

Lubrizol



2013 Corporate Citizenship Report





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James L. Hambrick
Chairman, President and Chief Executive Officer

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A Message from the CEO

We believe that responsible corporate citizenship entails a commitment to ethical behavior, economic and environmental sustainability, and the welfare of our employees and the communities in which we operate. Underlying our activities in these areas is a commitment to honesty and integrity in all that we do. These are core values that are reinforced every day and reach back to Lubrizol's founders and the early days of our company.

Since being acquired by Berkshire Hathaway in 2011, we at Lubrizol have sustained and, in many cases, enhanced our efforts and accelerated our progress in addressing our corporate citizenship responsibilities. As you review our 2013 Corporate Citizenship Report, I hope you will take note of our activities and progress in safety, environmental responsibility, helping customers be more sustainable, and engaging and supporting our communities. As we strive to be an essential ingredient in our customers' success, we are also fulfilling our responsibility to make sure the lives of all our stakeholders are happier and safer.

Thank you for your interest in Lubrizol and our corporate citizenship efforts. We value your response and look forward to hearing from you. You can contact us via www.lubrizol.com.

A handwritten signature in black ink that reads "James L. Hambrick". The signature is written in a cursive, flowing style.

James L. Hambrick
Chairman, President and Chief Executive Officer





Corporate Citizenship at Lubrizol

As a responsible corporate citizen, Lubrizol is committed to ethical behavior, economic and environmental sustainability, and the well-being of our employees and the communities in which we operate. We believe that improving environmental performance and focusing on sustainability are not only the right things to do – they also present important commercial opportunities that are essential to our customers' success and Lubrizol's growth strategy.

Sustainable Development

Our approach to sustainable development creates value for our customers and society. Globally, we strive to meet the current needs of our stakeholders by maximizing our environmental, societal and economic performance while minimizing any potential negative impacts on their future needs. Read Lubrizol's position statement on [sustainable development](#).

Governance and Leadership

In 2011, Lubrizol was acquired by Berkshire Hathaway. Our commitment to corporate governance remains strong, even though we are no longer a stand-alone public company. In place of a traditional board of directors, Lubrizol's chairman, president and CEO, James Hambrick; Berkshire Hathaway's chairman and CEO, Warren Buffett; and Berkshire's senior vice president and CFO, Marc Hamburg, provide guidance and, together, hold ultimate responsibility for our operations and engagement with our stakeholders. In addition, Lubrizol's six-member Management Advisory Committee has broad authority and is responsible for oversight, review and approval of significant corporate matters.

Lubrizol has strong leadership at the corporate level, in Lubrizol Additives, in Lubrizol Advanced Materials and throughout our global organization. For a list of our executive leadership team, please visit the [leadership page](#) on our website.

Ethics and Inclusion

Lubrizol is committed to ethical behavior in all aspects of our business, and we believe that it is one of the most important traits of a responsible corporate citizen. We believe employees recognize and appreciate that our values line up with their own. Insisting on honesty and integrity is a core value that dates back to our founders. It is embedded in our culture and our [corporate philosophy](#).



We expect all employees to be treated with dignity and respect, and we take seriously our responsibilities for protecting human rights and assuring fair and respectful labor practices. We will not tolerate any labor situation, such as the use of child or forced labor, that fails to comply with our commitment to ethics.

In 2012, we achieved a significant milestone with the rollout of our updated Ethical and Legal Conduct Guidelines to employees at our facilities around the world. Lubrizol's regional ethics leaders conducted more than 100 training sessions to introduce the updated

Guidelines, which are now available in nine languages. And while much of the content in our Ethics Guidelines remains the same – consistent with our founders' vision of conducting business with honesty and integrity – we presented the information in a fresh and streamlined way. Learn more about our [ethics](#) program.

We are a global enterprise, and our people bring a wide range of expertise, experiences, backgrounds and world views. We celebrate these differences, even while working together toward a common goal. Our work force reflects the diverse populations of the countries and communities in which we operate. We are committed to practices that result in the inclusion of all employees and equal employment opportunities for qualified individuals. Employee resource groups support diversity and inclusion initiatives at our facilities, and we continue to build a diverse supplier base that includes minority- and woman-owned businesses. Read about our inclusion practices and commitment to [diversity](#).

Transparency

Lubrizol publishes our progress on key metrics related to sustainability and corporate citizenship because we value being transparent with our stakeholders, including customers, suppliers, employees and the communities where we operate. We believe in communicating clearly and openly about our goals as we strive toward increased corporate responsibility. Our [Sustainability Scorecard](#) helps us do that.

Risk Management

In our focus on maintaining the health and safety of our employees, customers and neighbors, and protecting the environment, Lubrizol works hard to reduce risks for all of our stakeholders. To do so, we use a proactive, multi-disciplinary and company-wide team-based process called Enterprise Risk Management (ERM) to identify and manage risks and to align our audit activities accordingly. Using the ERM process, we have identified key risks and their causes, and assigned owners to mitigate those risks. We continue to embed the ongoing assessment and management of risk into our business processes.



Stakeholder Engagement

We regularly engage and partner with our customers, suppliers, employees and communities in our corporate responsibility initiatives. We facilitate open dialogue to address concerns, report progress, create understanding and build confidence in our operations and products. We use a variety of methods, including face-to-face discussions, trade association events, facility tours, community surveys, newsletters and meetings with elected officials. Our facilities also sponsor “community advisory panels” where local residents, community leaders, students, educators, public health and safety officials, elected representatives and non-profit executives regularly meet to discuss issues of mutual interest. Agendas are set by participants and the meetings are facilitated by a third party.

