



MOVE
CREATE
LIVE



Lubrizol

2021 COMPANY REPORT



TABLE OF CONTENTS

About This Report	1
Company Overview	2-3
Reflections from Eric Schnur	4-5
Mission for the Future	6
Move Cleaner	7-8
Create Smarter	9-10
Live Better	11-12
Lubrizol Sustainability	13-16
Environment	17-24
Social Responsibility	25-32
Governance	33-35
Our Leadership	36



ABOUT THIS REPORT

2020 was a challenging year for so many people around the world. Lubrizol, as a global company and as a team of 8,800 dedicated employees, stepped up to help our fellow citizens and the planet. We also made significant progress on our ambitious and impactful mission to help the world **Move Cleaner, Create Smarter** and **Live Better**. Together, we furthered our potential by launching new initiatives, supporting our employees, and solving customer and market challenges through inspired science, in ways only Lubrizol can.

As highlighted throughout this report, we have a proactive, strategic, metrics-driven approach to Environmental, Social and Governance (ESG) criteria and embed sustainability into every area of our business. In 2020, we progressed our sustainability strategy in many ways – reducing our environmental impact, working with our customers and suppliers to enhance sustainability in our value chain, investing in local communities and continuing to foster a diverse, inclusive environment for all employees.

We are proud to highlight our efforts, progress and achievements in this 2021 Company Report. Please visit our website, **lubrizol.com**, to learn more about our business and our 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.

This report features new
SUSTAINABILITY
goals, including Environmental
footprint goals starting on page 17,
and Social Responsibility goals,
starting on page 25.



Sustainability Disclosure Information

This report was issued in April 2021, and it is primarily based on activities that occurred in 2020 or ongoing activity from previous years, with some updates from early 2021 where indicated. 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](https://lubrizol.com/Sustainability/Scorecard)**. The sustainability content in this Company 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. This is the second year in a row that our Company Report includes our sustainability disclosures. Prior to combining our Company Report and our Sustainability GRI Report in 2020, we published our GRI sustainability report for 2017 and our corporate citizenship reports for 2015, 2013, 2011, 2009 and 2007. These reports are available on our website.



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 company is comprised of two primary business segments: Lubrizol Additives and Lubrizol Advanced Materials. Additionally, in 2020 we established Lubrizol Corporate Ventures focused on growth in new markets.



Our **Lubrizol Additives** segment partners with customers to address a wide variety of vehicle needs, including improving energy efficiency, reducing emissions, and enhancing engine reliability and durability for internal combustion engine and electric/hybrid vehicles. For industrial applications, Lubrizol additives enable efficient, reliable and durable equipment performance. Our industrial fluids are hard at work as part of your home appliances, ensuring you have a comfortable living space and fresh food from your air conditioners and refrigerators, and we bring efficiency to power generation, hydraulic equipment, compressors, oil field services and metal processing in industrial applications.



Lubrizol Advanced Materials innovations improve the performance of our customers' products and enable valuable performance attributes across a wide range of impactful industries, including healthcare and medical, beauty, and home care. We also create materials that are used in many wellness-related applications, such as sustainable materials for active wear and athletic shoes, and chemistry used in easy-to-install plumbing systems that deliver safe drinking water throughout the world. Our materials also deliver valuable performance in building and construction, consumables, textiles, coatings and consumer durable goods.



The **Lubrizol Corporate Ventures** group, established in 2020, partners with industry game changers to solve emerging complex challenges, leveraging our strengths in adjacent markets. The team uses a market-driven, global approach to develop, test, commercialize and scale breakthrough opportunities in emerging, high-impact industries, such as new energy solutions and thermal management. In these industries, we will partner with our customers to solve growing challenges and opportunities, including demands for power, industrial production, computing power, population growth and renewable energy.



HALF

of the world's consumers use at least one product containing a Lubrizol ingredient. Additionally, half of the planet's vehicles rely on Lubrizol science.

Our Global Operations

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 several countries around the world, including the United States, Belgium, Brazil, China, France, Germany, India, Japan, Spain and the United Kingdom, among others.

Employees Globally

8,800

Labs/Technical Facilities

40

Manufacturing Sites

58

Sales Office

47

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

Global Employees by Region

Latin America

3%

Asia Pacific

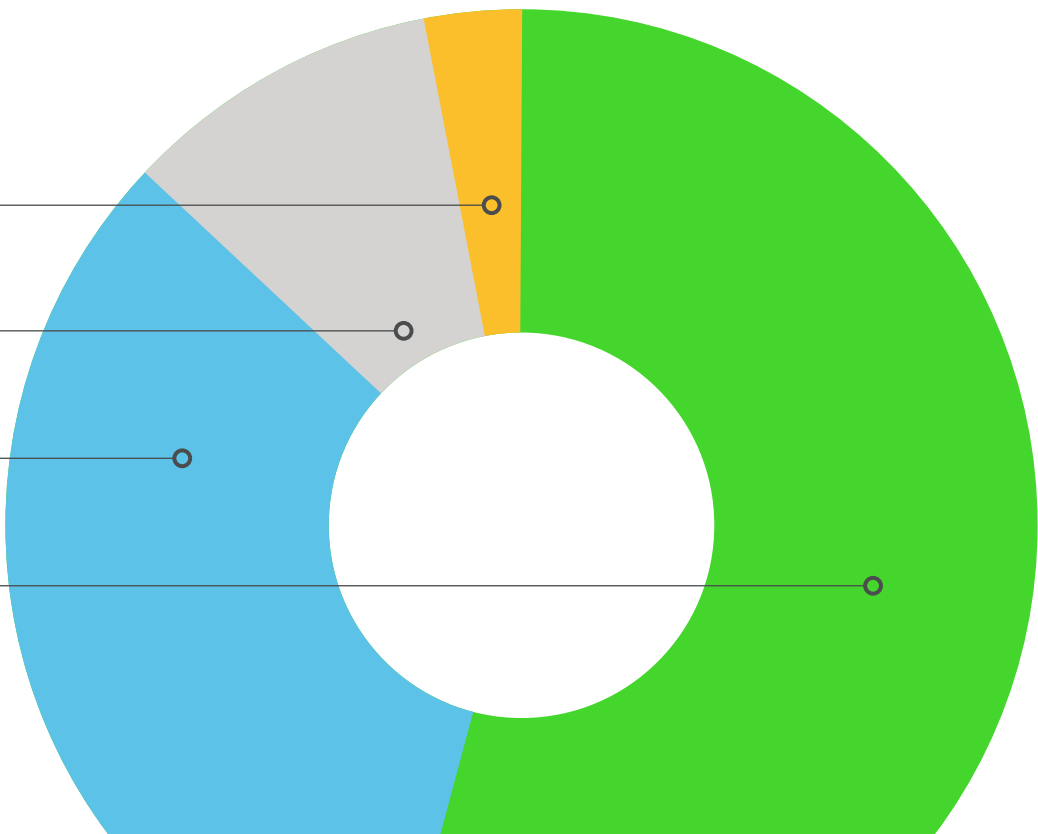
10%

Europe

33%

North America

54%





ERIC R. SCHNUR
Chairman, President and
Chief Executive Officer

REFLECTIONS FROM ERIC SCHNUR

As we look back on 2020, many will remember a year of challenge and a year of change. This is true for Lubrizol as well, but 2020 was also a year where our potential to have a meaningful and positive impact on the world became even clearer.

We helped solve some of the world’s biggest challenges through a unique combination of chemistry, formulating, applications testing and market insights. We leveraged these strengths to enhance health and hygiene, reduce emissions, extend equipment life, reduce waste and improve billions of lives. In a year where many companies may have paused the pace of innovation, we launched many exciting products that deliver important benefits to our customers and do so responsibly. In short, we helped the world **Move Cleaner**, **Create Smarter** and **Live Better**, in ways only Lubrizol can.

As always, keeping our employees safe was the year’s top priority, but it was a particular challenge in 2020. Our pandemic response teams worked incredibly hard to ensure our sites were among the safest places for our employees. We adapted quickly to work in new ways as our manufacturing locations remained fully operational. Forty percent of our workforce shifted to remote work, and in many ways, became more connected to each other than ever.

Our people did incredible work in 2020, and I want to thank them for their inspiring dedication and resilience and their commitment to our customers. Our Life Science business, serving personal care, home and healthcare industries, had its strongest year yet. We tripled production of critical ingredients needed for hand sanitizer, collaborated to provide medical equipment and enabled essential products in the fight against COVID-19. Heavy declines in transportation and industrial markets in the middle of the year impacted our Additives and Engineered Materials product lines, but demand largely rebounded in the latter part of the year, as we continued to deliver valuable solutions for transportation, construction and industrial markets.

Through the year’s many challenges, our employees were at their very best in supporting our neighbors as well. Our employees contributed more than 3,000 virtual volunteer hours, and Lubrizol exceeded a \$2 million global commitment to support COVID-19 needs in our local communities. This included donating to food banks, providing meals to medical personnel, supplying protective equipment for frontline workers and many other actions.

We closed 2020 with much to be proud of, and we entered 2021 a stronger company with great potential to do more.



We closed 2020 with much to
be proud of, and we entered
2021
a stronger company with
great potential to do more.

Our Potential in 2021 and Beyond

As of the publication of this report, the pandemic continues to impact the world, but we are all hopeful brighter days are ahead as vaccines roll out, and we remain vigilant in our focus on health and hygiene. We, like all of you, look forward to coming together to collaborate, progress and celebrate in person. Whatever the future brings, we are dedicated to fully utilizing the great potential of our company to positively impact a recovering world.

