

Supply Chain Management

Valvoline's Supply Chain

As an important business partner, Valvoline's suppliers play an integral role in our overall success. Valvoline's global operations require that we enter relationships and conduct business with thousands of suppliers that provide services and materials to support our businesses. Our purchasing function collaborates with suppliers around the globe to help our businesses meet their objectives for profitability, growth, innovation and sustainability.

Valvoline purchases raw materials that are then processed to produce a number of products that are sold as finished products. For Valvoline lubricant sales volume information, please refer to the Valvoline Annual Report.

The key raw materials used in Valvoline's businesses are base oils, additives, packaging materials and ethylene glycol.

Supplier Code of Conduct

To honor our values and principles, Valvoline has decided to conduct business with suppliers who share a similar commitment. Valvoline issues to new suppliers a Supplier Code of Conduct that outlines what Valvoline expects with respect to labor and employment rights, environmental, health and safety, business ethics and social responsibility, and global trade practices. Suppliers are expected to adhere to this code and must operate in full compliance with the laws and regulations of the countries in which they operate. Our goal is that our suppliers, who are integral to Valvoline, will embrace these values and share our commitment to sustainability.

Valvoline engages with new and existing suppliers worldwide. Our sourcing managers are responsible for the selection of suppliers. All potential new suppliers are screened and required to provide information about their environmental, health and safety practices and confirm that they are compliant with applicable regulations. The requirements of the Code of Conduct are built into our purchase order terms and conditions.

Supplier Evaluation and Certifications

Valvoline has a mature supplier evaluation process to ensure that we use suppliers who meet regulatory, societal and Valvoline standards. This process involves due diligence audits as part of the selection process and then risk-based follow-up audits depending on the supplier's score on the audit.

As part of Valvoline's process to approve new vendors, Valvoline values suppliers with responsible care certifications. Valvoline uses suppliers for our raw materials that adhere to the highest EHS performance standards in the American Chemistry Council's (ACC)

Responsible Care initiative. The majority of our suppliers spend is with companies that carry ISO-14001 or RC-14001 certification. These certifications require third-party audits of environmental health and safety (EH&S) management systems.

For strategic raw material suppliers, we create quarterly scorecards that include an assessment of their EH&S monitoring systems and an annual assessment of any financial risks.