2020

SOCIAL RESPONSIBILITY IN TIMES OF COVID-19

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THE UNCOMMON LUBRICANT COMPANY

MESSAGE FROM OUR GENERAL MANAGER

Social Responsibility in Times of COVID-19

In 2020, the world faced very difficult times of uncertainty and frustration. Many people lost loved ones, sources of income, and peace of mind. And yes, this crisis affected us all.
We at Interlub Group also suffered and lost. However, we flowed. For this reason, I feel very proud of our team, which navigated this crisis with courage, ingenuity, and determination.
I also feel very grateful because, during this crisis, we confirmed who we are and what we are made of. It was a year in which we not only dared and grew stronger, but also took our social responsibility very seriously. I am certain that this commitment to our employees, their families, and our community was a key element in enabling us to "flow."
In this short report, we will share some of our main decisions and initiatives. We hope they will be useful to our community of socially responsible organizations, and we reiterate our willingness to share our best practices and technologies.

Take good care,

Rene Freudenberg



"Man discovers himself when he measures himself against an obstacle."

Antoine de Saint-Exupéry (autor de El Principito)

Rene Freudenberg
General Manager
Interlub Group | The Uncommon Lubricant Company

Contents

1. Message from our General Manager

2. How did we fulfill our social responsibility in times of COVID-19?

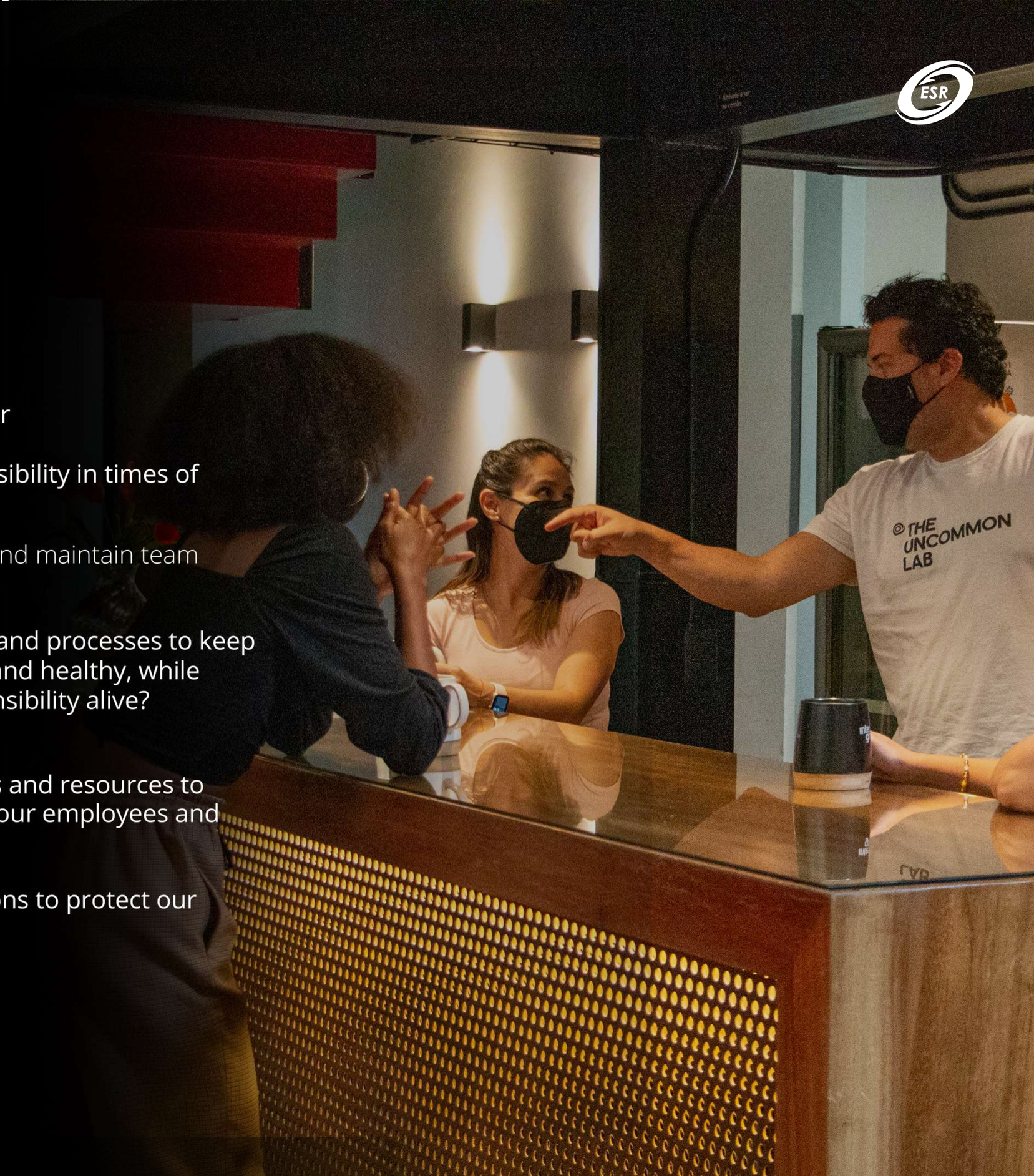
a. How did we define our priorities and maintain team alignment?

b. How did we adapt our protocols and processes to keep our team and their families safe and healthy, while keeping our spirit of social responsibility alive?

c. How did we focus our capabilities and resources to minimize the risk of infection for our employees and their families?

d. How did we leverage our inventions to protect our community?

