

In conversation with...

Colleen Jones-Cervantes, President, Chevron Oronite



Welcome and congratulations on your appointment as President of Chevron Oronite. After an almost 40-year career span with the company, did you ever imagine when you joined Chevron in 1983 after completing your Mechanical Engineering degree, your journey would bring you here?

Thank you very much. I'm very excited to be working in the Chemicals division of Chevron's Downstream operations. When I first started, I was so busy learning and trying to do a good job that I never contemplated where I might end up. There were not a lot of women in line roles at high levels, so a president's role would have seemed very unlikely at the time. I never envisioned all the different opportunities I would eventually have that allowed me to build my skills and experience to take on these leadership roles.

Your leadership roles within Chevron have covered almost every area of the Finished Lubricants and Downstream markets; what is it about this company that has inspired you, kept you interested enough not to look elsewhere?

I have really enjoyed the variety and challenges of my assignments. It has been a journey of continual learning coupled, with a deep sense of being able to make a difference. I feel like I have had several different careers without ever leaving the company. That is one of the benefits of working for a large multi-national organization. The culture at Chevron is exceptional. I really enjoy the people and the way we work together. I have had headhunters come knocking, but the grass never looked greener on the other side. I wanted to stay at Chevron.

You've amassed an impressive, well-stamped passport, crossing continents and regions throughout your numerous roles in North America, Hawaii, the Philippines, Singapore; how have your previous roles and your approach to these roles adapted, for example, to embrace the cultural or diversity sensitivities in different countries? Or has this not been an issue?

There is nothing more humbling than being dropped in the middle of a culture where everything is different from what you know. You either open up, learn, and embrace it or you are miserable. It is not always easy, but it changes you professionally and personally. Your perspectives will never be the same. You become much more understanding of differences, and then you begin to truly appreciate the power of different experiences and viewpoints.

I'm sure there have been significant highs and lows, many industry milestones which you have experienced during your career. Can you share one or two with the audience? Personal or professional? Where would you position Covid-19 among significant milestones?

Our company has grown significantly and changed over the years, partially through mergers and acquisitions. During my time here, we've merged with Gulf Oil, Unocal, and Texaco. Mergers always bring challenges, and you learn how to navigate them.

Another milestone that I recall was when crude oil hit \$10 a barrel many years ago, and the financial havoc that wreaked on the industry.

COVID -19 will stand out for many reasons, too. While we had plans in place to respond to a pandemic, we certainly had to learn and adjust based on how things played out as the situation progressed. For instance, we had to quickly pivot and have a portion of our global workforce continuing to conduct business from home while having essential workers report to their workplaces and keeping them safe. With the shutdowns, of course, we saw demand collapse for jet fuel, gasoline, diesel, and other products. What is so impressive is that we did adjust and continued to operate, which is also a testament to our planning efforts. Thank goodness for the advancements in technology that made these new ways of working possible.

What do you feel the short/long term impact of this pandemic will be on the chemical formulations industry and its supply landscape? Has Covid exacerbated challenges/changes that were already looming? What positive benefits have there been (if at all?)

The pandemic has shown us that supply chains in all industries are not as robust as they could be. At Oronite, we found that having a global footprint made us more resilient. We could shift production or development work from a region that was heavily affected by the pandemic to another that was less affected at the time. COVID has certainly exacerbated shipping and logistics challenges for all industries, but our global manufacturing footprint and ability to produce major components at our three world-scale plants definitely helped.

The positive benefit is that Oronite's supply chain performed well through the dual stress tests of the pandemic and the Texas freeze in February 2021. There were certainly challenges, some of which we are still dealing with, but we are learning from them and implementing improvements to adapt more quickly to changing supply and demand scenarios.

How is the regulatory landscape and the drive for a net zero future driving innovation in the industry?

Over the last couple of decades, the lubricants industry has focused on many aspects of our products and how we bring them to market that have helped address evolving regulations and the drive for a net zero future. Among some of the most visible examples are treat rate reductions and products that help reduce oil consumption, extend oil drains, and increase engine durability. We have also focused on reducing supply chain complexity.

The more recent drive to a lower carbon future is extending the good work we have already accomplished. We are now innovating to prepare for a world using a variety of lower carbon alternative fuels. For example, the lubrication needs for electric powered transportation are very different from gas or diesel internal combustion engines. We're working on solutions to address those specific requirements. This is also true for hydrogen, ammonia, fuel cells

and other alternatives as we search for lower carbon solutions for transportation, agricultural, and Industrial equipment.

