Lubrizol

2015 Corporate Citizenship Report



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"...our commitment to doing the right thing and continuously improving is stronger than ever..."

- Lubrizol CEO James Hambrick



LUBRIZOL 2015 CORPORATE CITIZENSHIP REPORT

A Message from the CEO

At Lubrizol, being a responsible corporate citizen is as essential to our current and future success as it has always been, dating back to our founders more than 85 years ago.

In addition to our goal of providing high returns on invested capital, we are committed to operating safely and ethically, managing our environmental footprint, treating employees with dignity and respect, and being engaged in the communities where we live and work.

Our business strategy – to drive organic growth, improve operating profitability and strengthen our portfolio – hinges on our ability to live by the values articulated in our corporate philosophy. These days, as an operating subsidiary of Berkshire Hathaway, our commitment to doing the right thing and continuously improving is stronger than ever, with full support from our parent company. As you will read in this report, Lubrizol employees around the world continue to embrace "living" the Lubrizol philosophy. In recent years, we have continuously improved on an already strong track record of health, safety and environmental performance and formalized our commitment to enhancing diversity and inclusion throughout our company. And, globally, our employees are engaged in significant efforts to make a difference and give back to their communities.

I am proud to lead this organization of people who are doing the right things the right way. I am grateful to them for their commitment and positive examples of community leadership. And I want to thank all of our stakeholders for your interest in Lubrizol and our corporate citizenship efforts.

James L. Hambrick

Chairman, President and Chief Executive Officer

James S. Hambiik



About Lubrizol

The Lubrizol Corporation works at the molecular level to design performance characteristics into unique formulations that our customers use to differentiate their products. We combine complex, specialty chemicals to optimize the quality, performance and value of their products while reducing their environmental impact. We are proud to serve a global customer base that comprises a wide range of multinational and regional market leaders, including oil marketers and leading manufacturers of industrial and consumer products.

Our mission is simple: to be an essential ingredient in our customers' success through collaboration, applied science and demonstrated value.

We support our global customers through three business segments:

- Lubrizol Additives is 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. 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.
- Lubrizol Advanced Materials is a leading global producer of advanced specialty polymers, polymer-based additives and chemical additives used in everyday consumer and industrial applications. 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.
- Lubrizol Oilfield Solutions is an advanced technology solutions provider to all phases of oilfield activity, including exploration, production and transportation. With industry-leading quality, technology and supply chain reliability, we strive to exceed our customers' expectations for performance and services. Our solutions maximize well production, throughput and operational efficiencies.

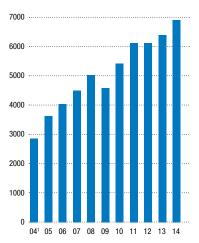




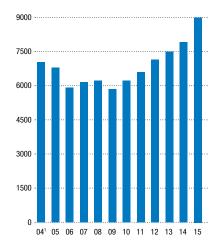


Revenues

Dollars in millions

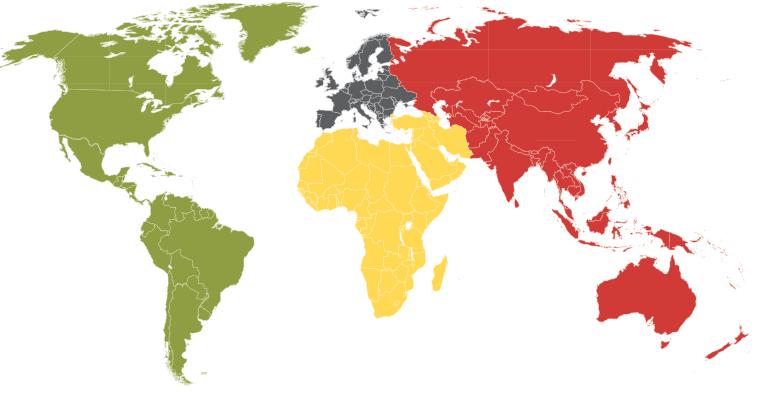


Employees



¹ The 2004 data include Lubrizol Advanced Materials International, Inc. (formerly known as Noveon International, Inc.) since June 3, 2004, the date of acquisition.

Global Footprint 3



AMERICAS

- 18 Lab/Technical Facilities
- 50 Manufacturing Sites
- 14 Sales Offices

EUROPE

- 10 Lab/Technical Facilities
- 14 Manufacturing Sites
- 21 Sales Offices

MIDDLE EAST & AFRICA

- 1 Lab/Technical Facility
- 2 Manufacturing Sites
- Sales Offices

ASIA PACIFIC

- 8 Lab/Technical Facilities
- 13 Manufacturing Sites
- 21 Sales Offices

and global sales and manufacturing networks,

■ With approximately 9,000 employees

Lubrizol serves customers in more than 100 countries - delivering the products and services they need, where and when they









need them.





Commitment to Corporate Citizenship

Just as we help make our customers' products better, we have a responsibility to our people, communities and other stakeholders to help create a better, more sustainable world for all of us.

Continuous improvement in our health, safety and environmental performance, and investing in and supporting our people and communities are important to us. They're all key parts of being an essential corporate citizen.

Our activities are guided by our corporate philosophy, position statement on sustainable development, commitment to stakeholder engagement and participation in the American Chemistry Council's (ACC) Responsible Care® initiative.

Corporate Philosophy

Lubrizol's business and strategy are underpinned by the values embedded in our corporate philosophy, which was articulated by our founders more than 85 years ago and lives on today.

Rewarding
our shareholders by
providing a high return

Providing superior products and outstanding service

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

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

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

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

Investing in research and development to maintain and improve our technical position. Maintaining the health and safety of our employees, customers and neighbors, and protecting the environment.

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.

