

# Eugene Mayne

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**1. We all know about your fascinating journey with Tristar and the incredible feats the company has achieved. As the journey continues, where do you see Tristar in the days to come?**

Just as it has been for the last 24 years, our focus is on growing shareholder value by delivering pre-eminent customer service, without compromising our core values of honesty, integrity, and safety.

The Tristar Group has delivered continued growth, and 2022 has been a record year. Our consolidated revenue grew by 58.9 per cent to USD 854 million, and normalised EBITDA (earnings before interest, taxes, depreciation, and amortization) reported an increase of 27.5 per cent to reach USD 175 million, compared to 2021. Two business segments, Maritime and Fuel Farms, delivered the highest growth, with EBITDA increasing by 63.7 per cent and 112.3 per cent, respectively, also compared to last year.

Principal growth factors were the acquisition of a 51 percent ownership stake in HG Storage International, the successful renewal of two large long-term peace-keeping

contracts with the United Nations (UN), and sterling maritime performance. On a related note, Tristar now has first position among all global fuel suppliers listed on the UN procurement website, which makes us equally proud.

This is the kind of momentum that propels our journey. We have entered 2023 with renewed focus on cementing relationships with clients – the real key to our success – and pursuing suitable, feasible opportunities for expansion, especially initiatives and endeavours that enable smoother energy transition. Meanwhile, our balanced portfolio is well positioned to generate long-term sustainable value to shareholders.

**2. The last two years embodied the story of resilience in the face of uncertainty. What were your key takeaways from this experience in terms of the steps an organization needs to take to navigate the choppy waters and thrive in testing times?**

Our biggest achievement of 2020 – and to an extent of our entire history – was the successful navigation of business in and through the pandemic, without resorting to any

extreme measures such as laying off employees, imposing salary cuts, or closing down offices.

In great measure, this was due to our relentless emphasis on the health and safety of people, and places. As part of our early response, we assessed and updated business contingency plans, and established a Covid-19 Steering Committee to oversee testing and hospitalisation. We even bought medical monitoring devices for use at our work places in early March 2020, before the WHO (World Health Organization) declared a global pandemic. Essentially, it showcased how our business has evolved from being a 'just in time' to a 'just in case' model.

While our performance in 2021 reflected improving market conditions, it also showcased our strengths as a diversified and resilient business model, and our capacity to grow through strategic focus, despite dampening conditions. We also continued to build a strong pipeline of growth opportunities across all business segments and were able to deliver attractive returns to shareholders.



**3. The current geo-political conflicts have added another dimension to the idea of secure supply chain and energy. As a leading stakeholder of the energy and logistics sector, how do you perceive the coming days to be for business and other entities trying to ride out the volatility in the energy sector?**

Crises – and commitment – can spur favourable change, as the European Union (EU) has recently revealed. In 2022, for the first time, wind and solar generated more electricity in EU than gas and coal. Despite grim predictions, the continent has not just averted a full-scale energy crisis but has accelerated green transition to almost 10 years of their decarbonization timeline.

While acknowledging the view that the world seems more fragmented, we must look upon its challenges as being interlinked. Even if they are ostensibly unrelated, energy transition, climate change, public health, food security, water scarcity, and supply chain interdependencies will impact each other, and require carefully coordinated responses. I believe the global geopolitical system will become more fluid and flexible as states cooperate across areas of mutual interest, and limit to contest to spheres of national security.

In this milieu, re-evaluating business models and recalibrating supply chains is vital on three fronts: eliminate total dependence on foreign-owned sources, mitigate vulnerabilities, and safeguard business from future crises.

With reference to Tristar, our maritime business is a truly global business, and having an extended presence across the world enhances our visibility, ability, and flexibility. For instance, in response to rising demand, we can leverage our unique, fully integrated fuel logistics model with scalable first and last mile delivery capabilities, maritime transport, and storage services to both, existing and new clients.

Our portfolio is greatly diversified – coastal lubricant barges, crew boats, chemical tankers, product tankers, gas carriers, dry bulk vessels – and we own the majority of these assets. Historically, these have been placed on stable, long-term contracts to our major customers. In recent years though, we have been gradually but steadily building a chartering business in both segments, tankers and dry bulk vessels. This allows us to take advantage of market volatility while providing some diversification in our core ship owning business.