In our Additives business, we are focused on growth in both industrial and transportation markets, where we are innovating to improve and extend product life, reduce emissions and reduce environmental impact. In transportation, any practical scenario that minimizes emissions over the coming decades, including carbon emissions, involves continued advancements in the efficiency of internal combustion engine (ICE) powered vehicles, as well as aggressive electrification. We see great opportunities in both and are focusing our innovation on enabling continued advancements in electric vehicles as well as ICE-powered mobility. In industrial, our solutions enable utilization of low global warming gases in refrigeration and HVAC systems, and efficient, cleaner industrial equipment in a wide variety of applications.

Our Advanced Materials segment will continue to address real, high-impact needs of billions of consumers. The world's focus on health and hygiene will continue. We are prepared to meet growing demand for sanitizing applications, like hand sanitizers, and advanced laundry and cleaning solutions. We expect continued growth in our health business, in nutraceuticals, pharmaceuticals and medical devices where our product safety, quality and performance have never been more needed.

In 2020 we signed new partnership agreements that will expand the impact of our TempRite® piping materials and provide clean drinking water to millions across the globe in the years ahead. We are providing cutting-edge innovation to the footwear and apparel industries with technology that reduces waste in manufacturing and is recyclable. We are delivering sustainable solutions to protect surfaces and reducing the impact of single-use plastics with breakthrough coatings and packaging solutions.

We also are applying our unique combination of capabilities to grow in new markets. The formation of Lubrizol Corporate Ventures in late 2020 will take us into adjacent markets where these capabilities can help address new challenges. This includes a focus on new energy and thermal management solutions that will be critical to enabling a cleaner, more electrified future.

The culture of our company for decades has included a strong focus on our people. Safety is central to that focus and will certainly continue in 2021. We also are committed to building upon the strength of our culture to ensure a truly inclusive environment where talented people can be their absolute best. Where different experiences, perspectives and ideas are not only welcomed, but celebrated. We are building a more capable company as a result and are committed to holding ourselves accountable for continued progress. This includes measuring progress against diversity goals focused on gender, our U.S. Black population and the global diversity of our senior-most leadership.

Finally, our work across the company reflects our strong commitment to sustainability. We have not only set meaningful goals across Environmental, Social and Governance (ESG) criteria but also are reinforcing our company's mission to create a cleaner, smarter, better world for us all.

At Lubrizol, we are privileged to count some of the world's most respected and admired companies as our customers and partners, and we thank each of them for their continued support and loyalty. We also are very fortunate to have the support of Berkshire Hathaway.

Our potential to impact the world has never been greater, and we are incredibly excited about the future. I think you will see why as you explore this report.

Thank you for your interest in Lubrizol.



ERIC R. SCHNUR

Lubrizol Chairman, President and CEO



MISSION FOR THE FUTURE

Lubrizol is much more than what you already know about our 93-year-old chemical company.

We are a team of scientists, innovators and creators who are passionate about finding solutions for emerging needs and global challenges.

We have the scientific capabilities and market expertise to help the world **Move Cleaner**, **Create Smarter** and **Live Better**. In 2020, we delivered on that potential – how, when and where our customers and consumers needed us most. And as we look ahead to our 100th anniversary in 2028, we have the potential to have much greater impact.

The goals that follow were announced early last year, and we are making progress, even while navigating the COVID-19 pandemic. As we continue to chronicle our progress in this and future reports, we are pleased to have customers, suppliers and other partners aligning their efforts with ours to make the world a cleaner, smarter and better place for us all.



Lubrizol's Mission

MOVE CLEANER

>50%

Enable a >50% reduction in vehicle emissions by 2040.
2020 total vehicles vs. 2040 total vehicles.

CREATE SMARTER

25%

Increase the circularity impact of our products by 25% by 2028.
Compared with a 2019 baseline.

LIVE BETTER

2B

Improve at least 2B lives by 2028.
Through solutions that improve daily health outcomes.



MOVE CLEANER

Lubrizol is known the world over for our lubricant and fuel technology, services and solutions that enable high-performance, energy-saving, clean-running transportation. In fact, half the vehicles on the planet already rely on Lubrizol technology to reduce emissions, extend vehicle life, prevent equipment failure, reduce downtime and improve fuel economy. With unparalleled knowledge of lubricants, expertise in markets around the world and industry-leading customers and partners, we continue to identify new applications where our additives expertise can solve today's most pressing transportation needs, including reduced emissions.

2020 was a strong year for innovation and delivery of solutions that address market trends, new technology requirements and the fast-changing regulatory landscape.

We are pleased to share these examples of how fast we are moving to deliver on our **Move Cleaner** mission.

High-Performance Fluids for Electrified Vehicles

As the hybrid electric vehicle (HEV) and electric vehicle (EV) markets continue to expand, so does our range of solutions that optimize HEV and EV performance. In 2020, our e-mobility team accelerated our efforts to develop and deliver solutions for electrified vehicles, including:

- Evogen™ e-driveline fluid technology, which optimizes the protection and efficiency of electric driveline systems. Performance attributes include electrical component protection, corrosion protection, thermal transfer properties and new material compatibility on top of durability and antifriction benefits;
- Unique e-greases for electric motors, which achieve energy efficiency, increased durability, noise reduction and reduced electric arcing;
- Specialized thermal management fluids (TMFs) that enable improved performance and durability of lithium-ion batteries, which are prone to high temperatures.

In addition to developing solutions to meet the needs of today's HEV and EV markets, our e-mobility team is partnering with customers and leading researchers on future generations of vehicle technology. Our goal is to help shape the design and function of future technology and ensure that lubricant and additive solutions will be specifically engineered to meet and exceed the demands of those advanced applications.





Reducing Emissions in the Maritime Industry

The International Maritime Organization (IMO) is the United Nations specialized agency with responsibility for the safety, security and environmental performance of marine vehicles and ships. At Lubrizol, we continue to innovate our marine lubricant and diesel fuel additives to meet IMO's increasingly stringent emissions standards – and, ultimately, to help the industry fulfill IMO's ambition to reduce GHG emissions from shipping by at least 50 percent by 2050.

In 2020, Lubrizol became the first additive technology supplier to join the Getting to Zero Coalition, an international alliance of more than 120 companies, key governments and intergovernmental agencies that is focused on driving the development of commercially viable, zero-emissions deep-sea ships by 2030. To reach IMO's 50 percent goal and

Reducing Global Emissions and Anticipating Regulations

To address climate change, the global automotive market needs to reduce emissions. As a result, vehicle emission standards are tightening all around the world, including in already-large, still-fast-growing markets such as China and India. Lubrizol helps to reduce global emissions with technology that meets and anticipates evolving regulations. Our work will enable EV technology to comprise an ever-increasing percentage of the global fleet.

In parallel with these solutions, during this transition period it's critical that we continue to improve internal combustion engine (ICE) performance, including enabling efficiency gains in powertrain and vehicle design, and in the upgrade of older vehicles. For example, new formulations of Lubrizol ACT™ additive technologies lower the impact of low-speed pre-ignition wear, reduce production complexity, reduce tailpipe emissions and boost fuel efficiency. Lubrizol also has enabled the adoption of fuel-efficient axle oils, ensuring improved durability and thermal management for the approximately 2.9 million Class eight trucks on the road today in North America. Using Lubrizol-formulated fuel-efficient axle oils enables a reduction in fuel consumption of 100 gallons per vehicle, per year. Cumulatively, the impact across the North American Class eight fleet, if all adopted Lubrizol fuel-efficient commercial gear oils, would mean a reduction of three million metric tons of CO₂ a year.



Lubrizol solutions will enable a

>50%

reduction in vehicle emissions by 2040*

*2020 total vehicles vs. 2040 total vehicles.

to make the transition to full decarbonization possible, commercially viable zero emission vessels must start entering the global fleet by 2030, according to the coalition.





CREATE SMARTER

Increasing the circularity impact of our products is smart business for Lubrizol, important for our customers and a significant long-term benefit to the natural environment. Our work to **Create Smarter** is owned throughout our organization and across our portfolio, as we focus on the handprint of our products and the impact they have after they leave our gate, whether in customer manufacturing, in consumer use or in post-consumer use. Through the expansion of data-driven tools and systems to integrate life cycle thinking into product development and our product portfolio, sustainability considerations are built into the performance efficacy of our products.

Our commitment to life cycle thinking helps our customers achieve their sustainability goals in four critical areas:

- **Design responsibly** – using responsibly sourced, nature-based raw materials, increasing biodegradability and minimizing environmental impact at the end of a product’s life;
- **Eliminate waste** – increasing recyclability and decreasing waste through use of recyclable content and ingredients that improve efficient processing and reduce scrap;
- **Produce responsibly** – enabling lower greenhouse gas (GHG) emissions in customer manufacturing with ingredients that reduce the need for energy intensity in processing and increased production efficiency;
- **Enable greater use** – improving durability and resilience that extend the useful life of final products and providing opportunities for reuse.



Laundry Solutions That Reduce Customers’ Energy and Water Use

Powder laundry detergent use continues to grow in many parts of the world, particularly in the Middle East, Latin America and Asia, with 12 million metric tons produced every year.

Lubrizol’s Noverite™ LD 920N polymer reduces the amount of water and energy our customers need to produce laundry detergent powder in their factories. Our biodegradable polymer helps laundry powder manufacturers reduce their operations’ water usage in processing. For one manufacturer, it has meant reducing water usage by more than a million gallons of water annually in a single plant — enough drinking water for 3,000 people for a year. With less water being processed at the site, this customer has realized more than \$1 million in energy savings annually, and reductions in greenhouse gas emissions have added up to thousands of metric tons of CO₂ per year.

The sustainability benefits of this ingredient also extend to the end consumer because the detergent is formulated to maintain high performance even when washing clothes in cold water.