Employer of Choice

Although we primarily work at a molecular level, our people make us who we are and keep us ahead of an evolving marketplace. Lubrizol’s science and technology innovators are supported by a culture that fosters collaboration and encourages continuous learning.

Our commitment to being a responsible corporate citizen is the right thing to do, and is essential to our customers’ success and our own growth strategy. It allows us to be an employer of choice, and to continue to attract, motivate, develop and retain outstanding people who share our values of excellent customer service, technical innovation, honesty and integrity, commitment to employees, and safety and responsibility.

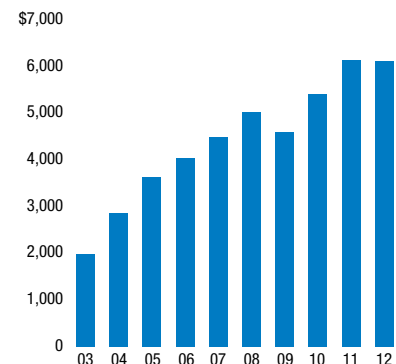
We help our people reach their full potential, and support a balance among their professional, community and personal lives through several initiatives, including coaching/mentoring, performance assessment, training and development, professional experiences and community involvement opportunities. We also offer a health and wellness program that was enhanced in 2013 to provide more resources and activities to help employees maintain or improve their health, with incentives that can be earned along the way.



Looking Ahead

Lubrizol has made substantial progress on our corporate responsibility goals, but we are not satisfied, and we never should be, with continuous improvement as a guiding principle. We will continue to refine our sound business systems and procedures, which are critical aspects of providing products that enhance our customers’ market success and sustainability goals. We will continue to set environmental, health and safety goals for ourselves to drive ongoing progress in being a responsible corporate citizen.



Revenues
Dollars in Millions



Building and sustaining a leadership position in our industry for corporate responsibility is an essential component of our vision to become a \$10 billion global specialty chemical company with industry-leading profitability by 2016.

Business/Products

We are proud to serve a global customer base through two business segments, each with a strong portfolio of outstanding product lines. We invite you to learn more about our [Lubrizol Additives](#) and [Lubrizol Advanced Materials](#) businesses. Below is a snapshot of each business:

OUR APPROACH	PRODUCT LINES	APPLICATIONS	END MARKETS
 <h3 data-bbox="149 592 386 621">Lubrizol Additives</h3> <p data-bbox="149 659 967 739">A pioneering global supplier of chemical additive technologies including additives for engine oils, driveline and other transportation-related fluids, and industrial lubricants, as well as additives for gasoline and diesel fuel.</p> <p data-bbox="376 781 613 1150">Extensively tested in the lab and in the field under real-world demands, our additives are essential to the proven performance of the finished lubricant. Our powerful additive and marketing expertise and our integrated global supply help customers differentiate and succeed.</p>	<ul data-bbox="652 781 863 970" style="list-style-type: none"> ■ Engine Additives ■ Driveline Additives ■ Industrial Additives ■ Fuel Additives ■ Energy and Water Technologies 	<p data-bbox="938 781 1182 1066">Engine oils, fuels, gear oils, transmission fluids, hydraulic fluids, greases, metalworking fluids, refrigeration fluids, emulsion explosives, engine and driveline oil treatments (aftermarket), industrial water treatment chemicals</p>	<ul data-bbox="1237 781 1458 940" style="list-style-type: none"> ■ Automotive ■ Construction ■ Industrial ■ Resource Extraction ■ Transportation
 <h3 data-bbox="149 1230 532 1260">Lubrizol Advanced Materials</h3> <p data-bbox="149 1297 967 1348">A leading global producer of advanced specialty polymers, polymer-based additives and chemical additives used in everyday consumer and industrial applications.</p> <p data-bbox="376 1390 613 1696">As an innovation leader, we leverage our core polymer and surface active chemistries and formulations to create proprietary, high-performance materials for our customers in a wide range of industries.</p>	<ul data-bbox="652 1390 896 1579" style="list-style-type: none"> ■ Engineered Polymers ■ Personal and Home Care ■ Performance Coatings ■ CPVC Piping Systems ■ LifeScience Polymers 	<p data-bbox="938 1390 1198 1642">Hair and skin care; oral pharmaceuticals; household care; piping systems for plumbing, fire sprinkler and industrial applications; recreational goods; hoses and tubes; medical; printing; auto finishes; furniture coatings</p>	<ul data-bbox="1237 1390 1474 1600" style="list-style-type: none"> ■ Consumer ■ Healthcare ■ Paper and Packaging/Publishing ■ Personal Care ■ Textiles/Performance Fabrics



Locations

Lubrizol has built – and continues to build – a global footprint, with our headquarters in Wickliffe, Ohio; manufacturing facilities that we own and operate in 17 countries; and sales and technical offices around the world.