3. Conclusions



How did we fulfill our social responsibility in times of COVID-19?

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Fulfilling our social responsibility was key in 2020, as the lives of more than 250 families and the operations of more than 2,500 customers in 37 countries depended on the decisions we made. We sought ways to ensure the continuity of our operations in a socially and health-responsible manner.

In this section, we share some practices that inspired us to...

a). Adapt our priorities and align our entire team.

b). Adapt our protocols and keep the spirit of social responsibility alive.

c). Develop and implement technologies to protect our employees and their families.

d). Protect our community with our technologies.



How did we define our priorities and maintain team alignment?

We formed an Emergency Committee

During the week of March 16, 2020, we formed an Emergency Committee composed of members of the Management Committee and representatives from Human Resources, Quality Assurance, and Safety and Hygiene. Together, we defined the five priority areas that we considered essential for facing the pandemic. To simplify communication channels between employees and the committee, we created a single email account: dudascovid@interlub.com. This not only helped avoid confusion among employees, but also ensured that everyone on the committee was aware of new requests.



We launched the “Better, Stay Home!” campaign.

To minimize the flow of people through the plant, the Emergency Committee sought to minimize the number of people coming to the plant at any given time. In this way, it protected the essential employees we needed to fulfill our business commitments.
We classified personnel into four groups (see Table 1) and reorganized the way we worked.

Classification	Measure
Administrative personnel who are not part of a high-risk group and can perform their activities remotely.	Reorganization of work and implementation of tools to work from home.
Administrative personnel classified as high-risk who can continue performing their work remotely.	Reorganization of work and implementation of tools to work from home.
Operational personnel who are not part of a high-risk group and cannot perform their activities remotely.	Reorganization of shifts to minimize the number of people per shift and prevent contact between different teams.
Personnel classified as high-risk who cannot continue performing their work remotely.	Temporary suspension of activities with pay.

Having migrated our entire ERP system to the cloud in previous months, as well as having Microsoft 365 licenses, including software such as Microsoft Teams, facilitated the digitalization of our processes.

Together, these initiatives enabled 70% of our workforce to work from home.

Classification / Measure

On March 16, 2020, we called all personnel to meetings to inform them about priority issues and new health measures to contain the spread of the virus among our workforce and their families.

During these meetings, Rene Freudenberg, our General Manager, stated his goal of doing everything possible to retain the entire workforce, regardless of the economic impact of the pandemic.

