



2017
**SUSTAINABILITY
REPORT**

Terpel Publishes Ninth Sustainability Report

[GRI 102-45](#), [GRI 102-48](#), [GRI 102-49](#) and [GRI 103-1](#)

Terpel is pleased to present this report on its economic, social, and environmental performance in Colombia, Ecuador, Panama, Peru, and the Dominican Republic for the business lines: service stations, natural gas vehicle fuel, lubricants, aviation, marine, industry, and complementary services. The report corresponds to the period from January 1 to December 31 of the year 2017. It is our Communication on Progress (COP) for the United Nations Global Compact, and has been prepared in accordance with the Comprehensive option of the Global Reporting Initiative (GRI) standards. The information was independently assured by Deloitte & Touche Ltda.

As of 2017 we no longer report the Mexico operation due to its sale during the year.

For further information on the company's sustainable development model or sustainability reports, go to

<https://www.terpel.com/en/Sostenibilidad/> and
<https://www.terpel.com/Global/Sostenibilidad/rs-ot-2017.pdf>



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Five Decades in the Hearts of Colombians

Our story began 50 years ago in Colombia and has evolved continuously during our journey along a people-centered path of growth. During the seventies we got involved in the aviation business, and opened the Center and Antioquia regional offices. We set up the lubricants factory in the eighties and opened the North, South, Savannah, and West regional offices. The nineties brought our entrance into the marine fuel distribution business. With the arrival of the 21st century, we continued to move ahead with dynamism, in a joint effort with the regional offices. We even crossed frontiers via land, sea and air to enter Ecuador, Panama, Peru, and the Dominican Republic.

Among our many achievements, which we also see as commitments and challenges, we can proudly list:

- Our dedication to service, which prompts us to innovate and offer memorable experiences in all our business lines, products, and services, inspired by our consumers, who are at the core of our strategy.
- The largest network of service stations in Colombia, producing a complete transformation of the fuel market.
- The quality jobs we generate, the promotion of development in all its dimensions, our concern for well-being, and a healthy balance between personal, family, and work time.
- Priority on local purchases and untiring work to build long-term relationships across our supply chain.
- Sector cooperation in pursuit of environmentally-friendly fuels and lubricants and the promotion of responsible consumption.
- The mobilization of development and progress in the places where we operate. We are good neighbors and believe in our capacity to transform.

- A business strategy that rests on a sustainable development focus. We are in tune with local and global problems and involved in exploring solutions, in alignment with national and international standards that make us competitive on a world level.

We are experience in movement: we value our history, live in the present with impetus, and have a vision for the future in which leadership capacity, a spirit of innovation, and dedication to service continue to make us the #1 brand in the hearts of Colombians as we conquer new frontiers.

Sylvia Escovar Gómez
President Organización Terpel S. A.



1968

Terpel is founded in Bucaramanga, Colombia with 20 service stations.



TERPEL DOES SUSTAINABLE BUSINESS

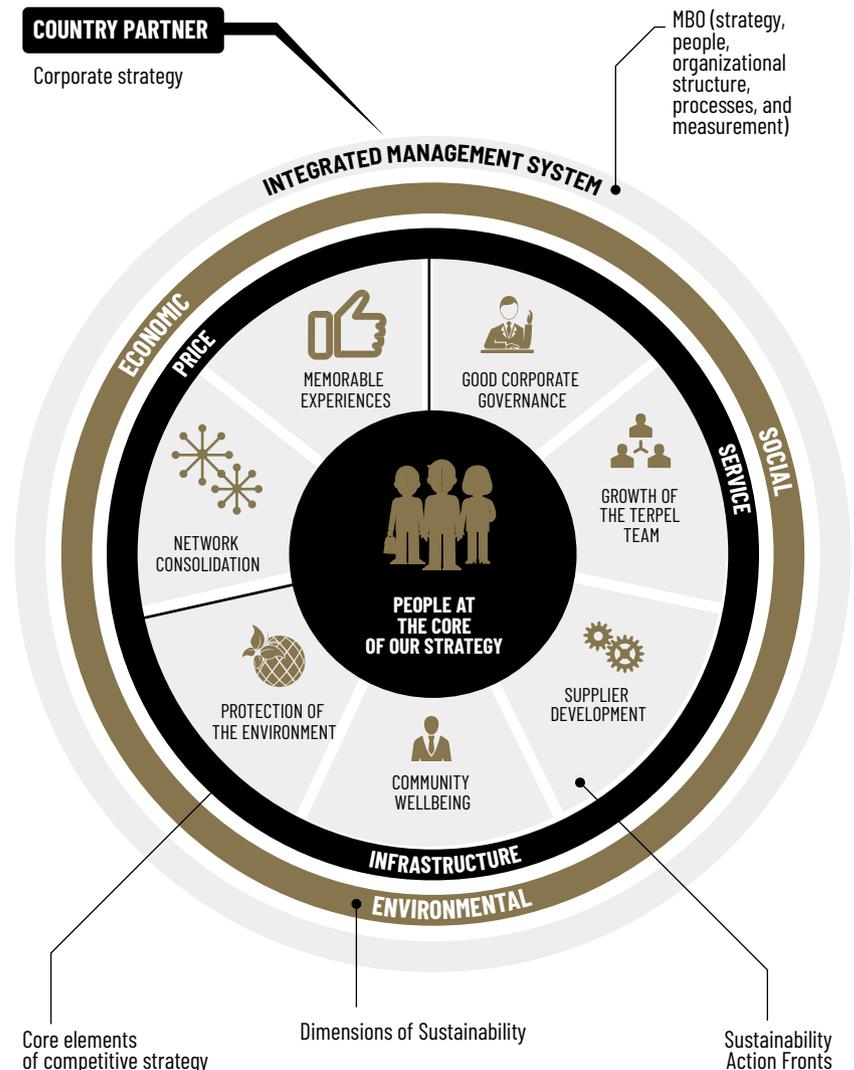
A focus on sustainable development is part of our business strategy, orienting the way we think and act and giving us the capacity to make excellent decisions.

OUR SUSTAINABLE MANAGEMENT MODEL FOCUSES ON PEOPLE

Our business strategy, focused on offering consumers a differentiated service, modern and friendly infrastructure, and the most competitive price, is embedded in our Sustainable Management Model.

As a Country Partner, we put the interests of the places we operate ahead of our own. We mobilize development everywhere we operate, creating jobs that contribute to the progress of neighboring communities, supporting quality education, and conserving the environment in the surroundings of the operation.

OUR SUSTAINABLE MANAGEMENT MODEL



1971

'Terpel Centro' established to serve the coffee-growing region.

Our Sustainable Management Model is structured according to action fronts that focus our work in order to create value for our stakeholders.

- **Memorable Experiences:** we do our best to meet our consumers' needs, to be their trusted ally in all their travels, and to respond to their preferences with actions.
- **Good Corporate Governance:** we are a safe and profitable investment for shareholders and investors. We run our business with respect, reliability, and according to the highest standards for integrity.
- **Growth of the Terpel Team:** we contribute to the wellbeing of our employees, who identify with our values and strategy. Their dedication to service motivates them to be the #1 brand in the hearts of consumers.
- **Network Consolidation:** we nurture a mutually beneficial relationship with our business partners, forming a single, homogeneous network.
- **Supplier Development:** we grow together with these strategic partners, generating value and mutual benefits that strengthen our businesses.
- **Community Wellbeing:** we are active in the communities where we operate, contributing to their development and wellbeing. We bring progress along as we take fuel to every corner, and we invest in quality education through the Terpel Foundation's programs.
- **Protection of the Environment:** our operation meets the highest standards for quality and safety, as a friend to our surrounding environment. We are committed to improving the quality of life in the places we operate by taking care of the environment, implementing initiatives to mitigate the impact of our value chain, and reducing our ecological footprint.

IN PANAMA, THE BUSINESS IS ALIGNED WITH THE SUSTAINABLE MANAGEMENT MODEL

As part of the work of Terpel Panama to build and protect the company's reputation, strengthen sustainable management in Panama, and responsibly orient the company's actions in the country, we organized a process to raise awareness with 22 people from different areas. The goal was to:

- Establish a common knowledgebase relative to sustainable development.
- Share the corporate Sustainable Management Model
- Determine the most relevant issues for Terpel Panama and its stakeholders
- Identify current initiatives and define opportunities for improvement

As a result of this exercise, we developed action plans to put a company-wide strategy in motion for managing corporate reputation and sustainability.





“ Since 1988 we have been working with Terpel, the most progressive brand in our country. Many thanks to the company for allowing me to grow as a businessman and for contributing to the country’s growth.”.

Pedro Lorza, EDS Andalucía#2 Service Station

IN COLOMBIA, TERPEL IS POSITIONED AMONG THE COMPANIES WITH THE BEST SUSTAINABILITY PRACTICES IN THE WORLD

For the second consecutive year we were included in the RobecoSAM Sustainability Yearbook, the most complete and best-recognized publication regarding corporate sustainability in the world. The best practices implemented in the economic, social, and environmental arenas made us one of the world’s 10 most outstanding companies in sustainability in the retail sector.

Being included in the RobecoSAM Sustainability Yearbook gives us great satisfaction and motivates us to continue working as country partners, contributing to the development of our stakeholders and of Colombia in general.

OUR STAKEHOLDERS ARE PART OF OUR STORY

[GRI 102-40](#), [GRI 102-42](#) and [GRI 102-43](#)

For Terpel, every stakeholder is important, whether connected to the business lines, the operating context, or the relationships of influence and impact between the company and different parties.

We engage with stakeholders under the principles of timeliness, transparency, trust, availability, legality, and effectiveness, using diverse manners to inform, render accounts, and receive input for decision-making and management.

[GRI 102-40](#)



Shareholders



Investors



Employees



Customers and business partners in each business segment



Consumers



Suppliers



Community: neighbors and beneficiaries of the Terpel Foundation



The government



Authorities



Trade Associations



Competitors



Opinion Leaders





1972

Terpel starts distributing fuel for the aviation industry.

OUR MATERIAL ASPECTS

[GRI 102-47](#) and [GRI 102-44](#)

We defined key aspects for the company based on the business strategy, stakeholders' expectations, sector trends, and the needs of the places we operate.

Terpel uses the following process to divide them into segments:

[GRI 102-46](#)



ASUNTOS MATERIALES

[GRI 102-47](#) and [GRI 102-44](#)



1973

'Terpel Antioquia' is created to supply the Departments of Antioquia and Chocó.

BOUNDARIES AND LIMITS

[GRI 102-46 and GRI 103-1](#)

Material Aspects (level 1)	Boundaries: Area of impact for significant aspects		Sustainability Report 2017
	Inside Terpel	Outside Terpel	
Profitability		Shareholders Investors	Terpel Creates and Distributes Value
Good Corporate Governance and Transparency	Employees	Shareholders Investors Suppliers	Good Corporate Governance
Fair Labor Relations and Conditions	Employees	Suppliers	Growth of the Terpel Team Supplier Development
Safe Operating Conditions	Employees	Affiliates Customers	Growth of the Terpel Team
Accompaniment for affiliates, suppliers, customers, and consumers	Employees	Affiliates Customers Consumers Suppliers	Growth of the Terpel Team Memorable Experiences and Network Consolidation Supplier Development
Climate Change: carbon footprint		Suppliers Communities near the operation Society in general	Protection of the Environment
Spills and waste products		Transportation Providers Affiliates Communities near the operations or the roads where fuel is transported	Protection of the Environment
Quality Education		Communities covered by the Terpel Foundation Communities near the operation	Community Wellbeing
Reconciliation		People in the process of reintegration Society in general	Community Wellbeing





NEIVA, COLOMBIA: LA SANJUANERAS AVENIDA INÉS GARCÍA

“ In the name of Coontranshuila we would like to express our gratitude for great commercial and logistics support, making the service station one of the pioneers in the region. Congratulations for all the achievements on the regional and national level.”.

Marino Castro, EDS Coontranshuila Service Station

WE ARE COMMITTED TO RESPECT FOR HUMAN RIGHTS

Our Human Rights Policy applies to all our operations and its scope embraces the supply chain. It includes directives regarding respect for rights in all our actions and relations with stakeholders.

PILLARS

GENERAL

GLOBAL COMPACT PRINCIPLES 1 AND 2

- Commitment to global issues
- Neutrality in regions where Terpel operates.
- Respect for the culture and customs of the countries and regions where the company has operations and influence.
- Support for cooperation agencies on matters related to sustainable development and human rights.

LABOR PRACTICES

GLOBAL COMPACT PRINCIPLES 3, 4, 5 AND 6

- Promotion and respect for freedom of association and recognition of trade unions.
- Prohibition and absolute rejection of compulsory labor, child labor, and discrimination, especially in the area of employment and occupation.
- Censure of discrimination based on race, religion, politics, sexual preference, age, nationality, or marital status.
- Zero tolerance for abusive practices that constitute harassment or punishment.
- Guarantee of fair and competitive salaries in accordance with the law, and compliance with regulations on hours of work.
- Promotion of a safe and healthy working environment in favor of employees' wellbeing.

ENVIRONMENTAL PRACTICES

GLOBAL COMPACT PRINCIPLES 7, 8, AND 9

- Protection of the right to a safe and healthy environment and conduct in accordance with that principle.
- Improvement of quality of life where Terpel operates by taking care of the environment and implementing initiatives that mitigate any impact by the production chain.
- Commitment to the fight against climate change and to reduction of our ecological footprint.

SUPPLY CHAIN

GLOBAL COMPACT PRINCIPLES 1, 2, AND 10

Suppliers must meet minimum requirements in terms of respecting human rights and comply with ethics codes and environmental standards, knowing there will be no tolerance for noncompliance.

COMMUNITIES

GLOBAL COMPACT PRINCIPLES 1 AND 2

Respect for neighboring communities and their particularities and customs in all the regions and countries where Terpel operates, fostering community cultural rights through social initiatives.

1982

Lubricants Factory founded in Chimitá, Santander.



IN PANAMA, WE STRENGTHENED HUMAN RIGHTS

We assessed risk levels, positive impacts, direct and indirect negative impacts (current and potential) and the reporting mechanisms at Terpel Panama through interviews with the main people responsible for stakeholder engagement.

That exercise allowed us to determine any need to strengthen the operation's corporate governance practices. We adopted the robust model of Colombia in order to guarantee transparency in the disclosure of financial and non-financial information about Terpel Panama to shareholders and investors. In addition to that risk, we identified opportunities for adjustments in matters related to human talent, Terpel-owned and affiliate service stations, and environmental management.

CHALLENGES 2018

Implement the Sustainable Management Model in the Terpel operations in Peru and in Ecuador.

Strengthen stakeholder engagement based on conversations that will guarantee and give dynamism to the evolution of the Sustainable Management Model.



1983

'Terpel North' and 'Terpel South' created to supply fuel to the Departments on the Caribbean coast, Huila, the south of Tolima, Caquetá and Putumayo.

AT TERPEL WE CREATE AND DISTRIBUTE VALUE

[GRI 102-47](#), [GRI 103-1](#), [GRI 102-44](#) and [GRI 103-2](#)

PROFITABILITY

We distribute and sell fuel and lubricants - on the ground, on the sea, and in the air - in order to mobilize the people who are at the center of our strategy.

We are moving forward with the transformation of the fuel sector, with support from our partners, shareholders, employees, and suppliers, in order to offer the best service and be the #1 brand everywhere we operate.

We create shared value for our stakeholders and, in particular, for our partners and shareholders, as we procure the expected profitability for their investments and maintain the Terpel brand as their best business option in a competitive and demanding market.

We know that strategically managing sustainability guarantees the profitability of organizations, and it is with that perspective in mind that we focus our efforts.

LINES OF BUSINESS

We offer memorable experiences through our network of service stations, supply plants, airports, and ports.

PANAMÁ

- Service Stations
- Industry
- Lubricants
- Marine fuel
- Complementary services

REPÚBLICA DOMINICANA

- Aviation
- Industry



ECUADOR

- Service Stations
- Industry
- Lubricants
- Complementary services

PERÚ

- Service Stations
- NGV fuel
- Complementary services

COLOMBIA

- Aviation
- Service Stations
- NGV fuel
- Industry
- Lubricants
- Marine fuel
- Complementary services



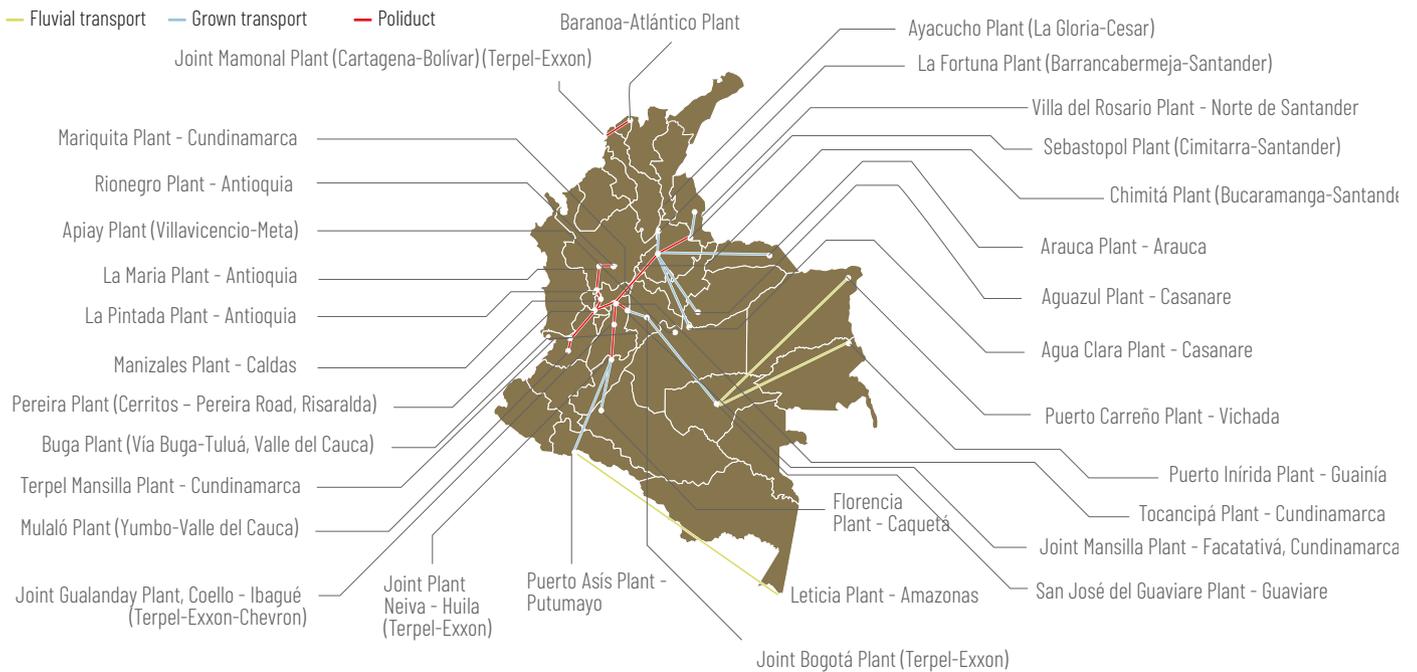


MANIZALES, COLOMBIA: CITY VIEW

“ In my experience owning this business, Terpel has always been there for me, delivering the best service. Many thanks to such a great team”.

Fernando Jiménez, EDS Multiservicios Panamericana Service Station

PLANTS IN COLOMBIA



DIVISION BY REGIONS IN COLOMBIA



1986

'Terpel Savanna' is founded to supply the Departments of Cundinamarca, Boyacá, Meta, Vichada, Guainía, Guaviare and Amazonas.

CONSOLIDATED FIGURES 2017²

EBITDA

690,111

Millions of pesos

SALES VOLUME

2,464

Million gallons

TOTAL SALES

15.3

Billion of pesos

NET EARNINGS

195,281

Millions of pesos

GRI 102-48

2. Consolidated figures for Terpel and its subsidiaries (Colombia, Ecuador, Mexico, Panama, Peru and the Dominican Republic). The figures for Mexico are reported until September 2017.

EN TERPEL SEGUIMOS CREANDO Y DISTRIBUYENDO VALOR

GRI 102-48

DIRECT ECONOMIC VALUE
GENERATED (EVC)
(billions of pesos) **15.3**

DIRECT ECONOMIC VALUE
DISTRIBUTED (EVD)
(billions of pesos) **15.1**

TAXES
(millions of pesos) **238,282**

COMMUNITY
INVESTMENTS ³
(millions of pesos) **5,643**

OTHER OPERATING
EXPENSES ⁴
(millions of pesos) **749,361**

DIVIDENDS TO
SHAREHOLDERS
(millions of pesos) **98,258**

PAYMENTS TO SUPPLIERS
(billions of pesos) **13.8**

TOTAL WAGES AND
BENEFITS
(millions of pesos) **239,420**

ECONOMIC VALUE
RETAINED (EVR)
(millions of pesos) **194,026**

3. Figure reported only for Colombia. During 2017, investments of 5,072 million pesos were executed, leaving a surplus to use during 2018 of 571 million pesos.

4. Includes fees, insurance, rent, services, marketing, maintenance, travel, depreciation, and amortization.





1988

'Terpel West' created to serve the south of Valle, Nariño and Cauca.

Colombia	Goal 2017	Met	Goal 2018
EBITDA	545,983 million pesos	109%	535,252 million pesos
VOLUMEN	2,032,360 thousands of gallons	96 %	2,028,812 thousands of gallons
COST PER GALLON	207.7 pesos per gallon	101%	205.3 pesos per gallon
NET INCOME	166,760 million pesos	124%	171,529 million pesos
CAPEX IN SERVICE STATIONS	100%	86%	100%
IMAGE	4.5 survey score	90%	4.5 survey score
SERVICE	4.0 survey score	97%	4 survey score
CUSTOMER SATISFACTION	8.8 survey score	97%	8.8 survey score



Evolution

MEMORABLE EXPERIENCES AND NETWORK CONSOLIDATION

GRI 102-47, GRI 103-1, GRI 102-44 and GRI 103-2

ACCOMPANIMENT FOR AFFILIATES, SUPPLIERS, CUSTOMERS, AND CONSUMERS

Our dedication to service motivates us to satisfy people's needs and give them memorable experiences with all our business lines, products, and services.

We work every day to develop a robust network of services that offer the same experience, so our brand will work its way into the hearts of consumers.

Affiliates and franchises make those memorable experiences a reality, and not only do we work toward that purpose with them, but we also share with them our philosophy of work and our way of doing things.

We create arenas for work and growth with the goal of profitability and competitiveness for our customers, putting initiatives in motion that will offer them greater benefits.