**4. The inking of India-UAE CEPA has been hailed as the key to reinvigorating India-UAE economic ties as there have been proposals to link this bilateral CEPA with UAE's FTAs with other countries. How is this going to benefit Tristar's operations and business with India?**

The CEPA comes at a time when India is working hard towards decreasing energy dependence by exploring alternative fuels, diversifying crude oil suppliers, and ensuring undisrupted supplies. The UAE's commitment to meet India's energy requirements at competitive rates is backed by weighty promises – building strategic petroleum reserves, developing the upstream and downstream petroleum sectors, and exchanging knowledge and knowhow in the energy sector.

These projects augur well for all players in the energy industry. Tristar is no exception, and our outlook is buoyant. That said, we have to let things play out in the due course of time. While the CEPA finds its origins in the India-GCC Framework Agreement on Economic Cooperation signed in 2004, and it has taken shape in the bilateral FTA between the UAE and India, I believe it will attain full maturity when other GCC countries become parties, too.

**5. Tristar, under your leadership, has always been at the forefront of propagating and incorporating ESG into an organization's business strategy. How can organizations create and implement a corporate strategy which drives them towards sustainable corporate goals without compromising on numbers and shareholder sentiments?**

Our mission is to place Business for Purpose on equal priority with Business for Profit. As a signatory to the UN Global Compact (UNGC) and as an active proponent of the UN Sustainable Development Goals (SDGs), Tristar's ESG policy is oriented towards giving back to the communities where we operate. For us this is a dual mission: reducing environmental footprint and addressing the needs of marginalised and underprivileged societies.

In today's world, sustainability almost equates necessity, and it is essential that companies address the gaps between knowing and doing, by embracing more sustainable business practices. As a starting point, they can review the accounting for greenhouse gas (GHG) emissions to include all relevant sources of emissions and develop a GHG reduction plan until 2050. This has to be followed by reporting and benchmarking to monitor progress, and developing or advancing an apt business model and road map to eventually move away from using fossil fuels.

Tristar has initiated various mitigation measures or mechanisms to reduce our carbon footprint, all of which



are monitored. Regular monitoring allows us to track against our KPIs which we publicly report in our annual Sustainability Report which we have been publishing for over a decade now.

**6. As the clamour for Net Zero Mission grows, Dubai, which will be hosting the next COP28 in 2023 provides an ideal setting for businesses to delve on innovative ideas that can drive this mission. How can Tristar become part of this Mission Innovation and what are some of innovative ideas being explored?**

The UAE Net Zero 2050 initiative aligns with the Paris Agreement. To match our goals with the UAE's ambition, we have been reporting all our sustainability initiatives and disclosing our GHG emissions since 2012.

Ongoing initiatives include solar installations at our major warehouses which will result in an annual reduction of about 2,000 tons of CO<sup>2</sup>, containerised battery storage of solar power, and a grey water treatment plant. We have commenced the process of replacing all company



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passenger cars with electric vehicles by 2024 and expect another annual reduction of 2,000 tons of CO<sup>2</sup> through this initiative.

On the maritime side, our fleet of ocean-going vessels are in compliance with Energy Efficiency Existing Ship Index (EEXI) and we are monitoring the Carbon Intensity Indicators (CII) of each vessel to ensure compliance with IMO standards. This year, we are aiming for more efficient energy, water, and waste management to reduce overall consumption. For better fuel management, we have commenced the use of biodiesel in our commercial light vehicle fleet.

We recently began disclosing our environmental impact through the Carbon Discloser Project (CDP), a global non-profit that runs the world's leading environmental disclosure platform. We are also members of the FMC (First Movers Coalition), a PPP launched by the US Government and the World Economic Forum where we have pledged to purchase products and services that are near zero, as defined in the FMC commitment. More recently, we have partnered with Smart Freight Centre (SFC) to advise on our GHG reduction programs through the Global Logistics Emissions Council (GLEC).

**7. Proposal to replicate QUAD (includes US, Australia, Japan and India) and the concept of Supply Chain Resilience Initiative (SCRI) in the Middle East with India & UAE as key members has attracted a lot of eyeballs. Where do you see Tristar fit into this concept of SCRI, which talks about leveraging the private sector for this initiative?**

The SCRI should be viewed as a platform for many nations to build alternative supply chains that can reduce over-dependency, dilute and diversify risks, and enhance ability

to withstand black swan events – rather than the isolation of any one nation. When an economic bloc focuses on inclusivity and cooperation, it will spur massive participation from private sector players. The need of the hour for the SCRI is dialogue, understanding and agreed frameworks to shape this initiative and others that follow suit.

