

## 2800 Temple Avenue • Long Beach, CA 90806

## **ESG & Lubricants**

The Environmental, Social and Governance investing concept is affecting the fortunes of many companies. Capital providers are demanding that companies demonstrate commitments to ESG before they will allocate funds to any enterprise. ESG is finding its way into the public consciousness and will have to be addressed by organizations in the near future.

The sustainable, renewable and biodegradable characteristics of your lubricant choices can easily show your organization's understanding of the importance of ESG.



**SUSTAINABLE** – Sustainability focuses on meeting the needs of the present without compromising the ability of future generations to meet their needs. Sustainability for lubricants should consider an offering that is made from sources that are easily replaced, reduces fluid waste and employs products that save energy.



**RENEWABLE** - This term is a subset of sustainability and applies mainly to energy. Certain energy sources are considered infinite, like solar and wind, while others like oil have a limited supply. Using renewable energy sources could be part of a sustainable strategy as they may have lower environmental impacts than their non-renewable brethren.



**BIODEGRADABLE** – Of all the terms, this one is the most easily defined as there are test methods to determine the rate that a substance degrades into environmentally benign components. The Organization for Economic Co-Operation and Development (OECD) has developed standards and you should make sure your products meet the standards of biodegradability, if it is important to you.



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