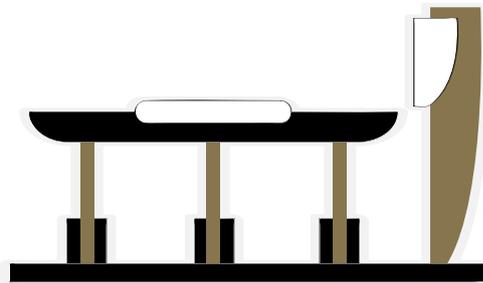
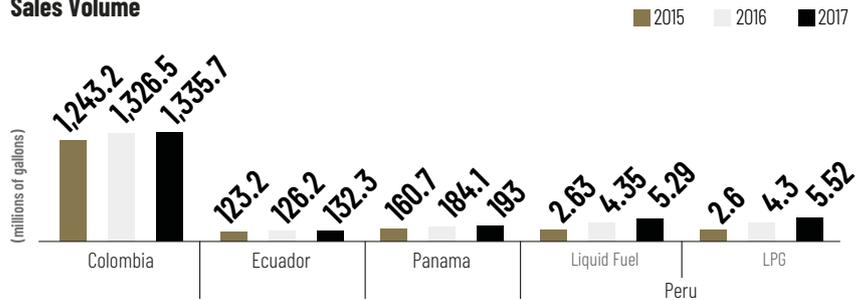
Our customers and consumers motivate us to think outside the box, innovating and exceeding expectations.

TERPEL IN THE SERVICE STATIONS OF COLOMBIA, ECUADOR, PANAMA AND PERU

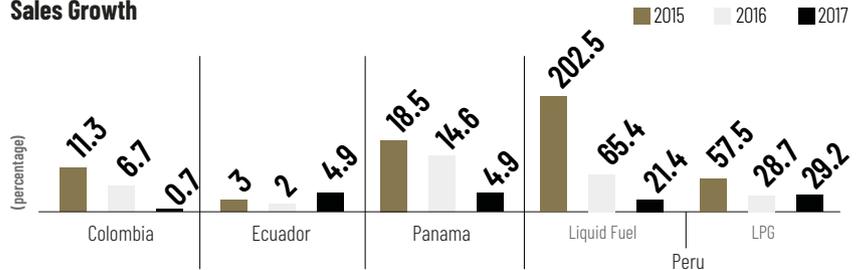
GRI 102-47, GRI 103-1 and GRI 102-44

MATERIAL ASPECT: PROFITABILITY

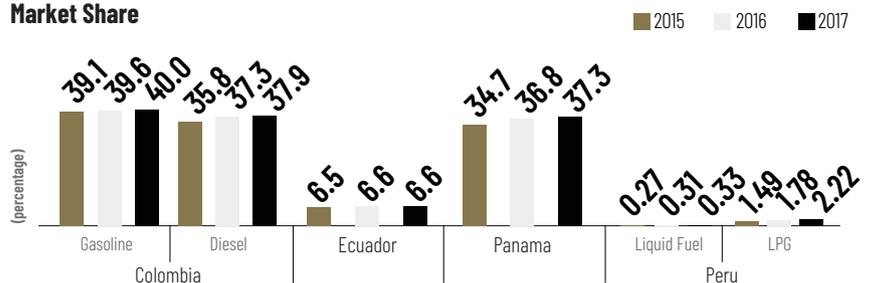
Sales Volume



Sales Growth



Market Share



5. La participación de mercado en Panamá incluye la red de EDS y las tiendas de conveniencia.

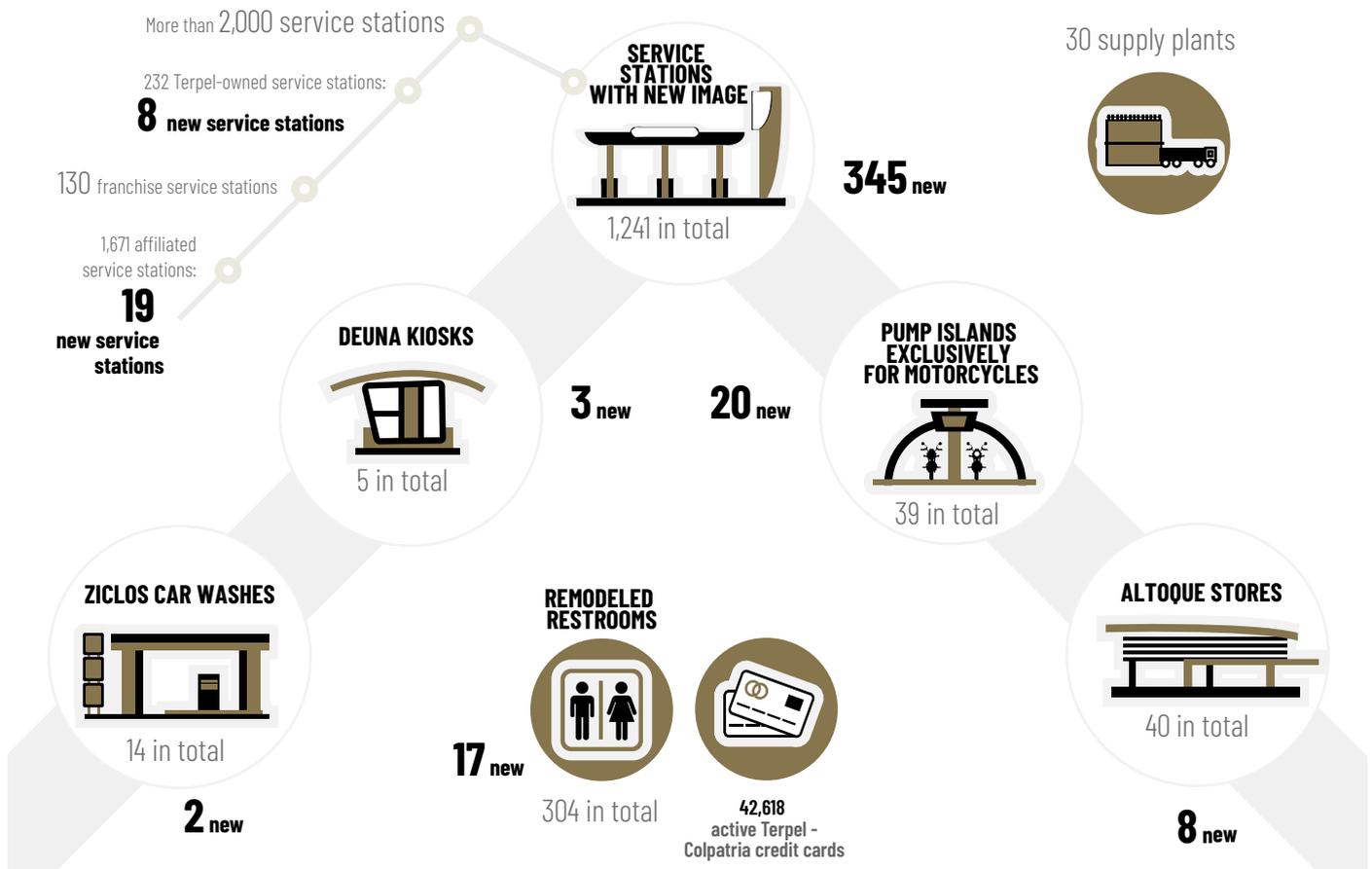


1993

Terpel enters the marine fuels business.

IN COLOMBIA, WE ARE THE #1 SERVICE STATION NETWORK

In partnership with the network of service stations and the Colombians who prefer Terpel, we continue to grow in the regions and with them. Thanks to affiliates and franchises, we are close to the consumers and can transmit our brand values.



OVERALL SATISFACTION SCORE IN COLOMBIA (SCORED ON A SCALE OF 10)⁶



8.34



8.39*



8.6

⁶ Results of service station customer satisfaction survey, conducted by BrandStrat



PAIPA, COLOMBIA: MONUMENTO A LOS LANCEROS

“ I have been a witness to the evolution of this Colombian multinational that has supported its affiliates through innovations in the fuel and lubricants market”.

Misael Pulgarín, EDS Turística de Paipa Service Station

TERPEL LIFEMILES CLUB: TO WIN OVER THE HEARTS OF COLOMBIANS

[GRI 102-47](#) and [GRI 102-44](#)

MATERIAL ASPECT: ACCOMPANIMENT FOR AFFILIATES, SUPPLIERS, CUSTOMERS, AND CONSUMERS

Over five decades of continuous effort, we have developed diverse strategies for staying close to our customers at service stations. In 2017 we created the Terpel LifeMiles Club with the objective of strengthening long-term ties with Colombian consumers and rewarding their preference and loyalty.

This initiative gives our customers memorable experiences, in addition to what they experience at our service stations, as they accumulate LifeMiles they can use to visit their favorite destinations.

Close to

240,000 MEMBERS

More than

21 MILLIONS

million gallons pumped under the loyalty program

566

service stations and 38 connected stores

THE TERPEL BUSINESS OWNER NETWORK CONTINUES TO STRENGTHEN BONDS OF TRUST

[GRI 102-47](#) and [GRI 102-44](#)

MATERIAL ASPECT: ACCOMPANIMENT FOR AFFILIATES, SUPPLIERS, CUSTOMERS, AND CONSUMERS

During our journey, we have met up with the best travelling companions possible. Our partners and franchises, distributed across the national territory, are the face of Terpel and are dedicated to offering a differentiated service to all consumers.

Creating incentives for team work, learning about other experiences and practices, sharing technical knowledge and new developments in the industry, and empowering and strengthening the ties between the 1,015 service station business owners are the objectives of the Business Owner Network.

128 PEOPLE

participated in the executive training course at Universidad de los Andes.

723 PEOPLE

participated in Exporet, an event to strengthen relations between partners and suppliers of programs, agreements, products, and services.

13 TERPEL BUSINESS

owners visited Chile to share best practices in the fuel sector in South America.





1997

Terpel changes its image for the first time. The sun is established as a symbol of energy and movement.

HOW CAN WE INNOVATE AND MAKE A DIFFERENCE IN THE COMMODITIES SECTOR?

That question motivated us to invite 414 people from 292 allied service stations to the Customer Convention that took place in Chicago in the United States. We attended the world's most important fair for the retail service station sector. We participated in conferences and discussion tables to reflect on projections for the fuel sector, and we shared with them the advances Terpel has made in the implementation of our business strategy.

INNOVATE TO SERVE: THE WAY WE MAKE A DIFFERENCE

Thanks to the new Comprehensive Attention Center we have improved communication with and service to our customers, using a specialized point of contact. This channel allows us to respond to and manage requirements associated with programs such as *Rumbo Terpel*, *Terpel LifeMiles Club*, the service station help desk, and transportation monitoring, among others.

TIENDATERPEL.COM CONSOLIDATED

We shortened the distance between Terpel and our business partners with products that standardize the inputs used by the service station network, thereby offering Colombians a unique experience with the Terpel network.

ALTOQUE STORES: NETWORK EXPANDED

With 40 Altoque points of sale, we have the largest network of convenience stores in the nation. In 2017, we opened the first store in our partner network, located in Santa Marta (El Rodadero - Magdalena service station), and we also opened the corporate store in Terpel's main offices in Bogotá.

DEUNA KIOSKS 3.0:

We launched this new format for kiosks with a more attractive design, and more in line with the financial needs of our partners.



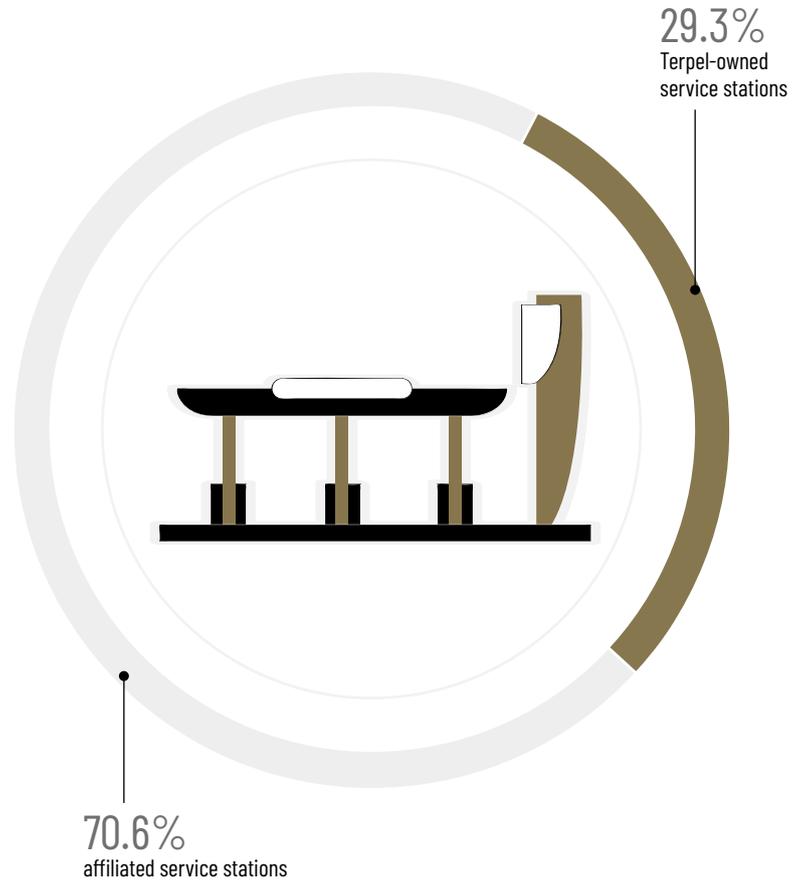
2001

Organización Terpel is integrated to standardize policies and processes under a single national management.

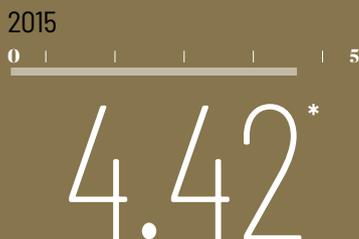
IN ECUADOR, MORE BENEFITS FOR CONSUMERS

- We stimulated sales of Súper Terplus gasoline through the promotion Super Lucky Fill Up, which gave consumers an opportunity to enter a raffle for three vehicles and for coupons for a year of gasoline.
- We renewed 10 service station contracts that bring in 20% of the company's total sales in Ecuador, and affiliated four new service stations (two of them will begin sales in the year 2018).
- We improved the mystery client score by 10 percentage points, attaining 83%. This was the result of a 79% increase in the participation of pump island workers in training during the year and the consequent improvement in their customer service.

58 service stations
in total



OVERALL SATISFACTION SCORE IN ECUADOR



* Score over 5
** Score over 10





2004

Terpel Foundation is created to partner with the regions in favor of social progress and development.

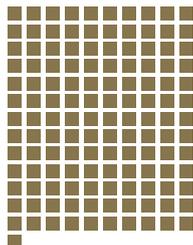
IN PANAMA, 10 YEARS AT THE COUNTRY'S SERVICE

We proudly commemorated Terpel's tenth anniversary in Panama with important achievements.

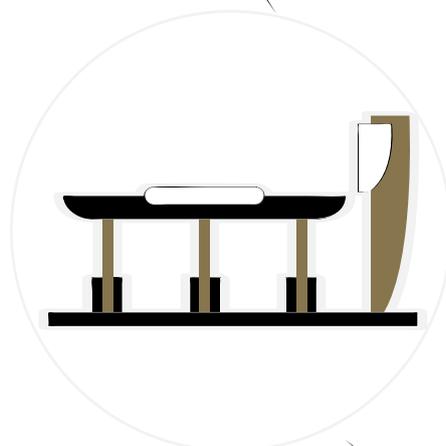
Our strategy has allowed us to offer the best infrastructure and the best price together with the best customer service. We constantly look for ideas on how to create differentiated value, understanding that the viability of our operation goes beyond fuel supply, distribution, and sale, focused rather on appreciating the consumer as the operation's core and engine.

We give our consumers memorable experiences through our service stations, Va&Ven stores, kiosks and car washes.

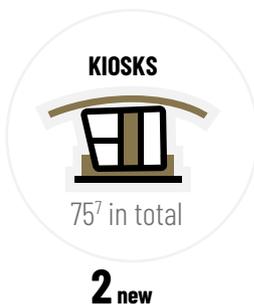
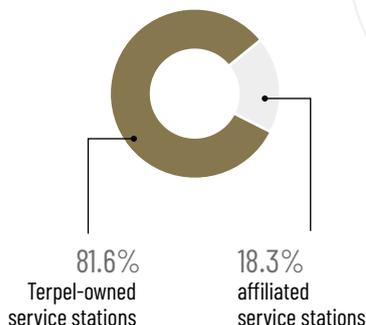
131 Terpel-owned service stations



4 new service stations for liquid fuel



27% more stations with the new corporate image with respect to last year



OVERALL SATISFACTION SCORE IN PANAMA (ON A SCALE OF 10)



9.1



9.3*



9.3

7. In 2017, the number of kiosks was reduced by two, going from 77 reported in 2016 to 75 reported in 2017, because two points of sale were converted into Va&Ven stores.





“ Over these 50 years we have only gratitude toward Terpel for the confidence it has placed in us, its support, and for allowing us to be a part of this family”.

Neftalí Quintero, EDS La Rivera Service Station

DO IT WITH GUSTO FOR THE BEST SERVICE

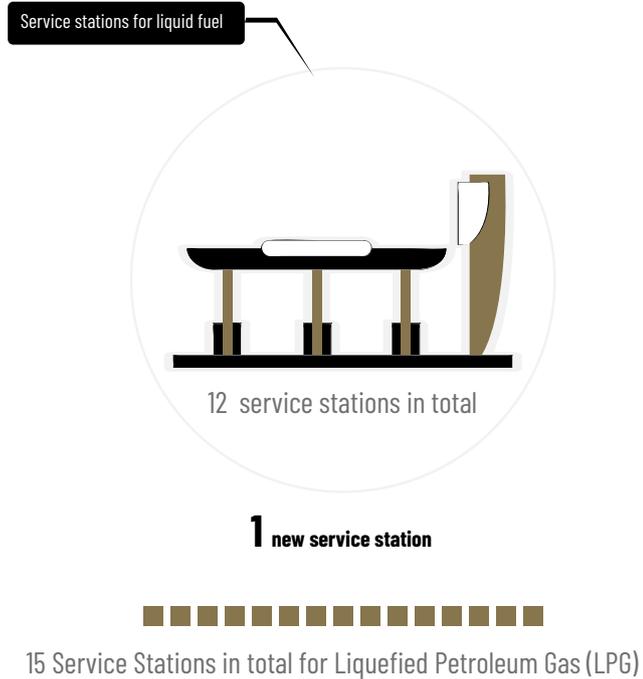
We implemented Do it with Gusto, targeting administrators, shift supervisors, Va&Ven and Quick Shop attendants, and the salesforce for our service station network.

Both employees and the stores on the whole are evaluated monthly during a certain period of the year, in order to determine their professionalism and the quality of their service. They accumulate points for redeeming prizes according to how well they do.

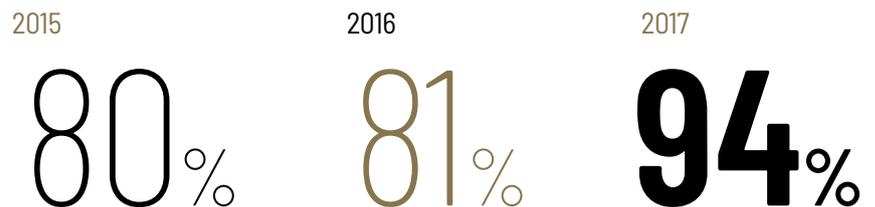
We trained 773 service station and convenience store employees, representing 75.7% of our total personnel.

IN PERU, WE INCREASED SERVICE STATION SALES VOLUME

Thanks to our network's competitive prices and a reinforcement in the sales area, the liquid fuels business experienced significant growth of 60% in volume transported compared to 2016. Average monthly sales were 141,000 gallons, representing a 43% increase over 2016.



OVERALL SATISFACTION SCORE IN PERU





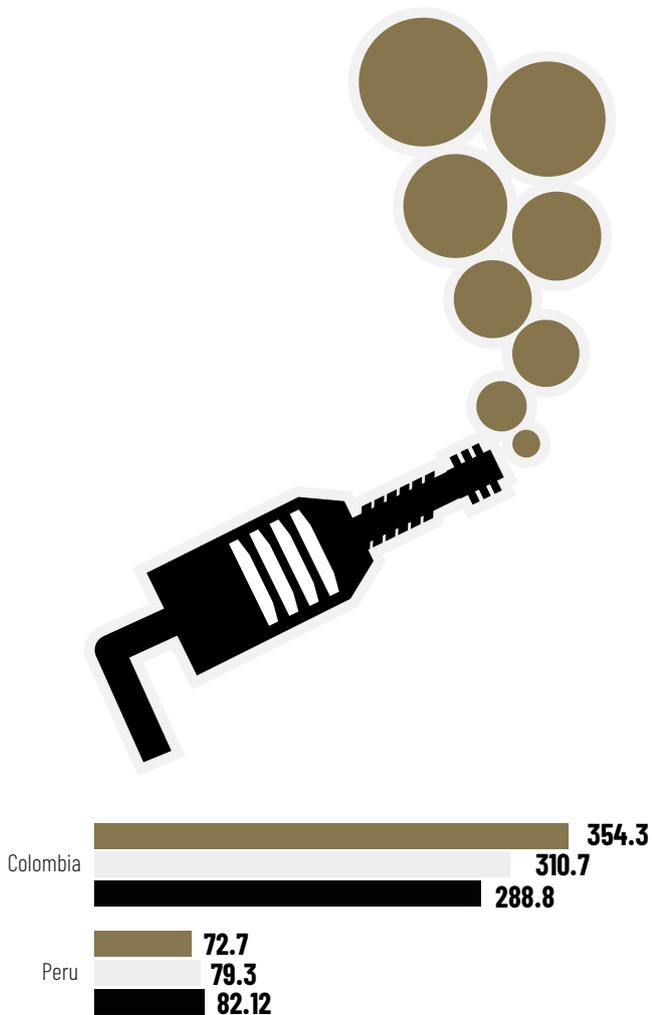
2006

Terpel is renovated and changes its image. The sun is modernized to reflect the brand's vitality, reliability, nearness, strength, and spontaneity.

TERPEL'S NGV FUEL FIGURES FOR COLOMBIA AND PERU

Sales volume
(millions of cubic meters)

■ 2015 ■ 2016 ■ 2017



Market Share
(percentage)

Colombia

2015 **46.1%**

2016 **44.4%**

2017 **46.4%**

Peru

2015 **10.48%**

2016 **11.33%**

2017 **11.73%**



50 YEARS OF TERPEL MILESTONES

2006

Terpel arrives in Ecuador. With the purchase of 65 service stations in Ecuador, Terpel makes its first major step to expand its frontiers.