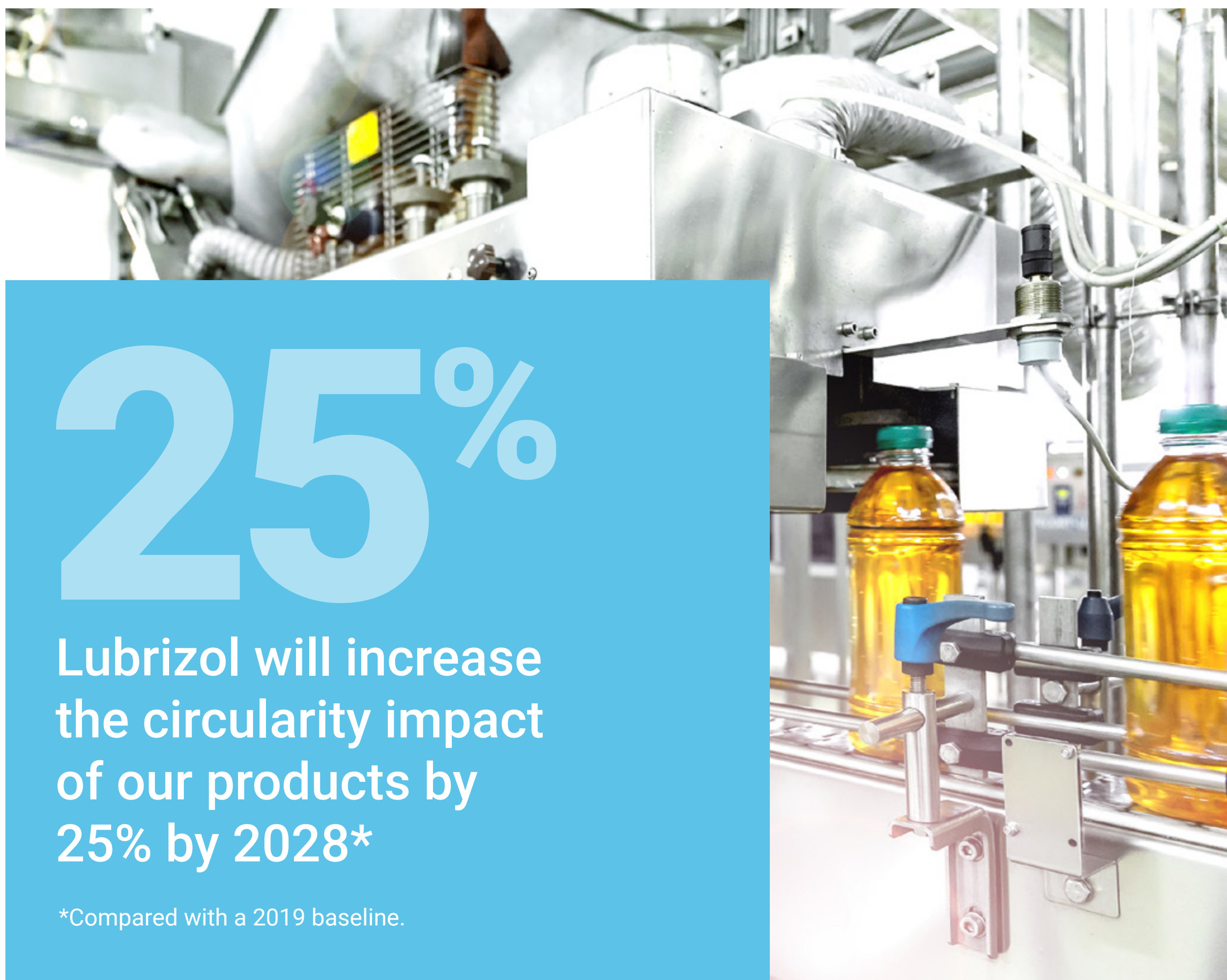


Industrial Fluids with Strong Sustainability Impact

Lubrizol is adding additional focus and rigor around its additives work for industrial markets, as emerging markets and a growing population mean more infrastructure and more industrial equipment needed to support related projects. Lubrizol is creating smarter industrial solutions, including synthetic fluids using our Lucant™ polymer technology to extend the life of industrial machinery by enabling them to run at cooler temperatures. In addition, field tests of our fluid technology in hydraulic plastic injection molding machines have reduced energy use more than 8 percent and decreased emissions by more than 17 metric tons of CO₂ per year per machine. Cumulatively, if this technology were applied across the global plastic injection molding industry, we would reduce emissions by more than 26 million metric tons of CO₂ each year.

Accelerator Program Enables Stand-Out, Sustainable Soap

Since its inception in 2017, the Lubrizol Accelerator program has helped launch over 100 health and beauty products. This “incubator” inside our walls takes Lubrizol’s expertise in research, formulation, ingredient selection, testing, manufacturing, packaging and other services and bundles the relevant resources into customer-facing project teams that can rapidly and cost-effectively bring products to market. In 2020, one great example is our work with Gelo Products, to develop Gelo™ dissolvable pods, which are filled with ultra-concentrated, plant-based cleansers that consumers combine with water at home to create hand soap in a reusable bottle. This eliminates waste from bulky, plastic soap dispensers and excess packaging and even reduces the shipping impact because water isn’t incorporated until the biodegradable soap pods are used at home. Lubrizol worked closely with the customer to get the product to market in just six months, and achieved the milestone of more than 1 million pods sold.



Acquisition Expands 3D Printing Capabilities, Enables Efficient Manufacturing

In 2020, Lubrizol acquired **Avid Product Development**, expanding Lubrizol’s 3D printing capabilities into design, prototyping, manufacturing and post-processing. Investing in 3D printing capabilities creates significant opportunities to leverage our flexible materials technologies, applications and testing expertise to offer differentiated solutions for customers. As a result of this acquisition, we have an enhanced ability to offer end-to-end solutions that will enable customers to launch high value-added products with a shorter time to market, while also enabling more efficient manufacturing processes with less waste.



LIVE BETTER

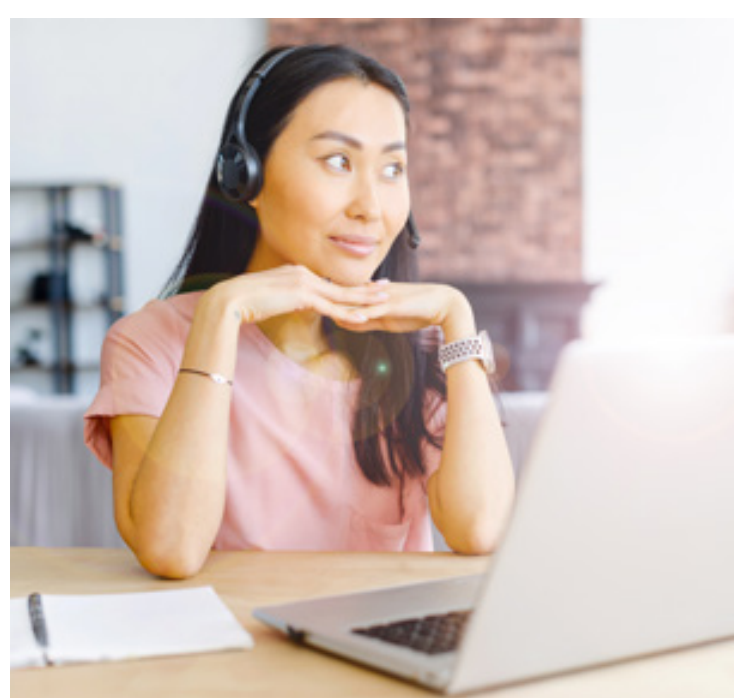
In 2020, Lubrizol's people and technology shined brighter than ever as we helped businesses, families and communities across the globe meet the challenges of COVID-19, all while propelling new innovation to help the world **Live Better**. We continued to develop science that enables the performance of prescription and over-the-counter medications, medical devices, personal protective equipment (PPE) and nutraceuticals, as well as home and personal care products designed to keep consumers healthy and safe.

Prior to COVID-19, we committed to improving 2 billion lives by 2028. Our far-reaching efforts during 2020 mean we have already come close to achieving this goal. We are now assessing if and how we can widen this goal for even greater impact in the future.

Lubrizol Solutions Helped Protect Lives in 2020

COVID-19 intensified the global focus on cleaning and sanitizing skin and surfaces. We began addressing the critical global shortage of hand sanitizer in January 2020 by boosting production of our Carbopol® polymers, a thickening agent found in most hand sanitizing gels. With the increased capacity, we enabled customers to produce an additional 1 billion bottles of hand sanitizer every month. We also provided solutions that enabled the production of much-needed PPE for healthcare workers, emergency responders and their patients, including protective garments, face shields, barrier curtains, hoses, tubing and cables. Our material scientists collaborated with customers across the globe to help them adjust their operations to serve these urgent needs and address critical shortages.

To support **Nike's efforts** to develop and donate full-face shields and powered, air-purifying respirator (PAPR) lenses to hospitals across several U.S. cities, as an example, our innovation team quickly evaluated materials, provided insights to optimize performance and re-orchestrated our production and supply chain to produce and donate the necessary material to support this effort.



Bolstering Skin Protection Against Blue Light and Sunlight

Exposure to harmful blue light from cell phones, home computers and other screens was at an all-time high in 2020 due to increased remote working and schooling caused by COVID-19. As a result, skin care manufacturers turned to Lubrizol for our breakthrough Lumicease™ blue ingredient, which helps protect and repair the skin from solar and artificial blue light-induced damage. We also enabled skin protection with the launch of our Sunhancer™ ECO SPF Booster, a natural solution that raises a sunscreen's SPF factor by up to 85%, improves the feel of sunscreen and is safe for marine life.

Making Pharmaceuticals and Medical Devices Work Better

We continue to partner with medical device and pharmaceutical companies to develop and manufacture innovative and impactful products, ultimately helping patients and customers to **Live Better**. In **pharmaceuticals**, our excipients, or binders, help improve the absorption and time release effectiveness of consumer drugs. In **medical devices**, Lubrizol's innovative polymers offer protection against the hundreds of millions of infections acquired in health-care settings worldwide every year by prolonging the use-life of implanted devices, such as central venous catheters. Our unique chemistry helps to prevent the formation of blood clots and provides additional anti-microbial benefits, which make it possible to keep catheters in place longer.