Lubrizol's commitment to sustainable development is focused in three primary areas:

- Environmental: For every product we create, we shall strive, over the life cycle of that product, to continuously improve our stewardship for the environment.
 To do so, we will seek ways to reduce: 1) the energy consumed; 2) the waste generated in all media; 3) the renewable and nonrenewable resources consumed; and 4) the persistent, bio-accumulative and toxic substances used and/or created.
 We recognize that any action intended to further one of these outcomes often may adversely affect another of the outcomes. In the absence of universally accepted methodology for evaluating such trade-offs, we will make the best decisions we can using a life cycle approach.
- Societal: Our commitment to societal performance is based upon extensive interaction between our facilities and the surrounding communities. We support and encourage open dialogue with our neighbors, public health, safety and environmental professionals, educators, elected officials and other stakeholders. We seek to be a significant contributor to the social, cultural and environmental quality of life in the communities in which we operate around the world through responsible operations, philanthropy and the proactive support of employee volunteerism.
- Economic: We believe that improving environmental performance and focusing on sustainability present important commercial opportunities that are essential to our customers' success and Lubrizol's growth strategy. Accordingly, we are focused on serving our customers' sustainability and environmental needs by providing products and services that reduce environmental impact and risk across the supply chain, reduce non-renewable energy consumption and improve overall raw material utilization.

For more detail, please refer to Lubrizol's full position statement on sustainable development.



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.

In 2014, as part of our commitment to operate safely in communities in which we work, we established the Lubrizol Community Engagement (LCE) initiative. The purpose of this initiative is to nurture the engagement between our local operating facilities and community stakeholders, such as first responders, schools, elected officials and fence-line neighbors. Each facility tailors its activities to build relationships with the stakeholders most relevant to its location and needs.

Responsibility for implementation rests at the local level with each location. A senior management advisory committee provides the strategic direction, while corporate communications and public affairs create guidelines and tools for the locations to apply as they see fit. The initiative strives to leverage best practices from across the company to address additional needs and create tools that guide facilities interested in strengthening or expanding their activities. For more information on the implementation of the program during 2014 and 2015, see the Community Engagement section of this report on page 28.

As part of our ongoing dialogue with stakeholders, Lubrizol publishes its progress on key metrics related to sustainability and corporate citizenship. We value being transparent with our stakeholders, including customers, suppliers, employees and the communities where we operate. For example, our Sustainability Scorecard helps communicate clearly and openly about our goals as we strive toward increased corporate responsibility.









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 guiding principles of which are applied on a global basis; 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.





Continuous improvement in our health, safety and environmental performance, and investing in and supporting our people and communities are important to us.

Ethics & Governance

Lubrizol is committed to ethical behavior in all aspects of our business, and we believe it is one of the most important traits of a responsible corporate citizen. Insisting on honesty and integrity with customers, suppliers, all third parties and with one another is a core value that dates back to our founders and continues today. Another important foundational element of our ethics is Lubrizol's strong leadership at the executive and corporate level, across our three business segments and throughout our global organization. All of our leaders and senior managers are experts in the field, focused on bringing Lubrizol forward in fulfilling our vision, while staying committed to our corporate philosophy.

Ethics

At Lubrizol, employees find a company that is committed to providing a work environment free from discrimination, exploitation or harassment of any kind. We uphold one united approach to ethics underpinned by clearly defined Ethical and Legal Conduct Guidelines, which are available on our website in 10 languages.

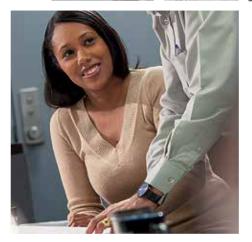
We expect all employees to follow both the spirit and written word of the Guidelines, which define our approach to doing the right things the right way. Included in the Guidelines are: a test for ethical decision making; consequences for not following the letter and spirit of the Guidelines; and resources for questions or concerns. The Guidelines also call attention to the many aspects of acting with honesty and integrity (e.g., treating others respectfully, defining what offers of gifts and entertainment are acceptable and avoiding conflicts of interest).

Our commitment to ethical and legal conduct is fundamental to our relationships with suppliers, and the Guidelines outline our expectations for supplier conduct. We support fundamental human rights for all people and expect our suppliers to do the same. With respect to labor practices, we will not tolerate any labor situation, such as the use of human trafficking, unlawful child labor or forced labor, that fails to align with our commitment to ethics. Further, Lubrizol is committed to complying with laws relating to conflict minerals. Suppliers who do business with Lubrizol must disclose their use and sourcing of any conflict minerals in products supplied to Lubrizol.

Our ethics approach also includes providing the resources to put the Guidelines into practice. We have a chief ethics officer who manages our ethics department, as well as a team of regional ethics leaders who implement our Ethical and Legal Conduct Guidelines and serve as local contacts for questions regarding Lubrizol policies or procedures.











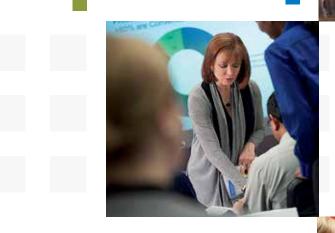


Governance and Leadership

As an operating company of Berkshire Hathaway, our commitment to strong corporate governance is clear. 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 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.

Risk Management

As we focus on maintaining the health and safety of our employees, customers and neighbors and protecting the environment, Lubrizol works to reduce risks for all of our stakeholders. To do so, we use a proactive, team-based and company-wide enterprise risk management (ERM) process 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.



Insisting on honesty and integrity with customers, suppliers, all third parties and with one another is a core value that dates back to our founders and continues today.

Environmental Performance

Responsible stewardship of the natural environment is an essential element of being a sustainable and successful company. Lubrizol's approach is data-driven, as we evaluate and address our corporate environmental footprint on a recurring basis. In our actions, we focus our efforts where we can do the most good – looking to improve our products, packaging and transportation. To that end, Lubrizol manages its HSES activities, including pollution prevention, at a local level, which is in line with our decentralized structure. Overall, our own expectations – and the expectations of our customers, markets, end users and communities – are rising for two primary reasons:

- 1. Worldwide need to increase efficiency in the use of natural resources
- **2.** Societal and market focus on the safety, health and environmental performance of products

In 2014, Lubrizol invested approximately \$67 million in health, safety, environmental and security-related projects and infrastructure. We invest regularly in critical areas such as life cycle assessment; improvements in our manufacturing facilities and production processes; and research, development, testing and training that enable Lubrizol and its customers to continuously meet and exceed their environmental goals. We set clear, measurable goals and rely on a cross-functional, team-based approach to drive progress globally. Where possible, Lubrizol consults with third-party organizations for benchmarking and independent review of our environmental performance. Among our current external relationships are the American Chemistry Council's Responsible Care® initiative and Value Chain Outreach committee, Carbon Disclosure Project, and EcoVadis' Supplier Sustainability Ratings program.



