

FOUR REASONS WHY COMMERCIAL BRANDED FUEL COMPANIES NEED A FUEL PROTECTION PROGRAM

There's no denying it: oil and gas is big business, and it directly or indirectly impacts pretty much everything around us. Stock markets rise and fall because of it, nations go to war over it and most transportation modes used today would be crippled without it.

Which means that, on a global level, commercial oil and gas companies have a tremendous responsibility to:

- **Prevent manipulation and maintain quality in their supply chain**
- **Keep the marketplace fair for all stakeholders**
- **Consistently deliver genuine branded product to customers**
- **Protect brand reputation and value**
- **Protect market share, revenue and profits**

Commercial oil and gas companies can accomplish these goals by implementing an effective branded fuel protection program.

Authentix has over 25 years helping companies design, implement and enforce fuel marking programs while providing a fully transparent and traceable solution. In most existing programs today, legitimately branded gasoline and diesel fuel is uniquely identifiable by dosing the fuel with a proprietary, invisible and government approved chemical marker at concentrations as low as parts per billion (ppb). Once marked, the fuel can be qualitatively or quantitatively analyzed for either instant field confirmation or alternatively, in a nearby laboratory. Depending on the analysis method, Authentix provides clients with customized analyzers tuned specifically for the program.

The analysis methods detect a baseline level of the unique marker in the fuels. In the case of a field test, if the fuel sample detects an absence of or an insufficient level of marker concentration, inspectors can determine that illicit, non-branded fuel has been added to the supply. For enforcement purposes, these same fuel samples can be re-tested in the regional laboratory to confirm the original findings and enable the brand owner the ability to enforce compliance using forensic evidence.

By marking the company's branded fuel supply with these covert markers, inspectors are able to detect even minor amounts of dilution, substitution or quality issues. The results enable brand owners to strengthen market transparency and predictability – providing an auditable confirmation of brand integrity and volume reconciliation between terminal loading and retail sites, therefore securing the supply chain.



Authentix has 25+ years of experience successfully implementing fuel authentication programs.

Our customers have proven benefits from adopting advanced fuel authentication solutions in four key areas:

1 Deter Illicit Activity and Reduce Unauthorized Fuels

It's no secret that adulterated fuels consistently work their way into the supply chain. The lure of profit by nefarious operators entice the mixing of lower quality and lower cost fuels into branded fuels, allowing greater profits at the pump. In some cases, the operators will report false fuel volume and tank levels, under measure the amounts, falsify transportation documents, and later sell the "missing" product.

An effective fuel authentication program has proven to drastically reduce these illegal tactics overall as well as help identify inadvertent quality problems due to improper dosing or blending of additives at terminal and retail sites (caused by equipment failure, human error or negligence.)

Understanding where and when the supply chain gets compromised and having accurate and timely information enables our customers to regain control and take corrective action to prevent future manipulation.

2 Grow Revenue and Market Share

When illicit activity starts dropping after program initiation, the brand owner will experience increased demand for higher value branded fuel, leading to a boost in sales and bottom line, and creating an impressive return on investment (ROI) for these programs.

Authentix has been a fuel authentication solution partner for many of the top fuel retailers around the world for decades. In one case, we signed on a U.S. based Fortune 20 branded fuel customer in 2002 that had recently acquired the retail operations of another large branded fuel company. Implementing a new fuel protection program for this customer came with a few challenges, including: adding over 10,000 stations to the retail network; consolidating two branded additives to one third-party additive package; using more than 100 unmonitored, third-party fuel terminals; and continued divestiture of company-owned stations to franchise ownership.

Since originally developing and implementing this program, Authentix has marked more than 200 billion gallons of fuel across all of the United States, and our customer has seen more than a 1500% return on investment from program cost to revenue recovered.

This customer has also noted a seven percent decrease in failure rate (in adulterated fuels), which is directly attributed to a reduction in the commingling of non-branded gasoline with branded product.



SUCCESS STORY

Authentix combats commingling in the supply chain for a **Fortune 20 US Oil Company**

• 7% average decrease in failure rate since program inception



• >1500% ROI from program cost to revenue recovered



• Increased brand confidence and competitive advantage



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Protect Brand Promise and Reputation

Consumers who are loyal to a brand deserve the high-quality fuel product expected, and it's up to both the commercial oil and gas provider and retail operators to meet or exceed those expectations. Compromised fuel can lead to engine damage, lack of vehicle performance, costly repairs, environmental damage and ultimately the loss of consumer trust.



Another example of the effectiveness of a branded fuel protection program is Coral Gas, a major LPG retailer in Greece. When initially engaging with Authentix, Coral Gas wanted to ensure the integrity of the automotive liquefied petroleum gas (Autogas) sold through its network of retail stations, especially the franchised stations. Ultimately, the goal was to protect their reputation as the market leader and to assure their consumers of the high quality of their automotive LPG fuel.

Coral Gas selected Authentix to help them increase sales of high-quality Autogas, protect the quality product and maintain the public's confidence in the brand. Authentix now protects Coral Gas from any vulnerabilities in the Autogas supply chain and uses covert molecular markers and analyzers to identify issues and continually customize the program to the company's changing needs. Authentix's technology solution was launched as a pilot phase at a few retail locations in 2017, with a full program launch and the expansion throughout the retail network in 2018.

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Gain Competitive Advantage



Employing a fuel protection program can also give commercial oil companies a competitive edge. Consumers as well as most retailers throughout the supply chain want legitimate, branded fuel, and the demand increases once the program is implemented and successfully deployed.

Word travels fast among consumers and industry insiders about which retailer is serious about providing quality fuel versus those who turn a blind eye to their product being compromised. Through years of experience implementing dozens of fuel programs throughout the world, Authentix finds that those companies who closely monitor the integrity of their branded product are ultimately rewarded and can cement their place among the top contenders for consumer loyalty over the long term.

**Authentix is trusted by
9 of the leading global oil
and gas companies.**



Authentix. The Authority in Authentication.

Authentix is the world's leading solution provider within the fuel authentication industry for good reason. We understand commercial fuel ecosystems and have over 25 years of experience in designing and implementing a successful program. It's more than just technology, it's also creating actionable insights for companies via the AXIS® data platform deployed with each program. We believe a proactive approach to authentication, innovation and advanced technology is required as competitive threats and product compromise continue to increase at alarming rates.

Our expertise enables us to design, build and implement a customized and very effective fuel protection program tailored to each customer's needs. Customers experience exemplary quality and flexibility with our services and solutions and, when combined with the integrity and responsiveness of our people, they gain the Authentix advantage. Visit authentix.com for more information.