We also are active in addressing **women's health applications**, including new solutions for contraception and disease prevention. Last year, we expanded our partnership with the Population Council to develop an optimized contraceptive vaginal system. We also are working on the development of a vaginal ring to reduce women's HIV risk, with a focus on bringing that product to market in Sub-Saharan Africa.

Our expertise in product safety, quality assurance and regulatory compliance, and our governance and oversight of those issues, is critical to our ability to help our customers get products to market efficiently and secure consumer confidence.

Lubrizol will improve at least

**2B
LIVES**

by 2028 by improving daily health outcomes.



Enabling More Clean Water Across the Globe

To meet growing demand for TempRite chlorinated polyvinyl chloride (CPVC) pipe and fittings in India, in 2020, Lubrizol committed to **significant investment** to manufacture and supply TempRite resin in India. This facility will provide the largest single-site capacity for TempRite resin production globally.

This new capacity will help meet growing needs for clean water in residential and commercial buildings in India. To date, Lubrizol products have been instrumental in reliably delivering safer water to approximately 200 million citizens in South Asia.

Nutraceutical Solutions Promote Consumer Self-Care

Lubrizol specializes in the development and production of nutraceutical ingredients, providing nutritional and technical solutions for functional foods and dietary supplements that enable consumers to follow effective self-care practices.

Additions to the Lubrizol Life Science Health business in early 2020 boosted nutraceutical developments that strengthened and grew the company's presence in this rapidly expanding market. We helped increase consumer selfcare in 2020 with innovations in ingredients and formulations that enhance iron absorption, (supporting the needs of 25% of the global population who are iron deficient), mitigate calcium deficiencies, and increase cognitive performance.



LUBRIZOL SUSTAINABILITY

Lubrizol has a long-standing commitment to operate ethically and responsibly while creating value for our customers, employees, communities and other stakeholders. These commitments 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.

We look at sustainability holistically, understanding that addressing the continuum of environmental, social, governance and ethics (ESG) issues is critical to the success of our business. Over the last several years, we have worked to fully embed sustainability across the business, including how the company innovates, designs and produces products; how we collaborate internally and with our customers and suppliers; and how we support and invest in our local communities. We believe sustainability is a vital driver to the long-term growth of our organization, and through continued learning and improvement, we are making progress in addressing the biggest challenges of today, while capturing opportunities for the future.

Accelerating Our Sustainability Progress in an Unprecedented Year

We are committed to enabling a more sustainable world. We responded to the challenges of 2020 with leadership, determination and solutions that made a difference for our stakeholders. Among our recent milestones:

- Leveraging our culture of safety and activating our pandemic response plan and global pandemic team to protect our employees during the COVID-19 pandemic;
- Mobilizing our people, science and manufacturing capabilities and working with our suppliers and customers to produce hand sanitizer and personal protective equipment for essential workers, communities and others around the world;
- Adopting new environmental goals for greenhouse gas emissions reductions, waste reduction and water stewardship;
- Committing to increased diversity and inclusion through new D&I goals, enhanced D&I training and development for our leadership, and greater engagement with all employees;
- Appointing a new Chief Sustainability Officer, who also serves as President of The Lubrizol Foundation, which ensures alignment between our sustainability efforts and our community investment strategy;
- Expanding our Building Bonds day of caring program beyond its Northeast Ohio roots to reach our communities globally; and
- Enhancing our sustainable sourcing practices, including establishing new goals and implementing a training and awareness program across our global footprint.

LUBRIZOL'S SUSTAINABILITY ESG GOALS

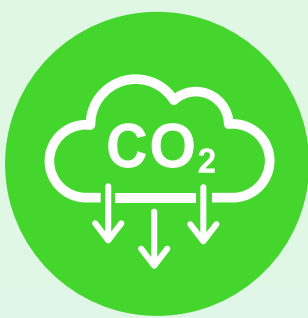
To further our sustainability commitment, Lubrizol has established new ESG goals to reduce our environmental footprint and enhance our social responsibility, including diversity and inclusion goals and community investment pledges.

Our goal is to continue to ensure that our solutions bring more positive impacts to the environment and society than the footprint it takes to produce them.

ENVIRONMENTAL FOOTPRINT GOALS

We are proud to introduce new environmental footprint goals, which are being embedded throughout the organization. These new goals are as follows:

Emissions



Reducing Scope 1* and Scope 2* greenhouse gas emissions by **20% by 2030** (compared to a 2018 baseline). Reduction targets for Scope 3* emissions, including reducing raw material and transportation impacts, are expected to be released later this year.



Waste

Decreasing the impact of our waste by **10% by 2030** (compared to a 2017-2019 average baseline). This includes reducing the amount of waste generated, reducing scrap and increasing recyclability.



Water

Conducting water risk assessments at all Lubrizol manufacturing sites in 2021 and repeating this process biennially to determine opportunities for additional improvements. We will also sponsor annual waterbody restoration or clean-up activities in the communities we call home.



SOCIAL RESPONSIBILITY DIVERSITY & INCLUSION GOALS

To build a more diverse and inclusive workplace, Lubrizol must embed sustainable diversity and inclusion (D&I) into our systems and processes and track our progress. These goals were developed in 2020 and have been embedded across the company. We are committed to:

Women



Increasing the percentage of women in senior leadership roles to 46% by 2023.

U.S. Black Population



Increasing the representation of Black/African American employees at all levels of the organization in the U.S. and tripling the percentage of Black senior-level leaders in the U.S. to 9% by 2025.

Global Leadership



Increasing the geographic diversity (non-U.S.) of the senior leadership team to 45% by 2025 to ensure a more global perspective.



SOCIAL RESPONSIBILITY COMMUNITY INVESTMENT GOALS

We have committed to assisting 2,028,000 individuals globally by 2028 through engagement activities in the communities where we live and work. We will do this by:

Community Giving

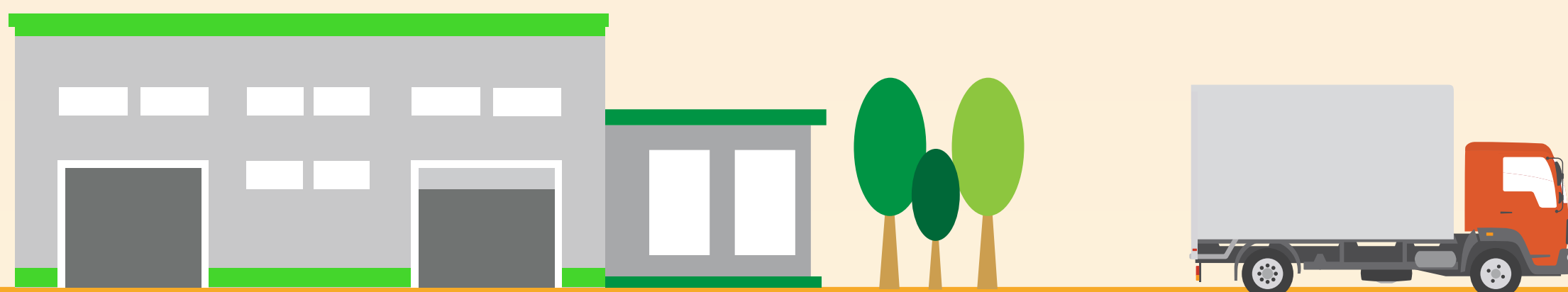


Giving at least \$20,280,000 to organizations that are aligned with our community investment priorities.

Volunteering



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



GOVERNANCE GOALS SUSTAINABLE SUPPLIERS

The highest standards of ethical and legal conduct are foundational to our work. In addition to ensuring all employees attend ethics training and believe they are working for a company that celebrates ethical behavior, we will institute the following as it relates to our key suppliers.

Supplier Sustainability



Complete EcoVadis assessments of all key suppliers by 2028.

Supplier Ethics



Complete an annual performance evaluation of key suppliers and ensure all key suppliers receive and acknowledge Lubrizol's Supplier Code of Conduct (or demonstrate equivalency).

*Scope 1: Lubrizol's direct GHG emissions; Scope 2: Indirect GHG emissions from Lubrizol's consumption of purchased electricity and steam; Scope 3: Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by Lubrizol, waste disposal, etc.



Stakeholder Engagement

Our sustainability materiality assessment was conducted by a third party in 2018. In 2019 and 2020, we updated the assessment to better reflect the current state of our world, business and stakeholder interests. 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

Our materiality assessment was conducted in accordance with Global Reporting Initiative (GRI) Standards. 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

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

Social

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

Governance

- Corporate Governance
- Ethics
- Information Security



ENVIRONMENT

Our role in advancing environmental sustainability is focused in two areas: **maximizing our handprint** by providing products and solutions that meet and exceed our customers and consumers’ performance and sustainability goals and enable more sustainable solutions; and **minimizing our footprint** by operating our business in a safe, efficient and responsible manner that reduces our carbon footprint and preserves and protects natural resources.

This holistic and integrated view allows us to look at all elements of environmental sustainability and make a greater positive impact on the world. By focusing on not just what we are preserving and protecting, but also the advancements we are enabling, we engage suppliers, customers and consumers to join us in creating a sustainable future.



MAXIMIZING OUR HANDPRINT

.....

MINIMIZING OUR FOOTPRINT



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 reduce emissions, extend the life and circularity of products, enable more effective and targeted healthcare solutions, and increase comfort and care. Our goal is to continue to ensure that our solutions bring more positive impacts to the environment and society than the footprint it takes to produce them.