We are doing more fundamental work with bio-derived, renewable and re-refined base stocks to address the unique needs of newer lubricants and specialty fluids. From a chemistry perspective, we are moving into bio-based raw materials and componentry to replace traditional additive components that have a higher carbon footprint.

Reducing the carbon intensity of our manufacturing facilities can also have an impact and we are looking at the entire value chain for lower carbon opportunities.

Will increased formulator demands and requirements from OEMs, for example, for electric mobility fluids, see a move away from classical lubricants to thermal fluids?

For E-mobility, it is clear that classic fluids formulated for internal combustion engines will not be optimal for electric motors. Electric vehicles have unique characteristics that require specifically optimized formulations. There is no crankcase hardware that needs to be lubricated. Greases, coolants, and transmission/gear oils will all need to address new and different conditions – cooling and thermal conductivity, electrical resistivity, copper wire corrosion, bearing fatigue life and elastomer compatibility, just to name a few. We're likely to see new specifications developed for these new fluids to help ensure the consumer's investment in an electric vehicle is protected.

Will the demand for synthetic lubricants continue to grow and what does this mean for the future of mineral oils and base oil supply?

We do expect demand for synthetics to grow, given the trend toward lower viscosity grades for improved fuel economy and durability, with extended drains and higher operating temperatures. All these things support improved engine efficiency and lower carbon. While we will see increased use of synthetic base oils for new specifications, mineral oils will continue to be the bulk of the market for existing specs and with growth in emerging markets.

What is Chevron's role and responsibility towards a more sustainable future? And is 'Sustainability' the industry's toughest challenge yet?

At Chevron, we believe the future of energy is lower carbon. We are working to advance the global net zero ambitions of the Paris Agreement. Our strategy is focused on three action areas: lowering carbon intensity cost efficiently; increasing the use of renewables and offsets in support of our business; and investing in low-carbon technologies to enable commercial solutions. We know that new breakthroughs will be needed to achieve the world's net zero ambition, and that's why we are investing, innovating, and integrating new solutions. Chevron has been around for over 140 years, so we've experienced a lot of challenges and opportunities that have helped us evolve and grow over those many years. That said, we've always worked as a company to protect and preserve the environment and we will continue to do so.

You have been widely applauded for your successful approach and delivery of Chevron's Organisational Transformation and Change Management infrastructure. What do these terms mean practically? How have these changes affected the way Chevron operates? Would smaller companies/SMEs be able to reap similar benefits?

I have been really focused on change management in Chevron's downstream and chemicals units as part of the larger, overall changes at Chevron. We have been through big changes before, and to make them stick, we need to focus more on the cultural change that must take place. Obviously, what the leaders focus on in the aftermath of huge organizational change is vitally important. We have been and continue to be relentless on where leaders spend their time, how they behave, and how we enable our teams to deliver what is expected.

Anyone going through change should not underestimate the amount of leadership time and messaging needed to sustain the changes and improve the chances of a successful outcome. At the most basic level, humans are creatures of habit, and we resist change. It takes a concerted effort to avoid slipping back into "the way things used to be".

My 'Women in the Lubricants Industry Conference' took place in London last year just before the world went into lockdown; it was a pioneering event, the first of its kind in a traditionally male dominated industry and very well received. One of the clear takeaways from the event was the power and impact of mentoring in developing employee potential and helping fledgling young colleagues to achieve their very best. As a woman who has reached the heights of President in one of the biggest oil majors in the world, what would you say to a young woman stepping into the lubricants industry today? And perhaps more importantly, to her employer?

First of all, thank you for putting on the conference. We are certainly making great strides, but we still have a long way to go to see gender parity in this industry. The women I have met in this business are truly exceptional. I absolutely want to see their numbers increase.

To a young woman, I would say not many people really understand our industry, but it is so important to keep the world running and economies humming. We solve problems every day for ourselves and our customers. It is a challenging and exciting industry. There are many different career paths, from technical to operations to sales, and you can work in all of them if you wish. I would encourage you to advocate for yourself – ask for the roles you want, don't let others discourage you, and take on new challenges with gusto – do not be timid in this industry.

To her employer I would say, even the playing field and support her development. Give her the same opportunities you would give the men at the same point in her career. Trust that she will learn quickly and get the job done. Stop telling her what she can't do and start showing her what you need and expect her to do. In short, treat her the same and remove the institutional barriers that get in her way.

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