	2008	2009	2010	2011	2012	2013	2014
HSES Capex	\$47	\$29	\$37	\$58	\$57	\$59	\$67

Lubrizol strives to be an essential ingredient in our customers' success by aligning our environmental performance efforts with theirs for our mutual benefit. We seek to help our customers optimize the quality, performance and value of their products while helping them achieve environmental performance goals.

In the pages that follow, you'll read specifically about our activity regarding our environmental performance, product stewardship, life cycle assessments, product innovation and the supply chain.











■ PLANTS AND OFFICES IMPROVE ENERGY EFFICIENCY

Improving our operations' energy efficiency is an ongoing priority for Lubrizol facilities around the world. Our facilities develop and share best practices, and the benefits become apparent in reducing our environmental footprint and reducing energy costs. In our production facilities, we make extensive use of energy-efficient lighting and replace outdated equipment.

In Bowling Green, Ohio, in 2013, we installed energy-efficient lighting fixtures, including LEDs, during the construction of a new building as well as in retrofitting existing plant and outdoor lighting. These changes resulted in a combined carbon dioxide reduction of approximately 277 tons annually and more than 4,100 tons over the expected 15-year life of the fixtures. We also installed an updated, more efficient chiller unit and upgraded fans and pumps with variable-frequency drives. These projects yielded more than a 13% overall reduction in energy usage at Bowling Green. As a result, the Bowling Green plant received a Responsible Care Facility Award for energy efficiency from the American Chemistry Council.

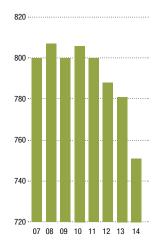
Our headquarters campus in Wickliffe, Ohio, has an ongoing program for energy efficiency. We achieved a major energy use reduction in 2012 by making improvements in the building management control systems and the replacement of many HVAC units on campus buildings. We achieved further improvement in 2013 by utilizing LEDs for our pilot plant lighting and expanding the use of regenerative dynamometers in the multi-cylinder diesel test cells. By the time the impact of all of the changes was felt in 2014, we reduced total energy usage by 6.1% compared with 2011, despite increased testing in our onsite labs and more than an 11% increase in the number of employees at the site.

In May 2015, Lubrizol's Brecksville, Ohio, facility received the Ohio Chemistry Technology Council (OCTC) Excellence in HSE&S Performance Award for its exterior lighting upgrade. The project, which is based on all-LED technology, increases illumination at the facility by 20% with lighting that is more energy-efficient, durable and versatile than traditional options. Estimates are that the upgrade will result in a cost savings of 40% to 50% over previous energy usage.



Wickliffe Total Energy Usage

Natural gas & electrical power measured in billions of BTUs



These changes resulted in a combined carbon dioxide reduction of approximately 277 tons annually and more than 4,100 tons over the expected 15-year life of the fixtures.

Measuring Environmental Performance

At Lubrizol, we seek to reduce our greenhouse gas emissions (GHG), energy consumption, waste generation and water consumption in all aspects of our operations, while continuing to grow our business responsibly. Our efforts to measure and continuously improve our environmental performance are concentrated in four key areas:

- 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 GHG emissions.
- Maintain ongoing R&D and process development practices to minimize waste, energy and GHG emissions in product development and process improvement.
- Manage operational efficiencies:
 - » For waste reduction: Leak management, packaging, recycling and byproduct management
 - » For energy use reduction: Equipment maintenance, operational tuning, turning off power when equipment is not in use, and ventilation management
 - » For GHG generation: Equipment maintenance, refrigerant loss management and equipment tuning
- Share best practices for waste, energy and GHG reductions across the organization.

We seek to help our customers optimize the quality, performance and value of their products while helping them achieve environmental performance goals.



In 2013, we established company-wide goals for reducing greenhouse gas emissions, energy use, waste generation and waste to landfill - and the tools and processes needed to consistently measure and report our progress. Our goal for each of these metrics is achieving a 10% reduction from their 2008-2012 averages by 2020 (when indexed

In 2014, reductions from our 2008-2012 averages were:

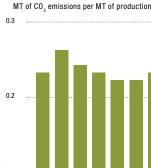
MT = Metric tons

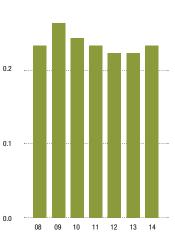
- MT of CO₂ emissions per MT of production: 4.1%
- Gigajoules per MT of production: -3.1% (which means our indexed energy use actually increased in 2014 - primarily due to lower production efficiencies and changes in product mix)
- MT of waste generated per MT of production: 7.6%
- MT of waste disposed to landfill per MT of production: 9.8%
- Cubic meters of water per MT of production: 10.1% (the company does not have a specific goal for water use reduction)

to production, which takes into account how production volumes in metric tons [MT]) and product mix change over time).

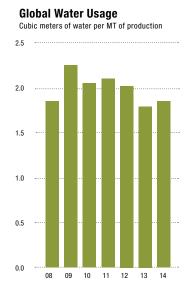
The complexities created by the acquisition and assimilation of new businesses during this period make our recent reductions all the more noteworthy. See our Sustainability Scorecard for more details on our annual environmental, social, economic and safety performance.