Minimizing our Footprint


We strive to minimize the environmental footprint of our own operations by driving energy efficiency, reducing emissions, decreasing waste and protecting natural resources. Our approach is to be proactive in identifying opportunities for reducing environmental impacts and areas for improvement as sustainability becomes inextricably linked with everything we do.



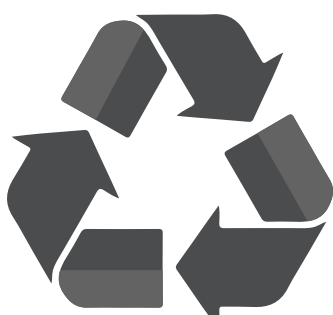
Introducing New Environmental Goals

We updated our cradle-to-gate environmental footprint in 2019, the third update in the past 10 years. With each iteration, we have learned more about the makeup and main drivers of our environmental footprint. Utilizing this information, combined with a life cycle assessment approach, we have developed a better understanding of the environmental impacts of upstream supplier activities and Lubrizol’s own operations. With this, we are able to further allocate these impacts to Lubrizol products and business units.

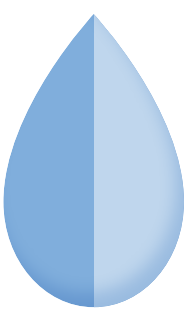
As a result of the latest analysis of our footprint, industry best practices and our desire for continuous improvement as our previous environmental goals sunset, we reached a critical milestone in early 2021: the introduction of new, business strategy-driven environmental goals. The new SMART goals (Specific, Measurable, Assignable, Relevant and Time-bound) are as follows:

 **20%** EMISSIONS
REDUCTION

Reducing Scope 1 and Scope 2 greenhouse gas emissions by 20% by 2030 (compared to a 2018 baseline). Reduction targets for Scope 3 emissions, including reducing raw material and transportation impacts, are expected to be released later this year.

 **10%** WASTE
REDUCTION

Decreasing the impact of our waste by 10% by 2030 (compared to a 2017-2019 average baseline). This includes reducing the amount of waste generated, decreasing scrap and increasing recyclability.

 **100%** WATER RISK
ASSESSMENT

Conducting water use assessments at all Lubrizol manufacturing sites in 2021 and repeating this process biennially to determine opportunities for additional improvements. We also will sponsor annual waterbody restoration or clean-up activities activities in the communities we call home.

We are committed to reporting on our performance annually and continuing to refine and adapt our strategies to meet the evolving needs of our business, our stakeholders and the world around us.



Lubrizol Sites Take Many Proactive Steps to Reduce Emissions

Addressing Climate Change

We recognize that climate change is a significant challenge to a sustainable future and that Lubrizol has an important role in helping to reduce greenhouse gas (GHG) emissions and reduce the risk of climate change. As discussed earlier in this report, our mission-driven Move Cleaner, Create Smarter and Live Better goals are directly related to our ability to positively impact the environment and help reduce the world's carbon emissions.

We are also addressing emissions within our own operations to enable progress toward achieving our new emissions goals. We continue to migrate to cleaner-burning natural gas for heat and transportation, recapturing energy that can be used for heat, and upgrading the efficiency of our lighting, production and office equipment. Our **Huddersfield, U.K.**, facility has reduced emissions, energy consumption, water use and waste by improving reactor insulation, installing LED lighting, reducing cooling and heating during reactions, recycling hot steam condensate water and reducing pre-packing waste. Our **Barnsley, U.K.**, facility implemented a project to streamline the dispersions production process by stirring the contents of the storage tank every eight hours, rather than continuously. This action reduced the greenhouse gas emissions associated with electricity usage by four percent.

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. In 2020, with the development of new tools, we undertook an extensive review of our additives chemistries and product lines, allowing us to better understand our product footprint to inform future improvements. We continue to work with leading academic institutions and have secured partnership funding to explore sustainable chemistry at early Technology Readiness Levels (TRLs), as well as accelerate our efforts with Modular Chemical Process Intensification (MCPI) to improve future manufacturing of performance chemicals.

Lubrizol's commitment to reduce greenhouse gas emissions is a global effort, with all facilities striving to help us reduce our carbon footprint and work toward our newly established goals. Several of our facilities are using or actively considering renewable energy sources, with recent developments including:

- In Brazil, both our Belford Roxo specialty additives plant and our Paulínia coatings production facility

are now purchasing and using 100% renewable energy, such as solar, wind, biomass, micro hydroelectric or energy created from municipal solid waste.

- Our Lipotec™ Active Ingredients plant in Gavà, Spain, which manufactures advanced materials that are used in cosmetics, has completed its transition to sourcing all of its energy from certified low-carbon sources. The facility is also using less energy overall

through a comprehensive implementation of LED lighting systems over the last several years.

- In Turbhe, Navi Mumbai, India, we have completed a two-phase installation of solar power, which has a combined capacity of 308 kWh. The plant, which manufactures fuel and lubricant additives and specialty performance chemicals for industry, has also undertaken an LED lighting implementation project.



Lubrizol's Brazil facilities are now purchasing and using

100%

renewable energy.



Expanding Our Environmental Management Information Systems' Impact

All Lubrizol facilities are committed to continuously improving their environmental performance by reducing emissions, energy usage and waste. We share new ideas and best practices across our organization to ensure everyone benefits from lessons learned and enhanced solutions. The implementation of our Environmental Management Information System (EMIS) is a good example of how best practices develop and reach across our organization.

More than a decade ago, several U.S. plants invested in EMIS to bring consistency

to how they track, model and report on air emissions for regulatory compliance and permitting. Over time, additional software and other capabilities were added to the program, and more U.S. facilities started using the system. By 2020, all large U.S. facilities were using EMIS for air quality, waste, water and other environmental obligations, and the capabilities have expanded further to provide global applicability. In 2020, Lubrizol formed an enterprise-level EMIS Committee to oversee and manage the program, ensuring that we maximize the impact of this tool and continue to evolve and integrate it to meet more of our needs enterprise-wide.

As members of the American Chemistry Council (ACC) and as signatories to the International Council of Chemical Associations' Global Charter, we follow the guiding principles of Responsible Care® across all our facilities.



Ohio Plant Converts Water Treatment Waste to Natural Gas

Producing natural gas from water treatment waste that once was landfilled is an idea for the future – and it is already starting to be implemented at our Avon Lake, Ohio, plant.

The plant generates 4.2 million pounds of water treatment waste annually, and since 2017, the facility has been looking for a way to reduce this landfill impact. In 2020, the plant evaluated and validated the idea of sending the waste to a partner's facility to undergo anaerobic digestion, which converts the carbon-based sludge into compressed natural gas (CNG). This conversion uses natural biological processes that are similar to how leaves on the forest floor are digested. The commercial digestion facility has conditions that simulate and speed up the process.

With extensive regulatory review and viability testing now complete, the plant is using commercial digestion to dispose of a portion of its water treatment waste. This initiative is significantly improving sustainability and circular usage of carbon-based materials, with the potential to eliminate 60 percent of the plant's landfill waste while generating clean electricity. Eventually, the site's 4.2 million pounds of water treatment waste will generate more than 1 million cubic feet of natural gas, which will be added to the electrical grid in the Cleveland area and used in CNG-powered municipal vehicles.



TempRite® Engineered Polymers Facilities Joins Industry Initiative

As the inventors of chlorinated polyvinyl chloride (CPVC), Lubrizol formulates TempRite® CPVC to enable pipe and fittings products with superior properties and consistent quality. On a global scale, our TempRite CPVC manufacturing facilities are at the forefront of aligning with and implementing best practices for environmental stewardship. Over the past year, we have achieved, or are working toward, alignment with the following global and regional certification programs:

- All TempRite facilities have pledged to participate in **Operation Clean Sweep® (OCS)**, an international stewardship program led by the Plastics Industry Association and the American Chemistry Council's Plastics Division. This initiative is intended to prevent resin pellets, flakes and powder from getting into oceans, other bodies of water and the environment overall. Lubrizol's TempRite facilities are in the process of integrating these commitments into their ISO 14001 programs by refining and documenting their environmental procedures. Lubrizol is committed to an accelerated timeline for implementation – having all elements in place by the end of 2021.
- Our TempRite facilities in Belgium and the Netherlands are in the process of applying for **VinylPlus® certification**, a voluntary commitment to sustainable development established by the European PVC industry. The program has requirements for environmental performance overall and product labeling specifically.
- **+Vantage Vinyl™** is a U.S.-based voluntary initiative that is aimed at advancing the vinyl industry's contribution to sustainable development. +Vantage Vinyl requires third-party verification of landfill diversion, emissions and health and safety impact categories. Our TempRite facility in Louisville, Kentucky, partnered with the Vinyl Sustainability Council of The Vinyl Institute and in 2021 achieved this certification.
- Our TempRite business in India achieved a listing in 2021 of our FlowGuard Plus® piping systems for hot- and cold-water distribution in **GRIHA's** Innovation category of its Green catalog. This will enable builders in India to gain points toward their overall GRIHA green building rating by using piping systems made by our partners with Lubrizol TempRite material.



Accelerating Progress on Sustainable Sourcing

We expect and require our suppliers to adhere to the same standards of business conduct and ethics; human rights and labor; health, safety and well-being of employees; and sustainability and environmental responsibility that we require of ourselves.

Given that raw materials account for a significant amount of Lubrizol's corporate footprint, our supply chain is a critical component in our ability to minimize our footprint and meet our environmental goals. As a result, sustainability factors have become increasingly important criteria for selecting and evaluating suppliers, in addition to our longstanding requirements for reliability, quality, safety and cost competitiveness.

Over the last few years, we have built a significant sustainable sourcing infrastructure that includes annual supplier performance evaluations and utilizing EcoVadis to assess our key suppliers. Several sustainable sourcing recommendations from CDP and EcoVadis have been implemented, including directly engaging with suppliers that represent the largest contributors to our GHG emissions to understand their impact on our environmental footprint and how we might be able to reduce that impact going forward.

