In conversation with...

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Infineum's first Sustainability report was published on Earth Day, 22 April 2021 under your stewardship. How significant is this publication for Infineum?

The publication of the first Infineum Sustainability report is an important milestone for our Sustainability journey, as it is a public statement not only of the progress we have made, but also of the direction of travel we want to follow. The report itself is simple, but it is just the tip of the iceberg. The work we have done to build the right foundations for Sustainability at Infineum is what really matters. We have worked hard to embed Sustainability in all our activities: we have created a central team, set up 2025 goals and targets, implemented initiatives to enable us to deliver against those targets, and there is more to come. Most importantly, we have engaged the hearts and minds of our colleagues on this topic, and we have had a very enthusiastic response.

Is sustainability the key business driver affecting the lubricants sector today? What is Infineum's position on the 17 UN Sustainable Development Goals (SDGs)?

At a very high level, you can say that Sustainability is the key driver affecting any industry, but especially businesses that are CO2 intensive, resource management intensive, waste intensive or associated with food and water. The transportation industry is responsible for about 25% of the global CO2 emissions, 30% of the energy produced is wasted through friction, so the lubricant industry is at the heart of Sustainability because it can deliver solution to many challenges that our world is facing.

The UNSDGs are a very powerful and comprehensive framework. We assessed each of the 17 goals and mapped our activities against these areas. We concluded at Infineum we work towards most of these goals, some more directly, some more indirectly. We have then selected four goals which are most critical to our business: Goal 3 (Good Health and Well-being) Goal 12 (Responsible Consumption and Production), Goal 13 (Climate Action) and Goal 17 (Partnership for the goals). By using these goals as a compass for our journey, we can focus and prioritise our effort where it can have the highest impact based on our business structure.

As an industry, have we embraced the need for change sufficiently; are we moving fast enough to meet the regulatory challenges and targets set by legislative bodies and governments?

Earth overshoot day was July 29 this year. Earth Overshoot Day marks the date when humanity's demand for ecological resources and services in a given year exceeds what Earth can regenerate in that year. In 1970 it was the end of December, in 1980, the end of October, in 2000, the end of September, and since 2010, Earth Overshoot day falls around the end of July. So, the industry, society, governments, businesses have moved to slow down or stop this race. There is much more to do though to invert this trend. Today we still need 1.7 Earths each year.

I believe however that we have embraced the challenge, and that society, governments and businesses are moving. We need to understand how to move faster, how to best collaborate and join our efforts to deliver the results that the world needs.

"Where there's a will, there's a way" they say...
I believe the will is there, we are working very hard to find "the way" and make it happen

With tightening chemical regulations and global differences reflected in a volatile geopolitical landscape, how achievable is greater alignment and harmonisation within the industry?

This is not a simple problem to address. There are many organisations and industry associations that work to define standards and common practices. Local and global regulations respond to many different drivers, sometimes Sustainability based, sometimes politically based. This is not new, so today's situation is no different than what we have experienced in the past for many big issues. The industry is able to see beyond these individual or local needs though. Most of the very big players in the Chemical industry have a global footprint. The same applies to many other industries. The desire for a common way to measure is there for anyone to see. And I see very genuine efforts to go beyond the individual interests. When methodologies are developed and adopted by a number of key actors, they tend to become the reference, and industry will quickly coalesce around a unified position. Efforts like Science Base targets, big industry collaborations like the World Business Council for Sustainable Development (WBCSD) are examples of activities that will help the industry to overcome differences and align going forward.

How integral is innovation in technology and can it really help us succeed in our drive for a carbon neutral future?

Innovation will be the only answer to this problem. Unless we find new solutions and we try new avenues, we will not be able to change our carbon footprint. If we go back to the early industrial revolution, it's a struggle to understand how it was possible to live in a world without mainstream electricity, with city centres choked by coal fumes, with labour death being a normal daily occurrence. We moved from there with innovation. You can find many other analogies with computing, with mobile phones, with e-connectivity. So, Innovation is absolutely THE way forward.

