



France Senate Inquiry
Eric Schnur Remarks, Oct. 22, 2019

Good afternoon. I'm Eric Schnur, President and CEO of The Lubrizol Corporation. Thank you very much for the opportunity to talk with you today.

On behalf of our 8,700 Lubrizol employees globally, I first want to express our sincerest apology to everyone that was impacted by the fire on September 26 that destroyed our drumming and warehousing operations in Rouen. And, we are very sorry for all the concern and disruption it has created in the days and weeks that have followed.

We consider Rouen and the surrounding communities a part of our Lubrizol family. We've been part of this community for more than 60 years. Our hundreds of employees and their families are part of the community, some for their entire lives. The residents are neighbors, they are friends, and we want to help and support them.

Every day we operate 60 sites across the world, and our goal is always to do so safely, with zero injuries and zero incidents. My greatest responsibility is the safety of our people. All information we have indicates the fire originated outside of our facility, but we need to know for sure the source and cause.

We are fully supporting the ongoing investigation, and we must learn from what happened in Rouen. We were incredibly fortunate and thankful there were no injuries, but we must know what happened. It could not be more important to me. Despite what has been reported, this is not about a legal matter. It is the safety of my family, my

Lubrizol family for which I am responsible, in Rouen and at those 60 locations around the world, many of which have warehousing operations.

I've spent a lot of time with our people in France over the past three-and-a-half weeks, both in person and through daily work we are doing globally to support needs here. They have been inspirational in their dedication to their community, their colleagues and their company.

Many have worked at Lubrizol in Rouen for many years, some many decades. It is their second home. A part of their home has burned. There is incredible emotion. But, their resolve to rebuild for the livelihoods of their families and to help their neighbors and friends is undiminished.

My resolve to help them and the community is also unwavering.

The world relies on Lubrizol. It has for more than 90 years. Our additives move half the vehicles on the planet with the goal always of reducing emissions and reducing environmental impact. Approximately half of the world's consumers rely on Lubrizol every day, through materials in medical devices, athletic apparel or advanced skin care...and so much more.

We take our responsibilities to those billions of consumers very seriously. Our job is to deliver efficiency and value by addressing challenges. And that's exactly what we intend to do in the Rouen community – work together to solve this challenge and begin to again deliver value for our employees, the community and the thousands who depend on our site in Rouen.

Beginning from the first hours of the fire and in the days and weeks that followed, we have been committed to open communications. We have, to the absolute best of our ability, answered all questions and responded as quickly as possible to any requests made by officials.

- On Sept. 26, at approximately 2:39 a.m., our trained Lubrizol first responders responded to the fire and were soon assisted by the fire brigades. We sincerely thank all of the first responders for their efforts in fighting the fire. Their skill and fast action contained the fire and extinguished it at the Lubrizol site that same day.
- Within the first hour of the fire, we assembled an incident command center, together with authorities, to provide all necessary information needed to contain the fire and ensure the safety of the site and the community.
- Within hours we activated our global crisis management team with leaders across our entire global organization, including myself, to provide support and expertise to our colleagues in Rouen.
- Our local General Manager embedded herself at 5:30 a.m. the day of the fire with the Prefecture to provide any information and respond to requests so the crisis could be managed as effectively as possible. She spent every day, all day, at the Prefecture from the day of the fire until October 8.
- The Dreal also was embedded on our site within hours of the fire and were fully assisted by the Lubrizol team in crisis management.

The Lubrizol Rouen site produces lubricant additives that are used in transportation and industrial applications. Examples include components for engine oils and components for hydraulic fluids. In the hours and days after the fire, we responded to every request for information about Lubrizol materials that were involved in the fire.

- Within 8 hours of the start of the fire, we provided local authorities the list of 380 Lubrizol products stored in the Lubrizol warehouses, as well as detailed composition and safety data sheets for the 10 largest volume products, as requested.
- In the days that followed, we provided thousands of additional pages of background on these 380 materials--detailed safety data sheets--outlining everything found in each material for additional background and to support environmental testing.
- Relative to Lubrizol materials at Normandie Logistique, Lubrizol has utilized Normandie Logistique for years to store Lubrizol materials. Utilizing external warehouses for storage of goods is a common practice by businesses across industries globally. This we did in complete compliance of all laws and regulations and with the knowledge of local officials, including the Dreal.
- On the day of the fire, Lubrizol reminded local authorities we had materials stored at Normandie Logistique and provided a complete list of our products stored there and detailed data sheets when this was requested on October 4.
- As reported, our materials represent less than half of what burned in the fire at Normandie Logistique.

