

Lubrizol response April 8th

Marquardt, Kristin <Kristin.Marquardt@lubrizol.com>

Sat, Apr 8,
2:23 AM (2 days
ago)

to me, Kristin

B4Ukraine Coalition,

The Lubrizol Corporation (Lubrizol) is in receipt of your letter dated March 31, 2023, regarding doing business in Russia. As noted in your letter, Lubrizol stopped direct shipments of our products into Russia in April 2022. We have also enhanced our compliance verification processes and hereby confirm the following:

- We are not doing business in Russia.
- We currently do not have employees in Russia, and we are finalizing the closure of our former office in Russia.
- We have stopped all exports from Russia.
- We have terminated (or otherwise rendered without legal effect) the distributor and customer agreements in Russia.
- We have a destination control policy, as well as a statement on customer invoices, that states that our products cannot be resold or re-exported to Russia.
- We have informed our distributors that they cannot do business involving our products in Russia, and we monitor for their compliance.

Please also see our Prohibited Business Practices Policy, at <https://www.lubrizol.com/Our-Company/Ethics/Lubrizol-Prohibited-Business-Practices-Policy>, which also affirms that we will not do business in Russia.

Thank you for your interest in Lubrizol.

Sincerely,

Kristin Marquardt

Director of Ethics and Compliance

The Lubrizol Corporation

Rebecca Liebert
President and Chief Executive Officer
The Lubrizol Corporation
29400 Lakeland Boulevard
Wickliffe, Ohio 44092
USA

CC: The Lubrizol Corporation's Executive Team and Board of Directors

March 31, 2023

RE: The Lubrizol Corporation's business operations in Russia

Dear Ms. Liebert,

We write to you as [B4Ukraine](#), a coalition of Ukrainian and international civil society organizations working to curtail the financial resources enabling the Russian invasion of Ukraine. In the spirit of respect for the fundamental rights of all people, the rules-based international order, and a prosperous global economy, we expect companies to demonstrate public support for the people, democracy, and territorial integrity of Ukraine, opposition to Russia's war of aggression, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs).

We understand that, after April 2022, the Lubrizol Corporation (Lubrizol) has stopped the direct shipments of its products into Russia, including lubricants and fuel additives. However, the company has not issued any statement regarding its operations with Russia nor their potential termination. Furthermore, Lubrizol's Moscow branch is still displayed on the company's websites,¹ and the company is considered to be continuing its operations in Russia by the KSE "Leave Russia" company tracker.²

Lubrizol's Prohibited Business Practices Policy specifies:

"Lubrizol shall screen all prospective customers and conduct ownership due diligence to ensure that no transaction violates these sanctions. No Lubrizol Company may engage in any transactions or conduct that is known to directly or indirectly involve any portions of the Russian sectoral sanctions without express prior authorization of Lubrizol's Director of Ethics and Compliance following consultation with the Chief Financial Officer of Berkshire or his or her designee."³

We would therefore appreciate a clarification and a confirmation from the company on whether it has stopped all exports to Russia. As you understand, additives are critical to manufacturing machine

¹ Lubrizol, "The Moscow Branch of Lubrizol Ges.m.b.H.," <https://www.lubrizol.com/Lubricant-and-Fuel-Additives/Contact/Contacts/The-Moscow-Branch-of-Lubrizol-Ges-mbH> (accessed March 31, 2023).

² KSE - Leave Russia, "Lubrizol," <https://leave-russia.org/lubrizol> (accessed March 31, 2023).

³ Lubrizol, "Prohibited Business Practices Policy," April 6, 2022, <https://www.lubrizol.com/-/media/Lubrizol/Our-Company/Documents/Ethics/Prohibited-Business-Practices-Policy.pdf> (accessed March 31, 2023).

oil used in the majority of engines and is a product that Russia does not produce, and therefore relies on imports from companies as your own.

Research shows that, while Lubrizol curtailed its direct shipments to Russia, some imports of its products continue via 'parallel' routes, largely by importers from China.⁴ These imports see a significant rise in January and February 2023.⁵ We therefore request a dialog regarding Lubrizol's efforts, policies, and measures taken to prevent the indirect shipments and parallel imports of its lubricants and fuel additives into Russia.

It has been over one year since Russia invaded Ukraine and the devastating impacts continue to shock the global conscience and shake the global economy. Russia is violating international humanitarian law (IHL), including war crimes and crimes against humanity, through attacks on civilians and civilian infrastructure (e.g., mass executions, sexual violence, torture, forcible transfer of civilians). More than 22,000 Ukrainian civilians have been killed and injured and millions more have been forced to flee their homes, creating one of the largest humanitarian and refugee crises of modern times.

Any continuation of shipments to Russia risks enabling and financing Russia's violations of IHL and human rights law during the ongoing invasion and occupation of Ukraine and violating Lubrizol's human rights commitments.

We seek to understand the status of Lubrizol's exposure to Russia and how the company has conducted and continues to conduct heightened human rights due diligence, per its stated policy and the UNGPs concerning due diligence in conflict-affected areas, and how the findings of such a process have resulted in these continued business activities and relationships. As noted by the UNGPs:

...the more severe the abuse, the more quickly the enterprise will need to see change before it takes a decision on whether it should end the relationship. In any case, for as long as the abuse continues and the enterprise remains in the relationship, it should be able to demonstrate its own ongoing efforts to mitigate the impact and be prepared to accept any consequences – reputational, financial or legal – of the continuing connection.

In consideration of the above points and B4Ukraine's [Declaration](#), we request an urgent dialogue with Lubrizol's relevant senior management and staff to discuss the company's ongoing activities and relationships in Russia, associated risks to the people of Ukraine and the company, and potential steps to prevent/mitigate these risks. Please contact B4Ukraine at contact@b4ukraine.org to schedule a call. We kindly ask for your response by 5:00pm CET, April 14th, 2023.

Sincerely,

The B4Ukraine Coalition

⁴ Squeezing Putin, "Oil Additives Exports into Russia," March 27, 2023, <https://squeezingputin.com/support.html#OilAdditives27Mar23> (accessed March 29, 2023); Customs data available to the B4Ukraine Coalition.

⁵ Ibid.