In 2020, we conducted internal Sustainable Sourcing Awareness Training and improved internal reporting about our progress. We also expanded accessibility to sustainable sourcing resources to help our businesses systematically address sustainability considerations with current supply chain partners and potential, new suppliers. In addition, our procurement team works with our businesses to explore sourcing options for expanding the use of biomass-based raw materials.

In addition to completing annual performance evaluations of key suppliers, we have established sustainable sourcing goals, including requiring all key suppliers to receive and acknowledge Lubrizol's Supplier Code of Conduct (or demonstrate equivalency) and undertake EcoVadis assessments.

We also have commitments and tools in place to continue to address diversity in our supply chain. Our diverse vendor program has been in existence in North America for many years, and it has been successful in identifying and building relationships with diverse suppliers. In the Cleveland area specifically, we participate in the Greater Cleveland Partnership's Equity & Inclusion Division and have committed to further increase utilization of local small and minority businesses through the CommitCLE Inclusion Marketplace.



Sustainability Business Resource Groups Drive Progress Across Our Global Footprint

The high level of engagement and impact of our Sustainability Business Resource Groups (SBRGs) across our global operations are a significant point of pride for all of us at Lubrizol. We currently have 10 SBRGs, representing 33 locations in North America, Europe, Asia Pacific and Latin America.

In 2020, SBRGs' efforts reduced the environmental impact of our operations, helped employees live and work more sustainably and completed sustainability-related projects in our communities – all while adhering to COVID-19 best practices.

The SBRG at our Brecksville, Ohio, Advanced Materials facility is leading the effort to secure the facility's zero-waste certification under the TRUE program. A TRUE project's goal is to divert all solid waste from landfill, incineration (with waste-to-energy) and the environment for solid, non-hazardous wastes. Brecksville can achieve TRUE certification by meeting seven program requirements, including having a zero-waste policy, diverting at least 90 percent of waste by reduction, reusing, recycling, composting or recovering for productive use, and documentation of the program's base year along with 12 months of progress. The TRUE program is administered by Green Business Certification Inc., which also drives implementation of the Leadership in Energy and Environmental Design (LEED) green building program.

Our SBRGs are driving impact across the globe, implementing projects that address a wide range of sustainability topics. Recent activities include:

- Improving the energy efficiency of our lighting and production operations in many of our facilities
- Changing processes to improve water conservation in several production facilities
- Eliminating single-use plastics
- Reducing landfill waste through waste reduction and segregation for recycling
- Providing environmental awareness training and promotional materials, including tips for employees working at home during COVID-19
- Supporting employees with mental health resources
- Donating used clothing, office equipment and books to those in need
- Educating employees about the benefits of plant-based diets
- Holding environment-related events in local communities such as park, beach and road cleanups

10 SBRGs **33** LOCATIONS

We currently have 10 SBRGs, representing 33 locations in North America, Europe, Asia Pacific and Latin America.



Lubrizol ‘Follows the Sun’ Globally on Earth Day 2020

In celebration of the 50th anniversary of Earth Day in 2020, Lubrizol’s global SBRGs partnered with the Corporate Sustainability Team to create a “Follow the Sun” event, bringing employees together virtually to reaffirm their commitment to the planet. While in-person events were initially planned, the SBRG teams pivoted to create an engaging virtual experience that involved colleagues from all regions.

The April 22 event kicked off with a livestream for employees at Lubrizol’s Asia Pacific locations. The livestream continued for European and India locations, followed by the Eastern time zones of the Americas and closing with the Western time zones of the Americas. Each video conference, hosted by local SBRG members, centered around the Earth Day 2020 theme of Climate Action. During these conversations, coworkers shared information about their local sustainability activities and made personal commitments to help create a more sustainable future. We also used the opportunity to reinforce how Lubrizol products positively impact the environment. Employees across the globe participated by sharing their own Earth Day pledges, demonstrating that everyone can make a difference.

EARTH DAY PLEDGES



“I **pledge** to take public transportation to work every day.”



“I **pledge** to use a zero-waste shop once a month.”



“I **pledge** to turn my PCs off rather than leave them on sleep all the time.”



“I **pledge** to plant the vegetable garden and teach my family about the food coming from it.”



“I **pledge** to use my tumble dryer less.”



“I **pledge** to program my programmable thermostat rather than adjusting it manually.”



SOCIAL RESPONSIBILITY

Lubrizol's approach to social responsibility is based on our commitments to protect and engage our employees and support 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;
- Expanding and measuring our efforts to create a diverse workforce and an inclusive culture, and treating everyone with respect and dignity; and
- Investing in the communities where we live and work through a sustained focus on philanthropy, contributions and volunteerism.



The health, safety and well-being of our employees is our highest priority.

Every year, the health, safety and well-being of our employees is our highest priority, and that was needed more than ever in 2020. We worked hard to keep our employees safe and healthy amid a global pandemic found ways to improve employee engagement despite unique working environments; formalized and expanded our diversity and inclusion efforts; and addressed pressing needs in the communities we call home.



Ensuring Employee and Customer Health and Safety

Every day, we continuously strive to improve our culture of safety and accountability that empowers every employee to be a safety leader. Employees are committed to “Make Safe Happen” and drive safety excellence across our global operations through our “Journey to Zero,” which we define as zero accidents, zero errors and zero harm.

Our commitment to safety was fully evident throughout 2020 as we focused on keeping our employees safe and healthy. As part of our safety culture built on continuous improvement and anticipating emerging risks, Lubrizol had pandemic response plans and teams in place well before 2020. These plans and teams were activated in the early days of the pandemic, and we worked quickly to implement protocols, and evolve them over time, to ensure our

sites are among the safest places for our employees.

Throughout the pandemic, our Lubrizol manufacturing locations remained fully operational. Forty percent of our workforce shifted to remote work, and we regularly shared safety information and tips with this population as well, ensuring their health and safety during this unprecedented time.

30%+

Improvement
in lost time
and recordable
injuries in 2020

Overall as an organization, we achieved more than 30% improvement in lost time and recordable injuries compared to 2019. For our latest safety and security performance data, refer to the Sustainability Scorecard on our website at lubrizol.com/Sustainability/Scorecard.

Product Health and Safety

Our Product Safety Policy, regulatory compliance and commitment to continuous improvement guide our product health and safety programs.

Our product health and safety efforts are led by a global team focused on regulatory compliance, toxicology and hazard communication. The group has centers of excellence in the U.S., Asia Pacific, Europe and India, and is supported by business-specific product stewards.

Our award-winning Product Safety Heat Map Process and Tool includes a proprietary index of key raw materials and intermediates. The fully interactive “heat map,” which received the Responsible Care® Product Safety Award in 2019 from the American Chemistry Council (ACC), allows for an integrated risk assessment and lifecycle approach that combines business and regulatory impact. It enables us to identify possible actions, develop alternative chemistries, address regulatory concerns and communicate quickly and efficiently.

Enhancing our Company Culture

Lubrizol is dedicated to attracting, engaging and retaining exceptional people who cultivate a respectful, inclusive and ethical work environment. We are committed to continuous improvement and building on our position as an outstanding place to work and establish a career through our:

- **Policies** that protect human and labor 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-career opportunities** that are effective in attracting quality entry-level candidates and developing a talented workforce; and
- **Leadership development programs** that empower our current and future leaders to create a successful future for Lubrizol.

We regularly review these areas to ensure we are delivering the best policies, benefits, resources and opportunities for our current and future workforce. We made significant progress in 2020, establishing new policies and practices that create a more structured and inclusive employee engagement environment. To support inclusion for open roles, in 2021 we added a candidate assessment to introduce our Cultural Beliefs and evaluate candidate competencies in a consistent, objective and transparent way. The candidate assessment increases objectivity and reduces bias in the hiring process while giving a realistic preview of our culture and work environment.

Additionally, following our learnings from the pandemic, we are implementing an expanded Lubrizol Flex program, empowering employees to have more flexibility in how and where they work. This approach also broadens the pool of talented candidates we can attract beyond our physical locations.

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

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 accelerate success.



Be Courageous

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

2020 Culture Survey Highlights

Despite the challenges of 2020, our survey found year-over-year improvements in our employee engagement scores. Our survey found that employees:

- Have clarity of what they are accountable for to help Lubrizol drive results;

- Feel empowered to deliver their accountabilities;
- Know how they can contribute to Lubrizol’s mission areas of **Move Cleaner, Create Smarter** and **Live Better**; and
- Feel welcome to express their true opinions and ideas at work.



Diversity and Inclusion

One of the founding principles of Lubrizol is treating every employee with dignity and respect. That commitment is even stronger today as we encourage employees to “Think External” and explore new ideas and bring diverse perspectives to work every day. We believe that embracing diversity, inclusion and a global mindset is a key enabler of our success as an organization. In a workforce culture of equity, everyone thrives.

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

We also believe additional improvements are necessary and attainable to drive further innovation and success. We intend to enable our

employees to bring their unique selves to work each day, to allow them to be their absolute best while ensuring the success of our organization. Our approach rests on **three pillars described below:**

1. OWNED BY THE ORGANIZATION

All employees have a shared accountability to drive toward a more inclusive work environment. The company’s global D&I council, Inclusion Advocates and Employee Resource Groups provide examples of ownership being shared in order to raise awareness and offer opportunities for greater connection.

2. MEASURED TO TRACK SUCCESS

We must be able to track our progress, which means being transparent about our goals and how we achieve them. We adopted gender-based goals in 2019, committing to increase the percentage of women in senior leadership roles. In 2020, we expanded our diversity and inclusion goals to address two additional areas of impact: increasing the representation of Black employees and Black senior-level leaders within the U.S. and expanding the geographic diversity of senior-level leaders across the company.