We updated our priority matrix

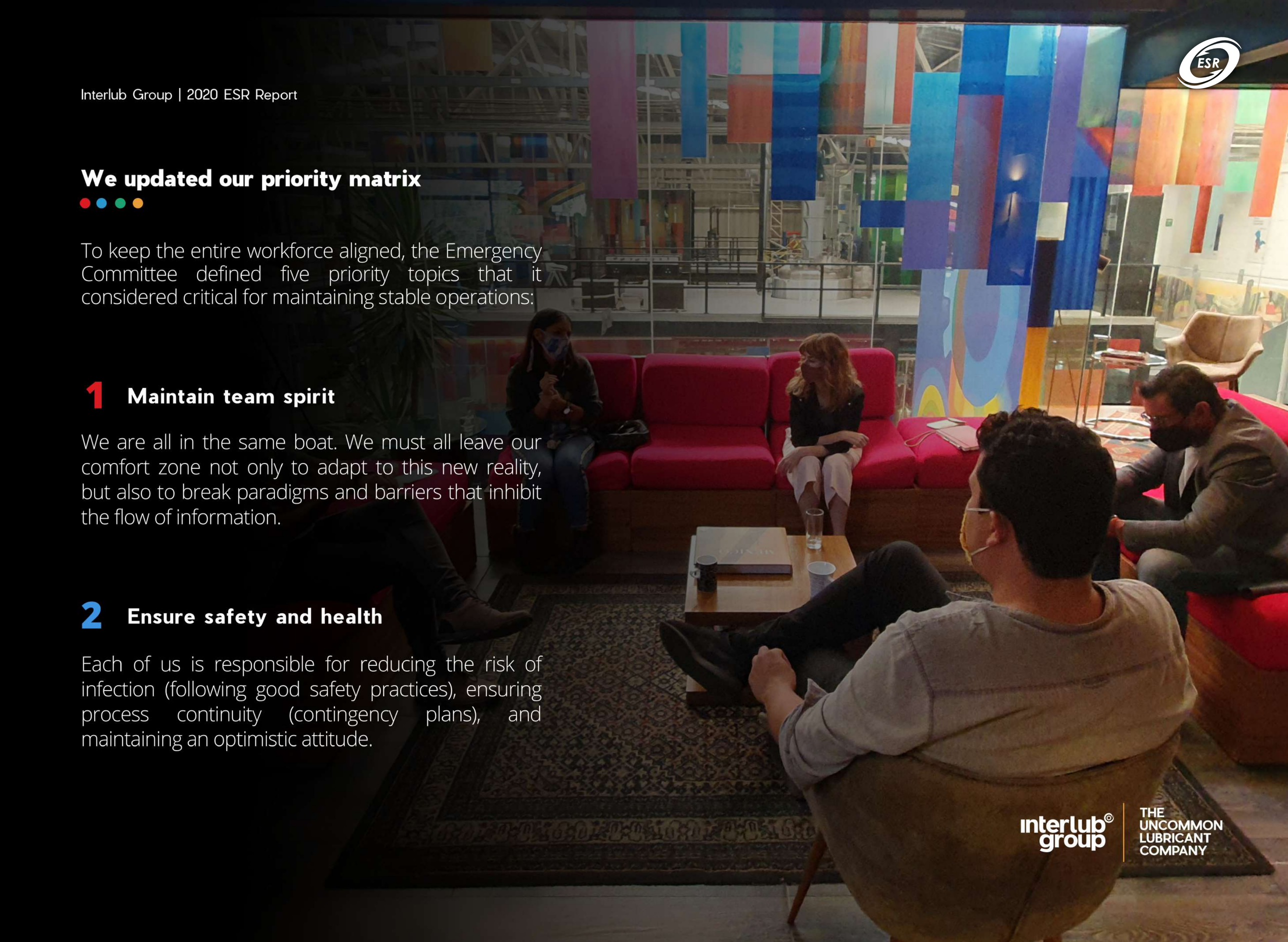
To keep the entire workforce aligned, the Emergency Committee defined five priority topics that it considered critical for maintaining stable operations:

1 Maintain team spirit

We are all in the same boat. We must all leave our comfort zone not only to adapt to this new reality, but also to break paradigms and barriers that inhibit the flow of information.

2 Ensure safety and health

Each of us is responsible for reducing the risk of infection (following good safety practices), ensuring process continuity (contingency plans), and maintaining an optimistic attitude.



3 Focus on the customer

To preserve and increase their confidence, we found new ways to identify business opportunities and adapt our processes to the new reality.

4 Ensure supply

To fulfill our obligations to our customers, we had to ensure a constant supply of raw materials and develop production plans under different scenarios.

5 Be financially resilient

We achieved this through effective liquidity management, reducing non-essential expenses, and evaluating different financial plans under different scenarios.

We shared our priority matrix digitally with all our personnel and followed up on related topics weekly



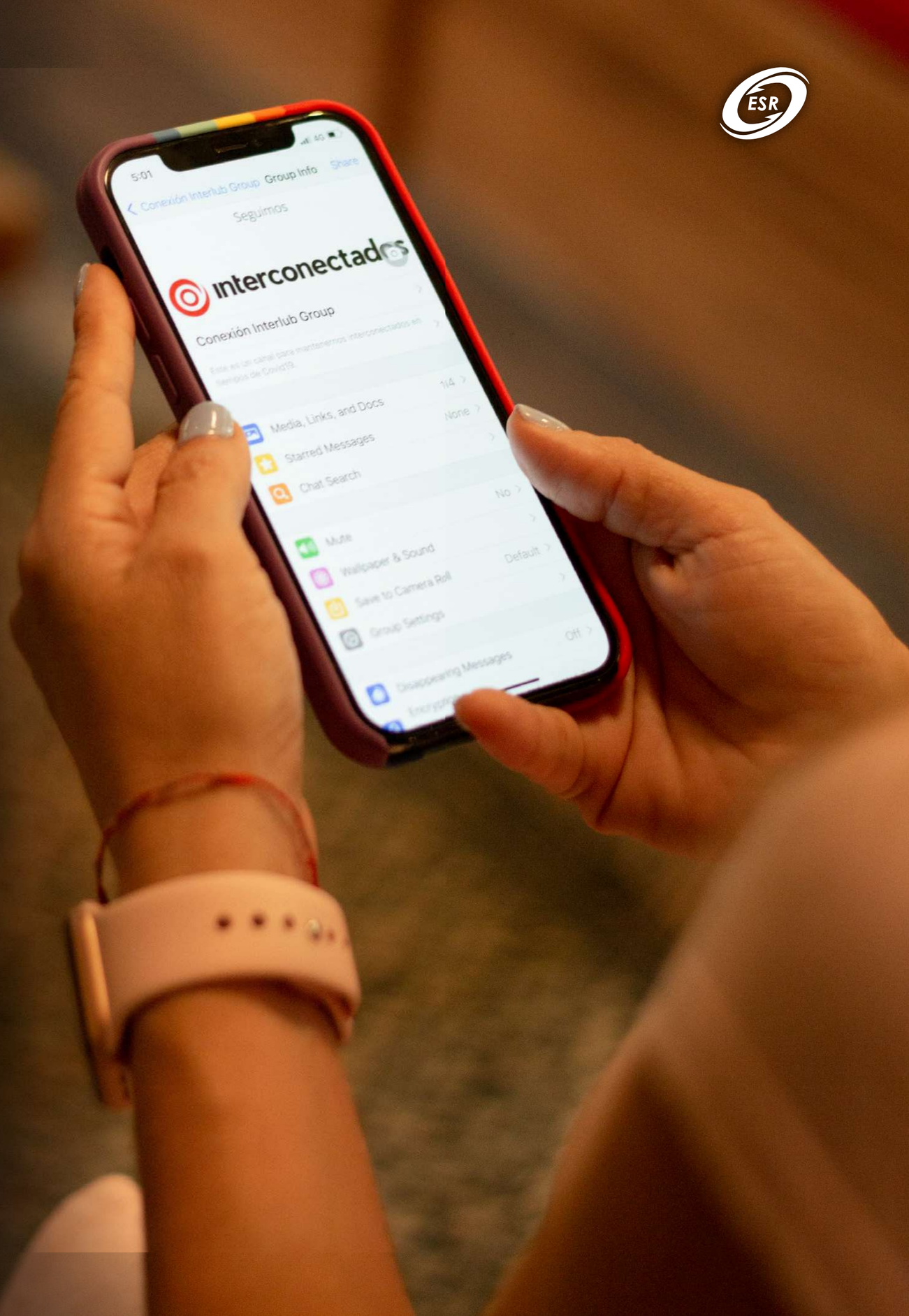
We created the “Interlub Group Connection” group on WhatsApp

We also prepared a WhatsApp group where we shared relevant news and encouraged timely interaction among all employees.

Group launch: April 6, 2020
Connected people: 104 collaborators

Topics:

- "Stop the Spread!" Campaign (see below)
- Invitations to weekly meeting
- Invitations to weekly meeting
- Official announcements from the State Government
- Events
- Calls for participation and surveys



We held weekly virtual meetings

Since March 20, 2020, we held a virtual meeting every Friday at 1:00 p.m. through Zoom.
During the meetings, Rene Freudenberg and other members of the organization shared relevant information with all personnel.



The meetings served not only the national team, but also the offices in Brazil and Colombia as a means of maintaining the flow of critical information, best practices, clarification of questions, and, most importantly, team cohesion.

We launched the internal communication campaign “Stop the Spread!”

In collaboration with the Internal Communications team, we developed an integrated communication campaign. The objective was to clearly communicate the guidelines implemented to stop the spread of infection and the role each employee plays in achieving this objective.





This helped prevent a person at high risk of infection from coming to the plant and infecting other employees.

On March 13, 2020, one week before a state of health emergency was declared in Jalisco, our General Manager Rene Freudenberg and our Operations Director David Reyes communicated the new health measures to employees.

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How did we adapt our protocols and processes to keep our team and their families safe and healthy?

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“It’s our choices... that show what we truly are, far more than our abilities.”

Andy Grove

Healthy Proximity

Our priority was to make all our employees feel safe and maintain a spirit of solidarity, creativity, and collaboration. Therefore, it was critical for us to implement the following nine measures to ensure healthy proximity:

1- We reorganized work shifts

Before the pandemic, our teams in operational areas (Warehouses, Production, Maintenance, and Logistics) worked three 8-hour shifts to ensure a continuous process. To minimize the risk of infection among employees from different shifts, we changed the arrangement:

- We divided all employees into four teams (four shifts).
- Two teams work 12-hour shifts, Monday through Wednesday (day/night), and then have four days off.
- Two teams work 12-hour shifts, Thursday through Saturday (day/night), and then have four days off.
- We avoided overlap between shifts during arrival and departure times.



We coordinated employee transportation

To reduce the risk of infection among employees in operational areas while using public transportation, we formed teams according to where they lived. The teams assigned a driver to pick up their shift colleagues in the mornings.

At night, the driver took them home. During this period, the company covered the fuel and maintenance costs of employees' vehicles.

We developed a health survey

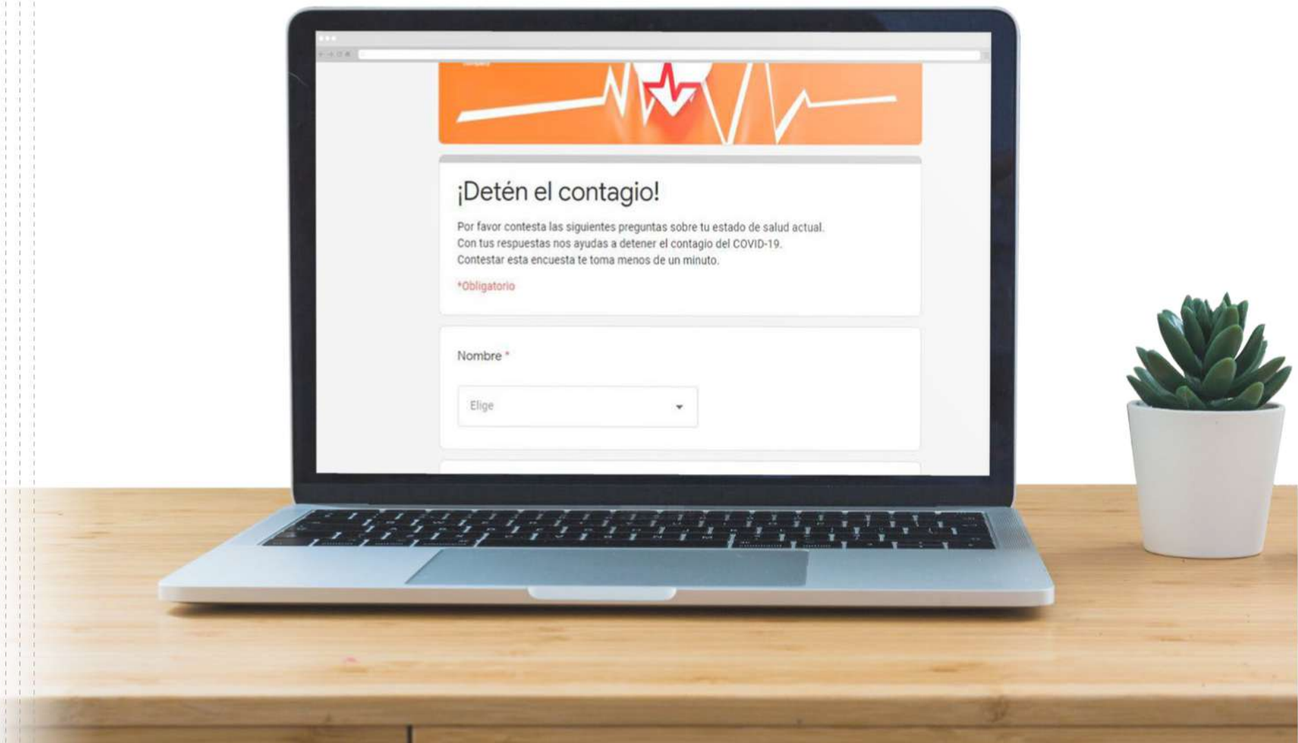
To monitor the health status of our employees, we implemented a health survey designed to identify people who (1) had COVID-19 symptoms, (2) had been in contact with a positive case, or (3) had been exposed to a high risk of infection while traveling.

We assigned the Emergency Committee responsibility for reviewing responses, identifying high-risk individuals, and communicating the corresponding protocols (isolation and antigen or antibody testing).

During the initial phase, we sent the survey daily by email and through our WhatsApp group. Later, we administered it twice a week. The "Stop the Spread!" campaign clarified what to do in case of symptoms.

In addition to monitoring COVID-19 symptoms, we included questions about employees' emotional state (stress, anxiety, etc.).

This information inspired the "Let's Talk!" webinars, anxiety and fear management workshops, and meditation groups.



We reinforced access control

To facilitate access control, we closed the main entrance and designated the security booth as the sole access point. Security personnel measured body temperatures, provided face masks, and screened people with visible symptoms.

Watch video here.

We installed a sanitization tunnel

To minimize the risk of contaminants entering the plant and maximize employee safety, we installed a sanitization tunnel at the security booth. Since commercial solutions did not seem suitable for our employees' health, we developed a chemical solution based on cationic surfactants that proved highly effective in preventing the spread of viruses.

Our Test Engineering team built the tunnel; they experimented with pumps and spray nozzles normally used to apply release agents in the automotive industry.

Watch video here.



We provided Ax-L® products for personal care

Personal care is key to minimizing the risk of infection. In addition to installing antibacterial gel dispensers, we shared the new personal-care products we developed with all employees and their families:

1. Antiviral cream that provides protection for up to 3 hours.

Watch video here.

2. Antiviral coating to protect textile surfaces (face masks, etc.) for 24 hours.

Watch video here.

We gave each employee two presentations of each product for use at home, while traveling to work, when going to the supermarket, etc. We also installed antiviral cream dispensers at different points throughout the plant.



We protected the most critical contact points

We developed products that minimize virus transmission through contact surfaces and air-conditioning filters.

To maximize safety and reduce cleaning tasks, we coated critical contact surfaces (handrails, handles, etc.) with an innovative antiviral coating developed by our scientists. The product maintains its antiviral effect for more than 30 days.

For air-conditioning filters, we implemented a new product invented by our research and development team, maintaining an antiviral effect for up to 14 days. The updated maintenance routine involves deep cleaning of filters and reapplication of the coating.



We conducted rapid tests on our personnel

To detect infected people without COVID-19 symptoms, we administered rapid antibody tests to all employees. To rule out suspected cases and enable return to work, we implemented antigen testing.

We secured rapid tests from Unima, hired a nurse, and defined a protocol. Tests were administered once a week, with up to 30 tests per session. This practice allowed us to detect false negatives and false positives on several occasions.



We cared for mental well-being

In parallel with the healthy-proximity measures, we created forums for micro-communities and invited employees to campaigns or virtual workshops designed to maintain solidarity.

Thanks to Human Resources, we launched webinars called “Let’s Talk!” addressing distress, anxiety, fears, and other topics. After an expert introduction, participants asked questions and shared experiences. Between 15 and 20 employees participated; many were “out-of-town” employees seeking support from the company community.

One finding was the power of meditation to control anxiety and fear. We invited interested people to a 21-day meditation program. Of 30 starters, 17 completed it, including employees from Brazil and Colombia.





We became aware that SARS-CoV-2 (COVID-19) was not only a health problem, but also a "virus" that aggravated xenophobia, hatred, and exclusion. Concerned about the integrity of our employees, we promoted equality and sought to minimize discrimination inside and outside the organization.





Based on our principles and values, we designed an internal policy and campaign in which we committed to:

1. Guarantee the availability and universal accessibility of accurate and up-to-date information about the virus.
2. Treat infected employees and employees with sick family members with inclusion and respect at all times, informing them about existing methods and measures to combat the virus.
3. Provide support and guidance to employees who have the virus or sick family members.





Remote employee integration

Virtual Children's Day Celebration 2020

We designed an activity to maintain our annual tradition of celebrating Children's Day. We invited employees with children, siblings, cousins, nephews, nieces, grandchildren, etc. to share videos of their children. We presented the videos at a virtual event and gave gifts to all participants.

Watch video here.



Virtual Christmas Celebration 2020

We ended the year with a virtual Christmas celebration because it was not possible to hold our traditional in-person celebration. The event included:

1. Remarks from the General Manager.
2. Employee videos.
3. Talent show.
4. Raffle



How did we focus our capabilities and resources to minimize the risk of infection for our employees and their families?

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IInterlub Group invests 5% of its revenue each year in Research and Development. 10% of employees work in technology development areas; we collaborate with scientists and leading research centers in Mexico and around the world.

Over the past five years, we invested more than 100 million pesos in infrastructure and research and development projects. Therefore, it is not surprising that in 2019 we won the National Technology and Innovation Award (pending presentation).

MEM®

PREMIO NACIONAL DE CALIDAD 2017

Premio Nacional de Exportación México

Premio Nacional de Tecnología e Innovación XX Edición

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In uncommon times, let's do uncommon things.

Thanks to the initiative of our researcher, Dr. Denise Dávalos, and the inspiration of Dr. Axel Tiessen, we set out to challenge the virus. On March 27, 2020, we embarked on an "impossible mission": to develop antiviral protectors that would protect us for an extended period.

The idea was to protect our employees and their families during vulnerable moments: traveling from home to the plant, interacting with colleagues, and in common spaces or public areas.

We created more than 300 prototypes

In just 21 days, our multidisciplinary team created more than 300 prototypes for sanitation filters at plant entrances, surface sanitizers, a bio-protective hand cream, and a coating for textiles and filters with a prolonged antiviral effect.

Watch video here.



We launched 4 new innovative products

Finally, the research initiative resulted in the launch of four innovative products.

Protective biofilm for hands | Ax-L Crema®

Ax-L Crema® is a long-lasting bio-protective film for hands, ideal for complementing good hygiene practices during a health contingency. The cream contains active Ax-L ingredients composed of cationic surfactants and functional nanoparticles that protect the skin between handwashing.

Watch video here.

Antiviral protector for textiles and face masks | Ax-L Textil®

Ax-L Textil® is a bio-protective coating for all types of textile fibers. Its active ingredients inhibit the infectious potential of pathogenic microorganisms such as viruses and bacteria for 24 hours.

Watch video here.

Air-conditioning filter coating | Ax-L Aire Acondicionado®

Ax-L Air Conditioning® is a bio-protective coating for air conditioning filters. Its active ingredients inhibit the infectious potential of pathogenic microorganisms such as viruses and bacteria for an extended period of time (14 days).

COATING FOR CONTACT SURFACES | Ax-L Pasamanos y Manijas®

Ax-L Handrails and Handles® is a bio-protective coating for metal surfaces in common areas that are exposed to contamination by pathogenic microorganisms. Its active ingredients inhibit the infectious potential of viruses and bacteria for an extended period of time (30 days).

During the process, we consulted several international partners and experts to ensure compliance with Mexican Official Standards (NOM), Food and Drug Administration (FDA) parameters, and COFEPRIS requirements.

We also developed protocols to evaluate and validate antiviral and antibacterial effectiveness and durability, sending our best formulas to a laboratory certified by COFEPRIS.



How did we leverage our inventions to protect our community?

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We protected all our employees and their families

Laboratory results were conclusive: 99.99% antiviral and antibacterial effectiveness. This gave us the confidence to create the Ax-L® line and provide the new products to our employees and their families.

Apoyamos a grupos vulnerables: blindamos a miles de personas

We delivered hand creams, textile coatings, sanitizers, and other products to Banco de Alimentos de Guadalajara, Jalisco Sin Hambre, and Fundación de Hospitales Civiles between April and July.

Watch video here.



We partnered with agents of change

We quickly understood that we would not be able to challenge COVID-19 and ensure socially responsible economic recovery on our own. We joined COINCyDES+Innovación, a council of civil society representatives who use their talents, resources, and networks for the common good.

Watch video here.

Under the leadership of Jaime Reyes (former Secretary of Innovation of Jalisco) and César de Anda, we partnered with Manuel Gutiérrez Novelo (JiiT Technologies), Mario Adrián Flores (Tec de Monterrey), Raúl Martín Porcel (Talent Republic), Armando Beltrán (Pacific Star), José Luis Nuño and Laura Mendoza (Unima), Dr. Mario Álvarez (FEMSA Biotechnology Center), and a team of engineers from Flex.

Watch video here.

Together, we are stronger

The COINCyDES+Innovación group developed solutions that, together, reduce infection risk and support health-responsible economic recovery.



We developed a health monitoring platform

The Jiit Technologies team developed the CovidMApp® and A.I. Care® platforms, which, with artificial and collective intelligence, make it possible to anticipate infection hotspots in companies. Interlub Group piloted the first prototypes and provided feedback to the developers.



Mass rapid testing

The Unima team developed the Find® rapid test, which allows COVID-19 cases to be diagnosed in 15 minutes. The Álvarez-Trujillo Lab team created a low-cost rapid test intended to detect COVID-19 cases even in asymptomatic patients. Interlub Group implemented the tests and validated their effectiveness for clinical studies.

We also supported Mexican scientists at the Álvarez-Trujillo Lab of the FEMSA Biotechnology Center in Monterrey in developing a rapid-testing protocol for asymptomatic patients that could be widely applied, including directly within companies.

Watch video here.

Respiratory ventilators

A team from Flex® and MedEvolution® developed a low-cost respiratory ventilator that could be manufactured at scale in a short period.

Integrated model for antiviral protection

We integrated the technologies developed by COINCyDES+Innovación and Interlub Group scientists into an Integrated Model for Antiviral Protection.

Watch video here.

We shared our experience and products with business leaders

Business owners and general managers are a key factor in stopping the pandemic. To protect leaders of important organizations in the State, we designed an action plan to promote health-responsible economic recovery.

We conceived a BE SAFE AND STAY SAFE KIT and delivered it to 100 directors of important companies and business associations. The kit includes personal-care products and guides for controlling the spread of the virus.

Organizations benefited

- 25 Kits Guadalajara Chamber of Commerce.
- 25 Kits Coordinating Council of Industrial Chambers.
- 25 Kits Association of Maquiladora and Manufacturing Industries of the West (INDEX).
- 10 Kits MIND Innovation and Design Center



We shared our proposals with the Municipal President of Zapopan

We invited the Municipal President of Zapopan (Engineer Pablo Lemus) to visit our facilities in July 2020 and learn about our innovations created in Jalisco. The visit led to meetings with representatives of the Coordinating Council of Industrial Chambers and the Jalisco Secretariat of Transportation.

Watch video here.

We protected the Jalisco Secretariat of Transportation

In July 2020, we received a delegation from Diego Monraz (Secretary of Transportation) and leaders of Macrobus and SiTrans. We presented our technologies and conducted field tests to develop a product that met the Secretariat's needs.

Watch video here.



We advised the U of G Situation Room team

In November and March 2021, we shared our technologies with the experts who define protocols for a safe return to classes and advise the Government of Jalisco on contingency management.

Watch video here.

We protected visitors at trade shows

In support of the State's economic recovery, we provided free protection at the first large-scale events held nationally. The priority was to inhibit the spread of the virus at the venue and protect attendees and exhibitors.

Watch video here.

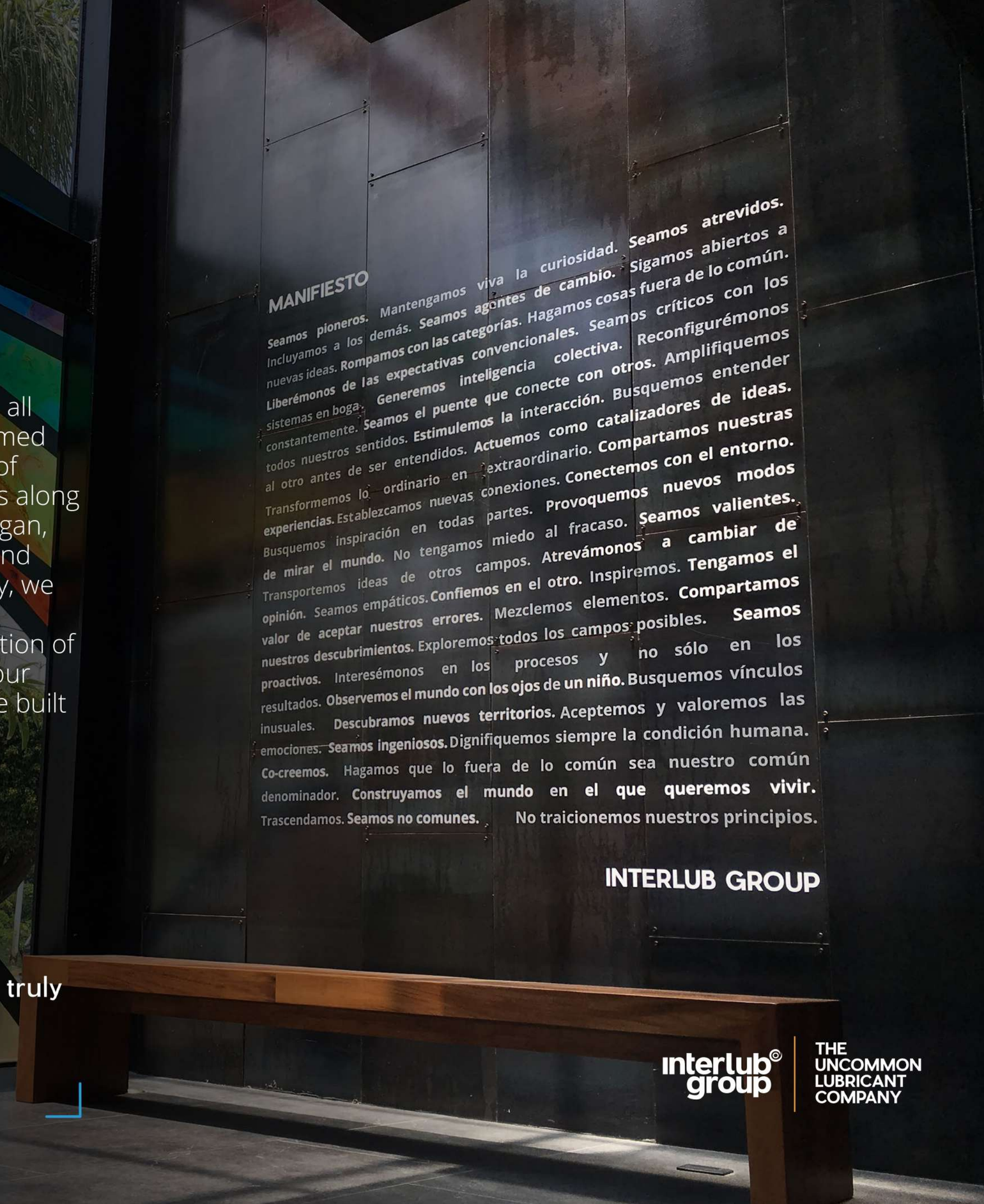


Conclusions

Thanks to the support of our employees from all areas, we grew in 2020. We once again confirmed that our organizational model, our principles of human-centeredness, and our values guide us along the right path. We also confirmed that our slogan, “Dare to be uncommon,” keeps us proactive and drives us to follow our pioneering spirit. Finally, we confirmed that the intentions stated in our manifesto are not empty words, but a description of a spirit that we live throughout every area of our organization. We did not remain paralyzed; we built the world we want to live in.

"It´s our choices... that show what we truly are, far more than our abilities."

J.K. Rowling



What changes did we generate?



Zero layoffs and COVID-19 hospitalizations.



We developed 5 new products and more than 15 new SKUs.



250 **of our employees and their families received Ax-L® products as an employee benefit.**



We improved employee integration across our offices in Zapopan, Mexico City, Monterrey, Brazil, and Colombia.

1,000

volunteers from Banco de Alimentos were protected.

80

volunteers from Jalisco Sin Hambre were protected.

1,000

family members of patients at Guadalajara Civil Hospital were protected.

37

new bio-oriented products were developed.

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