



Greenhouse Gas Verification Report

Environmental Management

Organización Terpel

April 2018

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1. Verification Letter

March 9, 2018

Greenhouse Gas Inventory Verification Organización Terpel 2017

- Terpel has asked Deloitte to verify the Greenhouse Gas Inventory for the facilities in Colombia corresponding to the period from January to December of the year 2017.
- The information was provided by Terpel's environmental area and includes information on consumption by the business in Colombia, transportation for people via ground (employees and contractors), air (information from Aviatur-Ito Corp) and electric power consumption.
- The calculation of emissions was done by personnel from Cecodes, using the WBCSD/WRI methodology, Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol), Revised edition 2005.
- The process to verify Terpel's greenhouse gas inventory covered scope 1, scope 2 and scope 3 defined by the organization in accordance with the methodology of the GHG Protocol.
- The air transportation emissions were calculated by the provider of that service (Aviatur - Ito Corp); Cecodes only used the information reported by those companies.
- The emissions calculated for the period from January to December 2017 total 46,082 tons of CO₂ equivalent.

Methodology

We have done our work in accordance with the standard **ISAE 3000 -International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information** issued by the *International Auditing and Assurance Standard Board (IAASB)* at the *International Federation of Accountants (IFAC)*. It should be noted that this verification does not constitute an

audit and, in consequence, we do not express an auditor's opinion regarding this declaration. Our review process included the official receipt of information, in addition to the verification activities using the analytical procedures and screening tests via sampling that are described below:

- Meetings with personnel from Terpel and Cecodes.
- Analysis of the organizational boundaries for measuring the carbon footprint, including an analysis of scopes 1, 2 and 3 associated with the quantification of greenhouse gas emissions.
- Review of the methodology for making the calculation, including an analysis of the emission sources.
- Confirmation, through verification tests based on the selection of representative samples of the quantitative and qualitative information from the information used in the calculation of the greenhouse gas inventory.

Conclusions

- No aspect has come to light that might make us believe that the quantification of the carbon footprint has not been prepared in accordance with the GHG Protocol methodology and the ISO 14064-1 standard.
- No aspect has come to light that might make us believe that the information provided about the carbon footprint during the period from January 1, 2017 and December 31, 2017 contains significant errors.

Responsibilities of Terpel and Deloitte & Touche

- The preparation of the GHG Inventory, as well as its contents, is the responsibility of Terpel. It is also responsible for defining, adapting, and maintaining the management and internal control systems from which the information is obtained.
- Our responsibility is to issue an independent report based on the procedures used during our review.

- This report has been prepared exclusively on the initiative of Terpel, in accordance with the terms established in the Letter of Commitment.
- The scope of a limited assurance is substantially less than that of a reasonable assurance audit or review. We therefore do not provide an auditor's opinion regarding the Greenhouse Gas Inventory.
- We suggest developing an action plan for working with the providers of air-conditioning equipment maintenance services, in order to collect information regarding refrigerant gases to be able to have data on those emissions.

Sincerely,

Jorge Enrique Múnera Durango

Partner

2. Description of the Project

Greenhouse Gas Inventory Verification

Project	Verification of the Corporate Carbon Footprint, year 2017, Terpel.
Period	January to December 2017
Organizational Boundaries	The verification of the greenhouse gas inventory considers the following organizational boundaries: <ul style="list-style-type: none">• Operations of Terpel's business• Air and ground transportation for company workers (employees and contractors)• Electric power consumption by the company's different offices and service stations.
Scopes	1, 2, 3
Level of Verification	Limited Assurance
Materiality Threshold	5%

Greenhouse Gas Inventory

Deloitte did not find any error or omission greater than 5% of the amount reported in the Greenhouse Gas Inventory by Terpel.

The following is a breakdown for the Greenhouse Gas emissions verified:

Emissions Verified	Tons of CO2e
Air transportation for Terpel workers (Provided by Aviatur	952
Electric power consumption	11,227
Ground transportation Terpel workers	2,492
Contracted ground transportation	31,306
Firefighting system and diesel power plants	103
Total	46,082*

*Decimals are rounded up.

Deloitte & Touche Ltda.
Edificio Corficolombiana
Calle 16 Sur 43 A-49 Piso 9 y 10
NIT 860.005.813-4
Medellín
Colombia

Phone: 57(4) 313-8899
Fax: 57(4) 313-3225
www.deloitte.com.co



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