3. EMBEDDED INTO SYSTEMS AND PROCESSES

To be successful in these goals, we must embed diversity and inclusion into our systems and processes. In order to do so, in the short term, we are updating and improving our HR processes, including offering inclusive leadership workshops to all people managers with follow-up activities to reinforce the learnings and initiating an inclusion thought leadership series and a D&I-focused intranet site and discussion forum. We have re-engineered our university scholarships and recruiting programs to ensure we are reaching students traditionally underrepresented in our industry, and we are enabling hiring and promotion practices that help reduce bias.

Lubrizol's Diversity and Inclusion Goals

Our D&I goals are clear and measurable – because results matter. We are transparent about our goals:

46%



Increase the percentage of women in senior leadership roles to **46% by 2023**, compared to 37% in 2019.

9%



Increase the representation of Black/African American employees at all levels of the organization and triple the percentage of Black senior-level leaders in the U.S. to **9% by 2025**, compared to 2% in 2020

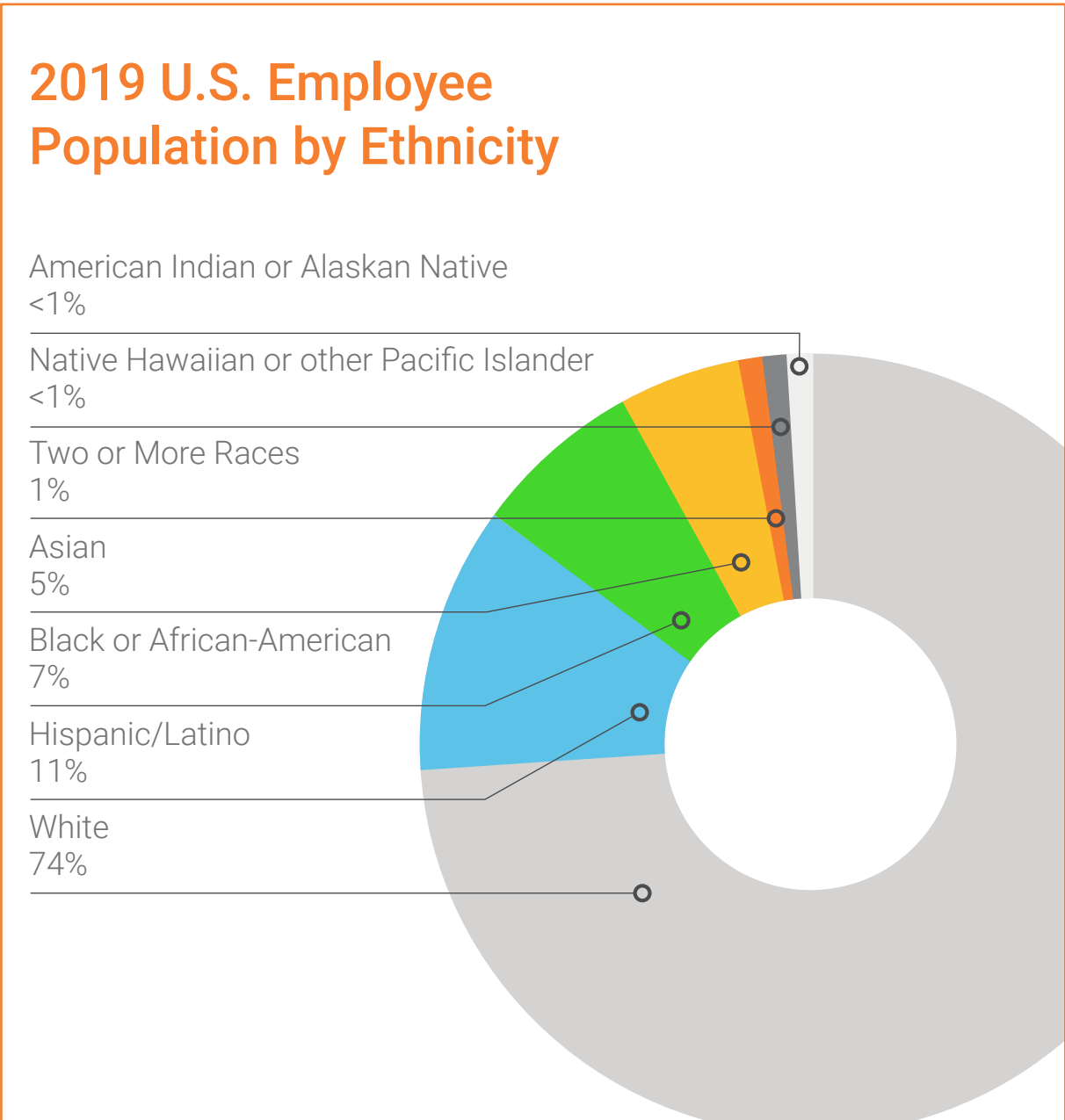
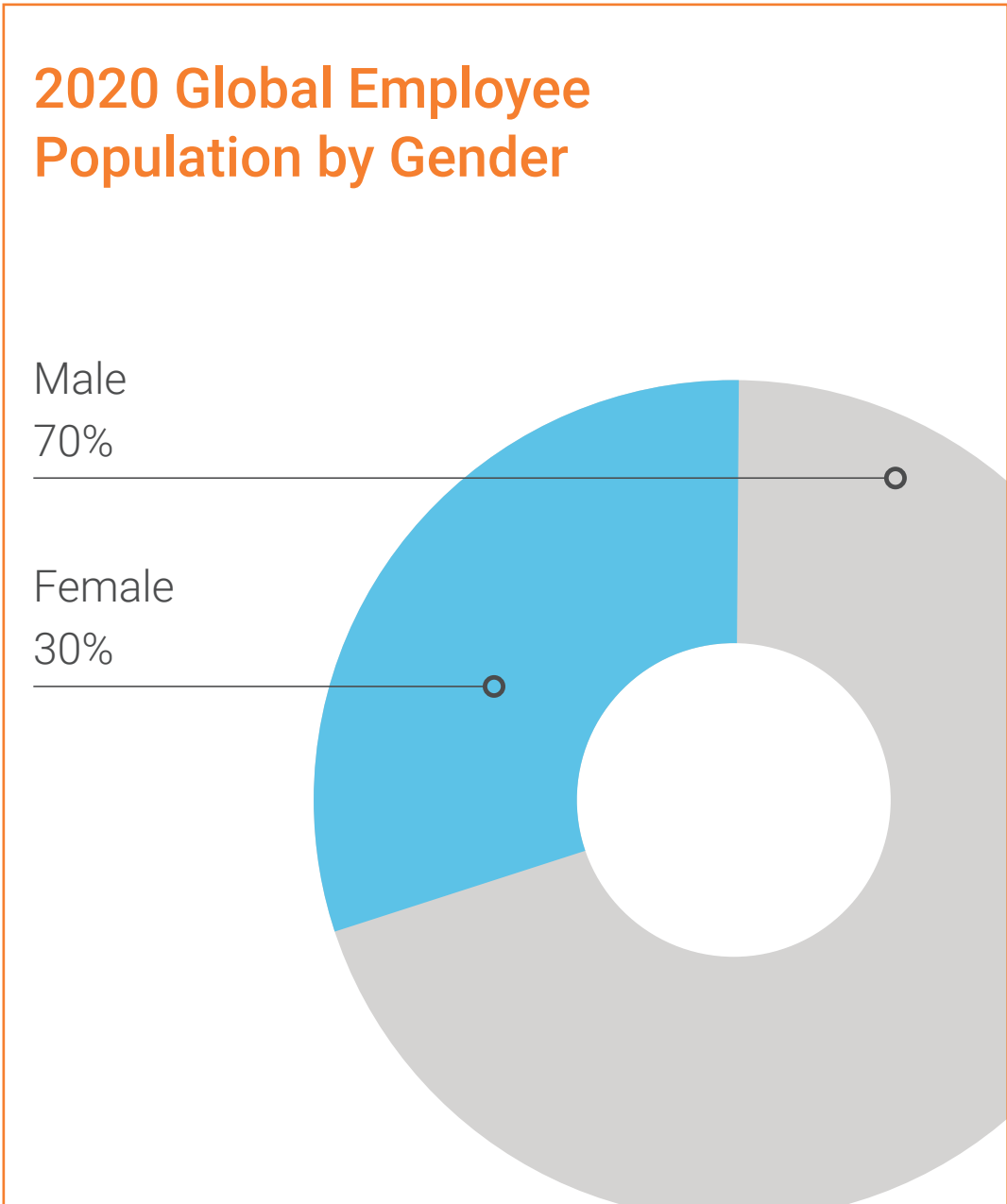
45%



Increase geographic diversity and representation of senior-level leaders to **45% by 2025**, compared to 29% in 2020.

Diversity and Inclusion Efforts Earn Third-Party Recognition

- Score of 90 out of 100 in Corporate Equality Index Rating, Human Rights Campaign Foundation in 2020
- Forbes' America's Best Employers for Diversity Award in 2020





Global Goals/Local Actions – Investing in Our Communities

Improving lives in communities where our employees live and work is a core value of Lubrizol and a strong commitment from our employees. In 1952, the Lubrizol Foundation was officially established to support this tenet of our organization and provide financial support to nonprofit organizations and charities in our U.S.-based local home communities. Since this time, the Foundation has donated more than \$96 million, including nearly \$9 million in employee matching funds, to organizations with missions that provide for the education, health and welfare of our U.S. neighbors. In 2020, the Foundation donated nearly \$2.6 million to charitable and educational organizations.

In addition to Foundation funding, Lubrizol sites across the world also supported local organizations with donations and employee volunteering.