Environmental Performance at a Glance [2008-2014]

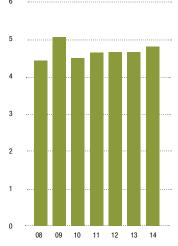




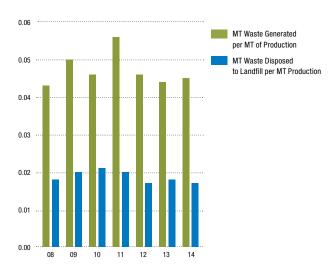
Global Greenhouse Gas Emissions







Global Waste Generation



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. Lubrizol categorizes its products based on market application and chemical composition to develop product stewardship summaries. These summaries provide essential basic information about our products and help our customers understand physical and chemical properties, potential health and/or environmental effects and our product-specific risk management practices. Summaries also demonstrate our commitment to our customers' success and reduced risk when using our products.

Lubrizol utilizes SAP as our overall enterprise business management system. SAP's Environment, Health and Safety (EHS) module is highly integrated with other SAP modules and supports our corporate responsibility around:

- Safety Data Sheets
- Global labeling compliant with Globally Harmonized System requirements
- Selection of appropriate packaging and containers
- Transportation classification and shipping documents, including the selection of the appropriate mode of transport
- Product compliance management, including regulatory blocks and exclusions

Case Study

■ ENGINEERING CHANGE MINIMIZES ACRYLONITRILE WASTE



A Lubrizol team of research scientists, chemical engineers and equipment operators has reduced exposure and waste associated with the processing of acrylonitrile (ACRN), a highly regulated chemical that is an essential ingredient in the manufacture of certain plastics. The engineering solution was to significantly alter the recovery process by boiling off any residual ACRN and improving the filtration to separate the solids from the water. As a result, the remaining solid can be hauled away as a nonhazardous material and the ACRN can be recovered to be used again in the manufacturing process.

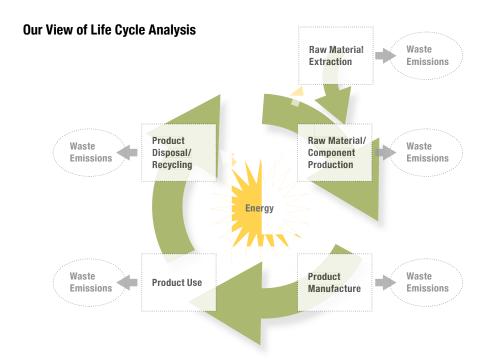
Positive impacts include reduced waste volumes, lower waste disposal and maintenance costs, and improved worker safety and health and productivity. Environmental and monetary savings exceeded expectations by reducing waste costs 80% from previous practice, far exceeding any stretch goal for the project.



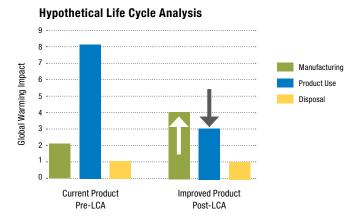
Life Cycle Assessment

We are strong believers in using life cycle assessment (LCA) to better understand how our products impact the environment – from raw materials through manufacturing, product use and end of life. For more than a decade, Lubrizol has been using LCAs and life cycle inventories to 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. Given the potentially costly, labor-intensive nature of LCAs, we have developed an internal capability using commercially available software. Our goal is to generate first-approximation LCA results that help guide business managers when deciding whether to invest greater resources in more detailed analyses.



How LCAs Help Us Understand and Reduce Our Overall Impact



Environmental Performance Through Product Innovation

Our commitment to helping customers achieve their 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. We are using our innovation expertise to develop products that enhance safety, reduce environmental impact and improve people's lives.

For example, given our wide range of driveline, engine oil and fuel products, we believe Lubrizol has a critical role in meeting global demand for increasingly efficient transportation and industrial machine operation. Meanwhile, the apparel industry is ripe for environmental innovation, including developing a water-based resin that not only reduces chemical use but also makes the apparel recyclable. In paints, coatings, inks, personal and home care products, and the life sciences, we continue to be a driver in the move to water-based solutions.

We are careful not to make environmental claims unless a risk-based life cycle analysis has been conducted. Understanding potential tradeoffs is critical – for example, changing raw materials or chemistries may reduce risk in production but also may require more energy or reduce recyclability. We approach these challenges in a careful, scientifically sound manner to make sure we are effectively balancing and managing all potential impacts. Where appropriate, Lubrizol's businesses also strive to identify alternate material inputs that could help to make our products more sustainable.

Case Study

HAZELWOOD'S CV9601 ENGINE OIL ADDITIVE DRIVES ENVIRONMENTAL PERFORMANCE

Hazelwood in the U.K. is one of Lubrizol's largest product development facilities. One of its most notable achievements is the development, testing and marketing of Lubrizol CV9601, an engine oil additive for commercial vehicles that provides durable protection while reducing petroleum use and greenhouse gas emissions. The product is designed to address increasingly strict emissions regulations, consumer and market demand for increased fuel economy, and increased durability to extend oil drain intervals – all of which have environmental performance implications.

The CV9601 additive package is engineered with Lubrizol's patented HyperZDP™ system and other innovative chemistries that provide enhanced protection to engine and exhaust components. Independent testing has shown that CV9601 delivers an average of 3.3% fuel economy improvement over conventional engine oil, which can have a significant environmental benefit given the number of commercial vehicles on the road today in the U.S. and Europe. In addition, Lubrizol's life cycle analysis of the CV9601 additive found that it has much lower global warming potential and significantly less impact in terms of resource depletion.





Environmental Performance in the Supply Chain

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.

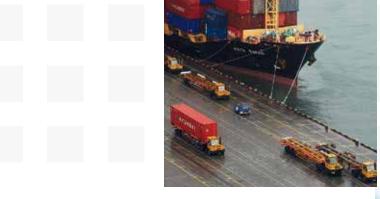
Reusable totes and fabric bags handle smaller-volume bulk materials. Some of our materials are shipped in fiber or polymer drums and corrugated boxes that contain recycled content. Drum recyclers also take our steel drums for cleaning and reuse, recycling and reconditioning.

Transportation

Our global supply strategy with regional production and distribution allows us to reduce intercontinental shipments. Where appropriate, Lubrizol also seeks to maximize its shipments through bulk transport (e.g., marine, rail and bulk truck). We work with our transportation suppliers to reduce global greenhouse gas emissions associated with the movement of our materials.