Does innovation mean greater potential for consolidation and collaboration within our sector?

Collaboration yes, consolidation not necessarily. The challenge ahead of us requires the whole supply chain to integrate and collaborate to solve problems. You cannot innovate within your boundaries and hope that someone will build and integrate what you found; you must work and collaborate with suppliers, with customers, with other partners, even with competitors (within the correct boundaries of course) to come up with better solutions. This may drive some consolidation, or it might drive new players, new spin offs, new business models.

How do you see the technology market changing to adapt to the emerging vehicle markets? Are we really looking at the demise of ICE (internal combustion engine) in our lifetime?

Focussing on the transportation industry (of which the lubricant industry is part), technology is moving to solve the sustainability challenge exploring all the avenues. First and foremost, you have optimisation and innovation in the current technology, so cleaner, more efficient, longer lasting engines that use cleaner, more renewable fuels, with new engineering solutions in the lubrication area. This is something that will continue, especially for the harder to decarbonise segments. A very knowledgeable industry at its maturity is able to devise solutions building on decades of experience and talent.

In parallel new technologies make headway and propose alternative solutions: electric, hydrogen. How quickly can the new technologies solve their problems vs. how quickly the ICE technology can solve theirs? This race will stimulate creativity and innovation until a time where the balance will shift all in favour of the new technologies (who has tape recorders these days?) but it is not easy to say when this will happen.

Let's not forget that there are many parts of the world where much more basic infrastructures are not present. Mobility and connectivity are two key enablers for many societies to progress. The priorities there are to build basic infrastructure at the most

affordable cost, so that these societies can progress and then leap forward. This is where the ICE will likely last longer as the most efficient way to address the key sustainability needs of these parts of the world.

I'm struggling to jump on the e-vehicle bandwagon - inadequate infrastructure and prohibitive costs are putting me off - If you had to replace your vehicle next week, what would you opt for?!!

We have 2 cars in the household, a diesel SUV, and a smaller petrol city car. We replaced the SUV two years ago, and I had no hesitation to buy a new diesel one. I need the space for long journeys with the family, and I need the range. Electric alternatives were limited, the price gap was substantial, so diesel was the answer. When we will replace the smaller car instead, we will likely go for electric. Prices are almost comparable (not quite but not too far), we use it for short commute journeys, and we live in a detached house where I can install a charging point. Plus, more and more companies are announcing investment in the e-infrastructure.

Different countries have different situations, and within the same country where someone lives can make a difference, so the personal circumstances and considerations will influence this change in a typical chicken and egg situation: when the infrastructure and affordability will be there, I will switch… but until there is a mass market the cost will be higher and the infrastructure undeveloped. This is why this has to be a collaboration of all the stakeholders: regulations to drive our society in the right direction, laws and policies to enforce but also to support and sustain the change, industries to innovate and invest, but being able to do so while remaining competitive in the marketplace. This is a revolution that must happen at an evolutionary pace, so that the whole ecosystem can transform at the right pace.

Covid has wreaked chaos and tragedy across most of the world during the last two years. But isn't there always a silver lining? What positive outcomes have come out of this pandemic?

COVID is terrible, so I want to be very careful to say anything positive about it, since it killed people, ruined businesses and people, caused mental heath issues, education issues, social issues... so COVID is a bad incident and that's it.

The way we responded to COVID though can be something to reflect on, and I can underline just a couple of aspects that give me some reasons for hope:

1) We have learned to engage, work and communicate in a different way. Many businesses have adjusted to a new way of working and communicating, and while we suffered for lack of personal contact, we have abated many barriers across countries, where collaborating with your neighbour is as easy as collaborating with someone across the ocean. We have learnt to engage with technology, and adjust our way of working to make it successful

2) (Medical) technology has responded, developing vaccines, tests, processes to defend all of us. Clearly not perfect, with plenty of political challenges and some misalignment across different governments, but from a distance you can say that nature threw us a curve ball, and we as species have responded. If we have (almost) done it with COVID, we can do it for Sustainability!

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