IN COLOMBIA, ENVIRONMENTALLY-FRIENDLY NATURAL GAS VEHICLE FUEL

Over the last three years, the natural gas vehicle technical team, working with General Motors engineers, helped adapt the chassis of a truck to natural gas. The sale of almost 100 units in Colombia during 2017 demonstrates the importance and credibility of natural gas vehicle fuel as the most environmentally-friendly fuel for public transportation.

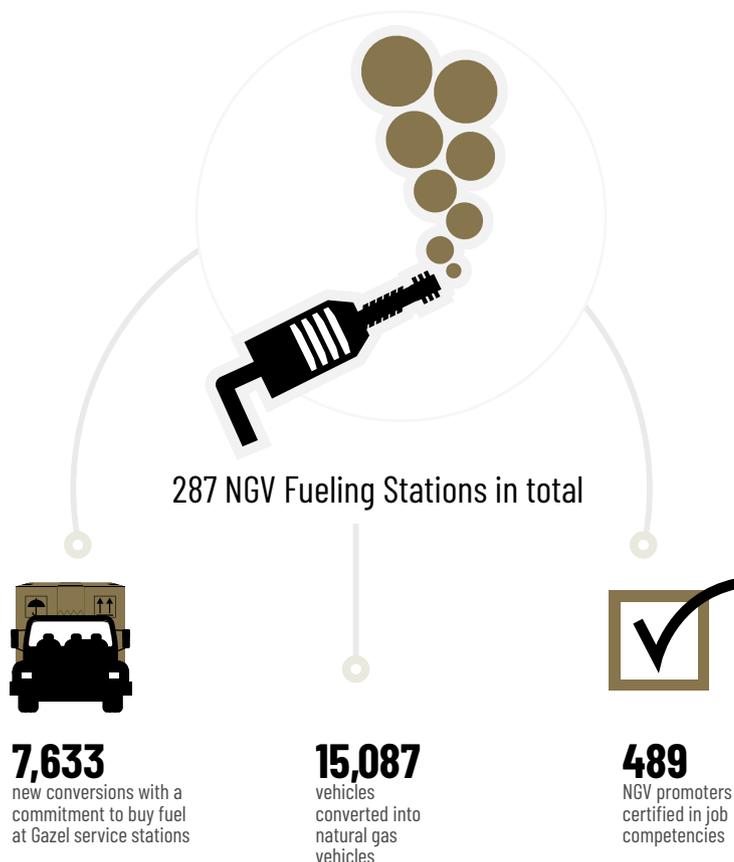
CLUBGAZEL OFFERS MORE AND BETTER BENEFITS

At Terpel we recognize the loyalty of our NGV fuel partners. That's why we renovated the product catalog to expand the possibilities for redeeming points. Points can now be exchanged for life insurance, special benefits for Elite and Platinum clients, products for home, school, and personal use, as well as items of interest to soccer fans.

106.595 PARTNERS REDEEMED PRIZES

630.587 PRIZES REDEEMED

22.973 CUSTOMERS ACQUIRED HEALTH INSURANCE

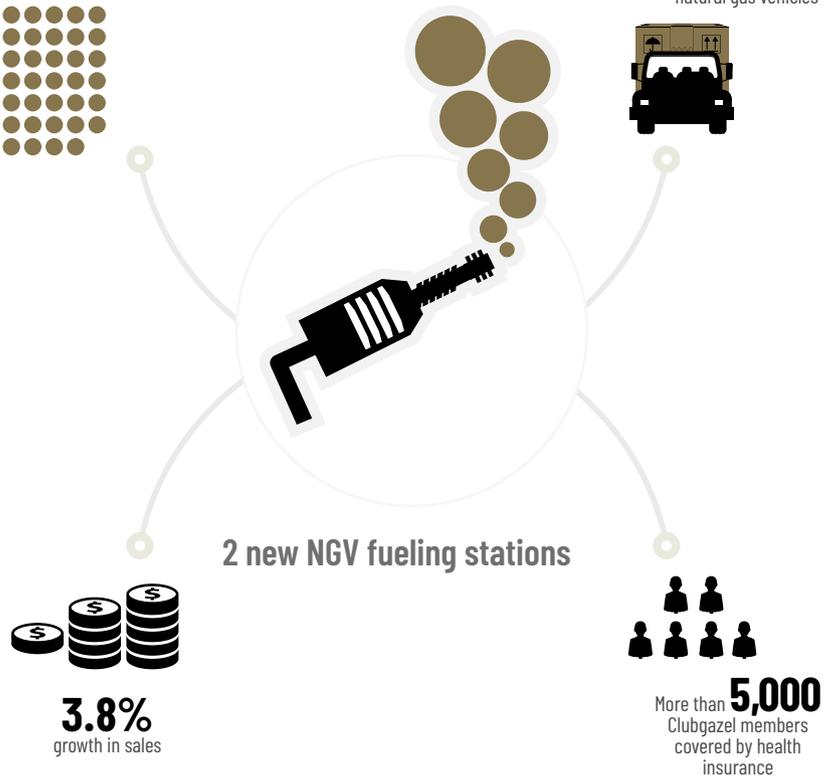


2007

Terpel arrives in Panama. With the acquisition of Compañía Petrolera Nacional, Terpel enters the Panamanian market with a network of 53 service stations.

IN PERU, CLUBGAZEL UPDATED

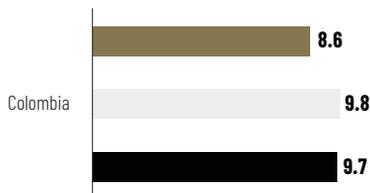
We updated *Clubgazel*, turning trips into savings. We reinvented our catalog of prizes to promote greater loyalty on the part of our customers through direct savings. We now offer staple goods such as groceries, school supplies, and taxi rides, among other prizes. This strategy produced a growth in loyalty sales of 37.3% over the year 2016.



TERPEL LUBRICANTS IN COLOMBIA, ECUADOR AND PANAMA

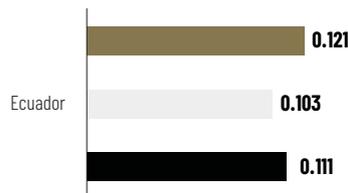
Sales volume
(millions of gallons)

■ 2015 ■ 2016 ■ 2017



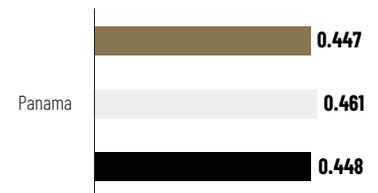
Sales volume
(millions of gallons)

■ 2015 ■ 2016 ■ 2017



Sales volume
(millions of gallons)

■ 2015 ■ 2016 ■ 2017



8. Incluye exportaciones.





“Terpel is people; that’s why it’s in the heart of Colombians”.

Ramiro Perdomo, EDS Velogás, Ibagué Service Station

IN COLOMBIA, TERPEL LUBRICANTS CONTINUE WELL POSITIONED IN THE AUTOMOBILE MARKET

For the second consecutive year we received the *Cerrejón Giants Prize* thanks to outstanding performance in the supply of lubricants and in the fuel and lubricants storage and distribution operation for the company *Carbones del Cerrejón*.

SECOND PLACE MAINTAINED IN THE AUTOMOTIVE LUBRICANT MARKET

According to the results of the Brand Equity Monitor study, consumer perception indicators continued to be 16% for Top of Mind and 17% for brand habituation.

INNOVATING SINCE 1982 WITH OUR TERPEL LUBRICANTS

In 2017

- The *Terpel Maxter 15W-40 Avanzado* lubricant was approved by Volvo and Renault. The motor oil was designed to protect and lubricate modern diesel engines, and has the highest level of quality, CK4/SN.
- We launched *Terpel Celerity 25W50 Grueso* for customers with three-wheeled, four-stroke engine motorcars and taxis that do heavy work and travel many miles.
- The new *Terpel Oiltec 5W30 sintético*, has been a good match for gasoline-operated light vehicles and modern high-performance engines.

EVERY AWARD GIVES A GLIMPSE OF AN EXCELLENT TRAJECTORY

The *Terpel Celerity Oil Changing Chair initiative*, in which 300 mechanics collected 44,000 labels, received an award in the national design contest, *Lápiz de Acero*. Terpel took first place in the product category in recognition of innovation and its eco-design





2008

Terpel acquires the company Gazel and expands its portfolio of services, giving its clients a sustainable option for mobility through NGV fuel.

BEING A 'TESO' IS A SYNONYM FOR EXPERIENCE IN LUBRICANT SALES

[GRI 102-47](#) and [GRI 102-44](#)

MATERIAL ASPECT: ACCOMPANIMENT FOR AFFILIATES, SUPPLIERS, CUSTOMERS, AND CONSUMERS

Fifty years of operations have allowed us to continue creating closer relationships with our partners in lubricant sales. Pump island attendants, lubricant salespersons, mechanics, and warehouse workers who recommend our products are all among the 1,910 active Tesos members in this loyalty program implemented at 1,260 points of sale distributed across 1,120 municipalities and 9 cities of the country.

We launched the training program **Certification in Sales Skills and Lubrication Techniques** to train more than 820 lubrication specialists at 270 points of sale across the nation.

MASTERLUB EXPANDS ITS NETWORK OF SERVICES

This service exclusively for motorcycle drivers – specialized in changing the oil for motorcycles and located at Terpel service stations - now has two new Masterlube oil change centers in the cities of Ibagué and Bucaramanga. These additions to our network strengthen our operation in Colombia.

9,876

**POINTS OF SALE FOR
TERPEL LUBRICANTS IN
COLOMBIA**

120

**INDUSTRY CUSTOMERS WITH
RECURRING PURCHASES OF
LUBRICANTS**

23

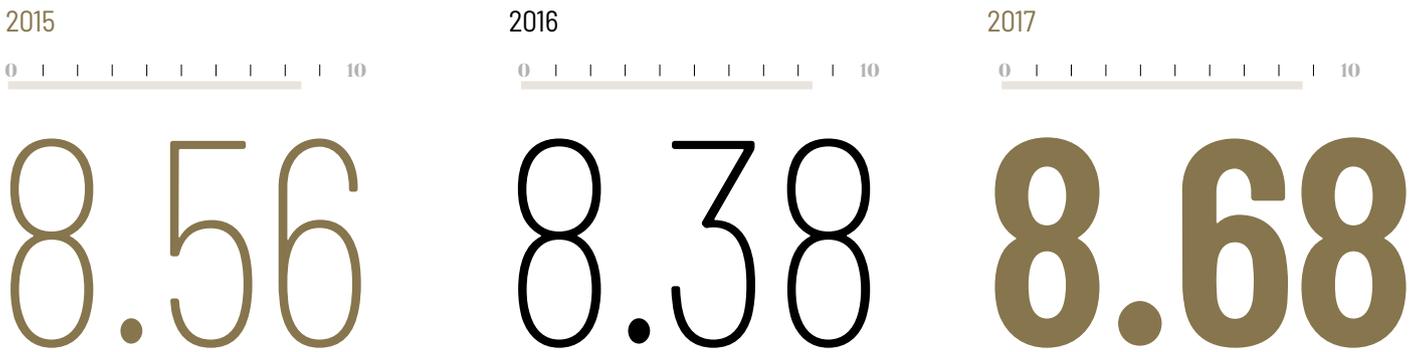
**EXCLUSIVE DISTRIBUTORS
OF LUBRICANTS IN THE RETAIL
CHANNEL**



2009

Terpel enters Peru with the Gazel brand.

OVERALL SATISFACTION SCORE IN COLOMBIA FOR LUBRICANT CUSTOMERS⁹



OVERALL SATISFACTION SCORE IN COLOMBIA FOR LUBRICANT DISTRIBUTOR CUSTOMERS¹⁰



OVERALL SATISFACTION SCORE IN COLOMBIA FOR INDUSTRIAL CUSTOMERS¹¹



9. Results of lubricants customer satisfaction survey, conducted by BrandStrat.
10. Results of lubricant distributor customer satisfaction survey, conducted by BrandStrat.
11. Results of industry customer satisfaction survey, conducted by BrandStrat.



2010

Compañía de Petróleos de Chile S.A.,
COPEC, becomes a shareholder.

IN ECUADOR, WE STRENGTHENED OUR LUBRICANTS SALES STRATEGY

[GRI 102-47](#) and [GRI 102-44](#)

MATERIAL ASPECT: ACCOMPANIMENT FOR AFFILIATES, SUPPLIERS, CUSTOMERS, AND CONSUMERS

- Promotions boosted sales by 11%. The most popular initiative among our retail customers was a trip to the Formula One Race in Brazil as a reward for purchasing 1,700 gallons a month for 6 months.
- We organized eight training sessions with 735 partners from taxi co-ops in the city of Santo Domingo, in which we highlighted the benefits of our OILTEC and MAXTER lubricant brands, thereby increasing sales of those products.
- We organized 10 activations focused on the motorcycle segment in the Manabí province, where the 2T Celerity Bioantihumo lubricant is considered to be the best in its category. Sales went up by 27%.

419 POINTS OF SALE
FOR TERPEL
LUBRICANTS
IN ECUADOR

IN PANAMA, TERPEL LUBRICANTS LINE POSITIONED

With the purpose of meeting the needs of the Panamanian automobiles, including those in public and private transportation and the nation's industry, we began selling Terpel lubricant products for gasoline and diesel motors. The products offered in this market are: standard lubricants (multigrade and monograde), premium lubricants (semi-synthetic), and synthetic lubricants.

460 POINTS OF SALE FOR
TERPEL LUBRICANTS
IN PANAMA



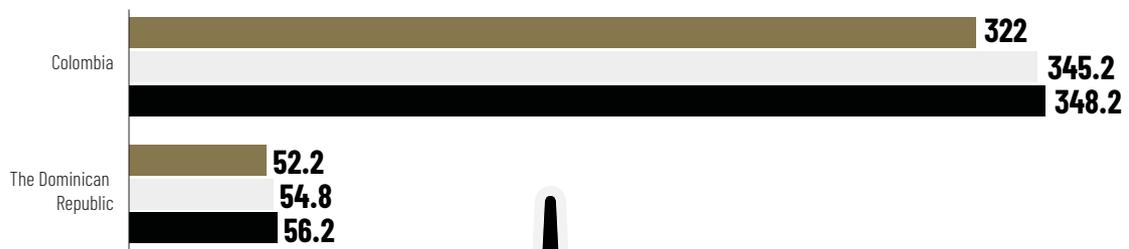
2011

Terpel becomes a partner to aviation in the Dominican Republic.
Operations begin at the airports Las Americas - JFPG International Airport (Santo Domingo) and Gregorio Luperón International Airport (Puerto Plata).

WE MAINTAINED LEADERSHIP IN AVIATION FUEL SALES IN COLOMBIA AND THE DOMINICAN REPUBLIC

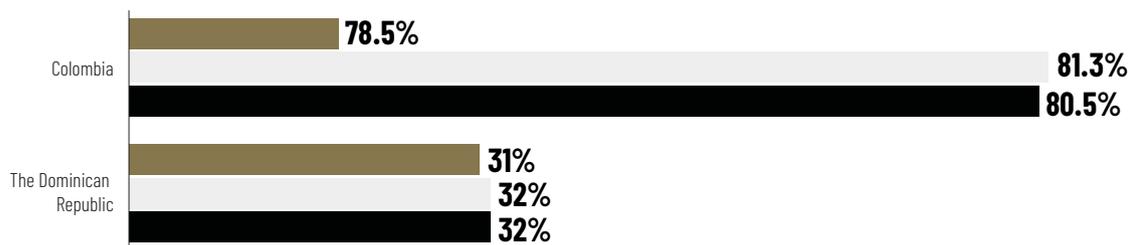
Sales Volume
(million of gallons)

■ 2015 ■ 2016 ■ 2017



Market Share
(percentage)

■ 2015 ■ 2016 ■ 2017



2012

Terpel redefines its strategy, focusing on people by offering the best service, the best infrastructure, and the most competitive price in the market, and changes its logo.

IN COLOMBIA, AVIATION IS A BENCHMARK FOR EXPERIENCE AND SERVICE

We partner with the air transportation industry, both passengers and cargo, and the military aviation sector in Colombia. For more than 50 years we have supplied A1 jet and Avgas fuels to 21 Colombian airports.

Just a few facts highlighting our commitment:

- We have consolidated our position as the fuel operator at the José María Córdova de Rionegro airport in Antioquia.
- We have moved forward with standardizing operations in Colombia and the Dominican Republic thanks to the implementation of the Aviation Operations Quality Manual incorporating international standards (the latest versions of JIG and ATA 103).
- We designed and implemented a course in T Class called Flying with Fuel, which reinforces basic knowledge of aviation fuel operations. Twenty-two aviation managers participated in the five-month course in 2017.
- We received certification in the new versions of ISO 9001, 14001 and 18001, and obtained a score of 9.9 out of 10 in NORSOK (highly relevant standards for Occupational Health & Safety).
- 201 people (customers) were trained at our Aviation Fuel School

We served 21 airports around the nation.

OVERALL SATISFACTION SCORE IN COLOMBIA¹²



IN THE DOMINICAN REPUBLIC, WE FLY HIGH TO BE THE BEST

- We offered our customers a differentiated service and continually strengthen our operations.
- The business grew 4.5% over the previous year.
- We received the triple certification that strengthens standardized processes in line with the local and international standards demanded by the sector.

We operate 5 airports in the country.

OVERALL SATISFACTION SCORE IN THE DOMINICAN REPUBLIC¹³



¹². Results of Aviation customer satisfaction survey, conducted by BrandStrat.
¹³. Results of Aviation customer satisfaction survey, conducted by BrandStrat.



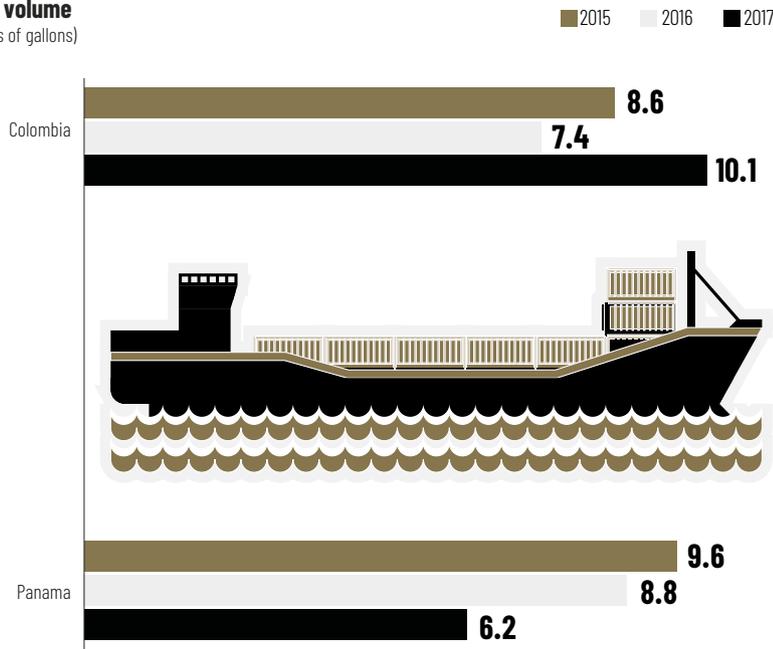


2013

Based on the concept, "we serve people, not cars," Terpel begins implementing complementary services such as Altoque stores, Ziclos car washes, and Deuna kiosks.

WE TRANSPORT MARINE FUEL IN COLOMBIA AND PANAMA

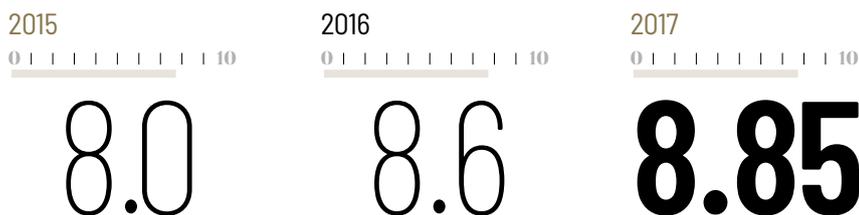
Sales volume
(millions of gallons)



In Colombia, we increased the database for active clients in the marine fuel business, leading to a 38% growth in sales volume with respect to the previous year.

We moved 10.1 million gallons of marine fuel for cargo ships and barges in 7 ports and 18 marine terminals, serving 115 international marine diesel customers.

OVERALL SATISFACTION SCORE IN COLOMBIA*



*Results of marine fuel customer satisfaction survey, conducted by BrandStrat

In Panama, we supplied fuel from the former Rodman naval base using lines, tank trucks or barges to fishing fleets operating in the Pacific. This project gave us:

- Greater presence and positioning of the Terpel image in the international marine fuel market.
- An increase in dispatch response speed for customers in the Pacific.
- Stronger relationships with suppliers, customers, and users of the terminal.
- Improved ability on the part of Terpel Panama to compete in the marine fuel market.

Service to 7 marine terminals and 14 ports in Panama.

In the year 2017, the industry's offshore activity was higher than previous years, and Terpel was a key partner to the companies that specialize in these services.



“ We’ve belonged to this family for more than 30 years, since my father’s days. We’re grateful for the support and backing we’ve received in hard times from Terpel”.

Mario Amador Vergara, EDS Laureles Service Station

INDUSTRY IN COLOMBIA, ECUADOR AND PANAMA

IN COLOMBIA, RUMBO TERPEL ADDS VALUE FOR OUR CUSTOMERS

[GRI 102-47](#) and [GRI 102-44](#)

MATERIAL ASPECT: ACCOMPANIMENT FOR AFFILIATES, SUPPLIERS, CUSTOMERS, AND CONSUMERS

We help our customers manage and control the supply of liquid fuels and NGV fuels.

1,600

liquid fuel service stations accessed Large Fleets and My Business online.

1,233 CUSTOMERS

used the web management tool.

12 CUSTOMERS

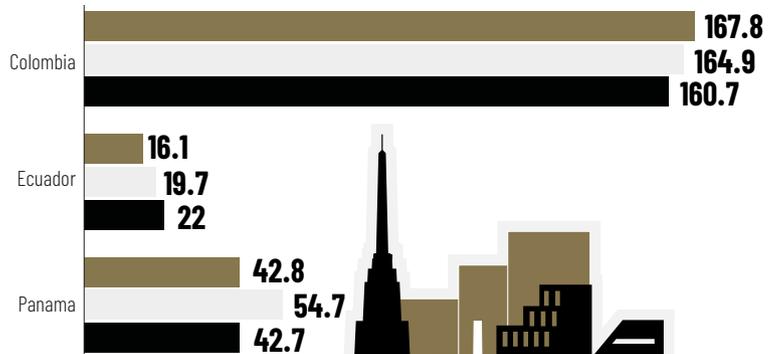
received the credit card option as a payment means.

SALESFORCE

training in the customer service model.