Awards

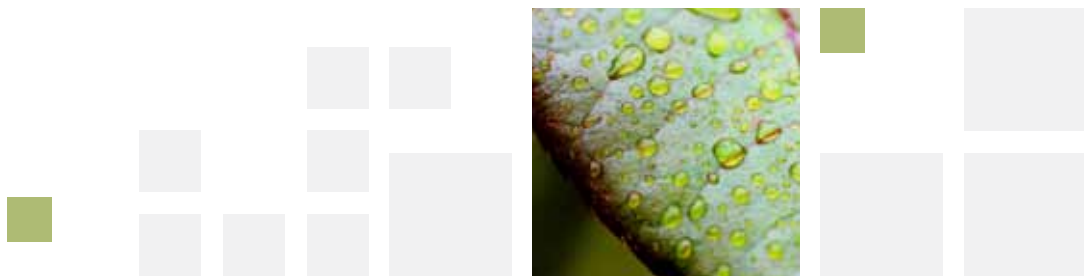
Lubrizol is proud of the recognition we have received for our strong, sustained performance in corporate responsibility. Recent [awards](#) include:

- [2013 National Top Workplace Award – by Workplace Dynamics](#)
- [2013 Cleveland Plain Dealer Top Workplace Award](#) (also 2012 and 2011)
- [2013 Healthy Ohio Worksite Award from the Ohio Department of Health](#)
- [2013 Business in the Community \(BITC\) Award for Leadership in Marketplace Sustainability](#) (Hazelwood, UK)
- [2013 National Safety Council “Occupational Excellence Achievement Award”](#) (also 2012 and 2011) – Brecksville, Ohio site
- [2013 United Way of Lake County Cornerstone Award](#) (also 2009 through 2012)

Historical Overview

Learn more about our history with this [overview](#) or watch a short video about our history that summarizes [our shared belief](#).





Safety and Environment

Protecting the health and safety of our employees and communities and being good stewards of the natural environment are essential elements of a sustainable and successful company. We take our responsibilities seriously: in 2012, we invested nearly \$57 million in health, safety and environmental-related projects and infrastructure. We also improved our life cycle analysis approach to assessing the environmental impact of our products and will continue to invest heavily in our manufacturing facilities, production processes, and research, development, testing and training capabilities to achieve positive results. And, to hold ourselves accountable, we set clear, measurable health, safety and environmental (including pollution prevention) goals and rely on a cross-functional, team-based approach to drive progress globally.

These commitments underpin our strategy of strengthening our portfolio by developing innovative products that are inherently safer and result in reduced environmental impact across the supply chain. In everything we do, we are striving to continually improve our [health, safety, environmental and security](#) performance.

Responsible Care®

We require all of our facilities worldwide to adhere to the highest global environmental standards. These include the American Chemistry Council's (ACC) Responsible Care® initiative; the ACC's Responsible Care Management System® (RCMS) approach for health, safety, environmental and security management; and REACH, the European Union's regulation on chemicals and their safe use.



To achieve RCMS certification, Lubrizol facilities completed a series of internal and independent third-party audits conducted according to ACC procedures. Facilities are audited on a three-to-five-year cycle, commensurate with risk.

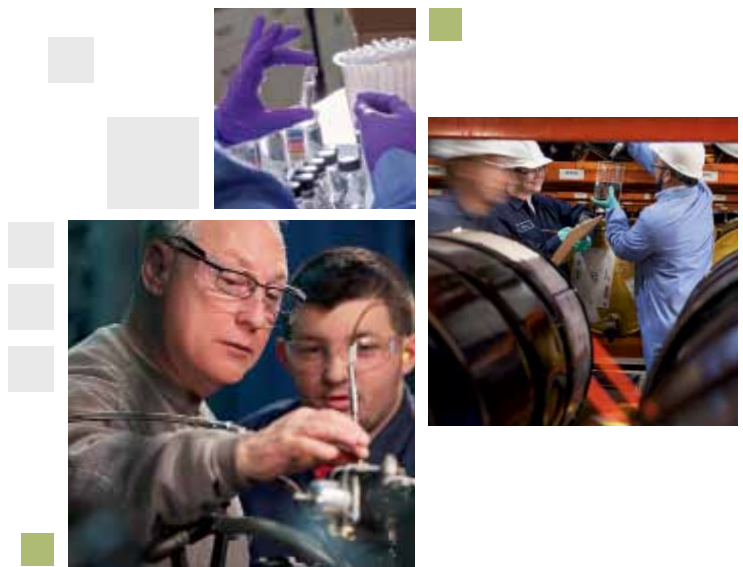
We have exceeded our ACC requirements regarding the number of sites certified through 2012, and additional audits (including recertification) are scheduled for 2013 and beyond. Lubrizol applies the guiding principles of [Responsible Care®](#) on a global basis.

Safety Results: 2007 – 2012

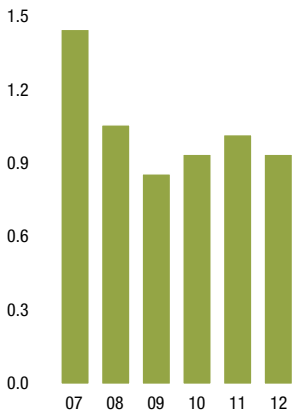
Lubrizol is focused globally on achieving the highest levels of safety performance in our industry. Even as we have made significant progress toward this objective, we continue to strive for, and expect, better performance in the future.



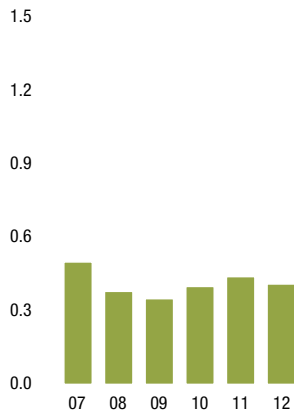
Since 2007, we have reduced our worldwide recordable injury rate by 35 percent, our lost-time injury rate by 18 percent and our process safety incident rate by 40 percent. These results were accomplished in part through comprehensive audits and risk assessments, enhanced training programs and safe work procedures, and capital investments and system upgrades. We partner with our employees in all of these efforts. Their creativity, innovation, accountability, responsibility and knowledge propel us toward goals that we are able to measure and manage using a verifiable systems approach.



