

Emerging Risks

Introduction

At Terpel we work on an integral risk management, with the purpose of controlling and mitigating the possible effects of these risks on the operation of the organization, the society, and the relationship with the different stakeholders. Likewise, the company is constantly reviewing emerging risks, based on analysis of global trends and national regulations, to respond to the challenges that arise.

Waste Management

Context

- The growth in demand for resources, due to rapid industrialization in emerging economies and continued high use of resources in developed countries, has generated a 60% increase since 1980 in the amount of raw materials extracted, harvested and consumed all over the world.
- Population growth, according to the United Nations an increase in the current world population from 7.6 billion people to 8.6 billion by 2030 is estimated.
- Improvements in the standard of living in developing countries, an increase in the conditions of the quality of life of the middle class is being generated, reaching 3,000 million by 2030, which will consolidate the increase in consumption, generating waste at a unwanted speed for global sustainability.
- Increase in waste, according to World Bank data, in 2012 the world's cities generated 1.3 trillion tons of solid waste, a volume that could exceed 2.2 trillion tons by 2025, which represents 59 % more compared to the base year of the study, which generates an increasing pollution of terrestrial and marine ecosystems.

National Circular Economy Strategy - Colombia

The National Government, through the Ministry of Environment and Sustainable Development and the Ministry of Commerce, Industry and Tourism, structured the National Strategy of Circular Economy, to transform the production and consumption chains of the country, through the efficient handling of materials , water and energy.



What is the objective? Maximize the added value of production and consumption systems in economic (profitability), environmental (climate change) and social (employment) terms, based on the circularity in material flows, energy, and water.

What are the prioritized lines of action ?: (i) industrial materials and products, (ii) container and packaging materials, (iii) optimization and use of biomass, (iv) water circulation, (v) sources and use of energy and (vi) consumption of materials in urban centers.

What are the goals of the strategy?

- Increase the rate of recycling and use of waste from 8.7%, 2019 figure, to 17.9% by 2030.
- Increase the percentage of solid waste effectively used, from 17% to 30% by 2022.
- Increase the number of tons of hazardous and special waste subject to post-consumer management, from 218,427 to 565,995 tons effectively used by 2022.

Mitigation Action in Terpel

Slop recovery program (secondary oil): This sustainability program helped us decrease the amount of waste products for disposal by 31,000 gallons/year.

Empty drum post-consumption program: Empty drums are collected by an authorized handler, washed, and reconditioned for subsequent sale, giving them a second useful life. Drums in poor condition are decontaminated and recycled by the national steel industry, following the guidelines of our environmental license. Reusing drums helps minimize environmental impacts.

Wooden pallet reuse program: Through an authorized handler, pallets in poor condition are collected and repurposed for subsequent use in the factory. The pallets have a marking system that permits identifying the number of times they have been repaired.

Package reuse program: Cardboard and other packing materials are reused, such as the packaging from the pint line.

Donation of recyclable material: Material that cannot be reused is donated to the personnel working for the company's janitorial contractor. Most of the



personnel live in the community of Pasacaballos, a district in the factory's area of influence.

Environmentally friendly packing: We work on the implementation of friendly material with the environment to pack the products produced in the Altoque convenience stores.

Consumer Data Privacy

Context

Laws were established in Colombia to protect personal data, in compliance with the provisions of Law 1581 of 2012 "to establish general provisions for the protection of personal information" and Regulatory Decree 1377 of 2013 "to partially regulate Law 1581 of 2012,".

Mitigation Action in Terpel

Training: Through platforms and virtual courses we train all company employees in the protection of personal data.

Processes and policy: we have a data protection policy, socialized with the different interest groups, which establishes the different guidelines and commitments regarding the issue and the mitigation of possible information leakage.

Habeas data format: In 100% of the events, campaigns and activities carried out with the possibility of using image and information, the authorization of the participants is requested to protect the data provided.