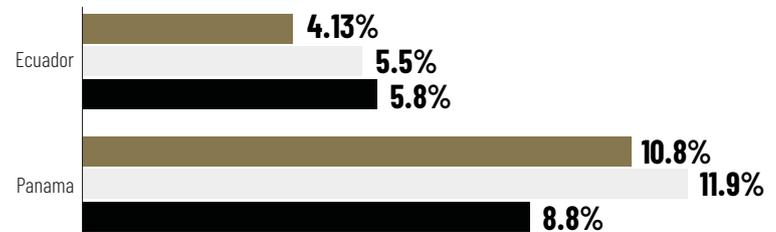
Sales volume
(millions of gallons)

■ 2015 ■ 2016 ■ 2017



Market Share
(Percentage)

■ 2015 ■ 2016 ■ 2017



0 | | | | | | | | | | 10

8.5

SATISFACTION SCORE FOR RUMBO TERPEL CUSTOMERS

603 LIQUID FUEL SERVICE STATIONS

interconnected, increasing network participation in the Rumbo Terpel program and offering better services to this segment of customers.





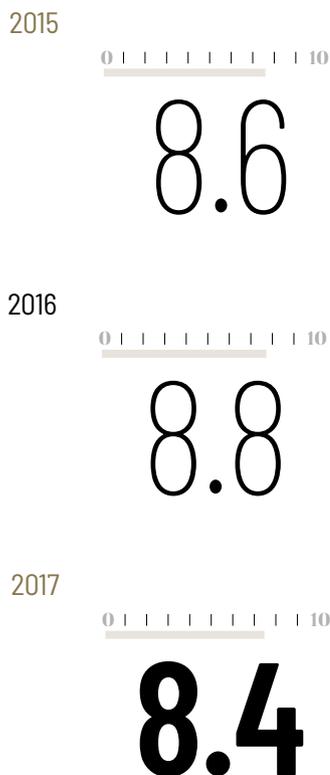
2013

Terpel Lubricants evolves in order to continue satisfying consumers, offering them technology, innovation, and safety.

'CLEAN INDUSTRY' TRANSMITS BEST PRACTICES TO OUR CUSTOMERS

In 2017 we made green visits to 50 industrial customers, executed 41 training sessions, and developed 13 occupational health programs

OVERALL SATISFACTION SCORE IN COLOMBIA¹⁴



IN ECUADOR, GROWTH IN THE INDUSTRY BUSINESS

While the industrial market grew 5.4% in 2017, our sales in this segment increased by 11.7% in comparison with the year 2016.

IN PANAMA, PROJECTS STRENGTHEN THE BUSINESS'S FUNCTIONALITY

We partner with the country's mining industry. As of 2016, we automated mining dispatches in Panama, the location of one of the copper mines with the greatest production in the world. This project led to better information collection and processing for information generated in the field, and greater control of the vehicles authorized for fuel use. At the same time, in 2017 this business produced sales for Terpel Panama of 17 million gallons, representing 11% more than the amount sold during the immediately prior year.

Other outstanding achievements in this segment:

- Speed and efficiency in invoicing monthly volumes.
- Expedited billing to the final consumer.
- Reduction of human error in information gathering.
- Greater control over daily dispatches and of taking inventory for tanks in the project.

TERPEL FOLLOWERS ON SOCIAL MEDIA

Twitter (@TERPELCOL) more than 20,279 followers at the close of 2017
Facebook (/TERPELCOLOMBIA) close to 94,630 followers at the close of 2017





2014

Terpel listed on the Colombian Securities Exchange.

CHALLENGES 2018

COLOMBIA

SERVICE STATIONS

Train partners

Dialogue with partners and franchises

NGV FUEL

Develop a 100% NGV vehicle and begin selling it.



2015

Terpel sets up exclusive pump islands for motorcycles, unique in Latin America.



CHALLENGES 2018

COLOMBIA

LUBRICANTS

Develop sales focused on the construction, oil, and agro-industry segments.

Reduce the costs of raw materials, inputs, and goods and services by 8% through negotiation focused on improving the operation.

Improve the customer service satisfaction survey score by two percentage points.



2016

Terpel is included in the RobecoSAM Sustainability Yearbook - the most recognized sustainability publication in the world - based on its good economic, social, and environmental practices.

CHALLENGES 2018

COLOMBIA

AVIATION

Sell fuel in additional airports.

Implement the new filtering model at the Aviation Fuel School.

Develop the in-house Aviation Fuel School for Star customers.

Optimize resources and extend use to more airports of best practices for managing water collection systems, communication equipment and energy.



2018

Terpel acquires ExxonMobil de Colombia's lubricant business, in addition to that company's operations in Ecuador and Peru, consolidating its leadership in the region through Mobil, the leading global brand in lubrication technology.

CHALLENGES 2018

COLOMBIA

INDUSTRY

Certify the Commercial, Projects, Maintenance and Operations processes in ISO 9001, 14001 and 18001.

Use the Rumbo Digital tool to standardize customer's administrative processes (Large Fleets, My Business, and communities).

Continue strengthening the Rumbo Terpel program.





2018

Terpel completes 50 years of service to Colombians.

CHALLENGES 2018

COLOMBIA

MARINE

**Increase sales to the segment
of government institutions.**



Transparency

GOOD CORPORATE GOVERNANCE

[GRI 102-47](#), [GRI 103-1](#), [GRI 102-44](#) and [GRI 103-2](#)

MATERIAL ASPECT: GOOD CORPORATE GOVERNANCE AND TRANSPARENCY

We are committed to protecting shareholders' and investors' rights and interests. The principles of respect, integrity, and trust, and the highest international standards and best practices orient every engagement with different stakeholders and governing bodies, as we control the creation of value, and guarantee fair and equal treatment for the exercise of the rights of all our shareholders. We define clear and transparent rules that are known to the public regarding the functioning of the Shareholders Assembly, the Board of Directors, and other administrative and supervisory bodies. We provide an architecture that identifies and manages the company's different risks, and deliver timely, high-quality, and balanced information.

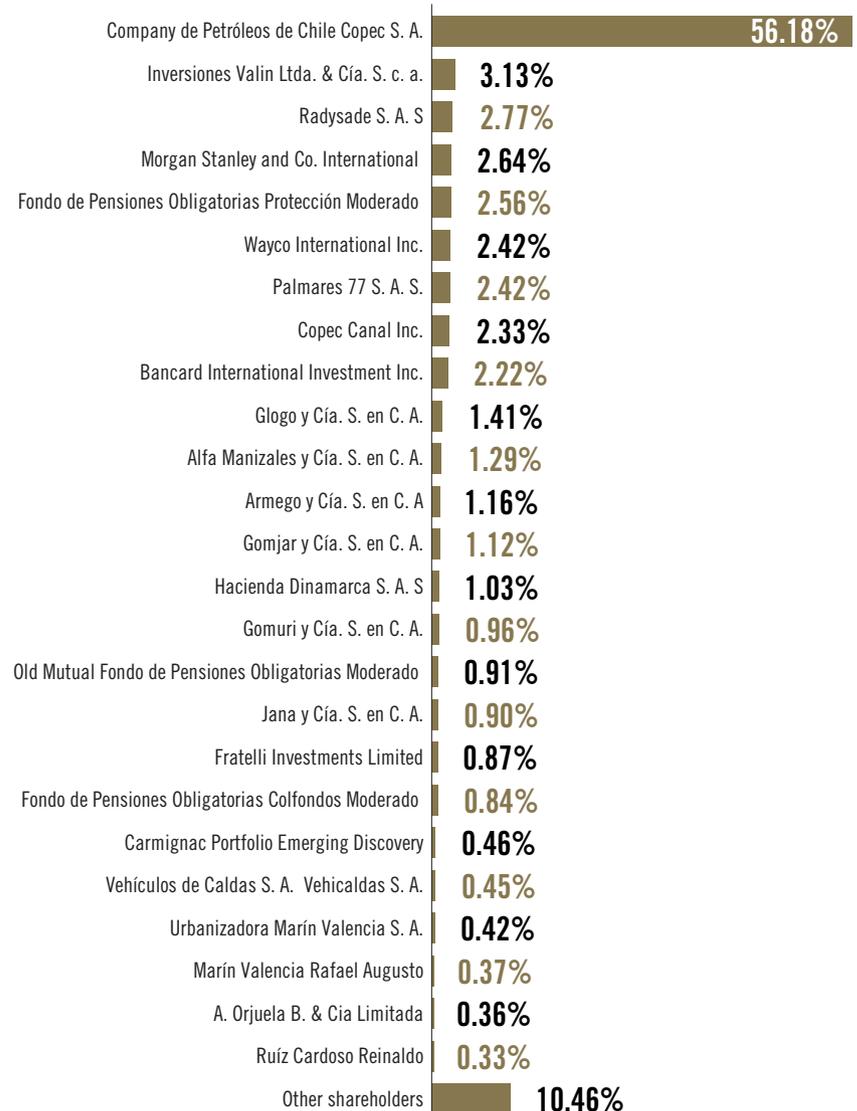
Our mechanisms for self-regulation, compliance, and corporate governance stem from a culture based on values. Corporate governance is given relevance and meaning by managing it as a function of sustainable development.

SHAREHOLDER COMPOSITION IN OUR COMPANY IN 2017

Main shareholders and partners:

Shareholding Structure

2017





1969 - 1996

**GOLD TUNJO
FIGURE**

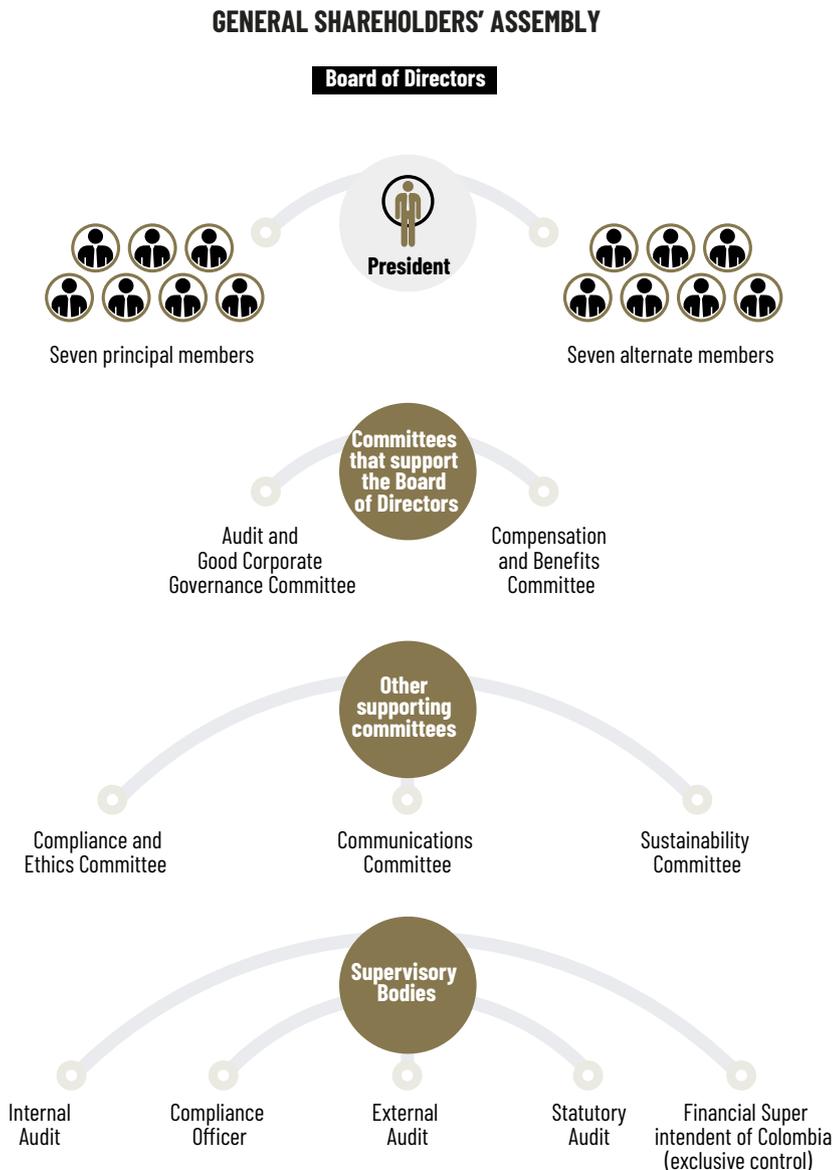
Represented the essence of Colombia, expressing combustion and energy.

BODIES FACILITATING AND GUARANTEEING GOOD GOVERNANCE

TERPEL'S BOARD OF DIRECTORS IS AN EXAMPLE OF BEST PRACTICES

In our capacity as an issuer of securities, we have a Board of Directors made up of seven principal members and seven alternate members, 25% of whom are independent. All of the independent members of the Board of Directors are on the Audit Committee, a collegial body that is presided over by a member who meets all of the legal requirements for independence.

Principal members	Alternate members
Lorenzo Gazmuri Schleyer, Presidente	Frederic Chaveyriat Roca
Jorge Andueza Fouque	Eduardo Navarro Beltrán
Ramiro Méndez Urrutia	Jorge Andrés Garcés Jordán
Leonardo Ljuretic Garib	Rodolfo Castillo García
Jorge Bunster Betteley	Arturo Natho Gamboa
José Óscar Jaramillo Botero (independent)	Gabriel Jaramillo (independent)
Bernardo Dyner Rezonzew (independent)	Tulio Rabinovich Manevich (independent)





1997 - 2005

A SUN IN MOTION

For the first time the sun is established as the image. It represented energy as a source of life, light, innovation, progress, and patriotism.

MECHANISMS FOR SAFEGUARDING OUR SHAREHOLDERS' INVESTMENTS

[GRI 102-47](#) and [GRI 102-44](#)

MATERIAL ASPECT: GOOD CORPORATE GOVERNANCE AND TRANSPARENCY

Terpel's codes, regulations, and policies transmit the values, principles, standards, and norms for the behavior of our internal groups.

GLOBAL COMPACT PRINCIPAL 10

- Corporate bylaws
- Code of Good Corporate Governance¹⁵
- Regulations for the General Shareholders' Meeting, the Board of Directors, the Audit, Risks, and Good Corporate Governance Committees, and the Compensation and Benefits Committee
- Code of Conduct¹⁶
- Policy Manual for the Prevention of Asset Laundering and the Financing of Terrorism
- Policy for Compliance with Accounting Transparency and Anti-bribery Practices relative to Government Officials
- Data Protection Policy
- Confidential Whistleblowing Line: <https://www.reportesconfidencialesterpel.com/>
- Report on Best Corporate Practices, Country Code Survey¹⁷

TERPEL TAKES INITIATIVE TO PREVENT CORRUPTION AND BRIBERY

GLOBAL COMPACT PRINCIPAL 10

After strategies were evaluated inside the company for preventing and controlling asset laundering and the financing of terrorism, we implemented a Best Practices Manual to mitigate possible risks of corruption and transnational bribery. The manual establishes general guidelines to be adopted by Terpel for the ML/FT Risk Management system, allowing us to continue strengthening the process of Good Corporate Governance.

TERPEL RECOGNIZED FOR BEST PRACTICES IN INFORMATION DISCLOSURE

The Colombian Securities Exchange, for the fifth consecutive year, awarded Terpel the IR (Investor Relations) Award to highlight our performance in terms of timeliness, balance, and transparency in the publication of information for the market.

¹⁵. To consult our Good Corporate Governance Code go to: <http://www.terpel.com/Global/Accionistas/Codigo-de-Buen-Gobierno-Corporativo-Actualizado-articulo-5222.pdf>

¹⁶. To consult our Code of Conduct go to: <https://www.terpel.com/Global/Accionistas/Codigo%20de%20etica.pdf>

¹⁷. To consult the Country Code Survey 2015, go to: <http://www.terpel.com/Global/Accionistas/Gobierno-corporativo/descargables/encuesta-codigo-pais%202015.pdf>





2006 - 2012

THE SUN TO LIVE PROSPEROUSLY

The logo expressed the company's solidity, strength, vitality, nearness, and warmth of feeling.

ASSESSMENT OF CORRUPTION RISKS

GLOBAL COMPACT PRINCIPAL 10

Terpel assesses its work centers to prevent any corruption that could occur in its operations

Operation centers assessed for risk of corruption	2015	2016	2017
Service Stations	0	0	0
Plants	3	1	1 ¹⁸
Regional Offices	5	5	7
Main Office	1	1	1

WE ARE THE ONLY FUEL DISTRIBUTION COMPANY WITH AN AAA RATING FROM FITCH

For the second consecutive year, Fitch ratings gave Terpel an "AAA" rating as a market leader, demonstrating the stability of its operations and the leverage generated by both credibility and confidence from the securities market.

MERCO INDEX HIGHLIGHTS TERPEL'S BUSINESS LEADERSHIP

The well-known reputation monitor, Merco Empresas, ranked Terpel at position 22, and President Sylvia Escovar in position 15, among the best 100 companies nation-wide. It also ranked us second in the oil and hydrocarbon distribution sector.

The evaluation is based on the perception and assessment of 18 groups of stakeholders of the quality of the commercial offer, internal reputation, corporate ethics, social responsibility, and the financial and economic results of participating companies.

¹⁸. Alteration of the calibration factors in Rionegro. In consequence, the personnel implicated were fired.





2012 - 2018

**AT YOUR
SERVICE**

The sun comes to represent Terpel's focus on people; the innovative icon becomes more human and approachable.

CHALLENGES 2018

COLOMBIA

Train 100% of employees according to the best standards and policies for the prevention of corruption, asset laundering, and financing of terrorism.

Continue strengthening the decision-making process by the Board of Directors in line with the sustainability focus, in order to continue reinforcing ethical and transparent conduct.

Strengthen ethics and transparency in the behavior of employees through training.



Leadership

GROWTH OF THE TERPEL TEAM

[GRI 102-47](#), [GRI 103-1](#), [GRI 102-44](#) and [GRI 103-2](#)

MATERIAL ASPECTS: FAIR LABOR RELATIONS AND CONDITIONS
SAFE OPERATING CONDITIONS

We know that people and organizations choose each other in order to work toward commonly-held objectives, share values, and create dynamics for mutual growth. That's why the whole Terpel team has been crucial on our journey to establish ourselves as leaders in Colombia and Latin America. Together, we focus on finding out what employees need and building an environment that allows them to develop holistically and in harmony, not just at Terpel but on a personal and family level, and in society in general.

As part of a culture based on values, we work persistently, starting during our selection process, to train people who are strong leaders to actively participate in their development, in our growth, in building society, and in conserving the environment. We encourage them to engage in conduct that is ethical, respectful, and transparent. We promote innovation and dedication to service both inside the company and outward toward our stakeholders. And we draw attention to joint efforts and shared responsibility because we are convinced that teamwork brings individual capacities to potential. Our human talent is our most important resource, stamped with the Terpel seal that makes us unique.

HALF A CENTURY CREATING JOBS

During 50 years of operations, we have been dedicated to providing decent jobs and rejecting all kinds of discrimination, whether based on gender, race, political orientation, or religious beliefs. Terpel assures optimum conditions are met, in favor of a better quality of life and greater well-being for employees.

NUMBER OF DIRECT EMPLOYEES

	2015	2016	2017
Colombia	1,237	1,297	1,329
Ecuador	38	58	57
Panama	715	885	1,021
Peru	45	397	408
The Dominican Republic	64	83	84

NUMBER OF DIRECT EMPLOYEES BY COUNTRY AND GENDER

	2015		2016		2017	
						
Colombia	790	447	841	456	867	462
Ecuador	23	15	36	22	34	23
Panama	343	372	392	493	466	555
Peru	26	19	137	260	119	289
The Dominican Republic	58	6	73	10	74	10





“ Since 1988 we have been working with Terpel, the most progressive brand in our country. Many thanks to the company for allowing me to grow as a businessman and for contributing to the country’s growth”.

Pedro Lorza, EDS Andalucía#2 Service Station

NUMBER OF DIRECT EMPLOYEES BY TYPE OF CONTRACT AND COUNTRY

	2015		2016		2017	
	Fixed Term	Indefinite duration	Fixed Term	Indefinite duration	Fixed Term	Indefinite duration
Colombia ¹⁹	41	1,196	53	1,244	58	1,271
Ecuador	0	38	0	58	0	58
Panama	4	711	3	882	0	1,021
Peru ²⁰	20	25	359	38	359	49
The Dominican Republic	0	64	0	83	0	84

PERCENTAGE OF SENIOR MANAGEMENT OF LOCAL ORIGIN²¹ BY COUNTRY²²

	2015	2016	2017
Colombia ²³	96%	97%	95.2%
Ecuador	83%	83%	83%
Panama	95%	77%	60%
Peru	67%	75%	75%
The Dominican Republic	75%	75%	100%

19. In this report, information on Colombia refers to occupied positions, not including vacancies not filled. Does not include expatriate employees, employees of the Terpel Foundation, employees of commercial partners such as OPESE, franchises, interns, or temporary workers.

20. Adjustments were made taking into account an internal review.

21. Born in the countries where Terpel operates.

22. Positions considered to be senior management in countries other than Colombia: Managers, directors, and department heads.

23. Positions considered to be senior management in Colombia: President, vice presidents, managers, and directors



EMPLOYEE DISTRIBUTION ACCORDING TO AGE RANGE (NUMBER OF PEOPLE)

COLOMBIA	2015	2016	2017
18-30 years	316	309	299
31-50 years	808	846	871
+50 years	113	142	159
ECUADOR			
18-30 years	10	25	29
31-50 years	26	30	24
+50 years	2	3	4
PANAMA			
18-30 years	284	376	471
31-50 years	380	450	492
+50 years	51	59	58
PERU			
18-30 years	17	225	213
31-50 years	26	166	186
+50 years	2	6	9
THE DOMINICAN REPUBLIC			
18-30 years	5	5	6
31-50 years	52	71	69
+50 years	7	7	9





We create memorable experiences for the more than 2 million people who visit us daily.