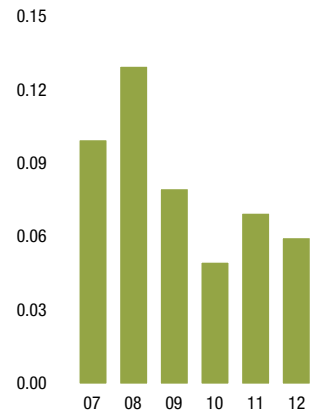
Recordable Injury Rate*



Lost-Time Injury Rate*



Process Safety Incident Rate**



* Injury rate = injuries per 100 employees per year

** Process safety incident = an event causing more than \$25,000 in damages due to a fire or explosion, a release of an extremely hazardous substance above a reportable quantity, or a process-related lost time injury; incident rate = incidents per year per site

Environmental Results: 2007 – 2012

Our commitment to environmental stewardship is a common thread throughout our business. We seek to continuously reduce our greenhouse gas emissions, energy consumption, waste generation and water consumption in all aspects of our operations. These efforts include, but are not limited to:

- Upgrading our process control technologies and pollution prevention equipment to enhance compliance, reduce variability and improve productivity
- Engineering our manufacturing systems and operating procedures for greater raw material efficiencies (including waste reduction, reuse and recycling) and to consume less energy
- Working with suppliers and customers to ship raw materials and final products in reusable or returnable containers, and with less overall packaging

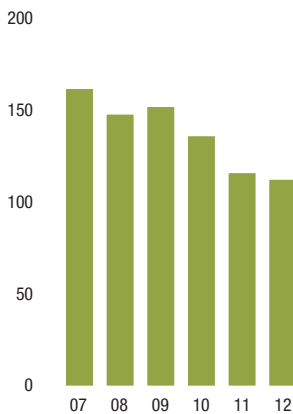


- Installing energy-efficient motors, lighting and windows in our facilities, and recycling steam condensate back to our boilers to recover the heat value and reduce water usage
- Using state-of-the-art combustion technology to improve burner efficiency and reduce emissions for heating systems, as was done in 2011 at one of our facilities in India
- Recycling and reusing demolition and construction debris, as was done in 2012 when 94 percent of waste was recycled and reused during a major expansion at our Calvert City, Kentucky, plant
- Promoting energy conservation and recycling practices at work and at home with our employees

Since 2007, we have reduced our global greenhouse gas emissions, energy consumption and waste generation intensity rates (indexed to sales) by 30 percent, 29 percent and 15 percent, respectively.

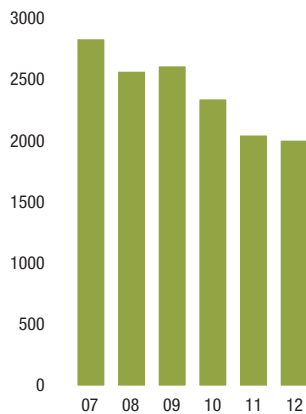
Greenhouse Gas Emissions

Metric tons CO₂ equivalents per million dollars of sales



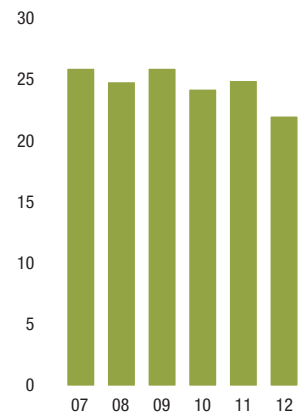
Energy Consumption

Gigajoules per million dollars of sales



Waste Generation

Metric tons waste per million dollars of sales



We are not satisfied with our performance, and there is more we can do. For example, we are continuing to work toward achieving our emissions, energy and waste reduction targets when indexed to total production, which takes into account how production volumes and product mix have changed. We are working on new products and process innovations that will further drive our progress going forward, and we have set our goals accordingly.

Our [Sustainability Scorecard](#) provides more details about our five-year results regarding safety, environmental, social and economic performance.

Safety and Environmental Goals: 2013 – 2020

We are committed to making additional investments in our plants, products, processes and people to improve safety, reduce waste, increase efficiencies and make our business more sustainable overall. We pride ourselves on continued progress in all of these areas. Accordingly, we have set performance goals for 2013 and beyond, and have developed action plans and accountability for achieving these results.

The metrics associated with our safety and environmental goals and related activities are monitored and reported quarterly to senior management to assess progress, identify gaps and modify action plans as necessary. These quarterly reviews are also used to update our Sustainability Scorecard and related communications that are provided to our customers, our communities and other stakeholders.