Our community investment strategy, Global Goals/Local Actions, is an engine to achieve Lubrizol's goal of improving 2 billion lives by our 100th anniversary in 2028. Our strategy is aligned 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

Through **Global Goals/Local Actions**, Lubrizol established a global target for our employees collectively to give 80,000 volunteer hours to local communities by 2028. To maintain momentum during the COVID-19 pandemic, we implemented Challenge 2020, with the goal of giving 2,020 virtual volunteer hours by the end of 2020 – and we surpassed that goal with nearly 3,500 hours of virtual and in-home community service.

Addressing the Pressing Needs of Our Communities

In 2020, the world faced several extraordinary challenges, including the COVID-19 pandemic and growing concern about social injustice in the U.S. Lubrizol leaned into the challenges and made a positive difference when and where our communities needed us most.

\$2 MILLION+
Donation commitment to support COVID-19 needs



Through corporate and employee efforts, Lubrizol surpassed a \$2 million donation commitment to support COVID-19 needs. Our efforts provided food, shelter, clothing, personal hygiene products and financial support to communities, food banks, medical providers and neighbors across the world. These donations were in addition to the impact of our science being used for hand sanitizers, medical gowns, face coverings, drug products, medical devices, transport vehicles and countless other applications critical in the fight against COVID-19.

In the summer of 2020, in response to rising social injustice, Lubrizol reaffirmed our company and leadership's rejection of racism and prejudice. **A message from Lubrizol CEO Eric Schnur** addressed and encouraged in-depth conversations about racial equality and social justice. Schnur also partnered with corporate and civic leaders in Cleveland, home of our corporate headquarters, to pledge to address racism as a public health crisis.

The Lubrizol Foundation mobilized its resources to donate to key national and local non-profit organizations in the U.S. with missions to combat racism:

- **The Equal Justice** Initiative shares information about America’s history of racial injustice, advocates for criminal justice reform and established the National Memorial for Peace and Justice;
- **YWCA Stand Against Racism** raises awareness about the impact of institutional and structural racism and building community among those who fight for racial justice. Lubrizol has been a long-time supporter of the YWCA;
- **Legal Aid Societies** provide free, high-quality legal services to help address justice gaps that perpetuate inequality related to health, housing, family and money. The Lubrizol Foundation donated to Legal Aid societies in the U.S. communities where Lubrizol operates, reflecting our commitment to local action.



Lubrizol’s Community Investment 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 **\$2,028,000** 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.

Community Investment in Action

Our employees stepped up in 2020, when the needs of many in our communities were at their greatest due to the economic and social upheaval caused by the pandemic. Global colleagues embraced our cultural beliefs and went “All In” to support their communities.

- The Lubrizol Foundation partnered with organizations in **Cleveland, Ohio**, to help provide affordable high-speed internet to area residents. The increased connectivity helped support families and students who shifted to remote environments in response to the pandemic.
- **Several Lubrizol employees and facilities** donated time, food items and money to support food banks and other organizations distributing meals to at-risk, out-of-work and homeless individuals and families. One employee logged over 300 volunteer hours in 2020 to work in the drive-thru food distribution program at the Greater Cleveland Foodbank.
- Our facility in **Wilmington, Massachusetts**, held a coat drive, collecting more than 40 jackets for those in need.
- Our TempRite® team in **Brazil** partnered with a key customer to take part in a social project to generate income for unemployed community members, who were paid to create face masks to protect their fellow citizens.
- Lubrizol’s Creative Services team took part in a global charity event, pushing its global team to complete a marathon challenge. The **U.K. and U.S. teams** worked to collectively walk or run 3,646 miles, the distance between the offices where the teams work, over a 10-week period. Proceeds raised were donated to the British Heart Foundation and the American Heart Association.
- A group of employees at our **Singapore** location delivered meals and completed cleaning for homebound senior citizens. They also safely visited with the seniors, providing personal connection to individuals in need.



Building Global Bonds with Day of Service

On a single day in September 2020, more than 220 Lubrizol employees in the U.S., Australia, China, England, Germany, Japan, Singapore, Spain, South Africa and UAE participated in a collective day of service, contributing over 700 volunteer hours to help individuals and organizations around the world.

This global effort, called Building Global Bonds, helped Lubrizol achieve its community investment goal of giving 2,020 virtual and in-home volunteer hours by the end of 2020, a significant achievement given the challenges of the pandemic.

Employee efforts included sewing face masks, making “Linus Blankets,” and participating in the Red Cross’ Missing Maps project, which empowers volunteers to map vulnerable areas where humanitarian organizations are working, among other efforts.





GOVERNANCE

Doing business in a responsible and ethical manner is essential to who we are and has been at the core of Lubrizol’s culture since our founding. Our commitment to strong corporate governance and ethical conduct goes beyond compliance, as we work every day to hold ourselves accountable to high standards as an industry leader. 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. Through regular training, auditing and risk management procedures, we have the requirements and checks and balances in place to achieve sustained success.

Sustainability Governance

While every employee has a role to play in minimizing our footprint and maximizing our handprint to improve our global ESG impact, Lubrizol’s focused sustainability team is led by our Chief Sustainability Officer (CSO), who is accountable for establishing the vision, direction, programs and initiatives that support Lubrizol sustainability. Our CSO reports to our Chief Legal and Ethics Officer, Senior Vice President Corporate Responsibility, which ensures our sustainability and ethics programs are properly integrated and reinforces the critical role ethics plays in being a sustainable company.

The Director of Corporate Sustainability and staff are responsible for developing and implementing a comprehensive sustainability strategy that aligns with business goals and priorities, addresses stakeholder expectations, and drives rigor in both our footprint and handprint actions. This team provides leadership and guidance to address stakeholder inquiries and communications related to corporate sustainability, while identifying trends and drivers to inform our continuous improvement efforts and ongoing learnings.

In addition, we have a cross-functional Corporate Sustainability Council, which is accountable for establishing the sustainability vision and priorities for Lubrizol. With representatives across functional support areas and business units, the Council makes strategic and tactical recommendations about how we continue to progress on our sustainability journey.

The business units are accountable for identifying sustainability leaders within their own organizations to address the unique needs of the industries they serve. This includes identifying business- and product-specific sustainability opportunities and marketing strategies.



Finally, a grassroots, employee-led Sustainability Business Resource Group (SBRG) includes a global team and local chapters. The SBRG directs impactful local activities that are aligned with the overall sustainability goals and strategies of the company. For more information on the Sustainability BRG’s impact, see the Environmental section of this report.

Government affairs and community investment also report to the CSO. Our government affairs function is responsible for helping Lubrizol become more proactive in regulatory and legislative issues impacting our industry and our customers. Community investment ensures the company’s investment in our communities, through both contributions and employee volunteer time, is aligned with our corporate mission and creates meaningful impact in communities where Lubrizol operates globally.

Enterprise Risk Management

Our Enterprise Risk Management (ERM) program aims to mitigate vulnerabilities and lessen the impact of potential disruptions to our business. Our ERM committee, which is co-led by the Internal Audit group and Sustainability team, is responsible for overseeing the program and our progress from an integrated, cross-functional perspective. The committee members are experienced senior-level managers from across functional support areas and business units who bring both specific functional knowledge as well as global perspective to their risk management responsibilities.

assigned areas and developed targeted control and mitigation plans. The ERM committee presented this assessment and related plans to our executive committee members in mid-2020 and then shared refined versions at the end of the year. These reviews will continue to be held twice a year. In addition, Lubrizol identified emerging risks representative of global trends that could impact our business. The goal is for Lubrizol to examine these potential risks through the ERM lens, and in turn, identify areas of opportunity as well as prepare for potential disruption.

In 2020, we completed a detailed risk inventory identifying and prioritizing areas of greatest risk to our organization. Our executive risk owners evaluated their

Risk Management Process



Information Security

Robust information systems are a critical component of our business. We remain highly vigilant in our efforts to protect the data entrusted to us by our employees, suppliers, partners and customers. We utilize comprehensive information security policies and practices to ensure the protection of sensitive information. We 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.

We continue to update our security and privacy policies to address best practices and evolving global regulations, including in North America, Europe, China and elsewhere. Visit our website for more information on our Third-Party Personal Data Protection Notice at: <https://www.lubrizol.com/Our-Company/Ethics/Third-Party-Personal-Data-Protection-Notice> and Lubrizol’s Key Privacy Rules at: <https://www.lubrizol.com/Legal/Lubrizol-Privacy-and-Cookie-Policy>.

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, a Corporate Ethics Manager and a team of local ethics leaders. The local leaders are responsible for ensuring day-to-day awareness and implementation of the Code, and they 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. As part of this process, in 2020 we conducted an ethics culture survey to gather feedback on the overall ethics program, and more specifically on employees’ comfort level with speaking up on ethics-related concerns. Using feedback from this survey, we are updating our Code of Ethics to highlight the importance of sharing any ethical concerns without fear of retaliation. In addition, we are incorporating a refreshed view highlighting how ethics is a critical component of the sustainability of our organization. We plan to roll out the updated Code in the second half of 2021. As part of the rollout, all employees will be required to complete new training to supplement the three-part computer-based ethics awareness training all employees completed in 2020.



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 included in Lubrizol’s Supplier Code of Conduct will jeopardize the supplier’s opportunity to do business with us.



OUR LEADERSHIP

The members of our executive leadership team embody the skills and talent necessary to position Lubrizol as an industry leader. They are experts in their fields and use their unique talents and perspectives to move the organization forward and deliver on our financial, operational and sustainability commitments.



ERIC R. SCHNUR
Chairman, President and
Chief Executive Officer

“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



TOM CURTIS
President, Lubrizol Additives
and Senior Vice President, Lubrizol



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



JOHN J. KING
Senior Vice President,
Chief Information Officer



DEB LANGER
Senior Vice President, Corporate Ventures



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



ANA G. RODRIGUEZ
Senior Vice President, Chief Human
Resources Officer



RICK TOLIN
President, Lubrizol Advanced Materials
and Senior Vice President, Lubrizol



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