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 Correction Action Request. This information is reviewed quarterly with the affected carrier and, if we are not satisfied with its performance, the relationship is terminated.





We work with our transportation suppliers to reduce global greenhouse gas emissions associated with the movement of our materials.

Industrywide Advocacy for Effective Public Policy

Lubrizol is a member of more than 35 global trade associations and public policy organizations that advocate on an industrywide 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 corporate citizenship – environmental stewardship, social responsibility and economic growth.

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. 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 environmental stewardship and sustainability practices across the industry and to advocate for legislation that is responsive to these efforts.

Lubrizol is a long-standing, active participant in the American Chemistry
Council's Responsible Care initiative, which celebrated its 25th anniversary in
2013 and today remains a pre-eminent example of intra-industry cooperation
and commitment to high standards for health, safety, environmental and security
(HSES) performance. We apply its guiding principles to our facilities worldwide.





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SONGJIANG PLANT DRIVES ENVIRONMENTALLY FRIENDLY PRACTICES AND EDUCATES THE COMMUNITY



Lubrizol's Songjiang plant in Shanghai, China, has embarked on a comprehensive environmental protection program that involves reducing wastewater and hazardous waste, improving air quality and conserving energy. By measuring key aspects, the facility has been able to demonstrate that its actions are working – since 2010, its key performance indicators have all improved.

Community engagement is an important element of Songjiang's environmental program. On World Environment Day in June 2015, the plant held an Open-to-Public Day. The event provided a good opportunity to demonstrate our commitment to operating in an environmentally friendly and sustainable manner. Following the success of this first event, the plant's second was themed "Chemistry – A Way to Better Life." The team also shared information about the facility's commitments to reducing energy use, minimizing waste and conserving water.



■ AVON LAKE PLANT REDUCES FRESH WATER CONSUMPTION BY MORE THAN 50%



The Lubrizol Advanced Materials plant in Avon Lake, Ohio, identified the opportunity and need to reduce fresh water consumption and optimize water reuse during its production operations. During 2012 and 2013, the facility completed four initiatives:

- Installing additional water meters on the various supply lines to production units
 and tying these meters into existing plant data tracking systems to ensure that
 the facility could fully measure the baseline and the reductions.
- Identifying and repairing underground leaks in various water supply systems throughout the 100-acre complex.
- Optimizing the cooling tower water hot-well return system.
- Replacing fresh water with cooling tower water for wastewater treatment.

As a result, the facility reduced fresh water consumption by more than 71 million gallons from 2012 to 2013, more than a 50% reduction in gallons of water used per pound of product made.



People & Safety

Lubrizol's people are critical to the success of our company, which depends on innovation and innovators to grow our business and continue to meet and exceed customer and market expectations. We are committed to a culture where the health and safety of people are paramount, and employees from all backgrounds and perspectives can grow and thrive as professionals.

Safety

Protecting the health and safety of our employees is an essential element of doing business at Lubrizol. Globally, we are focused 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, continuous improvement.

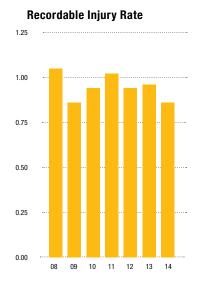
Lubrizol is globally committed to the guiding principles of the American Chemistry

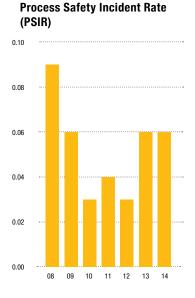
Council's (ACC) Responsible Care® initiative.

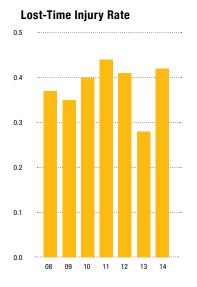
This includes the initiative's commitment "to make continual progress toward a goal of no accidents, injuries or harm to human health and the environment from products and operations and openly report health, safety, environmental and security performance."

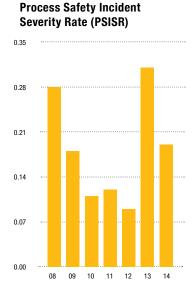
Safety Performance: 2008 - 2014

We are focused on continuous improvements in our worldwide recordable injury rate, process safety incident rate and lost-time rate. Our progress in these areas is accomplished in part through comprehensive audits and risk assessments, enhanced training programs and safe work procedures, and capital investments and system upgrades. Importantly, 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.









2015 Safety Goals

We are committed to making additional investments in our plants, products, processes and people to improve safety. We pride ourselves on continued progress in all of these areas. Accordingly, each year, we set performance goals and have implemented action plans and assigned accountability for achieving these results.

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

2015 Safety Goals and Commitments

Total Recordable Injuries: Continue improvement in total recordable injury reduction by meeting a target rate of 0.80 or lower.

Lost-Time Injuries: Improve lost-time injury rate by meeting a target of 0.35 or lower.

Process Safety: Improve worldwide process safety performance by meeting a target rate of 0.04 or lower.

In order to reach these goals, Lubrizol will continue to:

- 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.



■ PAINESVILLE RECOGNIZED FOR PARTNERSHIPS WITH FIRST RESPONDERS

Lubrizol's Painesville, Ohio, plant is focused on creating and enhancing strong community relationships through its outreach to public officials, local schools, first responders and local businesses.

For more than 20 years, Lubrizol has sponsored a Painesville Township firefighter to attend Texas A&M Industrial Fire School with the Painesville plant's emergency responders. In 2015, the team expanded the opportunity to include the fire department of Mentor, a nearby community. Additionally, Lubrizol partnered with local fire chiefs and the Lake County Emergency Management Agency to host an emergency preparedness session for nearby businesses.

For its efforts, the Painesville plant received a 2015 Ohio Chemistry Technology Council (OCTC) Award for Excellence. OCTC is a statewide trade association for Ohio's manufacturers and marketers of chemistry products. The award is given to companies that show a commitment to the protection of their people, the environment and the safety of their facilities.