EMPLOYEE DISTRIBUTION BY POSITION (NUMBER OF PEOPLE)

COLOMBIA	2015	2016	2017
Managers: President, Vice President and Managers	29	28	29
Executives: Directors	54	58	55
Professionals: Heads and Analysts	533	547	553
Otros cargos: Técnicos y Operarios	621	664	692
ECUADOR			
Managers: President, Vice President and Managers	1	1	1
Executives: Directors	3	3	3
Professionals: Heads and Analysts	17	19	18
Other positions: Technicians and Operators	17	35	35
PANAMA			
Managers: President, Vice President and Managers	3	5	5
Executives: Directors	6	13	13
Professionals: Heads and Analysts	70	121	137
Other positions: Technicians and Operators	636	746	866
PERU			
Managers: President, Vice President and Managers	3	3	3
Executives: Directors	11	1	1
Professionals: Heads and Analysts	29	41	45
Other positions: Technicians and Operators	2	352	359
THE DOMINICAN REPUBLIC			
Managers: President, Vice President and Managers	1	1	0
Executives: Directors	3	3	3
Professionals: Heads and Analysts	8	9	14
Other positions: Technicians and Operators	52	70	67



HIRING AND RETENTION RATE

COLOMBIA	2015	2016	2017
Number of employees at the start of the period	1,218	1,237	1,288
Number of employees at the end of the period	1,237	1,297	1,329
New Hires	186	166	148
Separations	165	107	116
Annual turnover rate ²⁴	14.4%	10.8%	10.1%
Annual rate for voluntary separation ²⁵	6.8%	5.2%	4.8%
Average monthly employee turnover rate	1.2%	0.9%	0.8%
Average annual voluntary employee turnover rate	0.6%	0.4%	0.41%

MONTHLY TURNOVER RATE

COLOMBIA	2015	2016	2017
January	1.1%	1.0%	0.9%
February	1.3%	1.2%	0.8%
March	1.1%	1.3%	0.8%
April	1.0%	1.0%	0.6%
May	1.9%	0.8%	1.0%
June	1.9%	0.9%	0.8%
July	1.1%	0.7%	1.0%
August	1.1%	0.6%	0.9%
September	1.2%	0.5%	0.8%
October	1.0%	1.5%	1.2%
November	1.1%	0.5%	0.8%
December	0.7%	0.7%	0.6%

²⁴ Annual turnover rate: average hires + separations/average personnel at the start of the period + personnel at the end of the period X 100.
²⁵ Annual rate for voluntary separation: Voluntary separations during the year /average personnel for the year X 100.



With Gazel we offer a sustainable option for mobility that respects the environment.

ANNUAL TURNOVER RATE

ECUADOR	2015	2016	2017
Number of employees at the start of the period	31	38	58²⁶
Number of employees at the end of the period	38	58	57
New Hires	9	26	18
Separations	2	6	19
Turnover rate	5.2%	10.3%	32%
Voluntary turnover rate for employees	2.6%	1.7%	1.75%
PANAMA			
Number of employees at the start of the period	563	715	881
Number of employees at the end of the period	715	885	1,021
New Hires	434	456	488
Separations	290	277	346
Turnover rate	41%	50%	44%
Voluntary turnover rate for employees	22%	27%	19%
PERU			
Number of employees at the start of the period	43	45	345
Number of employees at the end of the period	45	397	408
New Hires	16	352	277
Separations	11	270	201
Turnover rate	31%	140%	63%
Voluntary turnover rate for employees	24%	20%	4%
THE DOMINICAN REPUBLIC			
Number of employees at the start of the period	66	65	82
Number of employees at the end of the period	64	83	84
New Hires	0	17	5
Separations	2	1	3
Turnover rate	3%	13%	5%
Voluntary turnover rate for employees			6%

26. Includes personnel at operating company.



SEPARATIONS BY CAUSE

COLOMBIA	2015	2016	2017
Mutual agreement	31	3	7
Resignation	84	66	63
Retirement	0	0	2
Death	1	0	0
Others ²⁷	49	38	44
Total	165	107	116
ECUADOR			
Dismissal	1	3	4
Mutual agreement	0	0	0
Resignation	1	1	4
Retirement	0	0	0
Death	0	0	0
Others	0	2	0
Total	2	6	8
PANAMA			
Dismissal			24
Mutual agreement	22	20	22
Resignation	153	154	192
Retirement	0	0	0
Death	0	2	0
Others	115	101	108
Total	290	277	346

27. This item includes contract terminations with or without just cause and probation periods.





“ In the 90s I began to dream about building a service station in the Cuba neighborhood of Pereira. My background as a lawyer and a teacher had little to do with gas stations. Terpel allowed me to stop being an employee and become a businessman. Today, my question is: What would my life have been like without Terpel?”

Jaime Velásquez, EDS Parque Olaya Service Station

SEPARATIONS BY CAUSE

PERU	2015	2016	2017
Dismissal		60	2
Mutual agreement	1	2	0
Resignation	6	82	62
Retirement	0	0	0
Death	0	0	0
Others	4	126	137
Total	11	270	201
THE DOMINICAN REPUBLIC			
Dismissal		0	2
Mutual agreement	0	1	0
Resignation	1	1	2
Retirement	0	0	0
Death	1	0	0
Others	0	0	0
Total	2	2	4



PROMOTIONS, FIRST SOURCE FOR FILLING VACANCIES

PEOPLE RECEIVING PROMOTIONS (NUMBER)

	2015	2016	2017
Colombia	83	74	101
Ecuador	1	2	1
Panamá	14	3	9
Perú	8	24	21
The Dominican Republic	3	2	2

VACANT POSITIONS FILLED INTERNALLY (PERCENTAGE)

	2015	2016	2017
Colombia	34.2%	50.8%	60%
Ecuador	0%	33%	33%
Panamá	23%	0%	90%
Perú	4%	11%	0.08%
The Dominican Republic	100%	100%	0%

IN COLOMBIA, GROWTH IS INCLUSIVE

In partnership with the Best Buddies Foundation, we expanded the job inclusion program. At the close of the year, we had three employees located in the main office and in the Antioquia regional office. This initiative teaches participants how to work well with other people and how to communicate; it teaches leadership and good on-the-job habits to the people from the foundation who come to work at Terpel.

We implemented the *International Mobility* program to open up opportunities for employee work experience in our operations in other countries. In 2017, this chance to learn about other cultures led employees to move from Colombia to Chile, Panama, and Peru. Terpel provided support and logistics, immigration paperwork, instruction, and assistance for employees and their families as they adapted to their new surroundings.





We create value for our local providers, becoming their best client.

IN PANAMA, THE KONZERTA JOB FAIR

With the goal of adding candidates from communities near our operations to our database and covering vacant positions in the company, we developed the Konzerta Job Fair Tour. During the tour the human resources team gathered resumes at service stations in the provinces of Colón, Coclé and Panama City. As a result, we added 1,538 resumes to our database while giving Terpel visibility as a source of jobs.

IN PERU, LOCAL JOB CENTERS ESTABLISHED

The Terpel Employer Brand program was implemented as a recruiting strategy. In this framework, we worked with employment agencies (Aptitus, Bumeran, and agencies connected with colleges and institutions), participated in job fairs, and strengthened partnerships with local governments.

As a result, employees from those agencies went from 4% to 12% of our payroll, while at the same time we generated employability in the community near our area of operation. This had a positive impact on the municipalities of Surco and San Juan de Miraflores, the job promotion office in the municipality of Lurín, the Job Center in the municipality of Olivos, the municipality of Comas, the Job Center in Ate, the Municipal Employment Center, and the municipality of Ventanilla.

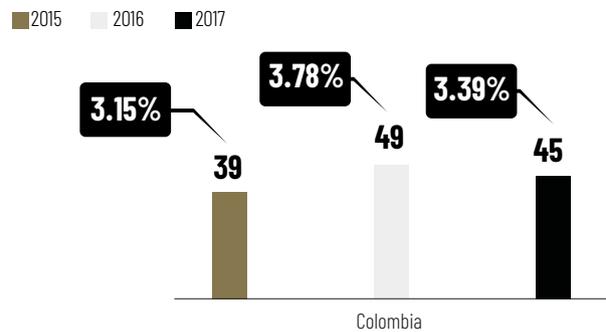
WE RESPECT FREEDOM OF ASSOCIATION

GRI 102-41

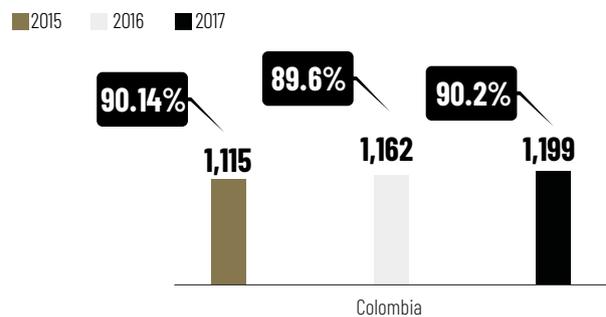
GLOBAL COMPACT PRINCIPAL 3

We ensure free exercise, without restrictions, of freedom of association.

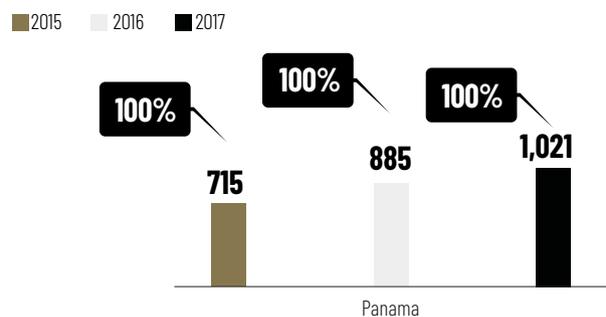
Unionized Employees



Employees covered by the collective employment agreement



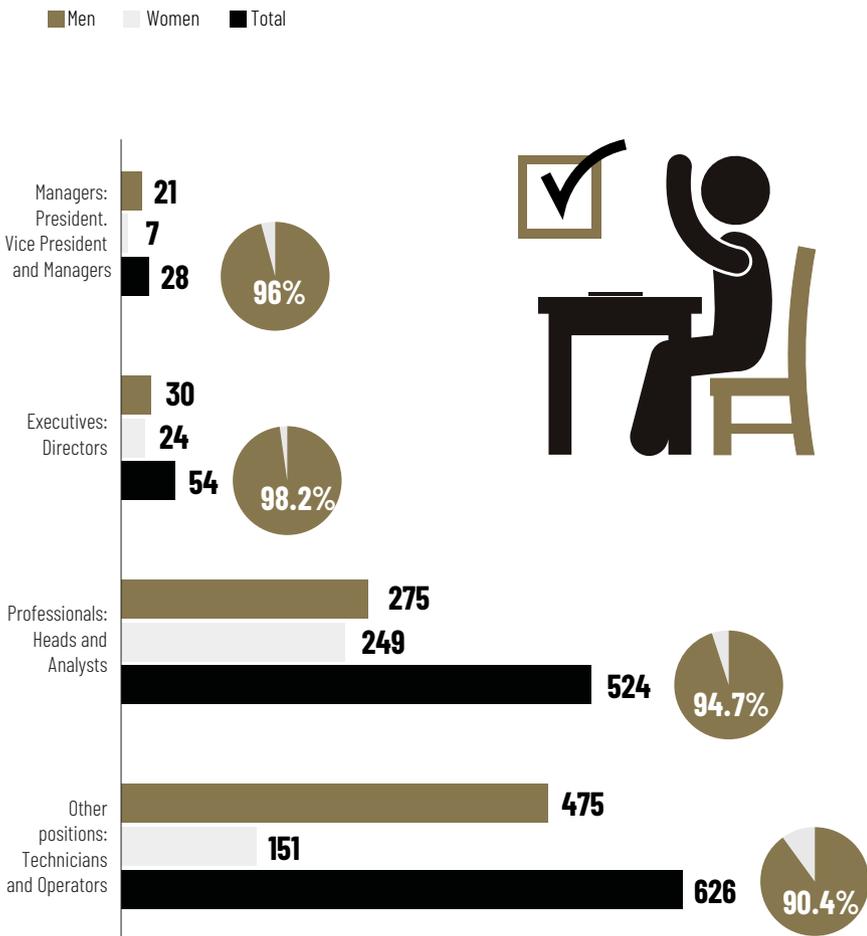
Employees covered by the collective employment agreement



PERFORMANCE EVALUATION, A PRACTICE THAT STRENGTHENS PERSONNEL

Developing action plans for individuals and teams, generating knowledge, facilitating an exchange of know-how and best practices, and empowering the growth of employees are the goals of our performance evaluation process.

1,232 people evaluated



In Perú, during 2017 we measured employee performance using our own methodology. The evaluation allowed us to measure corporate indicators, indicators for individual positions, and personal competencies. We evaluated a total of 82 employees and they developed action plans with the help of their supervisors.

In Ecuador, we did performance evaluations for the first time, for 90% of the administrative and operations personnel. As a key part of the initiative, each employee worked with his or her supervisor to develop a personal development plan, thus fomenting communication between supervisors and their teams. We also determined and developed tailor-made training programs based on performance evaluation results, taking them into account, as well, for salary analyses.

In the Dominican Republic, we aligned performance evaluations with the process in Colombia, applying the tool to 100% of the team, and producing development plans for the personal and professional growth of each employee.





Our priorities are excellence in operations, accuracy, safety, reliability, and technology, and that's why we're the best partner on the ground.

50 YEARS GENERATING GROWTH FOR OUR TEAMS

Terpel sets aside space and time for human resource training and development, Training instills an attitude of service, an orientation toward results, and strategic discipline based on the acquisition and perfection of skills, abilities, attitudes, and knowledge, Such training helps our personnel do the work well, while providing opportunities for their progress both inside and outside of the organization,

TERPEL TRAINING FIGURES

Investment in training (pesos)

	2015	2016	2017
Colombia	1,963,065,516	2,267,543,208	2,282,943,678
Ecuador	19,926,114	46,787,070.32	46,853,300
Panama	412,997,298	567,095,180.77	1,129,539,488 ²⁸
Peru	64,030,927	19,984,550.51	11,358,540.74 ²⁹
The Dominican Republic	150,869,008	129,600,000	23,552,712 ³⁰

28. During 2017 we reactivated and expanded our employee training programs for both administrative and service station employees.

29. Converted from 12,333 new sols to Colombian pesos according to the average exchange rate (Colombia) in 2017 of: 3.24 (sols to dollars) and 2.984 (dollars to Colombian pesos)

30. Converted from 7.893 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2017 of 2.984



AVERAGE TRAINING HOURS BY GENDER, COLOMBIA

2015			2016			2017		
		Total			Total			Total
29.05	28.36	28.71	67.26	46.33	59.90	43.43	30.26	38.84

AVERAGE TRAINING HOURS BY JOB CATEGORY AND GENDER, COLOMBIA

Category	2015			2016			2017		
			Total			Total			Total
Managers	24.28	21.2	22.74	62.40	39.56	55.88	37	41	38
Executives	37.42	40.19	38.81	39.31	49.21	43.75	49	41	45
Professionals	36.24	32.61	34.43	59.55	49.83	54.86	41	34	38
Other positions	24.55	19.49	22.02	73.51	40.35	65.62	44	23	39

AVERAGE TRAINING HOURS BY GENDER, ECUADOR

2015			2016			2017		
		Total			Total			Total
10.94	18.77	14.85	46.76	26.5	38.38	22	21	21

AVERAGE TRAINING HOURS BY JOB CATEGORY AND GENDER, ECUADOR

Category	2015			2016			2017		
			Total			Total			Total
Managers	0	0	0	12	0	12	18	0	18
Executives	26	24	25	74	20	56	22	18	21
Professionals	10.29	12.86	11.57	79	40	60	22	20	21
Other positions	9.12	26	17.56	11	5	9	24	22	23





“ I want to congratulate Terpel for 50 years at the service of transporters and investors, but above all, 50 years at the service of the nation”.

Bertulio Ruiz, EDS Coomodequi Service Station

AVERAGE TRAINING HOURS BY GENDER, PANAMA

2015			2016			2017		
		Total			Total			Total
20	20	20	20	20	20	15	12	13

AVERAGE TRAINING HOURS BY JOB CATEGORY AND GENDER, PANAMA

Category	2015			2016			2017		
			Total			Total			Total
Managers	4	4	4	4	4	4	30	43	33
Executives	4	4	4	4	4	4	33	33	28
Professionals	4	4	4	4	4	2	43	43	43
Other positions	24	24	24	24	24	23.63	52	51	51

AVERAGE TRAINING HOURS BY GENDER, PERU

2015			2016			2017		
		Total			Total			Total
26	29	27.5	0.4	0.4	0.4	5.8	6.3	6.2

AVERAGE TRAINING HOURS BY JOB CATEGORY AND GENDER, PERU

Category	2015			2016			2017		
			Total			Total			Total
Managers	206	0	206	0	0	0.0	0.0	0.0	0.0
Executives	38	60	49	2	2	0.4	0.0	0.0	0.0
Professionals	436	485	460.5	42	56	2.9	5.1	5.1	4.6
Other positions	18	12	15	32	32	0.3	4.0	6.6	6.6



AVERAGE TRAINING HOURS BY GENDER, THE DOMINICAN REPUBLIC

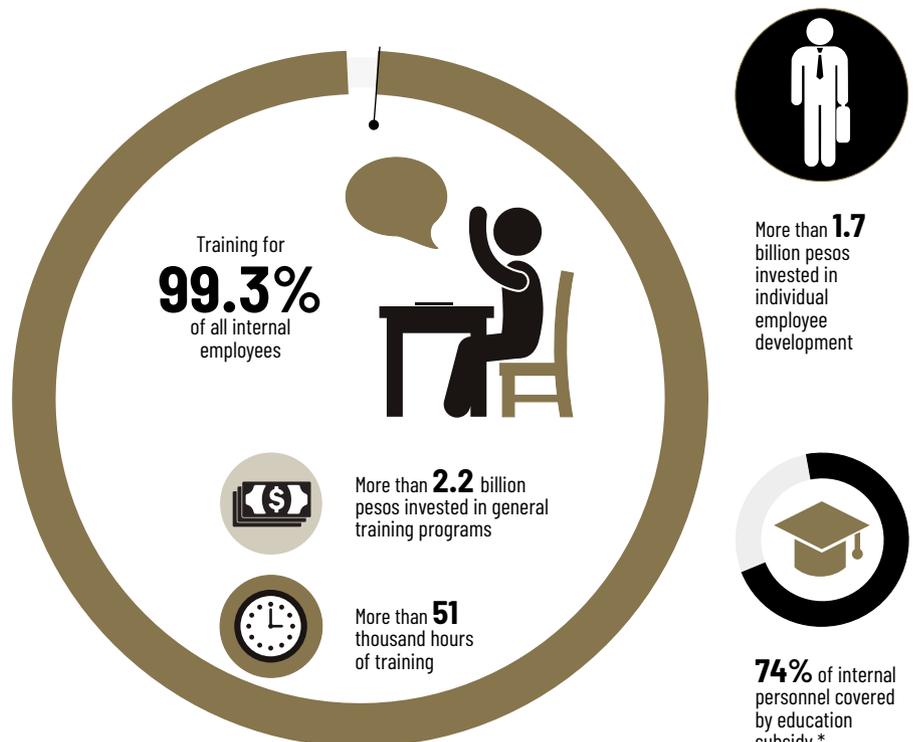
2015			2016			2017		
Male	Female	Total	Male	Female	Total	Male	Female	Total
12	3	7,5	27	20	5.10	66	6	4

AVERAGE TRAINING HOURS BY JOB CATEGORY AND GENDER, DOMINICAN REPUBLIC

Category	2015			2016			2017		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Managers	12	0	12	30	12	42	0	0	0
Executives	0	0	0	0	0	0	58	40	39
Professionals	19	15	17	12	20	32	19	43	26
Other positions	35	0	35	26	8	34	54	36	35

IN COLOMBIA,
PROGRESS MADE
IN TRAINING

Terpel promotes conscientious leadership. That's why 15% of our team participated in coaching programs, and 22% of those who participated were company managers.



*Voluntary benefit



We create memorable experiences in order to be the # 1 brand in the heart of consumers.

INNOVATION IN TCLASS KEEPS US ON THE VANGUARD

We implemented new curriculum in 2017 for three classes. A gamification exercise uses dynamic methodologies for gaining knowledge of different areas, using play as a way for our employees to learn.

WE REWARD GOOD RESULTS

It's important for employees to understand how important they are to us. That's why the Super T program rewarded the excellent performance of 353 employees who did an excellent job and made a significant impact in favor of the company.

WE'RE PART OF OUR EMPLOYEES' DEVELOPMENT

More academic opportunities are now available to our employees and their families through 11 new agreements with universities all over the nation. We also made our language program more robust by offering courses outside the country at all levels. During 2017, employees from different regions benefited from the business English immersion program abroad.

WE BUILD CAPACITY AND STRENGTHEN THE SKILLS OF OUR TEAMS IN EVERY COUNTRY WHERE WE OPERATE

IN ECUADOR

- 100% of our administrative personnel participated in the '7 Habits of Highly Effective People' program. It gave them tools and guidelines for changing non-productive habits, while creating new habits that make it easier to reach career and personal goals.
- Fuel terminal operators now have reinforced knowledge of operations and finances, and of their specific job functions. This ongoing education helps them more effectively do their jobs.

IN PANAMÁ

Through our Administrators' School, we strengthened leadership abilities, team management, excellence in service, processes and continuous improvement for 66 service station administrators, including 40 women and 26 men.

IN PERÚ

- We implemented the Station Leaders program with the purpose of empowering and developing the leadership of service station administrators, so they can better manage their teams.
- We made the annual training plan more robust through the Improving Together program targeting service station personnel and staff, empowering them and reinforcing their leadership abilities and knowledge by increasing percentage participation 11% from 2016 to 2017. Total training hours went from an average of 166 hours in 2016 to 279 hours in 2017.

IN REPÚBLICA DOMINICANA

We trained leaders who are responsible for other personnel in communication techniques and strategies for interpersonal relationships, with the purpose of improving interaction between teams.



TERPEL SCHOOLS. TO BE THE BEST IN SERVICE

We share a passion for service with our partners and customers. Terpel Schools have become an arena for comprehensive education and training for pump island attendants and service station managers. who are the ones who reflect our brand to people on the road

The Pump Island School and Administrators' School . communicate the importance of offering the best of experiences to people who visit service stations. as we deliver just the right amount of fuel. friendly treatment. and excellent service.

COLOMBIA		Year	Number of individuals trained			Average hours of training		
					Total			Total average
Pump Island School	2015	4,304	1,541	5,845	7.20	7.23	7.22	
	2016	4,195	1,746	5,941	13.80	14.43	13.98	
	2017	4,754	2,458	7,212	10.22	10.30	10.25	
Administrators School	2015	234	299	533	1.24	1.15	8.12	
	2016	112	97	209	8.06	8.06	8.06	
	2017	266	264	530	7.38	7.04	7.21	

ECUADOR		Year	Number of individuals trained			Average hours of training		
					Total			Total
Pump Island School	2015	149	31	180	12	12		
	2016	154	38	202	16.4	4.2		
	2017	293	69	362	21	21	21	



We're the first carwash in the country to give its clients the experience of washing their car, listening to their favorite music, but without getting wet.



PANAMA	Year	Number of individuals trained			Average hours of training		
				Total			Total
Pump Island School	2015	8,656					
	2016	753					
	2017	516	382	898	12	12	12
Administrators School	2015	10					
	2016	92					
	2017	40	26	66			

The Store School, trains personnel in convenience store skills while strengthening their abilities.