- We remain committed to ongoing open communications and answering any and all questions related to materials impacted in the fire.

This information was important for dealing with the crisis on site and also important for determining health effects. I know many health and environmental questions have been raised, and I certainly understand that concern. What was burned in our warehouses, as well as the Lubrizol materials burned at Normandie Logistique, pose no health threat other than the short-term irritation one would normally experience in the presence of smoke.

We are very sorry for smoke irritation that resulted from the fire. The smoke resulting from impacted Lubrizol materials is similar to the smoke that would be emitted from other common fires. Our products are mainly comprised of organic materials, largely carbon and hydrogen. But smoke is an irritant and we apologize for this. We commend the Prefecture for advising residents to stay indoors and not to travel the day of the fire in order to minimize the impact of the smoke.

Considering the effects after the smoke, we have very detailed knowledge of every material we have in Rouen. We completed a thorough evaluation of every Lubrizol material burned in our warehouses, down to trace levels. We also have detailed knowledge and have evaluated every Lubrizol material stored by Normandie Logistique. We are confident that what was burned in our facility, as well as our materials that burned at Normandie Logistique, pose no health threat other than the short-term irritation one would normally experience in the presence of smoke.

This has been validated by the environmental testing that has been conducted to date, but we understand there is still concern.

We are fully supportive of additional testing and monitoring to alleviate the public's concerns. We have worked with local authorities and environmental organizations in Rouen to define a detailed Environmental testing plan, including ongoing analysis of soil, water and air. This plan has been published on the local Prefecture website.

I would like to move now to safety and regulation. At Lubrizol, nothing is more important than protecting the health, safety, environment and security of our employees and communities

Our objective across the company as I stated is zero incidents and zero injuries, and we are committed to continuous improvement of all health, safety, environmental and security measures.

Our site in Rouen is fully compliant with all regulations and requirements -- including SEVESO requirements. As part of SEVESO requirements and our own internal safety culture, we frequently complete assessments and drills of potential risk scenarios, including working with and sharing learnings with authorities.

Fire simulations on our site are conducted to ensure the safety of our employees and our residential and industrial neighbors. They also include assessments of potential smoke or environmental impacts. These assessments completely support that there are no expected immediate or ongoing health impacts other than the short-term irritants from smoke.

A formal risk analyses for the burned warehouse area of the plant was updated recently, in fact, and communicated to authorities on September 18 of this year. This assessment also supports no immediate or ongoing health impacts other than the initial smoke irritation.

Community Support

That covers some of what has happened the last few weeks, but we also need to discuss how we move forward. In our 60 years in the Rouen community, we have established strong relationships with the Prefecture and local elected officials. We've supported many great causes and community efforts year after year. We have always tried to be good neighbors, and we intend to be good neighbors to help our community recover now.

Over the past few weeks we have been working with local and national officials as well as community groups to understand where we can provide the most impactful support now, as well as additional assistance over time.

- We are committed to providing support for farmers who experienced loss as a result of the fire.
- We also are committed to support for the broader community, including funding for support of local area businesses that were impacted as well as support for cleaning services, which is underway.
- We want to ensure continued tourism in the area and will provide funding for promotion of the great city of Rouen and the entire Normandie region.
- Also, we will provide funding for on-going environmental testing I mentioned earlier to help alleviate community concerns. This is also underway.

- And we will continue to support our employees. We have confirmed to all of our Lubrizol Rouen employees that they will remain employed and paid in full during our recovery. These citizens of Rouen and their families will continue to be fully supported by Lubrizol. Their salaries, associated taxes and investment at just our Rouen site represent over 200 million Euros injected into the French economy annually.

In closing, Lubrizol in Rouen will never be the same. We will not rebuild what we lost. But we hope we can help our neighbors return to normalcy as quickly as possible.

We do want to continue to be a part of the Rouen community, with the support of all of you, the local officials we partner with regularly and the local community. We do hope to resume operations at our manufacturing plant that was not affected by the fire. This is required to ensure the thousands of employees, families, customers and suppliers that depend on our site continue to thrive.

Sept. 26th will always be a part of our history at Lubrizol – it's a day and an incident I wish wasn't – but we will take every lesson we can from it, support our neighbors and emerge stronger and better for Rouen and for all the communities we call neighbors worldwide.

Thank you for your time today. Now I am happy to answer any questions you may have.

###