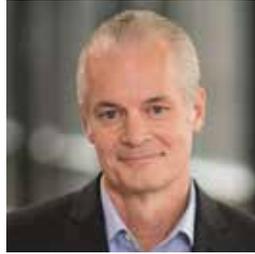


“More than 90 years ago, our founders made a commitment to treat our customers, suppliers, neighbors – and most importantly employees – with honesty and integrity. This enduring commitment is the cornerstone on which Lubrizol was built and on which it will continue to grow and prosper.”



SUZANNE F. DAY
Senior Vice President,
Chief Legal and
Ethics Officer

LEADERSHIP



ERIC R. SCHNUR
Chairman, President and
Chief Executive Officer



TOM CURTIS
Corporate Senior Vice
President and President
of Lubrizol Additives



RICK TOLIN
Corporate Senior Vice
President and President
of Lubrizol Advanced
Materials



SUZANNE F. DAY
Corporate Senior Vice
President, Chief Legal
and Ethics Officer



JULIE EDGAR
Corporate Vice
President, Innovation
and Chief Sustainability
Officer



JOHN J. KING
Corporate Vice
President, Chief
Information Officer



DEB LANGER
Corporate Vice
President, Business
Development and
Consumer Insights



J. BRIAN PITTS
Corporate Vice
President, Chief
Financial Officer
and Treasurer



ANA G. RODRIGUEZ
Corporate Vice President
and Chief Human
Resource Officer



MIKE VAUGHN
Corporate Vice
President, Operations,
Supply Chain and HSES

“In the decade ahead, one where we’ll celebrate our centennial in 2028, we’ll have an even greater impact. Lubrizol will help the world **Move Cleaner**, **Create Smarter** and **Live Better** than ever before. We’ll focus our investment and growth in the next decade on opportunities that move that vision forward and enable a sustainable future — for Lubrizol, for our customers, and for the world.”

Eric R. Schnur | Chairman, President and Chief Executive Officer

Continue to learn more about Lubrizol’s impact and our sustainability journey by visiting [lubrizol.com](https://www.lubrizol.com).

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