COLOMBIA	Year	Number of individuals trained			Average hours of training		
				Total			Total average
Store School	2015	114	416	530	6.28	6.21	5.44
	2016	405	107	512	5.33	4.78	4.89
	2017	61	145	206	5	4	5

The Franchise School, provides all the tools necessary for a third-party to develop the service station business in alignment with Terpel-owned stations.

COLOMBIA	Year	Number of individuals trained			Average hours of training		
				Total			Total average
Franchise School	2015	26	12	38	23.5	22.5	8
	2016	47	14	61	21	20	6.89
	2017	13	6	19	80	80	80

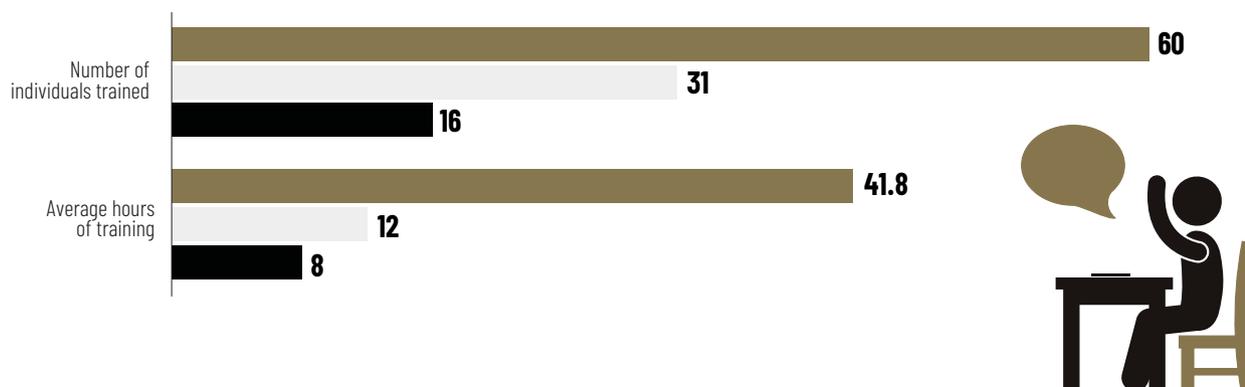


The Aviation School, trains and shares best practices that will ensure the quality of our business. In the Dominican Republic we developed three modules in 2017.

COLOMBIA	Year	Number of individuals trained			Average hours of training		
				Total			Total average
Aviation School	2015	274	25	299	7.82	7	7.75
	2016	233	26	259	13.55	14.81	13.68
	2017	182	19	201	15.88	12.16	15.53

The Dominican Republic

■ 2015 ■ 2016 ■ 2017



The Industry School, shares best practices for the operation and handling of fuel, highlighting the importance of taking care of the environment.

COLOMBIA	Year	Number of individuals trained			Average hours of training		
				Total			Total average
Industry School	2015	154	36	190	5.06	6	5.24
	2016	336	92	428	4.04	4	4.03
	2017	50	293	343	4	4	4





50 YEARS OF COMMITMENT TO OCCUPATIONAL HEALTH AND SAFETY

We identify, evaluate, and control the hazards of the operation in order to protect the health and safety of employees. We also put actions in motion to create incentives for self-care and mitigate risks derived from the job.

In Colombia,

- We continuously share compliance indicators for each work center using scorecards.
- We do HSEQ audits for contractors to validate their legal compliance, risk control, and promotion and prevention activities.

WE DECREASED
ABSENTEEISM
BY

62%

WE LOWERED
THE ACCIDENT
RATE BY

33.6%

93% OF WORKERS
ARE COVERED BY
PREPAID MEDICAL
ASSISTANCE³¹

In Ecuador, we guaranteed our business operates safely.

- We gave all workers mandatory occupational check-ups and, based on the results, provided individual feedback to each employee to help him stay healthy.
- We supervised compliance on the part of our contractors with safe procedures.

In Panama, 337 training programs ensured best practices for operations, targeting service station personnel, contractors, and marine operations personal. The programs covered topics such as safe work permits, safe operations, use and handling of extinguishers, unloading at night, and handling spills.

In Peru, we organized four training sessions at each service station, and 90% of all employees participated. During the four meetings, participants received information about:

- First aid
- Using extinguishers
- Evacuation plan
- Active breaks
- Prevention of over-exposure to the sun
- Managing job stress

We also organized visits by a social worker and an occupational physician to reinforce health and safety topics related to each role.



FIGURES ON PRACTICES TO PROTECT HEALTH AND SAFETY

COLOMBIA*	2015			2016			2017		
			Total			Total			Total
Work-related fatalities (total number)	0	0	0	0	0	0	0	0	0
Total employee lost days (Incident rate (number of days lost x 100) / Average number of employees)	4.61	4.63	4.62	8.42	23.08	13.73	9.35	2.39	6.82
Total severity rate for employees (Number of absences during the year / total employees in the year) x 100	1.42	0.60	1.12	1.35	1.58	1.43	0.42	0.74	0.54
Total employee accident rate (Number of incidents / man-hours worked) x 1.000.000	11.25	3.98	8.44	11.87	9.70	11.10	7.51	7.13	7.37
Lost time injury frequency rate for employees (Number of lost-time injuries x 1.000.000 / man-hours worked)	5	1.99	3.84	4.60	5.54	4.93	1.43	2.59	1.84
Occupational Illness Frequency Rate (OIFR) for employees (Number of reportable occupational illness in the year / 1.000.000 hours worked)			1			0	0.72	0	0.46
Number of employees whose occupation has a high incidence or high risk of illness				355	33	388	282	32	314

*Information corresponding to direct employees





CONTRACTORS IN COLOMBIA	2015	2016	2017
Work-related fatalities (total number)	0	1 ³²	0
Accident rate: (Number of events x 100) / total number of employees	0.26	0.18	0.18
Lost time injury frequency rate (LTIFR) (Number of lost time injuries / million hours worked)	2.4	1.26	1.33
Total number of contractors whose occupation has a high incidence or high risk of illness		1,760	1,763

ECUADOR	2017		
			Total
Work-related fatalities (total number)	0	0	0
Total índice de días perdidos de empleados (Tasa de siniestralidad (No. De días perdidos x 100) / Cantidad promedio de trabajadores)	6.78	0	6.78
Total severity rate for employees (Number of absences during the year / total employees in the year) x 100	5.88	0	3.45
Total employee accident rate (Number of incidents / man-hours worked) x 1.000.000	20.15	0	11.61
Lost time injury frequency rate for employees (Number of lost-time injuries x 1.000.000 / man-hours worked)	20.15	0	11.61
Occupational Illness Frequency Rate (OIFR) for employees (Number of reportable occupational illness in the year / 1.000.000 hours worked)	0	0	0
Number of employees whose occupation has a high incidence or high risk of illness	22	9	31

32. Case reported on the Mocoa - San Juan de Villalobos Road in the Department of Putumayo, when a tractor truck transporting diesel went off the road, and its driver died.



PANAMÁ	2016			2017		
			Total			Total
Work-related fatalities (total number)	0	1 ³³	1	0	0	0
Total employee lost days (Incident rate (number of days lost x 100) / Average number of employees)	8.04	14.16	22.20	0	0	0
Total severity rate for employees (Number of absences during the year / total employees in the year) x 100	7.65	12.78	20.43	0.42	0.54	0.48
Total employee accident rate (Number of incidents /man-hours worked) x 1.000.000			3.70			3.39
Lost time injury frequency rate for employees (Number of lost-time injuries x 1.000.000 /man-hours worked)			3.33	0.000156	0.000272	
Occupational Illness Frequency Rate (OIFR) for employees (Number of reportable occupational illness in the year / 1.000.000 hours worked)			0			0
Number of employees whose occupation has a high incidence or high risk of illness			0			0

33. The fatality took place in a tollbooth, when a person shot an employee, who died as a result.





PEU	2016			2017		
			Total			Total
Work-related fatalities (total number)	0	0	0	0	0	0
Total employee lost days (Incident rate (number of days lost x 100) / Average number of employees)	0	126.25	126.25	3.92	40.93	44.85
Total severity rate for employees (Number of absences during the year / total employees in the year) x 100	0	349,375	349,375	44.44	440.44	484.89
Total employee accident rate (Number of incidents / man-hours worked) x 1,000,000	0	3,038	3,038	919.12	7,046.57	7,965.69
Lost time injury frequency rate for employees (Number of lost-time injuries x 1,000,000 / man-hours worked)	0	0	0	3,151.26	9,948.1	7,965.69
Occupational Illness Frequency Rate (OIFR) for employees (Number of reportable occupational illness in the year / 1,000,000 hours worked)	0	0	0	0	0	0
Number of employees whose occupation has a high incidence or high risk of illness	-	-	320	0	0	0

THE DOMINICAN REPUBLIC	2016			2017		
			Total			Total
Work-related fatalities (total number)			0	0	0	0
Total employee lost days (Incident rate (number of days lost x 100) / Average number of employees)	17.5	15	32.5	656	7	25.5
Total severity rate for employees (Number of absences during the year / total employees in the year) x 100	12	2	14	25	1	26
Total employee accident rate (Number of incidents / man-hours worked) x 1.000.000			0	1	0	1
Lost time injury frequency rate for employees (Number of lost-time injuries x 1.000.000 / man-hours worked)			0			0
Occupational Illness Frequency Rate (OIFR) for employees (Number of reportable occupational illness in the year / 1.000.000 hours worked)			0			0

HEALTH AND SAFETY COMMITTEES IN 2017	Colombia	Ecuador ³⁴	Panama	Peru ³⁵	The Dominican Republic
Number of employees and managers participating	8	12	13	4	9
Percentage of workers represented	100%	100%	100%	100%	100%

WE'RE PART OF THE QUALITY OF LIFE OF OUR EMPLOYEES

The *BienSer (WellBe)* program channels initiatives to promote our corporate values and foment a balance between personal life and career, through benefits that give our employees and their nuclear families a better lifestyle.

In **Colombia**, we added two vacation days to the well-being plan in 2017, and continued to schedule three short Fridays per month in the general office, and two short Fridays in the regional offices.

³⁴. Joint Committee formed in accordance with the requirements of Ecuadorian regulations.

³⁵. The Health and Safety Committee has the functions of promoting, disseminating, and controlling the activities included in the Occupational Health and Safety Management System.





“ We proudly follow Terpel’s guidelines with discipline and optimism, because they’re designed with the well-being of our employees and consumers in mind. Belonging to Terpel means being convinced we’re with the best brand on the market”.

Carlos Mejía, EDS Intermedia Service Station

In Ecuador, we established incentives for the well-being of our employees.

- We promoted good habits related to sports and exercise, and supported employees who practice soccer once a week. We signed agreements with athletic centers to obtain special discounts for employees and promoted sports and an active and healthy lifestyle.
- We implemented a flexible schedule, where, still completing the legal number of hours, employees can choose the time they start and end work. They just have to guarantee they will be there during the key hours from 9: 00 a.m. to 4: 00 p.m.

In Panama, we developed diverse initiatives to strengthen our well-being program.

- The *Lose & Win* program encourages employees to develop healthy practices and get in shape, targeting administrative personnel. Employees sign up on a voluntary basis for three months at a gym, where they exercise and receive nutritional counselling.
- Because many employees take out big loans, we arranged a financial fair with educational talks on financial culture. We also made contact with different banking institutions, and reached agreements for better interest rates for our workers.
- A health and immunization fair was an initiative oriented toward promoting good self-care practices. We organized campaigns for flu shots, as well as visits by ophthalmologists to conduct eye examinations.
- A Cancer Prevention Campaign was organized to raise awareness about the importance of prevention and self-care. We offered informative talks accompanied by internal communication campaigns.
- Men and women’s soccer championships were organized when the medical program revealed high levels of cholesterol, high blood pressure, and stress. The tournaments also had the purpose of bringing company personnel together at the national level.

In Peru, we implemented different programs in benefit of our employees and their families.

- Access to loans, tickets for amusement parks, and discounts for events and concerts.
- Corporate discounts for education, healthcare, and entertainment through our Go Integro Benefits platform.
- Visits to service stations to check on the health of employees and establish measures for controlling occupational risks and preventing accidents and occupational illnesses.

Healthcare programs and campaigns related to topics such as: expecting mothers, occupational health exams, protection from the sun and staying hydrated, prevention and control of psychosocial risks, the inclusion of personnel with disabilities, occupational monitoring, flu shots, healthy diets, and nutritional diagnoses.



CHANNELS FOR OPEN COMMUNICATION AT TERPEL

GRI 102-43

We promote open communication with employees by making communication channels available that will allow them to be heard at any level, and by responding in a timely and effective manner to any questions.

IN COLOMBIA, WE ARE IN TUNE WITH THE DREAMS AND THE CULTURE OF THE DIFFERENT REGIONS

We have managed to expand our frontiers without sacrificing the unique culture of each region. The Department of Human Resources and Administration therefore organized the fifth national 'Tour' to promote two-way communication with the teams in each region and learn about their desires and ambitions. What we learn helps us redesign the benefits in each work center.

We met with 582 employees in 36 meetings in the seven regions of the country.

INTERNAL SERVICE, THE BASIS FOR A SUCCESSFUL BUSINESS STRATEGY

In Colombia, there's an Attitude of Service Inside the Company. Measuring the satisfaction of our employees is a challenging part of Terpel's work. For that reason we work hard on action plans for improving our annual goals that will redound in better treatment for and attention to the different areas of the organization. In 2017, we surveyed 1,093 employees, and we managed to exceed the goal for satisfaction by 0.5%.

EMPLOYEE SATISFACTION IN COLOMBIA

	2015	2016	2017
Percentage satisfaction (percentage)	82.2%	84.2%	85.5%
Goal for the reporting period	80%	83%	85%
Percentage of personnel evaluated	65%	76%	82%

In Ecuador, with the goal of lowering psychosocial risks at the workplace and providing an environment of quality in which our personnel can develop based on integrity, hard work, communication, and, especially, respect and dignity, we engaged in evaluation with 100% of the administrative and operations personnel. The results allowed us to identify, minimize, and prevent any negative psychosocial effects on our employees. Based on the evaluation, action plans were developed to improve aspects that require further attention.

In Peru, we measured employee satisfaction with their positions, physical environment, level of independence, and relationships with supervisors and coworkers. The overall percentage for satisfaction was 82%, representing an indicator of "satisfied." Efforts were organized, based on the results, to make improvements at each service station.



CHALLENGES 2018

COLOMBIA

Make the talent development process more robust by defining development plans by levels.

Wrap up collective employment agreement negotiations under conditions that are mutually favorable.

Contribute to integration with the ExxonMobil lubricants operation in terms of interpersonal relationships and cultural understanding, strengthening corporate identity and contributing to the results of the competitive strategy.



Quality

SUPPLIER DEVELOPMENT

[GRI 102-47](#), [GRI 103-1](#), [GRI 102-44](#) and [GRI 103-2](#)

MATERIAL ASPECT: ACCOMPANIMENT FOR AFFILIATES, SUPPLIERS, CUSTOMERS, AND CONSUMERS

Suppliers play a strategic role and are an integral part of our company. Our business model for working with them aims at mutual benefit in the medium and long run, sharing values, best practices, and a commitment to sustainable development.

We continuously improve our processes in order to maintain the high standards of quality that make us leaders. We implement initiatives so suppliers can grow together with us, giving priority to domestic purchases with the objective of generating local development.

We build relationships of trust and shared responsibility with our suppliers on crucial aspects related to economics, quality, ethics, labor, the environment, and social issues. A foundation of trust is a basic element for our engagement with them.

FIVE DECADES COMMITTED TO LOCAL PURCHASES

We believe in the potential of the regions where we operate. That's why we give priority to local purchases, generating income and jobs in the area immediately surrounding our operations.

COLOMBIA

99% OF SUPPLIERS ARE LOCAL

Based on internal revisions, the figure was modified with respect to what appears in our Executive Report 2017

2,583 DOMESTIC SUPPLIERS

Based on internal revisions, the figure was modified with respect to what appears in our Executive Report 2017.

99% INVESTED IN DOMESTIC PURCHASES



PURCHASES ³⁶

	2015	2016	2017
Domestic purchases (millions of pesos)	10,885,855	10,776,649	10,588,641.36
Imports (millions of pesos)	725,546.70	575,009.90	91,900.23*
Domestic purchases (percentage)	94%	95%	99%

*As of 2017, the amount reported will not include transportation via multi-purpose pipeline

SUPPLIERS

	2015	2016	2017
Total suppliers (number)	2,463	2,634	2,617
Local suppliers (number)	2,382	2,549	2,583
Percentage local suppliers (percentage)	96.71%	97%	99%

PURCHASES BY TYPE (PERCENTAGE)

	Raw materials	Supplies and services	Civil works	Liquid fuel and biofuels	Natural Gas	Base oils and additives	Transportation
2015	0.005%	2%	0.4%	89%	3%	0.7%	5%
2016	0.009%	2%	0.5%	88%	3%	0.8%	6%
2017	0.149%	3%	0.3%	87%	3%	1%	6%

36. These figures include ground transportation services, multipurpose pipeline services, and fuel services, biofuels, and goods and services.





“ The service station became my life project. We’ve had great results that have allowed my family to grow, and they now run the business”.

Marco Lozada, EDS Serviauto del Sur, Santander de Quilichao Service Station

ANNUAL VALUE OF PURCHASES OF LIQUID FUEL AND BIOFUEL (MILLIONS OF PESOS)

2015	10,299,672.00
2016	9,959,225.00
2017	9,266,993,56

ANNUAL VALUE OF PURCHASES OF NATURAL GAS (MILLIONS OF PESOS)

2015	347,498
2016	321,903
2017	293,707

ANNUAL VALUE OF PURCHASES OF BASE OILS AND ADDITIVES (MILLIONS OF PESOS)

2015	75,526.90
2016	86,670.80
2017	105,683.30

ANNUAL VALUE OF TRANSPORTATION AND MOVEMENT OF FUEL (MILLIONS OF PESOS)

	2015	2016	2017
By ground	197,405	213,015.60	220,304.17
Multi-purpose Pipeline	436,132	468,795	463,198
Total	633,537	681,811	683,502.38

ECUADOR

100%
OF SUPPLIERS ARE LOCAL

PURCHASES (MILLIONS OF PESOS)

	2015	2016	2017
Domestic purchases	401,438	459,640	491,821
Imports	0	0	0
Domestic purchases (percentage)	100%	100%	100%

PROVIDERS OF GOODS AND SERVICES

	2015	2016	2017
Total suppliers (number)	270	315	361
Local suppliers (number)	264	309	354
Percentage local suppliers (percentage)	98%	98%	98%



PURCHASES
BY TYPE
(PERCENTAGE)

	Supplies and services	Civil works	Transporta- tion
2015	99.3%	0.2%	0.5%
2016	99.3%	0.1%	0.6%
2017	99.2%	0.1%	0.7%

ANNUAL VALUE OF
PURCHASES
OF LIQUID FUEL
(MILLIONS OF PESOS)

2015	392,045
2016	448,674
2017	475,462

ANNUAL VALUE OF
TRANSPORTATION AND
MOVEMENT OF FUEL VIA GROUND
TRANSPORTATION
(MILLIONS OF PESOS)

2015	2,224
2016	2,836
2017	3,667

The operation in Ecuador purchased lubricants and additives in the amount of 154 million pesos.

PANAMA

95.7% OF SUPPLIERS
ARE LOCAL

97% OF PURCHASES
ARE DOMESTIC

PURCHASES (MILLIONS OF PESOS)

	2015	2016	2017
Domestic purchases	110,209	118,511	96,240³⁷
Imports	3,245	4,887	2,476
Domestic purchases (percentage)	98%	95.9%	97%

37. Converted from 32,252,318 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2017 of 2,984





Terpel offers groundbreaking, innovative services to the country's motorcycle drivers at specialized pump islands for motorcycles.

PROVIDERS OF GOODS AND SERVICES

	2015	2016	2017
Total suppliers (number)	1,550	1,411	586
Local suppliers (number)	1,502	1,335	561
Percentage local suppliers (percentage)	97%	94.6%	95.7%

PURCHASES BY TYPE (PERCENTAGE)

	Supplies and services	Civil works	Transportation	Others
2015	57%	43%	NA	57%
2016	77.26%	16.60%	6.5%	N/A
2017	87%	12.94%	37.92%	

ANNUAL VALUE OF PURCHASES OF LIQUID FUEL (MILLIONS OF PESOS)

2015	2016	2017
998,417	834,431	1,251,430 ³⁸

ANNUAL VALUE OF PURCHASES OF LUBRICANTS AND ADDITIVES (MILLIONS OF PESOS)

2015	2016	2017
8,324	8,294	7,766 ³⁹

ANNUAL VALUE OF TRANSPORTATION AND MOVEMENT OF FUEL (MILLIONS OF PESOS)

	2015	2016	2017
Vía terrestre	30,203	31,248	37,435 ⁴⁰
Vía poliducto	288	298	437 ⁴¹

38. Converted from 419,380,316.22 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2017 of 2,984

39. Converted from 2,602,835.11 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2017 of 2,984

40. Converted from 12,545,472.27 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2017 of 2,984

41. Converted from 146,689.59 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2017 of 2,984

PERU

98%

OF SUPPLIERS
ARE LOCAL

100%

OF PURCHASES
ARE DOMESTIC

PURCHASES (MILLIONS OF PESOS)

	2015	2016	2017
Domestic purchases	82,291	116,887	119,011
Imports	703	524	48⁴²
Domestic purchases (percentage)	99%	99.6%	100%

PROVIDERS OF GOODS AND SERVICES

	2015	2016	2017
Total suppliers (number)	504	517	422
Local suppliers (number)	497	513	415
Percentage local suppliers (percentage)	99%	99%	98%

PURCHASES BY TYPE (PERCENTAGE)

	Supplies and services	Civil works	Transportation	Others
2015	87%	9%	0%	4%
2016	0%	94%	3%	0%
2017	0%	93%		

42. La diferencia con respecto a 2015 y 2016, radicó en que durante 2017 no realizamos compras de equipos importados para nuevos proyectos de estaciones de GNW.





