

Supplier Requirements Direct Procurement

Raw Materials, Packaging and Custom Manufacturing

Lubrizol



Lubrizol Procurement's mission statement is "To procure goods and services at the optimal value for the company in alignment with the corporate vision and mission." Establishing a strong, working relationship with each of our suppliers is an integral part of achieving our mission. Suppliers are expected to enable us to meet the demands of our diverse customer base in maintaining the highest standards of product integrity. All raw material and equipment suppliers must abide by Lubrizol's Code of Ethics and Supplier Code of Conduct while satisfying the following requirements.

1. Delivery requirements:

- Suppliers must acknowledge orders by confirming Purchase Order (PO) information such as price, payment term, Incoterm, Delivery-Date-As-Requested and port of shipment or discharge (according to the Incoterm);
- Order acknowledgement should occur within 24 hours of order placement.
- Suppliers must provide clear, timely, and accurate order status from time of order placement through time of delivery (according to the Incoterm);
- Suppliers must notify immediately if an order is not going to meet the Delivery-Date-As-Requested on the PO;
- Suppliers must maintain order lead times previously agreed upon. Extended lead times must be approved by your Lubrizol contact;
- All paperwork must contain Lubrizol's CNPJ (company register number) and Purchase Order (PO) number, including paperwork from 3rd party shippers. This is applicable to Packing Lists, Bills of Lading (B/L) and Invoices;
- All shipments to Lubrizol must comply with the routing instructions noted on the PO. Transshipment or DTA are not accepted. Any special arrangements must be pre-approved by Lubrizol contact prior to shipment;
- All raw material shipments must be accompanied by the appropriate Safety Data Sheet (SDS).
- All suppliers must strive to ship orders complete by minimizing partial shipments, which must be approved by your Lubrizol contact in advance;
- All Certificates of Analysis (CoA) must contain lot/batch number, manufacturing date, expiration date and all analyses that are required and established in Quality Assurance;
- All shipment details and paperwork must be sent my email to lubrizol.docs@heusi.com.br / copy to simone.pinho@lubrizol.com.
- All original documents must be sent by courier to the following address, according to the port of delivery:

Santos and Santa Catarina

HEUSI COMISSARIA DE DESPACHOS (CNPJ:00.099.708/0001-41)

ADDRESS: Dr. Pedro Ferreira, nº 100 - Centro – Itajaí – SC, Brazil

ZIP CODE: 88301-030

PHONE: +55-47-3341-6300

Attention to: ANTONIO RIBEIRO

Rio de Janeiro:

HEUSI COMISSARIA DE DESPACHOS (CNPJ:00.099.708/0005-75)

Av. Rio Branco. 45 – Sala 704

Ed. Comercial Rio Branco, Centro - Rio de Janeiro - RJ, Brazil

ZIP CODE: 20090-003

Phone: +55-21-3590-2427

2. Container / Isotanks Free time:

- Suppliers must provide 21 days free time for containers/isotanks. Shorter free time must be approved in advance by your Lubrizol contact.

3. Packaging Requirements:

- Packages must be palletized;
- Pallets must be treated and certified for international shipment;
- Packaging labels must have supplier lot/batch number, manufacturing and expiration dates, gross and net weights;
- All suppliers must notify their specified Lubrizol contact of any packaging changes prior to shipment;

4. Product, Safety & Compliance Requirements

- All raw material shipments must be accompanied by the appropriate Safety Data Sheet (SDS);
- All hazardous material containers must be properly placarded and labeled;
- All safety data must be clearly shown on all drums and bags.

5. Management of Change

- All materials shipped to Lubrizol must meet the mutually agreed upon quality specifications / Quality Assurance (QAF);
- Any materials that do not meet quality specifications will be rejected and returned at supplier's expense. All quality waivers must be pre-approved by your Lubrizol contact prior to shipment;
- All changes dealing with raw materials, formula adjustments, processing equipment, manufacturing specifications, or manufacturing location must be reported to your Lubrizol contact for approval;
- Our raw material approvals are site and process specific; changes which may impact the quality of our products or any registrations must be accepted by Lubrizol in advance of shipment;
- For all products that are to be discontinued, your Lubrizol contact must be notified 12 (twelve) months in advance or as contracts allow.

6. Continuous Improvement Requirements

Suppliers must demonstrate continual improvement in their value proposition and must be prepared to periodically self-report these requirements;

Annual Supplier Performance Evaluations, standards and pre-defined criteria's globally, focus on key metrics including: Quality, Total Cost Management, On-Time Delivery as Requested, Service and Support, Supply Risk/Supplier Business Continuity and others;

Sales Representatives and Customer Service Representatives will be scored on their individual performance and results will influence the overall supplier evaluation. It is expected:

- Must possess a strong understanding of Lubrizol's business, goals, and requirements.
- Must act with honesty, integrity, and respect;
- Must abide by all applicable environmental, health, safety, and security rules when on Lubrizol property;
- Must provide a timely response to all Lubrizol emails, phone calls and other written communication requests;
- Must provide written notification in advance of any price changes;
- Must book appointments and agenda in advance of meeting;
- Must not contact Lubrizol technical team without Procurement knowledge or participation.

7. Supplier Corrective Action Requests (SCAR):

Nonconformance to our requirements will result in the issuance of a supplier corrective action request (SCAR). We expect our suppliers to identify the root cause, corrective and preventative action to address the nonconformance issue within 10 (ten) days. In case supplier is not able to return in this period, for an specific reason, it is requested to indicate a new date and action plan before the expiration date.

SCARs will be part of the Annual Supplier Performance Evaluations.

8. Certifications:

- Lubrizol requires that suppliers in the OEM chain are ISO 9001 certified in the current version;
- Supplier must maintain the latest and valid version and send to Lubrizol buyer regularly;
- In the case supplier is not ISO 9001 certified yet, Lubrizol may request and audit (made by Lubrizol employee or contracted third party) based on ISO 9001 requirements;
- Lubrizol recommends ISO 14001 to suppliers.

9. Suppliers Documents:

Supplier must keep to all documents and licenses updated, according to legislation, and must share with Lubrizol whenever requested for internal updates.

10. Business Contingency Plan - BCP:

- Lubrizol may request a detailed Business Contingency Plan in order to identify and evaluate potential internal and external risks in the process;
- Supplier must provide accurate information according to its process and conditions, in the established time line, and also action plans to prevent failures, supply disruptions, labor impacts, infrastructure and others;
- Supplier must communicate Lubrizol in advance of any planned shutdown and also provide an action plan to supply Lubrizol without interruption or impact.

11. Terms and Conditions (T&C):

It is established Lubrizol Terms and Conditions (T&C) available at <https://www.lubrizol.com/Legal/Purchase-Terms-and-Conditions>, according to Buyer's region. Any conflict or inconsistency shall be resolved by giving precedence to the terms in the Contract (if any), the PO and Lubrizol's T&Cs, in that order."

12. Lubrizol Supplier Code of Conduct:

Our suppliers must follow Lubrizol's Code of Ethics and Supplier Code of Conduct while satisfying the following requirements. It is available at [Lubrizol Supplier Code of Conduct - Lubrizol](#).

13. Sustainability

Sustainability is critical to the success of our business and we are committed with the following ESG pillars:

- (i) Environment: producing products in a safe and efficient manner, protecting the environment and natural resources
- (ii) Social: Creating a safe and enriching work environment that provides for employees and the communities in which we operate
- (iii) Governance: expecting employees and third-party partners to act with honesty, integrity and respect toward all others.

We expect and require our suppliers to adhere to the same ESG standards and implement actions that will help us achieving our goals.