2013 Safety Goals and Commitment

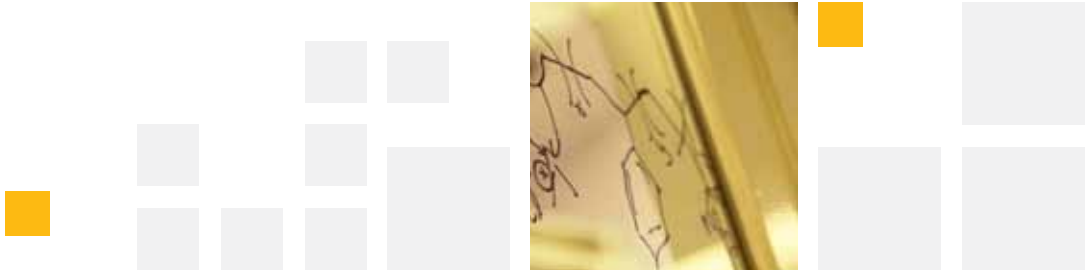
Total Recordable Injuries	Continue improvement in total recordable injury reduction by meeting a target rate of 0.84 or lower
Lost-Time Injuries	Improve lost-time injury rate by meeting a target rate of 0.38 or lower
Process Safety	Improve worldwide process safety performance to historical best levels attained during three-year period from 2010-12 by meeting a target rate of 0.06 or lower
Invest in infrastructure improvements across our global facilities that support compliance and improve productivity, and which, in the aggregate, increase safety and reduce risk.	
Focus on operating procedures to align and advance risk assessments, training and safe procedures.	
Reinforce hazard recognition skills and safe behaviors in order to fortify accident and injury prevention practices.	
Analyze incident and accident data to identify trends and institute appropriate solutions commensurate with risk.	
Share best practices globally to optimize HSES programs and safe operations.	

Environmental Goals and Commitments: 10% by 2020

Waste	<ul style="list-style-type: none"> ■ Reduce waste generated per unit production from baseline* by 10% by 2020. ■ Reduce waste disposal directly to the environment (e.g., landfill) per unit production from baseline* by 10% by 2020.
Energy	Reduce energy use per unit production from baseline* by 10% by 2020.
Greenhouse Gas	Reduce greenhouse gas emissions per unit production from baseline* by 10% by 2020.
Focus on infrastructure improvements across our global facilities that support compliance and improve productivity, and which, in the aggregate, reduce the environmental impacts of waste generation, energy consumption and greenhouse gas emissions.	
Maintain ongoing R&D and process development practices to minimize waste, energy and greenhouse gases in product development and process improvement.	
Manage operational efficiencies: <ul style="list-style-type: none"> ■ Waste reduction <ul style="list-style-type: none"> □ Leak management; packaging; recycling; byproduct management ■ Energy use <ul style="list-style-type: none"> □ Equipment maintenance; operational tuning; turning off power; ventilation and management ■ Greenhouse gas generation <ul style="list-style-type: none"> □ Equipment maintenance; refrigerant loss management; equipment tuning 	
Share best practices for waste, energy and greenhouse gas reductions across the organization.	

*Annual average waste generation/disposal, energy use or greenhouse gas emissions (as measured in CO2 equivalents) per unit production over five-year period (2008-2012).





Supporting Our Customers

As a leading specialty chemicals company, Lubrizol strives to be an essential ingredient in our customers' success by aligning our sustainability efforts with theirs for our mutual benefit. Our objective is to optimize the quality, performance and value of customers' products while reducing their environmental impact.

Through our product stewardship activities, advanced additive technologies and formulation expertise, we help our customers achieve their sustainability goals and meet the needs of their stakeholders and end consumers. This commitment positions Lubrizol as a preferred supplier that creates greater value for our business-to-business customers. In addition, by helping to apply our sustainability principles and standards to our own suppliers, we extend value and reduce risk across the global supply chain.

Product Stewardship

Lubrizol is committed to providing our customers and the public with concise and straightforward information about our products, their manufacture and distribution, how they are used, and the important health, safety and environmental information associated with them.

Our [product stewardship summaries](#), for example, provide essential basic information about our products, including physical and chemical properties, potential health and/or environmental effects, and our product-specific risk management practices. These summaries help customers understand our products, and demonstrate our commitment to their success and reduced risk when using our products.

We use Vision, our internally developed product compliance management system, to generate material safety data sheets, mandatory notifications to government agencies and product shipping labels in compliance with global chemical control protocols. Through Vision, Lubrizol's product safety and compliance professionals can efficiently provide updates to customers and our product development, research and development, and manufacturing teams to let them know of new information about our products and their potential health, safety or environmental implications.