ANNUAL VALUE OF PURCHASES OF LIQUID FUEL (MILLIONS OF PESOS)

2015	19,162
2016	33,601
2017	38,092

ANNUAL VALUE OF PURCHASES OF LIQUEFIED PETROLEUM GAS (MILLIONS OF PESOS)

2015	8,991
2016	14,820
2017	18,681

ANNUAL VALUE OF PURCHASES OF NATURAL GAS (MILLIONS OF PESOS)

2015	25,075
2016	36,048
2017	34,215

THE DOMINICAN REPUBLIC

87%

OF SUPPLIERS ARE LOCAL

99.95%

OF PURCHASES ARE DOMESTIC

PURCHASES (MILLIONS OF PESOS)

	2015	2016	2017
Domestic purchases	472,995	345,400	419,144 ⁴³
Imports	17,000	54,600	219.9 ⁴⁴
Domestic purchases (percentage)	96.5%	99.98%	99.95%

PROVIDERS OF GOODS AND SERVICES

	2015	2016	2017
Total suppliers (number)	255	304	347
Local suppliers (number)	229	286	303
Percentage local suppliers (percentage)	96%	94%	87%

PURCHASES BY TYPE

	Raw materials	Supplies and services	Civil works	Transportation	Others
2015	85%	3%	2%	10%	0%
2016	79%	6%	0%	2%	13%
2017	85%	5%	0.0237%	2%	

43. Converted from 140,463,908.56 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2017 of 2,984

44. Converted from 73,703.90 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2017 of 2,984



ANNUAL VALUE OF PURCHASES OF LIQUID FUEL (MILLIONS OF PESOS)

2015	2016	2017
278,604	273,627	354,861 ⁴⁵

ANNUAL VALUE OF TRANSPORTATION AND MOVEMENT OF FUEL VIA GROUND TRANSPORTATION (MILLIONS OF PESOS)

2015	2016	2017
5,725	6,574	6,560 ⁴⁶

WE DEVELOP BEST PRACTICES WITH SUPPLIERS

Terpel's suppliers are some of our most important partners. They're part of our history and an engine for growth.

[GRI 102-47, GRI 103-1 and GRI 102-44](#)

MATERIAL ASPECT: ACCOMPANIMENT FOR AFFILIATES, SUPPLIERS, CUSTOMERS, AND CONSUMERS.

TOOLS THAT PROMOTE, FACILITATE, AND ENFORCE OUR GUIDELINES

GLOBAL COMPACT PRINCIPLES 1, 2, 8, AND 10

- Contractors' Manual
- Letter of Introduction to Environmental Management
- Contractual Civil Liability Policies
- Environmental regulations for the supplier's processes, products, and services⁴⁷.
- Audits of waste disposal agents

IN COLOMBIA

WE GENERATE TWO-WAY DEVELOPMENT

Over these 50 years we have grown together with our suppliers to become the best option for Colombians. We continue to expand our operation, and for that reason the volume of fuel we transport via ground has increased to 1,320 million gallons per year, using 44 transportation providers. We evaluated 100% of these companies with a view toward optimizing their operations and improving practices and initiatives that will ensure their welfare on the country's highways and in its regions.

In 2017 we formed an alliance with Universidad Externado de Colombia and the United Nations Global Compact, Colombia network, for our transportation providers to receive training in the 'First Steps in Corporate Social Responsibility' program. The training focuses on promoting economically, socially, and environmentally responsible management on the part of the country's small and medium-sized companies and its supply chains. The company Coordinadora de Tanques participated in the first round of training, completing the program with outstanding results.

45. Converted from 118,921,294.15 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2017 of 2.984

46. Converted from 2,198,516 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2017 of 2.984

47. https://www.terpel.com/Global/Accionistas/Codigo_de_Buen_Gobierno_Corporativo.pdf



Our Masterlub oil change centers provide personalized advice and reliable service.



WE STRENGTHENED THE DRIVING SKILLS OF OUR PARTNERS

- **Terpel Driver's School** develops the abilities and skills needed to improve the performance of this group of stakeholders. We trained 1,685 drivers, with an average of four hours of training in total and with the purpose of helping them drive in line with the highest standards for highway behavior, thus reducing the accident rate.
- **The Driver's Certificate Course** helped drivers acquire in-depth knowledge and skills for driving cargo vehicles. During 2017, we graduated 238 drivers from the course who developed specific competencies related to professional driving.

In Ecuador, we supported driver development through talks on safe driving for fuel operations, vehicle conditions, fuel receipt and unloading, and how to handle contingencies. We also reviewed the transportation units quarterly in order to detect opportunities for improvement.

In Peru, we accompanied the transportation providers while they provided their services, in order to encourage safety and prevent operating risks at the station, while also watching out for the safety of their employees.

In Ecuador, In Peru, In the Dominican Republic, by request of the refinery and with the accompaniment of quality personnel in Colombia, we audited and made recommendations regarding the fuel handling process.

TERPEL EVALUATES SUPPLIER PROCESSES

[GRI 102-47](#), [GRI 103-1 y GRI 102-44](#)

MATERIAL ASPECT: ACCOMPANIMENT FOR AFFILIATES, SUPPLIERS, CUSTOMERS, AND CONSUMERS.

The company classifies its suppliers according to their criticality, in other words, depending on the importance of the service they provide the organization:

- High Criticality 1,074 (41%)
- Medium Criticality 78 (3%)
- Low Criticality 1,463 (56%)

In Colombia, the company evaluated 514 of its suppliers in order to identify opportunities for improvement. The categories for the opportunities for improvement were as follows: 53 environmental, 4 biofuel, 6 equipment, 106 maintenance, 38 marketing, 70 civil works, 8 Health, Safety, Environment and Quality System, 27 fuel transportation, and 202 other areas. We then chose the providers with whom we will continue to work, while developing improvement plans to maintain good relations.

In Ecuador, we evaluated 20 suppliers relative to parameters such as delivery times, competencies, quality, compliance in the area of health, safety, environment, and quality systems, the invoicing process, and social security. All suppliers evaluated scored higher than 80%, and therefore the contractual relationships were continued in accordance with our purchasing policy.

In Panama, we evaluated suppliers identified as critical, and those providing services equal to or higher in value than USD 20,000. In 2017, we evaluated 161 suppliers, representing 27% of all of the operation's suppliers.



In Peru, we evaluated 100% of our suppliers based on the criteria in the policy, attaining an overall score of 87% out of 100%.

IN COLOMBIA, TERPEL MEASURED SUPPLIER SATISFACTION

Seventy-four suppliers participated in the survey conducted by the company to evaluate areas such as

- Contract management, invoicing, and payments
- Payment queries using the webpage
- Timely response to requirements
- Management of sustainability programs or reports
- Recommendation of Organización Terpel as a customer



CHALLENGES 2018

COLOMBIA

**Include sustainability criteria in
supplier evaluations.**

**Engage in dialogue with
transportation providers.**



Responsibility

PROTECTION OF THE ENVIRONMENT

[GRI 102-47](#), [GRI 103-1](#), [GRI 102-44](#) and [GRI 103-2](#)

MATERIAL ASPECTS: CLIMATE CHANGE (CARBON FOOTPRINT)

SPILLS AND WASTE PRODUCTS

GLOBAL COMPACT PRINCIPLES 7, 8, AND 9

We are committed to protecting the environment and achieving harmony with our surroundings.

We use a preventive approach to keep our operations safe, controlling and mitigating any possible impacts. To this end, it's extremely important for our employees, business partners, suppliers, and contractors to be keenly aware of these issues and to do the work in a responsible manner. That's why we share our perspective and best practices with them.

We rely on our HSEQ (Comprehensive Management System for Health, Safety, the Environment, and Quality) and legal compliance. We focus on avoiding fuel spills, managing waste products, and reducing our carbon footprint. We are always working to develop environmentally-friendly fuels and lubricants. Innovation is encouraged. We foment an environmental culture through training for our stakeholders, encourage responsible consumption, and participate actively in emergency response plans and coordinated work with the sector and the government.

Our goal is to run the operation according to the highest standards in order to ensure the continuity of the business and build relationships of trust with our customers and consumers, always from the perspective of respect for the environment.

At Terpel we have an Environmental Management System (EMS) designed to identify, prevent, and control risks associated with our operations.

OUR EXPERIENCE MAKES US A RELIABLE OPERATION

Continued Work to Consolidate a Single Network. Under the Reliable Service Stations program, which involves Terpel-owned stations and affiliates and ensures compliance with the highest standards for safety, the environment, and the quality of products, we organized visits to assess service station management, to suggest and accompany plans for improvement, and to offer training and advice.

PILLARS

- THE SAFETY OF PEOPLE
- PRODUCT QUALITY
- RESPECT FOR THE ENVIRONMENT



1,295* SERVICE STATIONS *THE*
RELIABLE SERVICE
 STATIONS PROGRAM
 INVOLVED

This figure varies from the one in the executive report based on a verification of the information.

100% OF THE TERPEL-OWNED
 SERVICE STATIONS ARE
 IN THE PROGRAM

66% OF ALL AFFILIATED
 SERVICE STATIONS ARE
 COMMITTED TO *RELIABLE*
SERVICE STATIONS

WE VISITED
995
 STATIONS IN TOTAL

436 TERPEL-OWNED
 SERVICE STATIONS
 AND FRANCHISES 559
 AFFILIATED SERVICE
 STATIONS



We have the largest network of convenience stores in Colombia, the Altoque stores, where consumers can enjoy a homey, local, and Latin experience in the country's main cities and on its highways.



WE MEASURED OUR EMISSIONS AND JOINED THE FIGHT AGAINST CLIMATE CHANGE

[GRI 103-1](#), [GRI 102-44](#) and [GRI 102-47](#)

MATERIAL ASPECT: CLIMATE CHANGE (CARBON FOOTPRINT)

Carbon Footprint Colombia

Variables measured	2015		2016		2017	
	Emissions	Proportion	Emissions	Proportion	Emissions	Proportion
Scope 1 ⁴⁸ :	2,394 t CO ₂ e	4.18%	2,457 t CO ₂ e	3.94%	2,597 t CO ₂ e	5.6%
Terpel-owned private transportation	2,394 t CO ₂ e	4.18%	2,314 t CO ₂ e	3.71%	2,494 t CO ₂ e	5.41%
Firefighting system and diesel power plants			143 t CO ₂ e	0.23%	103 t CO ₂ e	0.22%
Scope 2 ⁴⁹ : Terpel Self-generation	25,896 t CO ₂ e	45.32%	23,560 t CO ₂ e	37.77%	11,227 t CO ₂ e	24.4%
Scope 3 ⁵⁰	30,847 t CO ₂ e	53.98%	36,357 t CO ₂ e	58.29%	32,259 t CO ₂ e	70.0%
Leased private transportation	30,256 t CO ₂ e	51.16%	35,960 t CO ₂ e	57.65%	31,306 t CO ₂ e	67.94%
Public air transportation	590 t CO ₂ e	0.99%	397 t CO ₂ e	0.64%	952 t CO ₂ e	2.07%
Total carbon footprint*	59,137 t CO₂e	100%	62,374 t CO₂e	100%	46,083 t CO₂e	100%

*Our carbon footprint went down based on a variation in the emission factor for electricity generated in Colombia, which went from 192 g CO₂/kWh in 2016 to 82.9 g CO₂/kWh in 2017. This decrease came about from an increase in rain that permitted greater power generation. This impacted the cost of this service and diminished its environmental impact.

48. Scope 1: emissions coming from facilities owned by the organization, over which it has control.
49. Scope 2: emissions coming from electric power purchased from the national grid.
50. Scope 3: emissions coming from the value chain (service providers).

Ecuador

Total emissions



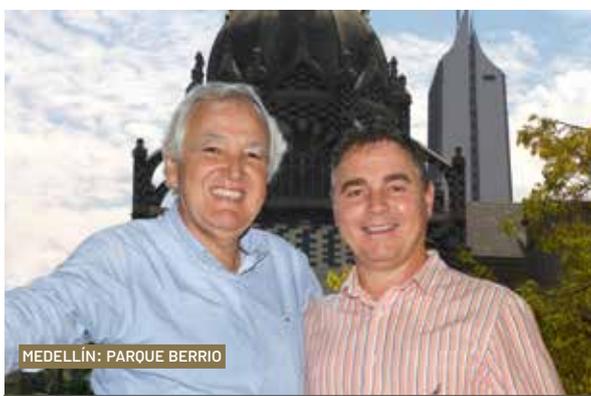
Panamá

Variables measured

	Scope 1 :	Terpel-owned private transportation	Scope 2 : Terpel Self-generation	Scope 3 Leased private transportation	Total carbon footprint
2017	452 t CO ₂ e	48 t CO ₂ e	3,480 t CO ₂ e	2,411 t CO ₂ e	6,342 t CO ₂ e
2016					6,833 t CO ₂ e
2015					5,648 t CO ₂ e
Variables measured					

50. Scope 1: emissions coming from facilities owned by the organization, over which it has control.
 51. Scope 2: emissions coming from electric power purchased from the national grid.
 52. Scope 3: emissions coming from the value chain (service providers).





“ We have always maintained a relationship with Terpel based on mutual trust. When we go to Terpel it feels like a second home”.

Álvaro Rodríguez y Andrés Vásquez, EDS El Volador Service Station

OTHER EMISSIONS (MICROGRAMS PER M3)

GRI 102-47, GRI 103-1 and GRI 102-44

MATERIAL ASPECT: CLIMATE CHANGE (CARBON FOOTPRINT)

PERU

	2015	2016	2017
NOx	32.173	50.520	42.45
SOx	7.2	5.0	5.02
PM 2.5	3.4	4.5	27.145
PM 10	38.467	39.672	46.185

THE DOMINICAN REPUBLIC

	2015	2016	2017
NOx	336.08	1,066	1,175.3
SOx	47.05	125.3	58.9

We lowered emissions into the environment by supplying and selling natural gas vehicle (NGV) fuel. We also demonstrated technically that converted vehicles produced 29% less CO₂ than vehicles that run on traditional fuels.

WE MEASURED OUR OPERATION'S ENERGY CONSUMPTION

COLOMBIA (GJ)	2015	2016	2017
Plants	16,560,01	19,142	18,885
Service stations	396,524,23	354,989	459,111
Office	3,824,68	3,952	4,430
Factory	3,025,68	3,349	3,034
Airport	1,901,90	2,357	2,067
Total	421,836,5	383,790	487,527

ECUADOR (GJ)	2015	2016	2017
	236.28	232	216.01

PANAMA (GJ)	2015	2016	2017
	39,308	34,050	34,897

PERU (GJ)	2015	2016	2017
	48,294,53	57,442	53,638

THE DOMINICAN REPUBLIC (GJ)	2015	2016	2017
	468	272	193



IN COLOMBIA, USE OF CLEAN ENERGY DEMONSTRATES OUR ADAPTABILITY

As part of our commitment to the environment, we installed 120 solar panels on the service stations in Cogua and Báscula, Cundinamarca and in Melgar, Tolima. By using this solar energy, we produced less CO₂, producing a reduction in one of the causes of global warming equivalent to protecting a forest of 211 trees.

In addition, we led in sales of carbon credits in accordance with the incentives established in the most recent tax reform, generating positive impacts on the environment and, in turn, significant savings for customers in the industrial sector.

In Ecuador, we decreased power consumption by raising awareness, encouraging good practices by employees, and by replacing traditional lighting with LED technology in both the administrative offices and in the service stations.

ENERGY INTENSITY (GJ / EMPLOYEE)

	2015	2016	2017
Colombia	399.16	295.90	366.84
Ecuador	6.21	7.73	7.20
Panama	54.97	38.47	37
Peru	110.76	159.56	131
The Dominican Republic	7.31	3.27	2.30

50 YEARS OF EXPERIENCE WITH STRENGTHENING OUR CULTURE OF PREVENTION

[GRI 102-47 and GRI 102-44](#)

MATERIAL ASPECT: SPILLS AND WASTE PRODUCTS

Terpel has a contingency plan for each work center so it can respond in a timely manner to any potential spill, minimizing any impact that could be generated on the environment or on safety. To do that it has spill kits available and provides training for service station personnel, transporters, and suppliers. We organize simulations every year to help prevent possible spill situations. We also organize emergency brigades and implement an environmental log in our operations and with customers.

COLOMBIA	2015	2016	2017
Spills affecting natural resources (number)	6	7	6
Spills not affecting natural resources (number)	29	26	49
Total product spills (number)	35	33	55
Total Colombia (gallons)	15,722.9	82,877.30	27,520 ⁵⁴

54. The decrease in the volume of gallons spilled is due to the fact that, while in 2016 there was a spill event in the Baranoa plant of 33,000 gallons, considerably increasing the volume for that year, in 2017 there was no incident of that magnitude.

From La Guajira to the Amazon region our team is always at your service.



PANAMA	2015	2016	2017
Spills affecting natural resources (number)	0	2	0
Spills not affecting natural resources (number)	8	5	4
Total product spills (number)	8	7	4
Total Panama (gallons)	817	1,740	290

THE DOMINICAN REPUBLIC	2015	2016	2017
Spills affecting natural resources (number)	1	0	0
Spills not affecting natural resources (number)	21	8	1
Total product spills (number)	22	8	1
Total Dominican Republic (gallons)	135	51	10

In Ecuador, we train service station personnel about fuel spill risks and controls, so they can identify and mitigate those risks. We also rehearse the activities involved in implementing the emergency plan.

In the year 2017 there were no product spills.

WE MANAGED WASTE PRODUCTS RESPONSIBLY

[GRI 102-47](#) and [GRI 102-44](#)

MATERIAL ASPECT: SPILLS AND WASTE PRODUCTS

We identified, gathered and properly disposed of both hazardous and nonhazardous waste products in each operation.

We recycled 4,498 drums at the lubricant factory: that means 83,130 kilograms less of hazardous waste, with a savings of 187 million pesos.

COLOMBIA

HAZARDOUS WASTE (KILOGRAMS)

	2015	2016	2017
Total	332,444	945,897 ⁵⁵	1,535,611

HAZARDOUS WASTE (KILOGRAMS)

	2015	2016	2017
Liquid waste products (includes used oil)	237,733	629,783	1,096,181
Solid waste products	94,711	316,111	409,926

55. The increase in total waste products over 2015 is due to the inclusion of the supplier Albedo in the savanna region.



WEIGHT OF HAZARDOUS WASTES BY REGION AND WASTE DISPOSAL AGENT (KILOGRAMS)

Regional Office	Waste disposal agent	2015	2016	2017
ANTIOQUIA	ASEI	10,782.4	34,402	12,146
BUCARAMANGA	CRUDESAN	22,918.5	0	37,597
	DESCONT	22,047	5,581	8,164
CENTER AND WEST	WDF	9,710	7,556	24,769
NORTH	ECOSOL	32,585	11,239	No waste managed in 2017 with this provider
	TRIPLE A		761	3,556
SAVANNA	ALBEDO		22,011.61	435,370
	ECOLCIN	183,832	571,798	1,012,272
SOUTH	INCIHUILA	10,155,6	1,719	No waste managed in 2017 with this provider
		6,117.7	68,067	1,736





“ Terpel took us in and became our family, helping us fulfill our dream of becoming a service station that’s part of a large company that generates social and economic development in our region”.

William Jaimes, EDS Lebrija, Lebrija Service Station

WASTE DISPOSAL BY TYPE AND TREATMENT METHOD

Waste disposal agent	Sediments. hydrocarbonated water and sludge	Cans. contaminated material and packaging	Used filters ⁵⁶	Fluorescent tubes and lightbulbs	Used oil	Cartridges. ribbons, and computer parts
ASEI	2	1	1	11	10	1 and 9
DESCONT	1	1	1	11	10	10 and 11
ECOLCIN	3	1	1	16	10	9 and 1
ECOSOL	4, 5 and 6	6, 11 and 14	6 and 14	11	10	1, 10 and 11
TWM	13	1	15	11	10	6 and 7
INCIHUILA	2	1	6	11	10	6 and 7
CRUDESANT	2	17	17	17	10	17
WDF	2	1	1	1 and 9	10	5

1 Incineration

2 Bioremediation

3 Physicochemical treatment

4 Centrifugation

5 Recovery

6 Safety cell

7 Secure landfill

8 Controlled destruction

9 Recycling

10 Reuse

11 Encapsulation

12 Storage for later recovery

13 Biological treatment

14 Crushing

15 Dismantling

16 Decommissioning

17 Not applicable: NA



ECUADOR

We drew the attention of all our service station personnel to the importance of eliminating hazardous waste products by using authorized environmental managers. In total, we correctly managed 3,631 kg of waste products.

HAZARDOUS WASTE GENERATED (KILOGRAMS)	2016	2017	TREATMENT METHOD
Total liquid waste products (used oil, hydrocarbonated water)	2,360	2,075	Delivery to used oil operator for processing, or sediment for incineration
Total solid waste products (sediments, sludge, used filters, used cans, packaging)	3,360	1,127	
Total hazardous waste products generated	5,720	3,202	Disposal by a waste disposal agent authorized by the Ministry of the Environment, and elimination via controlled incineration.

HAZARDOUS WASTE GENERATED (KILOGRAMS)	2016	2017	TREATMENT METHOD
Paper	420	429	Delivery to municipal collector and to authorized recyclers.

PANAMA

	2017
Total weight of waste products (kilograms)	2,652

PERU

HAZARDOUS WASTE	2015	2016	2017
Used oil (gallons)	440	660	140



In our Altoque stores, consumers can enjoy friendly and personable service 24 hours a day.



THE DOMINICAN REPUBLIC

HAZARDOUS WASTE (KILOGRAMS)	2015	2016	2017
Total liquid waste products	7,005	14,837	8,575.8
Used oil	5,065.82	390	1,476.43
Total solid waste products	1,360.78	364	465
Used rags	14,6	10	29.7
Total waste	8,365.78	15,201	10,546.93

NONHAZARDOUS WASTE GENERATED	2015	2016	2017
Paper	396	500	393.5
Plastic	446	463	406.5
Metal	945	93	21.2
Organic (domestic waste)	951	797	755
Total non-hazardous waste	2,740	1,854	1,576.2

WASTE MANAGED IN THE DOMINICAN REPUBLIC

TYPE OF WASTE PRODUCT	TREATMENT METHOD
Hazardous	Incineration
Used oil	Reuse
Hydrocarbon contaminated water	Reuse
Contaminated sand	Incineration
Contaminated fuel	Incineration
Contaminated paper and plastics	Incineration
Contaminated soil	Incineration
Used rags	Incineration
Non-hazardous	Dump



MONITORING USE OF WATER RESOURCES

We're aware of the importance of taking care of this resource that has an influence on the life of every human being.

TOTAL WATER CONSUMPTION (M³)

	Colombia	Ecuador	Panama	Peru	The Dominican Republic
2014	815,352	157	361,992	29,098	493.17
2015	914,258	206	388,549	36,642	4,005.48
2016	644,903	207	433,658	42,180	702.33
2017	689,813	215	443,270	48,507	633

In Colombia, we remodeled the wastewater and domestic water treatment plant for the Lubricants Factory, in order to diminish any water pollution that could be caused by discharges from the plant.

WE ENSURED RESPONSIBLE HANDLING OF FUEL THROUGH THE CLEAN INDUSTRY PROGRAM

This is our flagship program for preventing possible environmental impacts from our customers' operations.

WE MADE 50 GREEN VISITS TO INDUSTRIAL CUSTOMERS.

WE EXECUTED 41 TRAINING DAYS ON SAFE FUEL HANDLING THROUGH OCCUPATIONAL HEALTH PROGRAMS.