**8. As a leading business leader and generous practitioner of philanthropy, what are some of the social and community causes close to your heart?**

The philosophy of giving back is close to my heart. I believe when one experiences need, one can truly relate to giving back.

As a young child, there were several things that were out of reach for me simply because of financial means. I was largely brought up by a single mother, and the only thing she could afford was to give me was an education. Today the gap between the haves and have nots in the world is growing wider, and I am a strong believer that God has accorded me business success for a specific reason. It is why I am keen to position us as a Business for Purpose. Since Tristar was established in 1998, our focus is to care for the communities in which we operate by being a responsible business and always putting people first.

Since then, we have implemented numerous community initiatives in the UAE and across the region. Our road safety programmes have helped reduce deaths due to road accidents and increased public awareness of the concepts and practices of road safety. In 2019, we extended this to our Maritime business with our 'Safety at Sea' programme which draws attention to deaths due to suicide at sea among seafarers. The annual conference which will run its 5<sup>th</sup> edition this year is primarily aimed at addressing the physical and mental well-being of seafarers around the world.

Tristar also supports education in impoverished areas. In South Sudan, we had funded new school buildings, block of classrooms and sanitary facilities for boys and girls in two schools, plus a girls' dormitory at Yapa School, outside the capital Juba, and a Computer Lab at Gabat School in Juba. The lab is the first of its kind in the country. In Kenya, we



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also built new sanitary facilities for boys and girls of a primary school outside Nairobi and have 'adopted' two students to provide them with full education until high school.

In India, we donated 150 sets of oxygen concentrators to the St. Martha's Hospital in Bengaluru to treat critically ill Covid-19 patients. On the personal front, I set up a foundation in Bengaluru in memory of my late mother. Today, the Elizabeth Mayne Foundation provides free education and full boarding to disadvantaged sections of society – the economically backward, girls, orphans, members of minority communities, and the physically or mentally challenged.

People are the instruments and the orchestrators of our success, and they continue to be vital and valuable assets. In any organisation, especially an operation like ours with large numbers of blue-collar workers, it is important to listen to them. It builds trust and loyalty and may have greater impact than a pay rise. I have always maintained an open-door policy, and our people know they can call me directly when faced with issues, concerns, or personal emergencies.

**9. What are some of the revolutionary technologies in logistics and energy that one must watch out for in the days to come and how much of it has Tristar as leader of the segment plans to adopt or has already adopted?**

In an industry historically associated with non-sustainable products and processes, technology allows us to track our sustainability initiatives and activities. We are able to optimise these, not merely for financial gain, but also, to meet and exceed social and environmental requirements. Using IoT and Blockchain to track and secure our carbon emissions and fuel consumption places Tristar at the forefront of the industry.

Technology powers some of our unique programmes like the Driver Fatigue Management System. The backend of our Road Transport runs on fully automated processes, while automated scheduling enables us to optimize fleet usage, vehicle loading and journey planning, to the strict timelines and guidelines issued by customers.

Comprehensive data integration creates an enviable seamlessness between all Tristar systems – from GPS and EMS (Engine Management Systems) to fuel pumps, and down to driver behaviours while on the road. All this is available to Operations at the click of a button, enabling full and constant visibility. The result is overwhelming: Tristar has clocked 400 million kilometres without a single road fatality.

**10. As a seasoned business leader who has been at the helm of a growing organization, you have nurtured and cultivated a lot of business ideas and strategies over the year within boardrooms. What according to you is the ideal board room for the future that can consider the ideas of inclusivity, sustainability and innovation?**

Sustainability used to be a token item on board agendas to balance the social and environmental price of profit, but it is quickly becoming the top item – because profit will not be possible without it. Business will not survive in a world in which people don't.

Every industry can embrace sustainable transformation, and I cite the example of the oil, gas, and utilities sectors which I represent. Traditional oil and gas majors have transformed so much they now consider themselves energy companies, mobility companies, or even retail companies, as they diversify and expand with innovative business models and Net Zero goals.

Besides its key role in influencing, integrating, and implementing sustainability, today's boardroom must prioritise gender parity, diversity, and inclusion, by paying greater heed to gender, race, culture, religion, and socioeconomic background – and diverging viewpoints.

It gives me immense pleasure to witness first hand a success story at our office, every day. A few years ago, we sponsored two young ladies from Africa and trained them for work at our headquarters in Dubai. They have transformed their lives and fully integrated themselves into the company and into the country. Today, they embody the well-being that comes with working and living in the UAE. ■