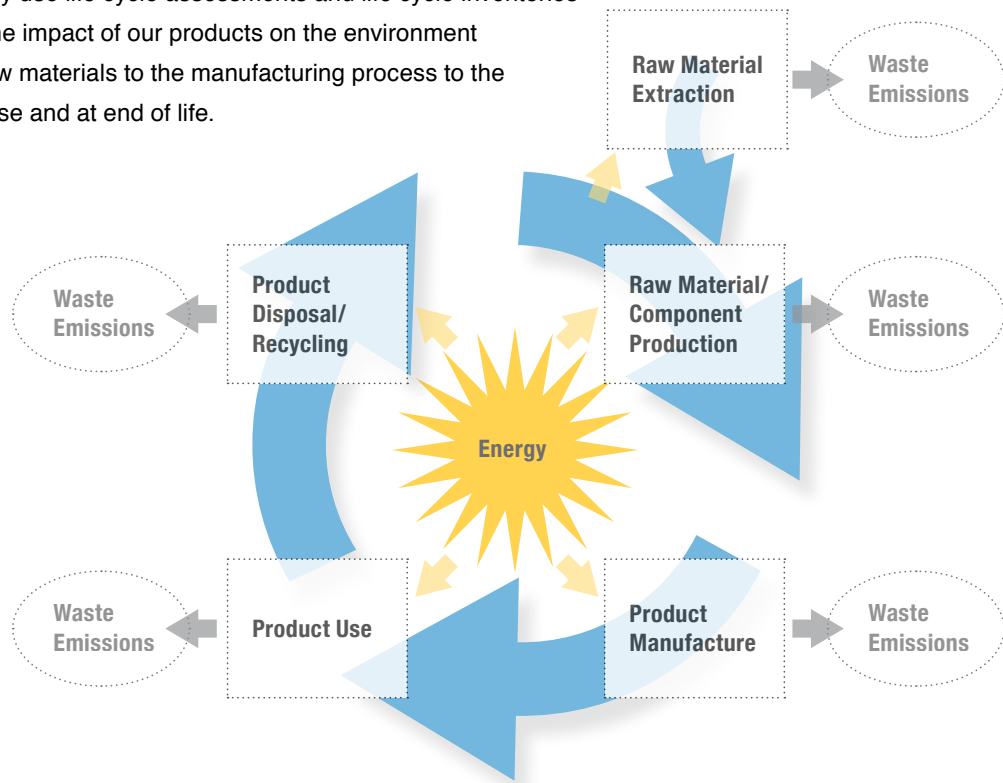


Most of our products are sold to business customers for use as raw materials in their finished products. Our customers often define the performance characteristics to be imparted by our ingredients, and we work to be sure that any claims of performance are true and documented.

Life Cycle Assessment

Lubrizol uses [life cycle assessments](#) (LCAs) to help us generate innovations in product design, development and manufacturing processes that will lead to reductions in environmental impact. For every product we create, we are striving, over the life of that product, to reduce the energy consumed, the waste generated and the renewable and nonrenewable resources expended; and to build a greater reliance on safer and more benign raw materials.

We selectively use life cycle assessments and life cycle inventories to evaluate the impact of our products on the environment – from the raw materials to the manufacturing process to the products in use and at end of life.



Cost can be a significant barrier to implementing LCAs in a large number of product categories. We have developed an internal capability, using commercially available software, to generate first-approximation LCA results to help guide business managers when deciding whether to invest greater resources in more detailed analyses.

We began using LCAs in 2003 and continue to use them as a basis for our product lines' environmental performance claims. We also completed an enterprise-wide LCA in 2010-2011 to identify ways to further reduce the environmental impact of our operations. Of our total cradle-to-grave footprint, the largest contributor by far has been raw materials, followed by our own operations and the upstream transportation of raw materials to our locations. The data have helped us set priorities and action plans, which we are in the process of implementing.



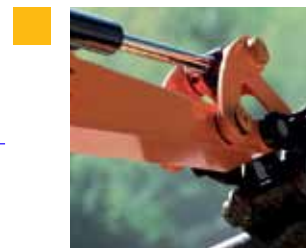
Sustainability Through Product Innovation

Our commitment to helping customers achieve their safety and environmental goals includes working with them to improve their processes and procedures, and developing new products and services to meet increasingly stringent or emerging needs. As a technology-driven company, we are using our innovation expertise to develop products that enhance safety, reduce environmental impact and improve people's lives.



These products include, but are not limited to:

- Lubricant and fuel additives that increase efficiency (reduce energy consumption), increase equipment durability and reduce emissions; additives to allow the increased use of biofuels; and additives that are compatible with aftermarket exhaust treatment systems and facilitate product recovery and recycling.
- Diesel fuel additives designed for use with ultra-low sulfur diesel and biodiesel to keep both older and the latest-design diesel engines running at their optimum. This reduces emissions and improves fuel economy and power.
- Geothermal heat transfer fluids that are biodegradable, have low biological oxygen demand and are benign to aquatic organisms.
- Life science polymers for medical, health care and pharmaceutical [applications](#).
- Engineered polymers for industrial markets with recyclability and other environmental benefits for use in transportation, construction, energy, food and industrial [equipment](#).
- Recyclable CPVC piping [systems](#) that have been demonstrated to meet today's stringent environmental standards and outperform competing materials on a life cycle basis.
- Gear fluid additives, specialty coating materials and other products designed specifically for wind turbine [applications](#).
- Personal care products with ingredients from bio-based, naturally derived [sources](#).



Sustainability and the Supply Chain

Ethics, Compliance, Quality and Diversity:

We seek supplier and partner relationships that put into practice our beliefs in honesty and integrity – relationships built on trust.

As we enter into relationships with potential suppliers, we assess their level of commitment to responsible and ethical behavior. They receive a copy of our ethics guidelines and we engage regularly on these topics thereafter. We assess our distribution partners and third-party agents to ensure they meet these expectations. And, prior to

engaging a toll manufacturer, we require an HSES assessment, which can range from a self-assessment if the toll manufacturer is perceived as a low-risk operation to a third-party assessment, if warranted.

Our global sourcing teams assess our suppliers' participation in regulatory inspections, certification programs and other parameters important to our operations. In accordance with ISO 9000, when a supplier falls short of performance standards, we initiate a Supplier Corrective Action program.

In terms of quality, service and cost competitiveness, the best possible purchasing decisions are achieved through supplier diversity – access to a supplier base that includes minority- and woman-owned businesses. So, in addition to creating a diverse and inclusive work force, The Lubrizol Corporation continues to build a diverse supplier base. All companies have an equal opportunity to furnish the goods and services necessary to meet Lubrizol's growing and changing needs.

Packaging:

We partner with suppliers to ship raw materials in dedicated containers or in packaging that is reusable and/or recyclable. Large-volume bulk materials are shipped by truck and rail in dedicated tankers, and by sea in dedicated isotainers. This lessens the need for cleaning and reduces waste generation.

Reusable totes and fabric bags handle smaller-volume bulk materials. Some of our materials are shipped in fiber or polymer drums and corrugated boxes that contain recycled content. Drum recyclers also take our steel drums for cleaning and reuse, recycling or reconditioning.