■ ZHUHAI BUILDS LOCAL RELATIONSHIPS FOR EMERGENCY RESPONSE

Lubrizol's new facility in Zhuhai, China, hasn't wasted any time building relations with local first responders and other important stakeholders critical to ensuring the safety of employees and the surrounding community. In early 2015, the site held a full-scale fire drill with employees, visitors and contractors. The local fire brigade was heavily involved, following months of planning and close coordination, which strengthened the relationship between the fire team and the plant.





BRINGING A CULTURE OF SAFETY TO CHEMISTRY STUDENTS

Lubrizol's commitment to workplace safety and health reaches beyond its own facilities. For example, Lubrizol's Wickliffe facility has partnered with Youngstown State University's (YSU) College of Science, Technology, Engineering and Mathematics (STEM) to assist the YSU chemistry department in improving its health and safety program. Lubrizol employees participated in an initial "inspection" of the YSU chemistry department, offering recommendations for improvement in areas such as chemical storage, hazardous waste labeling and housekeeping. The resulting corrective actions provide a safer, healthier and environmentally friendlier approach for faculty, staff and students. Importantly, students will also benefit by having a better understanding of safety, health and environmental performance expectations when they enter the workforce.



■ LUBRIZOL FRANCE FACILITIES HONORED FOR ONGOING SAFETY COMMITMENTS

Both Lubrizol facilities in France approach safety with continuous improvement in mind. The Le Havre plant has been committed to focusing on enhancing employee behavior to ensure everyone at the plant is thinking about safety on an ongoing basis. The most recent iteration of the program occurred in 2014, when the plant created "CAPS," which translates to Talks Related to the Application of Safety Principles. Each day, 30-minute CAPS are performed in the field with Lubrizol employees and contractors, with the goal of identifying opportunities to make corrections that could avoid accidents.

In Rouen, Lubrizol employees identified a safer, more efficient way to unload empty drums that ultimately get filled with Lubrizol's products. In a single day, the facility unloads 1,500 to 1,800 drums. The solution was an adapted robotic arm that is able to detect where the drums are, grab onto them one by one and deposit them on a motorized conveyer. By eliminating the need for manual unloading, the facility has significantly reduced the potential for accidents.

In late 2015, both sites were recognized nationally with Responsible Care awards for these activities and their ongoing commitment to safety.



Talent Development

Lubrizol's business requires top talent to keep us ahead of an evolving marketplace. Throughout the organization, Lubrizol's people are supported by a culture that fosters collaboration and encourages continuous learning. We help our people around the globe 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.

Diversity and Inclusion

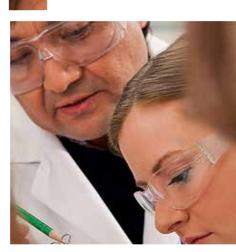
Diversity and inclusion is an essential part of who we are as a company, how we operate and how we see our future. A diverse, inclusive and culturally intelligent organization helps us actively embrace and leverage distinct demographic, economic, political and cultural practices in global contexts.

As part of our commitment to seek out diverse perspectives, Lubrizol has made a significant commitment to hire U.S. military veterans across our organization. Many of our facilities, such as Bowling Green, Ohio, and Deer Park, Texas, have been successful in recruiting, hiring and developing former armed services members and we're proud to call them our employees. For example, nearly one-third of employees in Lubrizol's Bowling Green plant are veterans.

Lubrizol also extends its inclusion practices to workers with disabilities. In Brazil, where Lubrizol employs nearly 250 people, the company is subject to regulations that dictate a 3% quota for workers with disabilities. Through its efforts to attract, retain and develop talent, Lubrizol is exceeding the quota, and we continue to review our recruiting activities and efforts to ensure our talent reflects the communities where we live and work.

Our commitment extends beyond our own employees as well. We apply similar thinking in our supply chain interactions. In terms of quality, service and cost competitiveness, we believe the best possible purchasing decisions are achieved through supplier diversity – access to a supplier base that includes minority- and woman-owned businesses. All companies have an equal opportunity to furnish the goods and services necessary to meet Lubrizol's growing and changing needs.

During 2014 and 2015, Lubrizol's diversity and inclusion programming has taken a significant step forward. Importantly, we put a strategy in place, which has nine components that guide our initiatives (see the following page).











Lubrizol's Diversity and Inclusion Strategy

As a critical part of Lubrizol's diversity and inclusion strategy, our Business Resource Groups (BRGs) are grassroots organizations formed by employees to provide connection, support and professional development opportunities. Currently, there are seven BRGs, many of which have global chapters; our newest BRGs provide a sense of community for our LGBT employees and our Latino employees working in Northeast Ohio. Across the globe, Lubrizol's BRGs engage in three pillars of activity: **Professional Development, Cultural Awareness, and Employee and Community Engagement.**

Nine Components Guide Our Diversity and Inclusion Efforts

VisibilityBuildingBrandPartnershipIntegrationCommunityInfluenceMeasureBenchmark

We are committed to a culture where the health and safety of people are paramount, and employees from all backgrounds and perspectives can grow and thrive as professionals.

Professional Development

Our diversity and inclusion programming is designed to facilitate greater understanding of Lubrizol's businesses and professional and career development opportunities for our people. Key activities include partnering with business leaders for insight into strategies, and workshops focused on topics such as the Individual Development Plan, strengths-based leadership and presentation skills.

In an effort to combine both business and career development, for example, the Women in Lubrizol Leadership (WILL) group hosted a leadership conference in 2014 open to Lubrizol employees interested in expanding their leadership skills. Approximately 100 women and men attended the event – themed "Connect. Create. Innovate." – to network with colleagues, learn actionable strategies for enhancing their development at Lubrizol and create positive and relevant business impact. Having both women and men in attendance helped break down gender barriers and strengthen relationships across Lubrizol. Notably, more than two-thirds of the attendees reported leaving with actionable ideas to implement in their everyday work lives to help them grow as professionals.

Meanwhile, the Group of Aspiring Lubrizol Leaders (GOALL) enables young professionals to take control of their own professional development. GOALL's programming is aligned with Lubrizol's broader Career Essential objectives. Topics have included strategic thinking and decision making, delivering key messages and financial acumen. Two GOALL chapters also participated in a Skype workshop with Lubrizol's Chief Executive Officer, James Hambrick, who shared his perspective on leadership.

Our diversity and inclusion programming is designed to facilitate greater understanding of Lubrizol's businesses and professional and career development opportunities for our people.



Cultural Awareness

Through events, guest speakers and workshops, Lubrizol promotes understanding of individual cultures and competency, as well as inclusive leadership. In particular, Lubrizol's BRGs are a rich resource to share the cultural diversity across the organization.

For example, our Asia Pacific Resource Group, which consists of employees of Asian descent working in Northeast Ohio, is involved in several cultural events, including participating in Cleveland's Asian Festival, celebrating the Indian festivals of Diwali and Holi and hosting quarterly Munch & Mingle sessions, which provide opportunities for networking and brainstorming to further cross-cultural sharing. These events have reached more than 500 employees in Northeast Ohio.

Employee and Community Engagement

While much of Lubrizol's Diversity & Inclusion program is internally focused, the BRGs also prioritize engagement in the local communities where we live and work. This outreach provides a positive impact on the lives of people we touch and leadership opportunities for our people.

For example, India WILL has pushed for government policies that enable greater participation of women at work. They've also encouraged families to celebrate the contributions of women both at work and at home. Additionally, India WILL has volunteered in youth outreach initiatives focused on hygiene and health practices for school girls to enable them to thrive in school. These efforts extend benefits beyond Lubrizol's walls to the greater Indian community.

In Northeast Ohio, Lubrizol's Business Resource Groups have supported the company's long-standing relationships with local elementary schools to provide tutoring. They have also worked closely with College Now, which provides financial and other resources to first-generation college students.





Community Engagement

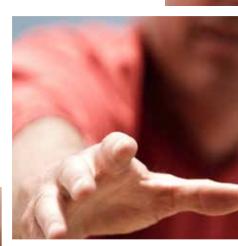
Since the company's founding in 1928, being an essential part of the community has been a way of life at Lubrizol. Over the

years, we have made 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. Globally, we are engaged in promoting science, technology, engineering and math (STEM) education for students from elementary school through high school.

Through The Lubrizol Foundation and corporate giving, Lubrizol donates approximately \$5 million annually to charitable organizations across the globe. 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 recovery efforts; and many other causes that make a difference for society.

In addition to financial support, our employees around the world volunteer thousands of hours to these efforts, including company-sponsored outreach opportunities. We are proud that so many among us reach out to our neighbors, schools and community groups.







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 \$70 million to hundreds of organizations that are important to our company, our employees and our communities. In 2013 and 2014, gifts averaged \$3.9 million annually. The Foundation continues to support educational initiatives, focused on our core funding STEM education for underserved youth.



Our founders' legacy is a culture of community engagement that is exemplified through a sustained focus on philanthropy, volunteerism and civic responsibility.



■ FUNDING FOR OUR FUTURE AT SAN JACINTO COLLEGE

San Jacinto College in East Harris County, Texas, is committed to helping a diverse local population meet its goals and aspirations through more than 200 degree and certificate options. Students also benefit from the college's job training programs, which are renowned for keeping workers up to date on the latest technologies in industries such as petrochemicals, manufacturing, health care, aerospace and maritime.

The Lubrizol Foundation awarded 32 scholarships to San Jacinto College students in 2014, bringing the total scholarships awarded to the college's students to \$227,600 over a 30-year span. The 2014 scholarships were funded by a \$16,000 Lubrizol donation for students training in technical education programs and included a \$4,000 grant to fund eight scholarships specifically for process technology students.





■ FUND-RAISING SUPPORT FOR NONPROFIT HEALTH CARE SYSTEM

University Hospitals of Cleveland (UH) is one of the United States' largest not-for-profit health care systems. Many people in Lubrizol's Northeast Ohio community, including a significant number of current and former employees and their families, benefit from UH health care and support. Since 1964, The Lubrizol Foundation has supported many UH fundraising campaigns, with a special interest in improving facilities and programs and supporting pediatric health campaigns.

As a member of UH's Samuel Mather Society, The Lubrizol Foundation is among a select group of donors recognized by UH as "caring for their community." For example, in 2014, the Foundation made a grant to the Rainbow School program at UH's Rainbow Babies & Children's Hospital, one of the nation's leading hospitals for neonatal care. In this program, UH teachers work with children in grades pre-K through 12 who are hospitalized and/or have extended recovery periods during a school year.



Global Corporate Philanthropy Makes People's Lives Better

In addition to The Lubrizol Foundation-based philanthropy, our global offices, manufacturing facilities and business groups contribute approximately \$1.5 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 driven by the size of our operations as well as the needs of the communities where we are based.

In Durban, South Africa, for example, the local Lubrizol team recognized the need for a stronger Internet connection at the Lily of the Valley Children's Village. At the time, the village had a dish aimed at a distant tower, and with a generally poor signal, a connection to the Internet was impossible. But thanks to a committed group of employees, Lubrizol Durban was able to fund a 12-meter communication tower, enabling the school to connect to the Internet. In addition, other nearby facilities and villages are now able to benefit from this vital connection, further advancing the entire area.

Global Volunteerism Strengthens Ties to Our Communities

Lubrizol colleagues volunteer thousands of hours of service globally each year through a variety of company-sponsored activities. Lubrizol employees are out in their communities, volunteering their time and giving back while building stronger bonds with co-workers.

For example, Lubrizol's signature "Building Bonds" program is a reminder that volunteers who help others are the building blocks of society. Colleagues from our four Northeast Ohio facilities come together for a day to help nonprofit organizations in Greater Cleveland. More than 400 employees volunteer at one of eight different locations each year to help with painting, cleaning, landscaping, roofing, fence installations and many other activities.



BUILDING STRONG FOUNDATIONS WITH HABITAT FOR HUMANITY

Many Lubrizol facilities participate in Habitat for Humanity, a charitable organization that builds homes for struggling or low-income families. Thanks largely to the support of volunteers, Habitat for Humanity enables needy families to finance the houses for the cost of the building materials at no interest. In addition, these homes help families get back on their feet by giving them a safe, stable place to live.

Lubrizol Singapore

In Singapore, 19 Lubrizol volunteers traveled to Batam, Indonesia, for a home-building project with Habitat for Humanity. Using basic tools like spades, hoes, pails and wheelbarrows, the team had to dig trenches, shovel and move sand and gravel needed for construction. They also manually folded steel rods into rings that would eventually form the structure of the house, mixed cement by hand, formed "human chains" to move bricks and other materials, and eventually laid bricks for the houses once the foundation work was complete.

Lubrizol volunteers had the privilege to work alongside the home partners who would ultimately live in the completed homes. Lubrizol volunteer Sun Yew Wong said, "It was an enriching experience, and it feels good to be able to contribute and help in building a house for the needy. It is also great to know my colleagues better through interaction during the two days together."

Lubrizol Texas

The Lubrizol Texas facilities participated in two Habitat for Humanity workdays: one for anyone in the plants who wanted to take part, and one sponsored by the Texas Group of Aspiring Lubrizol Leaders (TXGOALL). During the general plant workday, employees worked to put up siding and frame much of the house. The TXGOALL team worked on weatherproofing and roofing. The opportunity to support two workdays meant the Texas teams felt more connected to the site and, collectively, had a greater impact on the community.











■ LUBRIZOL MEXICO FINDS MANY WAYS TO GIVE BACK

At Lubrizol in Mexico, colleagues give back to their communities in a number of ways, including projects that provide support for underprivileged youth and through tree-planting events that engage employees. For example, one team in Mexico partnered with an organization called Casa del Refugio to help children who are getting ready to attend school. Lubrizol employees worked hard to secure backpacks for donation in August 2015. In total, they supplied 40 children with backpacks, helping them be more ready to learn.

As a part of its annual team-building, Lubrizol Mexico broke into teams and built bikes. The teams then raced the bikes, crowning one team the champion. Following the activity, the teams had the opportunity to donate the bikes they built to a group of children who otherwise lacked consistent transportation to and from school. This project enabled Lubrizol employees to practice their team-building skills while providing local youths with a means of transportation.

Also in Mexico, Lubrizol continues to honor a cultural tradition of gift-giving by the Three Wise Men. Lubrizol Mexico employees and their families collected nearly 400 new toys to donate to "Con Ganas de Vivir," an organization that delivers gifts to children at hospitals and to a distribution center where kids can pick up their toys. Employees gave of their time to distribute the toys to children either battling cancer or with parents who are being treated for cancer.

Another project in Mexico focused on giving back to the local environment. Employees and their families were invited to participate in a "reforestation" (tree-planting event) on a Saturday in July.

Lubrizol Mexico's commitment to serving its local community is a point of pride in our organization. By focusing on underprivileged youth and having a positive impact on the environment, employees are addressing some of the biggest challenges faced in their communities.











STEPPING UP FOR YOUTH EDUCATION – IN INDONESIA AND NORTHEAST OHIO

Education is a priority area for Lubrizol, and around the world our employees support education in a variety of ways, including volunteering in a classroom or serving as a mentor.

Lubrizol Indonesia

Lubrizol Indonesia employees shared their affection and support as they helped educate needy children in their home country. Teaming up with 1000Guru, a professional association that supports the improvement of education in Indonesia, seven Lubrizol colleagues traveled to Nurual Akbar School to provide teaching assistance and donate teaching aids and materials. Lubrizol and the 1000Guru group divided into six teams and shared their knowledge about lubricants, photography, basic English daily conversation, Internet surfing and other topics.

Nurual Akbar is a private school without local government support. The students come from the nearby village. Their parents are farmers, fishermen and daily laborers, who often cannot afford to send their children to mainstream government schools in the city.

Lubrizol Northeast Ohio

In Northeast Ohio, Lubrizol employees participate in True2U, a three-year mentoring and career awareness program geared toward eighth-grade students. The program serves approximately 5,000 students in 68 Cleveland Metropolitan School District schools.

Lubrizol employees serve as mentors to students enrolled in the program. Throughout the school year, the mentors help students navigate through Naviance, a comprehensive, career and college readiness software program, and Teens Can Make It Happen: Nine Steps to Success, a goal-setting and personal responsibility curriculum developed by entrepreneur and author Steadman Graham.









Lubrizol Community Engagement Initiative Gains Momentum

Community engagement is a long-standing priority for Lubrizol across its global footprint of facilities. Our sites have been involved in their local communities since Lubrizol's founding. As a way to formalize the process and help local facilities streamline their efforts and share best practices, in 2014, we created the Lubrizol Community Engagement (LCE) initiative.

Through the LCE initiative, we aim to:

- Demonstrate Lubrizol's commitment to being a good corporate citizen
- Provide a positive impact on talent management (recruitment, talent development, retention and succession planning)
- Increase employee morale and teamwork
- Help the company manage its enterprise risk

In the first two years of the program, activities have included:

- Providing guidelines and best practices for creating and activating a community engagement group
- Rolling out community-giving guidelines
- Creating tools for conducting an open house or plant tour
- Creating templates for facility fact sheets
- Offering guidelines for engaging with local stakeholders, including first responders, local media, schools and elected officials

The initiative is designed to provide our facilities with flexible tools and access to resources and support as needed. We initiated the program with two sets of pilot sites to ensure the tools met the facilities' needs. Ongoing support is now available to all facilities.











Thank you
for reading
Lubrizol's 2015
Corporate
Citizenship

More information about our environmental and safety performance and other categories we track can be found on our Sustainability Scorecard.

"At Lubrizol, being a responsible corporate citizen is as essential to our current and future success as it has always been, dating back to our founders more than 85 years ago." - Lubrizol CEO James Hambrick