50 INDUSTRIAL CUSTOMERS WENT TO THE INDUSTRY SCHOOL AND PARTICIPATED IN THE GREEN VISITS.





CALI: LA ERMITA CHURCH

“ For me, Terpel means progress, support, and a solid company. As I have worked with the organization I have grown as a person and as a businessman, contributing to the development of the sector”.

Silvio Gutiérrez EDS Terpel Casona, Cali Service Station

WE INVESTED IN ACTIONS IN BENEFIT OF THE ENVIRONMENT

COLOMBIA

We invested close to 4 billion pesos in environmental management.

ENVIRONMENTAL EXPENSES BY WORK CENTER (MILLIONS OF PESOS)

	2015	2016	2017
Service stations	1,569	1,999.9	2,887
Plants	266	153	509
Factory	34	87	14
Airports	102	78	122
Others (complementary businesses and the head office)			490

ECUADOR

	2015 (COP)	2016 (COP)	2017 (COP)
	358,464,402	217,323,421	225,977,150

PANAMA

	2015 (COP)	2016 (COP)	2017 (COP)
	1,935,852,000	513,303,706	309,020,056 ⁵⁷

PERU

	2015 (COP)	2016 (COP)	2017 (COP)
	395,041,245	411,937,919	287,176,844 ⁵⁸

57. Converted from 103,559 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2017 of 2,984

58. Converted from 311,814 new soles to Colombian pesos according to the average exchange rate (Colombia) in 2017 of 3.24 (soles to dollars) and 2,984 (dollars to Colombian pesos).



CHALLENGES 2018

COLOMBIA

Reduce the direct footprint by 10%.

Train and raise the awareness of transportation providers about carbon footprint measurements.

Expand the solar panel program to 6 service stations and 5 plants.

Align the different countries on carbon footprint measurement.



The Public

COMMUNITY WELLBEING

GRI 102-47, GRI 103-1, GRI 102-44 and GRI 103-2

MATERIAL ASPECTS: QUALITY EDUCATION
RECONCILIATION

The private sector plays a key role in the challenging process of building more prosperous and equitable societies in which there are more opportunities for people to live decently. That's why at Terpel we mobilize development and progress in the regions where we operate, in diverse contexts.

Our social investment strategy has been the vehicle for responsible initiatives that have a positive impact on wellbeing and quality of life, especially in the communities near our operations.

We promote quality education through the Terpel Foundation. We encourage a spirit of solidarity among employees and coordinate initiatives through our Employer Supported Volunteering program. We are investing in reconciliation in Colombia through the Restoring Dreams Program. And we work together with organizations such as local governments and the Colombian Civil Air Patrol.

We are a Country Partner, a good neighbor, and we believe in our capacity to transform.

TERPEL CREATES VALUE THROUGH SOCIAL INITIATIVES

	2015	2016	2017
Colombia (millions of pesos)	4,735	5,709	5,643 ⁵⁹
Ecuador (pesos)	8,266,956.05	9.002.130	11,593,090
Peru (pesos)	5,796,925.72	0	27,629,629 ⁶⁰
Panama (pesos)	80,697,142.26	136,716,840	199,209,135
Dominican Republic (pesos)		32,683,733 ⁶¹	0

SOCIAL INVESTMENT LINES IN COLOMBIA (MILLIONS OF PESOS)

	2015	2016	2017
Terpel Foundation	3,879	4,853	4,893 ⁶²
Terpel Foundation programs	2,650	3,569	3,558 ⁶³
Program support and administrative expenses	1,229	1,284	1,334 ⁶⁴
Corporate responsibility	856	856	750
Volunteerism	380	360	360
Donations	346	325	300
Others	130	171	90

59. During 2017, investments of 5,072 million pesos were executed, leaving a surplus to use during 2018 of 571 million pesos.

60. Converted from 30,000 new sales to Colombian pesos according to the average exchange rate (Colombia) in 2017 of 3.24 (sales to dollars) and 2.984 (dollars to Colombian pesos).

61. Converted from 10,892.94 dollars to Colombian pesos according to the average exchange rate (Colombia) in 2016 of 3,000.71.

62. During 2017, investments of 4,346 million pesos were executed, leaving a surplus to use during 2018 of 546 million pesos.

63. During 2017, investments of 3,253 million pesos were executed, leaving a surplus to use during 2018 of 305 million pesos.

64. During 2017, investments of 1,093 million pesos were executed, leaving a surplus to use during 2018 of 241 million pesos.



IN COLOMBIA, THE TERPEL FOUNDATION IS A BENCHMARK FOR QUALITY EDUCATION

Promoting education, new ideas, and positive leadership, while transforming schools in benefit of communities are the goals of the Terpel Foundation. On a daily basis it moves toward these ends as a partner on the path to a better future.

We continued to transform the reality of the 28 Departments where we operate, generating positive changes in communities, because we believe that teamwork can make dreams come true.

PROYECTOS

326,100

STUDENTS BENEFITED

6,700

TEACHERS AND PRINCIPALS
TRAINED

1,541

PARENTS

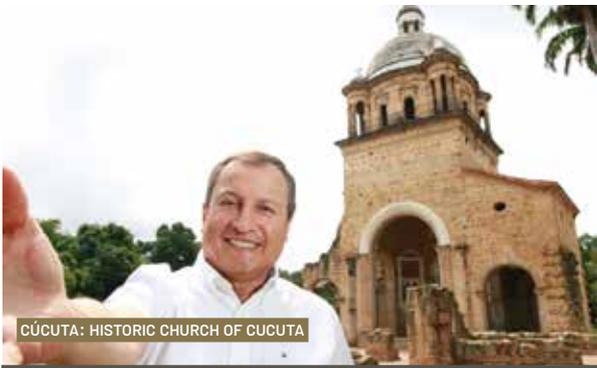
MORE THAN
334,000
BENEFICIARIES

302 SCHOOLS
BENEFITED
ACROSS THE
COUNTRY

MORE THAN
874,000
BENEFICIARIES SINCE 2004

138 MUNICIPALITIES IN
28 DEPARTMENTS





“ It’s been my privilege to experience loyalty, friendship, stability, and innovation as a member of the Terpel family. My eternal gratitude”.

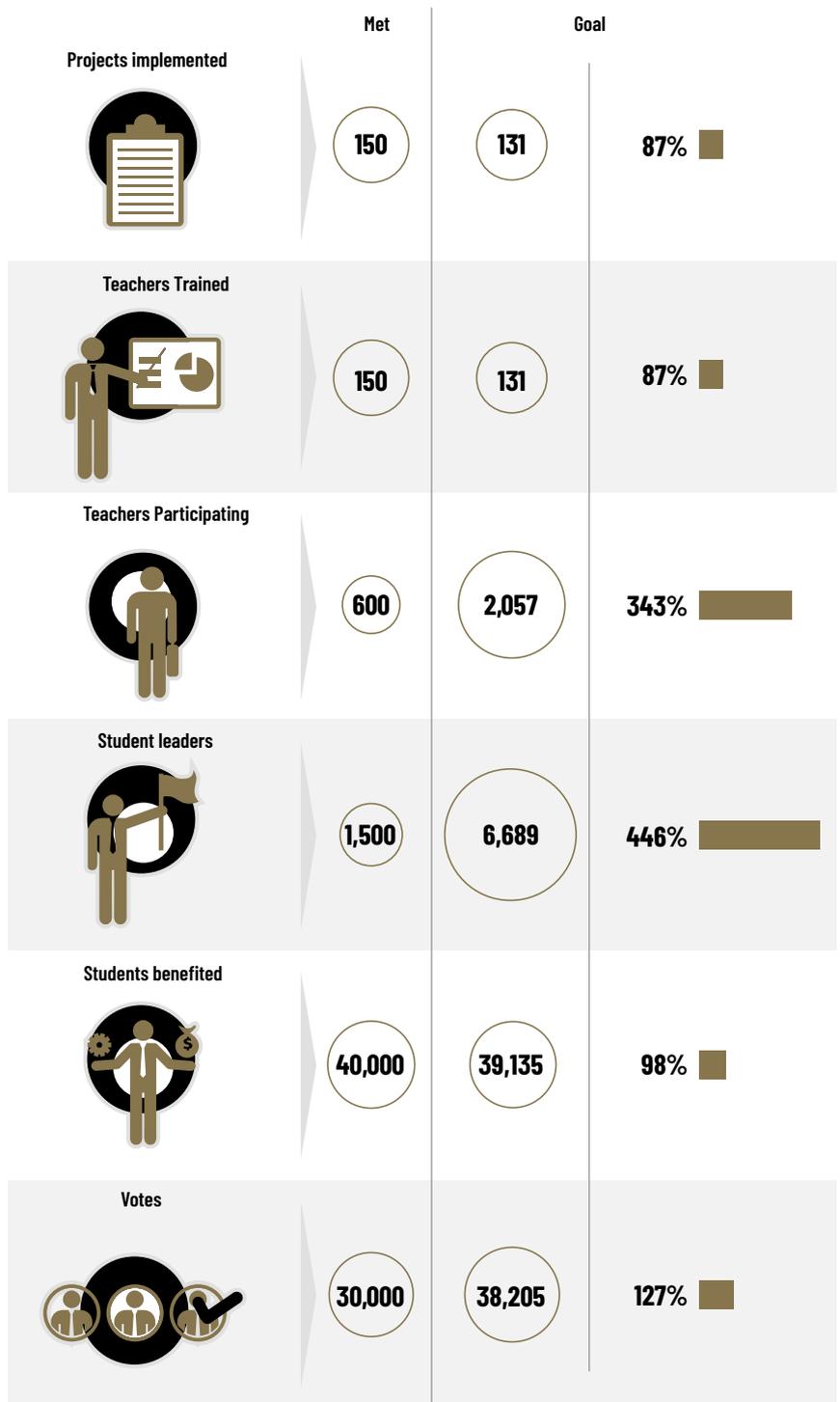
Alberto Moros, EDS Pinar del Río, Cúcuta Service Station

NATIONAL EDUCATION PROJECTS

DESIGN FOR CHANGE

We developed 131 empowerment projects, bringing to potential the competencies of children and young people in public schools and motivating them to become agents of change in their communities. The projects involved more than 39,135 students.

In 2017 we did the first comparative measurement of the competencies test. It showed us that teachers see the 249 students assessed as student leaders, and those students have made progress in their leadership competencies with respect to the test results prior to starting the process.



SCHOOLS THAT LEARN®

We implemented programs in the cities of Santa Marta and Ibague to strengthen 59 schools in the areas of leadership, academics, educational methods, and community aspects. This will in turn improve the quality of education and produce a positive impact on teaching mathematics and language. With these skills, students will be better prepared in terms of logical thinking and communication skills, in favor of good problem solving, thinking, and communication.

	Met	Goal	
Secretaries of Education 	8	8	100% 
Schools 	78	79	101% 
Students 	127,000	140,187	110% 
Teachers 	2,400	2,536	122% 
Principals 	78	101	129% 
Parents 	1,040	1,010	97% 





In over a decade, the Terpel Foundation has helped more than 884,000 people in Colombia through its leadership and quality education programs.

THE LEADER IN ME®

During 2017, we implemented in the city of Villavicencio the leadership model based on the "Seven Habits" by Franklin Covey. We involved teachers and elementary school students in this exercise, in order to develop their skills and habits and awaken leadership at school, in families, and in the community.

Some of the results of this program in the cities of Medellín, Facatativá and Riohacha, after three years of work, are:

All of the habits have been appropriated more than

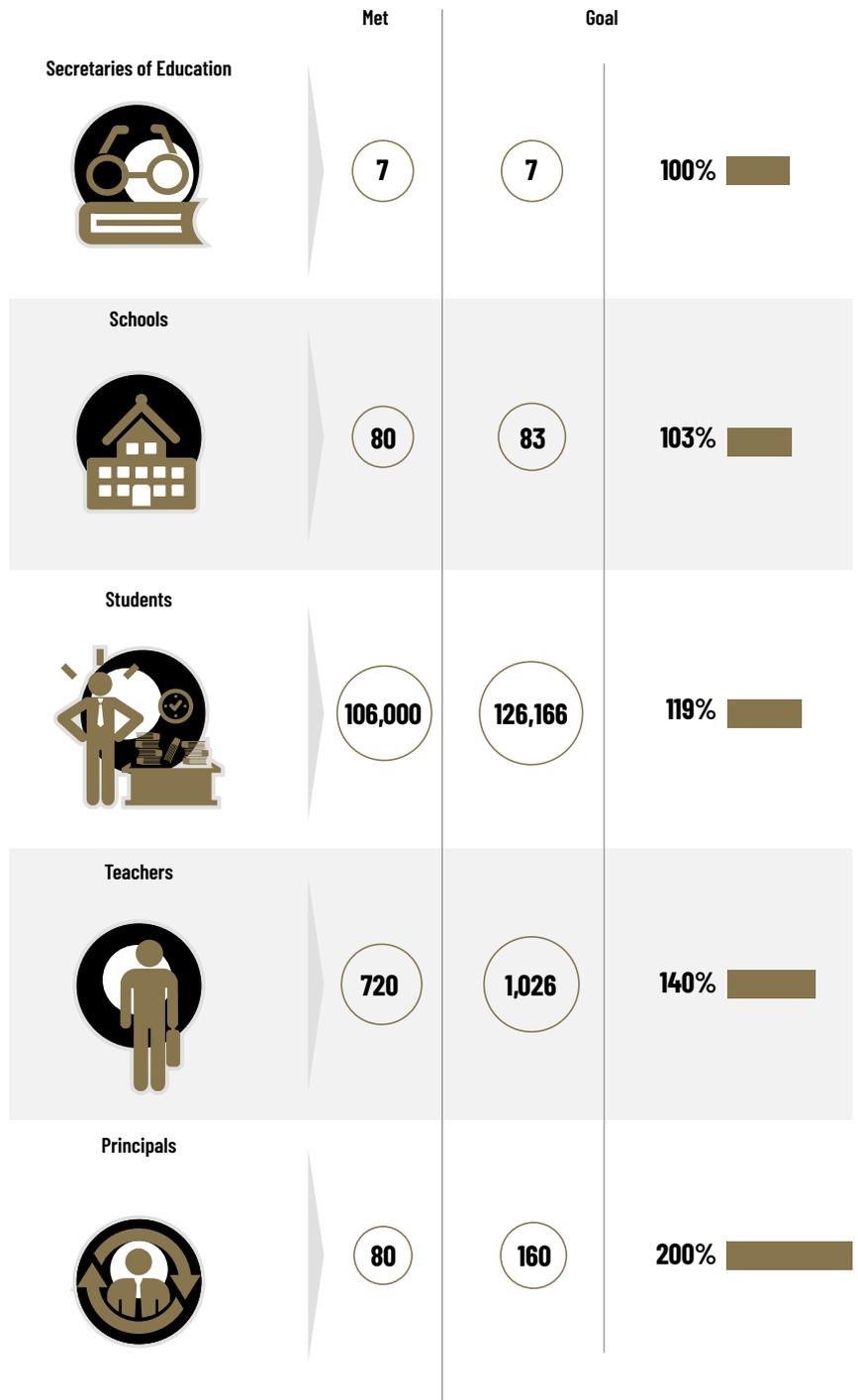
89%

BY THE TEACHERS, WHICH SUGGESTS THAT THEY ARE CONSISTENTLY PRACTICING THE SKILLS OF EFFECTIVE LEADERSHIP.

The students went up

5%

POINTS IN THE PRACTICE OF THE 7 HABITS, WHICH CAN BE SEEN REFLECTED IN HOW THEY EXERCISE THE COMPETENCIES FOR PERFORMING SUCCESSFULLY IN A WORLD IN CONSTANT CHANGE.



¡ADVENTURE WITH LETTERS!

We encouraged reading in children, young students, parents, and teachers by donating school libraries. We complemented the Schools that Learn project by strengthening literacy strategies, education, and information, in favor of the economic, social, and cultural development of communities.

In 2017, the cities of Quibdó, Buga, and Facatativá each received the donation of a library. We also conducted impact tests to measure the program's progress in the cities of Montería, Cúcuta, and Neiva, obtaining the following results:

63%

OF THE STUDENTS IN THESE SCHOOLS HAVE PARTICIPATED IN LIBRARY ACTIVITIES, LED BY TEACHERS AND THE SCHOOL LIBRARIAN.

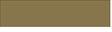
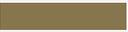
71%

OF THE STUDENTS GO TO THE LIBRARY ON THEIR OWN INITIATIVE.

On average

35%

OF THE STUDENTS IN THE THREE CITIES CHECK BOOKS OUT FROM THE LIBRARY.

	Met	Goal	
Secretaries of Education 	9	9	100% 
Schools 	9	9	100% 
Students 	9,300	13,591	146% 
Teachers 	450	664	148% 
Principals 	9	21	233% 
Parents 	200	531	266% 
Volunteers 	149	199	134% 





“ During all these years we have had the opportunity to grow as retailers with the accompaniment of Terpel. We hope to continue growing together with this prestigious organization”.

Ever Acosta, EDS Terminal de Transporte de Ibagué Service Station

MY FUTURE NOW

We donated 193 subsidies for living expenses as part of our support for technical, technological, and technical job training for 332 fuel dispatchers and personnel from the Terpel stores or their families in 84 municipalities across the country. The fund finances 80% of the cost of the education and provides psychosocial and economic support for the beneficiaries until they graduate.

161

STUDENTS JOINED THE PROGRAM IN 2017.

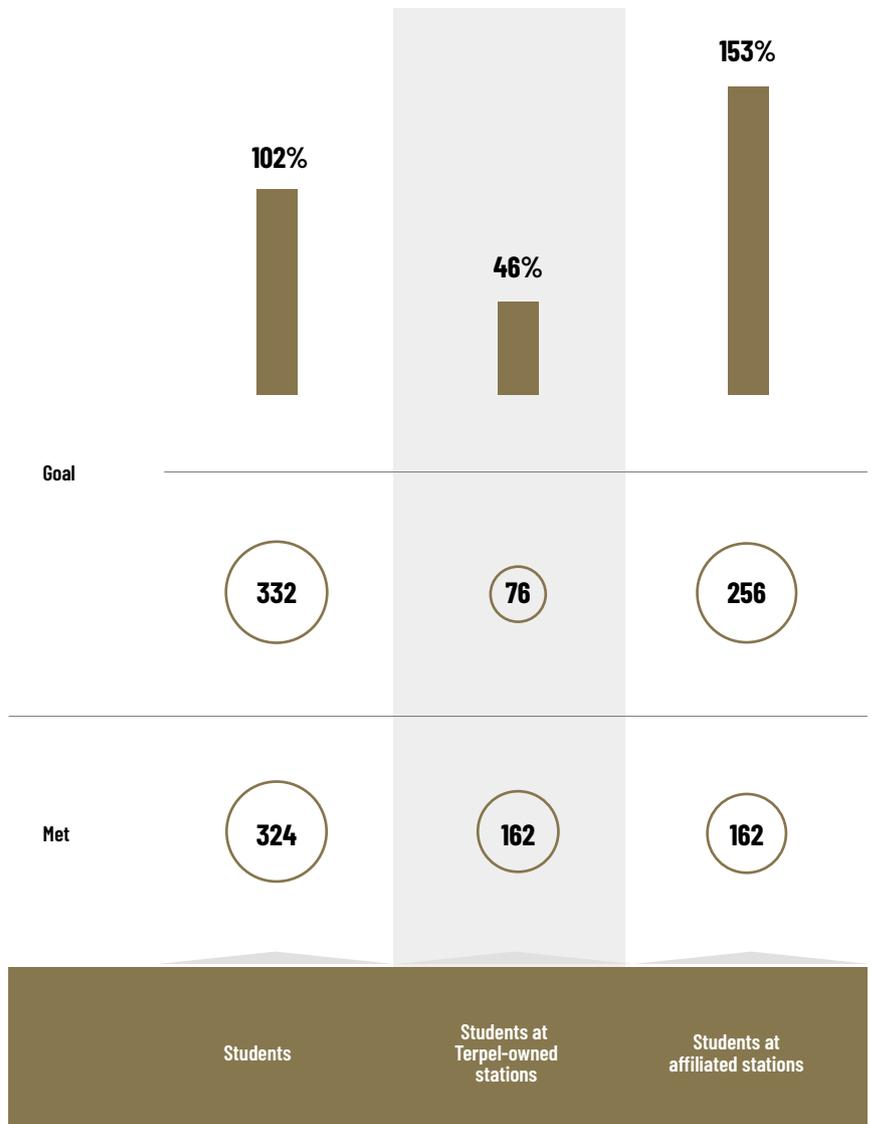
32

STUDENTS GRADUATED FROM TECHNICAL, TECHNOLOGICAL, OR VOCATIONAL PROGRAMS.

We forgave the debt of

16

STUDENTS WHOSE FINAL GRADE POINT AVERAGES WERE 4.0/5 OR HIGHER.



COUNTRY PARTNER IN THE COMMUNITIES WHERE WE OPERATE

COLOMBIA

The foundation of our employer supported volunteering is an attitude of service and an expression of solidarity toward others. We take initiative to organize campaigns to beautify installations, as well as to plan recreational, environmental and reconciliation activities.

10 VOLUNTEER DAYS IN DIFFERENT REGIONS OF THE COUNTRY

300 VOLUNTEERS, EQUIVALENT TO 22.5% OF ALL EMPLOYEES IN COLOMBIA

14,371 VOLUNTEER HOURS

5,687 BENEFICIARIES

TOGETHER FOR MOCOCHA

Every district, municipality, city, and Department moves us and inspires us to give our best, to cooperate, and to make a mark. In 2017, as a result of heavy rains, an avalanche overran the town of Mococho, leaving more than one thousand victims. In response to this catastrophe, and in partnership with the national government and humanitarian assistance organizations, we donated more than 3,000 gallons of fuel and basic household goods.

ECUADOR

We supported the Aldea de Niños Cristo Rey Foundation, a nonprofit organization that receives homeless minors who are orphans or have been abandoned. During the first phase of the project, 54 children and 16 teenagers received benefits in the form of financial resources, home improvements, and volunteer work, which included recreational activities for the children and training for the people who take care of them.

We involve the families of the volunteers in these activities, with the purpose of raising their awareness and exposing them to social problems.





“ Terpel has consolidated its position both nationally and internationally, and has allowed me to grow in the fuel sector by giving me the tools I need to make progress in this daily-changing business”.

Sady Ferez, EDS Mareven Service Station

150

VOLUNTEER HOURS

17

VOLUNTEERS

70

BENEFICIARIES

PANAMA

VOLUNTEERING TO MAKE A DIFFERENCE

Our dedication to service inspires us to express solidarity with communities. During 2017 we designed, structured, and executed 5 programs to make Terpel's social, economic, and environmental best practices viable in Panama.

VAