



Supplier Quality Manual

Issued April 2025

SHELL
LUBRICANT
SOLUTIONS

Contents

1	Introduction	3
1.1	Purpose and scope	3
1.2	Quality policy	4
2	General supplier requirements	5
3	Supplier quality management system	6
3.1	Supplier quality assurance programme	6
3.2	Compliance with international standards	7
4	Supplier safety, statutory and regulatory requirements	9
5	Corporate responsibility and sustainability	10
6	Supplier laboratories and external laboratories for finished products	11
7	Communication	12
8	Risk assessment and contingency planning	13
9	Change control	14
10	Supplier management	15
10.1	Assessment and selection of suppliers	15
10.2	Supplier monitoring and performance review	16
10.3	Second-party (customer) audit	16

About this document

In Shell, we have stringent procedures to assure and control the quality of our products and to ensure that they meet legislative standards and customer needs. Even a small non-compliance can damage our brand and reputation, and may result in a claim against us. We have procedures to help us maintain and improve product quality. We expect our suppliers to follow certain quality procedures too and rely on them to share our commitment to quality assurance and control. This document clearly sets out our supplier expectations.



1 Introduction

Shell Lubricants¹ is the global leader in branded lubricants and markets products in more than 100 countries worldwide. We offer customers high-performance products and world-class technological insights. Shell's portfolio of lubricant brands appeals to top-tier and mass-market consumer segments, and includes Pennzoil®, Quaker State®, Shell Helix, Shell Tellus, Shell Rimula, Shell Spirax, Shell Gadus, Jiffy Lube® and Shell Autoserv services.

We have stringent procedures to ensure that our products meet or exceed quality requirements, legislative standards and our customers' needs.

Quality assurance and control are key components in our Brand and Service Assurance. Any non-compliance, however small, can result in damage to the Shell brand, loss of reputation with customers and claims against Shell. We expect our suppliers to have the same commitment to quality assurance and control.

We aim to supply zero-defect products over the long term, and we expect our suppliers to strive for the same goal.

Throughout this manual, the word "shall" or "must" indicates a requirement. The word "should" indicates a recommendation.

1.1 Purpose and scope

Without prejudice to any contractual provisions the Supplier may have agreed with Shell, this manual defines Shell

Lubricants' expectations for all suppliers. The Supplier shall meet or exceed the requirements and guidelines defined in this manual for as long as it provides products and/or services to Shell Lubricants. In adhering to the guidelines established in this manual, the Supplier shall continually improve the processes used to design, manufacture and deliver products and/or services for Shell Lubricants.

This manual covers, but is not limited to, additive, base-oil, packaging, third-party-service and finished-products suppliers, tolling sites, external laboratories and calibrators.

Special requirements for OEM-related suppliers

Shell Lubricants has many OEM customers, who may demand additional requirements to those of Shell and its Suppliers. These include, but are not limited to, those described in the automotive quality management standard IATF 16949 and may include additional customer requirements and customer-specific requirements (CSRs).

If directed by Shell, for specified products and services only, the Supplier shall meet or exceed these additional requirements (see boxes).



¹The term "Shell Lubricants" collectively refers to Shell Group companies engaged in the lubricants business.

1.2 Lubricants quality policy

We are committed to excellence in all our activities to provide high quality lubricant products and associated services that fulfil the expectations of our customers.

We do this to deliver value for all our stakeholders and customers as the market and technology leader in lubricants. We put customers at the heart of what we do.

To achieve this, we mobilise our organisation to:

- Conduct all operations and maintain all product data in compliance with applicable quality, sustainability, statutory and regulatory requirements.
- Design, develop and deliver products with quality built in through the full lifecycle with sustainability in mind.
- Foster a culture that champions quality and actively pursues continuous improvement.
- Prepare our people to successfully meet the challenges ahead.


GLOBAL LUBRICANTS QUALITY POLICY

We are committed to Excellence in all our activities to provide high quality lubricant products and associated services that fulfil the expectations of our customers.


We do this to deliver value for all our stakeholders & customers as the market and technology leader in lubricants. We put customers at the heart of what we do.

To achieve this, we mobilise our organisation to:

- Conduct all operations and maintain all product data in compliance with applicable quality, sustainability, statutory and regulatory requirements.
- Design, develop and deliver products with quality built in through the full lifecycle with sustainability in mind.
- Foster a culture that champions quality and actively pursues continuous improvement.
- Prepare our people to successfully meet the challenges ahead.




Jason Wong
EVP, Global Lubricants
April 2024



Justine Clare
VP, Global Lubricants Supply Chain
April 2024

Global Lubricants





2 General supplier requirements

The term “Supplier” includes suppliers of products and services that provide deliverables to Shell Lubricants. The Supplier shall

- satisfy the requirements established in this manual
- maintain a working knowledge of all policies and procedures governing the relationship between the Supplier and Shell.

Special requirements for OEM-related suppliers

Shell’s IATF certification requires us to develop our Suppliers. When directed by Shell, we expect Suppliers to be knowledgeable on IATF 16949, including the Minimum Automotive Quality Management System Requirements for Sub-Tier Suppliers (MAQMSR) document referenced in this manual, and cooperate with us on achieving the desired quality management system maturity.

When directed by Shell, for specific products only, the Supplier shall satisfy the relevant requirements defined in Shell’s customers’ quality documents (customer-specific requirements).



The Supplier shall be responsible for ensuring sub-tier suppliers adhere to these requirements.



3 Supplier quality management system

The Supplier shall establish and maintain an effectively documented quality management system (QMS) that satisfies the requirements defined in this manual.

The QMS must cover the end-to-end process to communicate, identify, coordinate and control all activities necessary to design, develop, produce and deliver a quality product and/or service to Shell.

The Supplier shall ensure that applicable documents related to the QMS are updated, approved for use, available at points of use and controlled in a consistent and traceable manner. Shell may request a copy of certificates where applicable and may conduct an audit of the Supplier's QMS and the requirements of this manual. The Supplier shall notify Shell of any significant changes in their QMS, including loss of certification.

3.1 Supplier quality assurance programme

The Supplier shall have a quality assurance programme which provides confidence that quality requirements will be fulfilled and which drives measurable continuous improvement in quality performance. It shall include the following minimum requirements:

- senior executive responsibility for the Supplier's quality function
- mechanisms to analyse and permanently remedy quality defects
- the right for Shell to carry out second-party audits at the Supplier's facilities and on its QMS and those of applicable sub-suppliers
- periodic self-review of the Supplier's own quality assurance program with internal audit programme
- an incident management process that is aligned with Shell's quality incident resolution process, including the use of Corrective Action Reports (CAR), Root Cause Analysis (RCA) and, when requested, 8D reporting
- the Supplier should have a process to ensure batch traceability.



3.2 Compliance with international standards and Shell requirements

Suppliers shall comply with ISO 9001.
Shell considers this as a pre-requisite to Supplier qualification.

Table 1. Quality management system and Shell requirements by supplier type.

Supplier type	Material /Product definition ¹	LQS ² /GQS ³	ISO 9001	MAQMSR ⁴	IATF 16949	ISO 14001	ISO 45001	ISO 17025
Components and additive packages	Mandatory	Not applicable	Mandatory	Mandatory for OEM-related products when directed by Shell ⁵	Highly recommended	Highly recommended	Highly recommended	Highly recommended
Base oils	Mandatory ⁶	Not applicable ⁶	Mandatory	Mandatory for OEM-related products when directed by Shell ⁵	Highly recommended	Highly recommended	Highly recommended	Highly recommended
Packaging	Mandatory	Not applicable	Mandatory ⁵	Not applicable	Not applicable	Highly recommended	Highly recommended	Not applicable
Finished products – Shell IP	Mandatory	Mandatory	Mandatory	Mandatory for OEM-related products when directed by Shell ⁵	Mandatory for OEM-related products when directed by Shell ⁵	Highly recommended	Highly recommended	Highly recommended
Finished products – Supplier IP	Mandatory	Not applicable	Mandatory	Mandatory for OEM-related products when directed by Shell ⁵	Mandatory for OEM-related products when directed by Shell ⁵	Highly recommended	Highly recommended	Highly recommended
Packed and bulk logistics, and warehouse	Not applicable	Mandatory ⁵	Mandatory ⁵	Not applicable	Not applicable	Highly recommended	Highly recommended	Not applicable
Third-party filler	Mandatory	Mandatory	Mandatory	Mandatory for OEM-related products when directed by Shell ⁵	Not applicable	Highly recommended	Highly recommended	Highly recommended
External laboratories	Mandatory	Not applicable	Mandatory	Not applicable	Not applicable	Highly recommended	Highly recommended	Mandatory for OEM-related products when directed by Shell ⁵
Calibration providers	Not applicable	Not applicable	Mandatory	Not applicable	Not applicable	Highly recommended	Highly recommended	Highly recommended
Macro distributors	Mandatory	Mandatory ⁵	Mandatory	Not applicable	Not applicable	Highly recommended	Highly recommended	Not applicable

All external management system certificates should be uploaded to the International Accreditation Forum (IAF) official global certificate database: <https://www.iafcertsearch.org/>
¹ Material/Product definition covers agreed Composition of Supplied Material, Technical (Physical and Chemical) Specification, Manufacturing Locations.
² LQS: Lubricants Quality System
³ GQS: Grease Quality System
⁴ MAQMSR: Minimum Automotive Quality Management System Requirements for Sub-Tier Suppliers.
⁵ Where the Supplier does not currently have this system; it must demonstrate that it is developing its QMS to meet the requirements in a timescale acceptable to Shell or they are compliant to its national equivalent by an accreditation body (Signatory) of the ILAC MRA.
⁶ Product Supply Specifications and Product Definition (Specification Tables) are stored and controlled through GPC LQS Base Oil documents.

Special requirements for OEM-related suppliers

QMS development, customer requirements and customer-specific requirements

When directed by Shell, for specified products, the Supplier shall develop and improve its quality management system in line with IATF 16949 requirements.

Using a risk-based model, Shell will define the minimum acceptable level of QMS development and a target QMS development level for each Supplier.

IATF 16949 recommends the following sequence:

- certification to ISO 9001 through third-party audit. The Supplier shall demonstrate conformity to ISO 9001 by maintaining third-party certification issued by a certification body bearing the accreditation mark of a recognised IAFMLA member and where the accreditation body's main scope includes management system certification to ISO/IEC 17021.
- certification to ISO 9001 with compliance with other customer-defined QMS requirements (such as Minimum Automotive Quality Management System Requirements)
- certification to ISO 9001 with compliance with IATF 16949 through second-party audits
- certification to IATF 16949 through third-party certification of the Supplier to IATF 16949 by an IATF-recognised certification body.



The Supplier shall promptly implement customer requirements and customer-specific requirements as requested by Shell.

When directed by Shell, the Supplier shall develop its QMS to include the use of relevant Automotive Core Tools, which may include the adoption of 8D reporting, Failure Mode and Effects Analysis (FMEA), and Production Part Approval Process (PPAP). It is expected that suppliers will implement these Core Tools in a reasonable timescale, as prioritised and directed by Shell.

When directed by Shell, for specific products, the Supplier shall carry out an annual product reapproval, generating full specification data for a typical product batch which it shall submit it to Shell.



4 Supplier safety, statutory and regulatory requirements

The Supplier shall identify and comply with all safety, statutory and regulatory requirements relating to the products and services it supplies and communicate these to Shell. The Supplier shall have documented processes for the management of safety, products, processes and people.

The Supplier shall document its process to ensure the products supplied to Shell Lubricants conform to the current statutory and regulatory requirements in the country of production, the country of shipment and the countries of finished product destination, where defined by Shell.

The Supplier shall have documented Management Systems, defined responsibilities, a defined escalation process and training identified to manage product-safety- and process-safety- related activities.

The Supplier shall identify and implement training requirements of personnel involved in product-safety- or process-safety-related activities.

All global corporate Policies and Standards available to external parties can be found in [Commitment, policies and standards | Shell Global](#).

Special requirements for OEM-related suppliers

When directed by Shell, for specific products only, the Supplier shall satisfy the relevant requirements for product safety and compliance defined in Shell's customer quality documents (customer-specific requirements).

Where Shell requires the implementation of any additional statutory and regulatory requirements or special characteristics, Shell will advise the Supplier of any such requirements and the Supplier will ensure compliance with these and any other instructions received from Shell. The Supplier shall also cascade all applicable requirements and instructions down the supply chain to the point of manufacture.



5 Corporate responsibility and sustainability

Shell seeks to work with suppliers who contribute to sustainable development and are economically, environmentally and socially responsible.

All suppliers engaged by Shell must comply with the Shell General Business Principles, Shell Code of Conduct and Shell Supplier Principles.

Our Supplier Principles are in line with our [Shell General Business Principles](#) and Shell Code of Conduct.

The Supplier shall implement corporate responsibility and sustainability policies. As a minimum, the corporate responsibility policy shall contain an

- anti-corruption policy
- employee code of conduct
- employee relations policy
- ethics escalation policy (“whistle-blowing policy”).

As a minimum, the sustainability policy shall cover

- energy consumption
- waste management.

Where applicable, this should also cover GHG emissions reduction, water usage, restricted substances, responsible chemical management, use of sustainable bio-derived and re-used materials and conflict minerals.

All global corporate Policies and Standards available to external parties can be found in [Commitment, policies and standards | Shell Global](#).



6 Supplier laboratories and external laboratories for finished products

Supplier laboratory facilities used for inspection, testing or calibration services shall have a defined laboratory scope that includes the capability to perform the required inspection, test or calibration. This scope shall be included in the QMS documentation.

Special requirements for OEM-related suppliers

Where directed by Shell, Suppliers providing laboratory or calibration services to Shell shall implement the requirements of IATF 16949 section 7.1.5.3 in a reasonable timescale.



7 Communications

The Supplier shall have a communication protocol to ensure it

- immediately notifies and consults with Shell in the event that non-conforming product has been shipped or is to be shipped. Initial communication shall be followed with detailed documentation of the incident.
- cooperates with Shell in resolving any and all quality issues raised by ensuring timely and helpful communication and actions
- consults with Shell in a timely manner of changes that may affect the quality of products/services supplied to Shell
- consults with Shell in a timely manner of an inability to deliver goods/ services of the quality or quantity specified, or of any problems that may reasonably be expected to affect quality or quantity. This includes any delivery delays or shortages.
- communicates essential business information and information relating to changes in the Supplier's business environment to Shell.



8 Risk assessment and contingency planning

The Supplier shall conduct a risk assessment of its operations that support Shell's production facilities, quality requirements and delivery schedules, and prepare contingency plans to ensure continued, uninterrupted supply to Shell.

When directed by Shell, the Supplier shall cooperate with Shell in providing the requested information to fulfil Shell's Product Supply Security (PSS) activity.

The Supplier shall cooperate with Shell in resolving disruption issues.

The Supplier shall have a contingency plan in place for cyber attacks.

Special requirements for OEM-related suppliers

Where directed by Shell, Suppliers shall implement the requirements of IATF 16949 section 6.1.2.3. Contingency Plans.



9 Change control

The Supplier shall have a management of change protocol to ensure it

- controls and reviews changes for products and services contracted to Shell, to the extent necessary to ensure continuing conformity with requirements
- retains and makes available for inspection/audit at Shell's request documented information describing the results of the review of changes, the person(s) authorising the change and any necessary actions arising from the review
- informs Shell and gains approval from Shell before making any changes affecting product, manufacturing process, measurement, logistics, supply sources, production volume or risk analysis.

For additives, component packages, rebrands and resells and specialty base fluids, the Supplier shall comply with the requirements defined in the Approval of Lubricant Component (AOLC) letter.



10 Supplier management

Shell manages its suppliers through assessment and selection, monitoring, development and review of performance, and second-party audits and self-assessments.

10.1 Assessment and selection of suppliers

The Category Management and Contracting Process (CMCP) defines the Shell-wide approach to supplier selection. The CMCP is a highly structured process executed by a multidisciplinary team to reduce risk and maximise value.

The Shell Supplier Qualification system (SQS) establishes a standard and transparent prequalification process that suppliers must complete before taking part in a competitive tender, negotiation or signing a contract with Shell.

For key suppliers to Shell Lubricants, a risk assessment is carried out by a multidisciplinary team, considering the following criteria:

- HSSE performance
- risk to product conformity and uninterrupted supply of product to our customers, based on their approach to PSS

- relevant quality and delivery performance, relating to knowledge of their quality and on-time-in-full (OTIF) performance over an extended time and any known future issues
- an evaluation of the Supplier's QMS
- financial stability, through the SQS and other market intelligence
- ethics and compliance, through the SQS and adherence to the Shell Supplier Principles
- customer service.

Technical competence and ability to deliver the required technology are assessed separately.



10.2 Supplier monitoring and performance review

Shell will monitor Supplier HSSE, quality and delivery performance. Shell may review Supplier performance against defined targets and scorecards; through operational review, contract management team and business performance review meetings; or through other touchpoints.

Typically, the performance review will include the following key performance indicators:

- HSSE
- quality, including delivered product conformity to requirements
- service performance – OTIF
- collaborative Supplier value
- supply performance – PSS (Product Supply Security).

In case of a quality issue, Shell will issue a Supplier CAR (corrective action request) or 8D (OEM-related cases only) through web-based incident management software tools.

The Supplier shall complete the corrective action request or 8D in the agreed timeline and implement actions necessary to resolve at a root-cause level the open (unsatisfactory) performance issues. Shell may follow up on the effectiveness of the action taken.

The Supplier shall pursue opportunities for continual improvement.

10.3 Second-party audit by Shell or appointed third party

Second-party audits by Shell or appointed third party and Supplier self-assessments form a valuable part of Shell's supplier management approach and may be used for the following:

- Supplier monitoring and QMS development (see Section 3)
- Supplier risk assessment/quality assessment
- product or process audit/facilities audit.

Audits and Supplier self-assessments are considered in the following circumstances:

- for the assessment of new Suppliers/plants
- where there are issues with performance or significant quality incidents
- where the Supplier QMS certification is not at the desired level
- for Suppliers of components for OEM customer products
- to monitor Suppliers in the cases of high-volume, complex-portfolio, high-risk products.

The Supplier shall support Shell in arranging and conducting the audit.

The Supplier shall implement actions necessary to resolve open (unsatisfactory) performance issues in a reasonable timescale. Shell may verify the effectiveness of the action taken before closing the corrective action.

Where Shell has provided a development plan to address gaps and to develop the Supplier's quality management system, the Supplier shall work with Shell to implement required improvements in a reasonable timescale.



Terms and definitions

TERM	DEFINITION
Automotive Core Tools	Core Tools are defined as five supplemental techniques and/or methods which support the expectations of IATF 16949: Advanced Product Quality Planning (APQP), Failure Modes and Effects Analysis (FMEA), Measurement Systems Analysis (MSA), Statistical Process Control (SPC), and Product Part Approval Process (PPAP)
CAR	Corrective action request
FMEA	Failure Modes and Effects Analysis: A preventive analytical technique to methodically study the cause and effects of potential failures in a product or a process. The product or process is examined for all the ways in which a failure can occur. For each potential failure, an assessment is made of its effect on the system and its seriousness, and a review is made of the action being taken (or planned) to minimise the probability of failure or to minimise the effects of the failure.
GPC	Global product catalogue
GQS	Grease quality system
IAFMLA	International Accreditation Forum Multilateral Recognition Arrangement
IATF 16949	An automotive quality management system standard. IATF: International Automotive Task Force
ISO-9001:2015	International Organization for Standardization: An international specification for quality management systems
ISO/IEC 17021	Conformity assessment. Requirements for bodies providing audit and certification of management systems
KPI	Key performance indicator
LQS	Lubricants quality system
MAQMSR	Minimum Automotive Quality Management System Requirements for Sub-Tier Suppliers. This document can be downloaded from: www.smmtoversight.co.uk/publications/
OEM	Original equipment manufacturer, for example, a car manufacturer.
PPAP	Production Part Approval Process: Defines generic requirements for production part approval, including production and bulk materials. The purpose of the PPAP is to determine that customer engineering design record and specification requirements are properly understood by the Supplier. The Supplier shall demonstrate that the manufacturing processes have the potential to produce product consistently meeting these requirements during an actual production run at the quoted production rate.
Special characteristics	Classification of a product characteristic or manufacturing process parameter that can affect safety or compliance with regulations, fit, form, function, performance requirements or subsequent processing of product.
8D	Eight Disciplines. A problem-solving method used to approach and resolve problems. Focused on product and process improvement, its purpose is to identify, correct and eliminate recurring problems. It establishes a permanent corrective action based on statistical analysis of the problem and on the origin of the problem by determining the root causes.

Document control information

Initial issue date: 25.07.2017
Document author: Mark Southby; Wei Yuan
Approved by: Peter Wickenden

Document revision history

Revision/review date	Revision number	Section(s) revised	Revision description	Author
25.07.2017	1		New document	Mark Southby; Wei Yuan
13.06.2018	2	1, 2, 3	Quality policy Corporate responsibility Premium freight	Mark Southby; Wei Yuan
25.09.2019	3	All	Revised and reformatted	Mark Southby; Wei Yuan
31.03.2022	4	1.3, 2, 3.2, 4, 8, 10.2, 10.3	Quality policy Customer-specific requirements Table updated to include ISO 45001 AND request to upload certificate to International database Added Shell-specific requirements Updated requirements for OEM-related suppliers Added requirement for cyber attack contingency plan Removed requirement for premium freight KPI Added potential checks on effectiveness of actions taken	Omer Kaya, Miriam Wilson, Wei Yuan
31.10.2023	5	1.2, 3.2	Quality policy Table 1 updated to include Shell-specific requirements	Various
30.03.2025	6	1.2, 3.2	Quality policy updated as per organisation change Table 1 updated to include Shell-specific requirements Overall review for clarification	Omer Kaya



For more details, please contact your Shell Contract Manager.