Transportation:

Our global supply strategy with regional production and distribution allows us to reduce intercontinental shipments. And while we do not own or operate our own truck fleet (we use common carriers for products shipped by truck), we work with local transportation suppliers to reduce global greenhouse gas (GHG) emissions associated with the movement of our materials.



For example, our European transportation, logistics and compliance group, together with our Oevel manufacturing team in Belgium, recently implemented a project to improve transportation efficiency by moving certain shipments by barge rather than by road to and from the port of loading. This resulted in a GHG emission reduction of 37 percent and a transportation cost savings of 8 percent.

As part of our quarterly assessment of tank truck carriers, we review their safety and environmental performance with them. If a carrier has a poor safety or environmental performance record with our cargo, or as evidenced by its publicly reported safety performance, this is documented along with the corrective action taken on a Carrier Corrective Action Request. This information is reviewed quarterly with the affected carrier and, if we are not satisfied with its performance, the relationship is terminated.

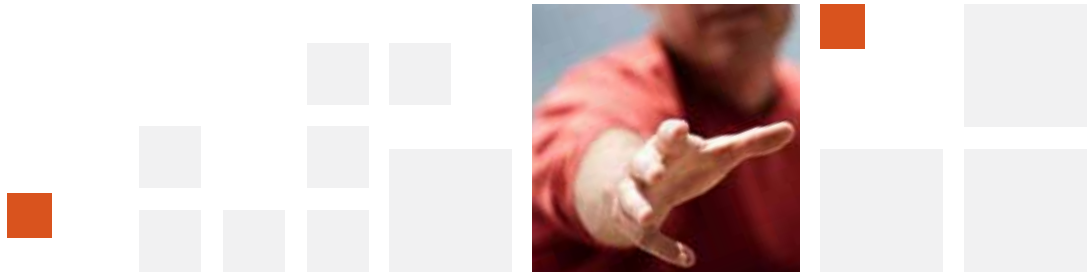
Industry-Wide Advocacy for Effective Public Policy:

Lubrizol is a member of more than 35 global trade associations and public policy organizations that advocate on an industry-wide or product basis. Through these affiliations, Lubrizol works with elected officials at all levels to promote legislation, rule-making and trade policies that are effective across all three areas of sustainability – economic growth, social responsibility and environmental stewardship.

We engage policymakers worldwide on issues that affect our business and industry, and advocate for science-based legislation and rules that are good for the environment and good for business. For example, we support comprehensive policies that promote energy diversity, stability and uninterrupted access to traditional sources, as well as accelerated development of renewable energy sources that are cost-competitive.

We also support energy efficiency and conservation policies that drive reductions in global greenhouse gas emissions. Our employees serve in leadership capacities on committees and work groups with major trade associations to promote health, safety, environmental stewardship and sustainability practices across the industry, and to advocate for legislation that is responsive to these efforts.





Community Engagement

Being an essential part of the community is a way of life at Lubrizol. Since the company's founding in 1928, Lubrizol has been making positive and lasting contributions to the social and economic well-being of the communities in which our employees live, work and raise their families. Our founders' legacy is a culture of community engagement that is exemplified through a sustained focus on philanthropy, volunteerism and civic responsibility.

Lubrizol's priority areas of focus are education and health and human services, with an emphasis on addressing the needs of economically disadvantaged children. We also support charitable giving and volunteerism related to environmental stewardship and sustainability, as well as civic, cultural and economic development initiatives. And we are engaged globally in promoting science, technology, engineering and math (STEM) education for elementary, middle and high school students.

Through the Lubrizol Foundation and corporate giving, Lubrizol donates about \$5 million annually to hundreds of charitable organizations globally. This includes scholarships for students pursuing science degrees; community-based initiatives that advance diversity and inclusion; capital projects and program support for hospitals, schools, museums, homeless shelters, food banks, youth service groups, disaster relief and recovery efforts; and many other causes that make a difference for society.

Our employees around the world volunteer thousands of hours to these efforts, including company-sponsored outreach opportunities. In the Greater Cleveland area alone, more than 40 Lubrizol senior executives, managers and employees are serving on the boards of some of the region's largest community service institutions. We are proud that so many among us reach out to our neighbors, schools and community groups around the world.

Read more about our [community engagement efforts](#).

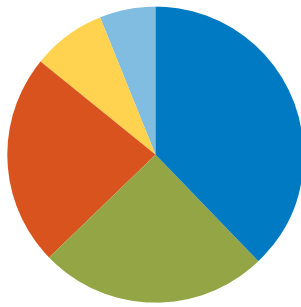
The Lubrizol Foundation

The mission of [The Lubrizol Foundation](#) is to complement and support the interests, values and vision of The Lubrizol Corporation by awarding financial support to educational institutions and charitable organizations in communities in the United States where Lubrizol operates its major facilities.

Since its founding in 1952, The Lubrizol Foundation has contributed more than \$65 million to hundreds of organizations that are important to our company, our employees and our communities. In 2011 and 2012, Foundation gifts averaged \$3.2 million annually, with greater focus on supporting educational opportunities



for underserved children, and providing a higher total match of employee pledges to United Way for our employee-driven United Way campaigns conducted annually at our facilities.



The Lubrizol Foundation Average Annual Giving (2011-2012)

(dollars in thousands)

■ Education and Scholarships	\$1,198
■ Matching Gifts and Volunteer Grants	\$798
■ Health and Human Services (including United Way)	\$733
■ Environmental and Youth Activities	\$226
■ Civic and Cultural	\$205
\$3,160 per year	

The Lubrizol Foundation’s Educational Grants in Greater Cleveland include:

- **Breakthrough Charter Schools** is a high-performing public charter school system in Greater Cleveland. In 2011, The Lubrizol Foundation donated \$1.0 million to Breakthrough to repurpose a closed elementary school on Cleveland’s east side so that area children could have access to a safe, supportive and high-quality learning environment at the K-5 level. Lubrizol adopted this school, and our employees volunteer there regularly. We also provided funds to help bring “Teach for America” into the system.

- **The Lubrizol [Science Teacher of the Year Award](#)** is given annually to teachers of grades 1-12 for exemplary science instruction. This program is a collaboration between The Lubrizol Foundation and Partners in Science Excellence, an Ohio-based non-profit organization that promotes STEM education. The Foundation underwrites grants to the winners’ schools for science programs and provides support for the winners to attend the National Science Teachers Association (NSTA) Conference. **In the 18 years of this program, 90 teachers have been recognized.**



- **Learning About Business (LAB)** is a non-profit organization that teaches business skills, economics, global awareness and financial literacy to Northeast Ohio high school students through an immersive, highly interactive, week-long experience with area business professionals in marketing, production, finance, management, human resources and research. **The Lubrizol Foundation has been a major funder of LAB throughout its 34-year history**, during which more than 1,800 students have participated. In partnership with other organizations, Lubrizol opens up its facilities to the program each year, and many of our employees have served as board members, instructors and guest speakers.



THE LUBRIZOL FOUNDATION'S SUPPORT FOR U.S. CHARITIES IN 2012 INCLUDES:

Bowling Green, Ohio, Bowling Green Middle School, supporting the purchase of microscopes/lab equipment for the Science Department that will enable teachers to further challenge and extend the knowledge of students in the science fields.

Deer Park, Texas, Houston Wilderness, supporting the purchase and protection of a 53-acre piece of land dubbed College Park Prairie, a pristine native coastal prairie.

Louisville, Kentucky, Jefferson County Public Education Foundation/Cane Run Elementary School, assisting with the purchase of HP Mini Notebooks to aid students in reading and math as well as writing and research projects.

Paducah, Kentucky, Business Education Partnership, supporting the 2013 Paducah Regional Science Bowl for high school and middle school teams, an event held on the University of Kentucky's extended campus in Paducah; **Oscar Cross Boys and Girls Club,** supporting the Club's programs to help inspire and enable young people, especially those in most need, to realize their full potential as productive, responsible and caring citizens.

Paso Robles, California, Loaves & Fishes, awarding of a grant to purchase food for its pantry to support an estimated 450 families per month that have lost jobs due to the economic downturn.

Vermilion, Ohio, Lucy Idol Center for the Handicapped, Inc., awarding of a grant for the purchase of a new public announcing system and microphones for the Center.

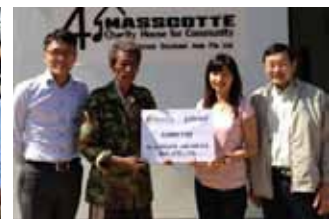
The Lubrizol Foundation's [2012 Annual Report](#) contains a more detailed list of all charities supported by The Lubrizol Foundation.

Global Corporate Philanthropy

In addition to Foundation-based philanthropy, our global offices, manufacturing facilities and business groups contribute **\$1.50 million to \$1.75 million annually** in monetary and in-kind donations to charities in the U.S. and around the world.

Donations are managed locally, and the amount is based on the size of our operations and the needs of the communities where we are based.

At our Hazelwood, U.K. facility, for example, The Lubrizol Charity and Community Committee, consisting of facility managers and team members, identifies and selects local organizations to support financially and through employee volunteerism. Significant philanthropic and community outreach activities are also occurring at some of our other international operations, including those in France, Germany, India, China, Japan, Singapore, Thailand, Mexico and South Africa.



Global Volunteerism

Lubrizol employees volunteer thousands of hours of service globally each year through a variety of company-sponsored activities.

Our signature program, themed “**Building Bonds,**” is a reminder that volunteers who help others are the building blocks of society. Lubrizol employees from our four Northeast Ohio facilities come together for a day to help non-profit organizations in Greater Cleveland. More than 300 employees volunteer at one of six different locations each year to help with painting, cleaning, landscaping, envelope stuffing, roofing, fence installations and many other activities. In 2013, we held our seventh annual event.



A video from our 2011 event can be found [here](#), and pictures from our 2012 event are seen above.

OTHER EXAMPLES OF EMPLOYEE VOLUNTEERISM AT OUR GLOBAL LOCATIONS INCLUDE:

- Participating in food, clothing, toy, book and school supply collections
- Participating in service projects and community-wide days of caring
- Serving on volunteer fire departments and emergency management agencies
- Being guest speakers at schools and community service agencies
- Serving on the boards of non-profit organizations
- Being tutors, mentors and career fair participants
- Participating in blood drives and health fairs
- Conducting fundraising events for area charities
- Providing leadership to trade associations and professional groups
- Hosting tours for local schools, elected officials and community groups
- Conducting first aid training in schools and senior citizen centers
- Donating professional expertise and skills as a loaned executive
- Leading our facility-based United Way campaigns
- Facilitating strategic planning for non-profits
- Being a judge for science fairs at local schools
- Cleaning parks and streams, and planting trees

From scholarships for students studying STEM, to grants for global disaster relief efforts, plus facility-supported United Way campaigns, employee volunteerism and local outreach initiatives, Lubrizol is making a difference in ways that are meaningful to our employees, important to our business and essential for our communities.

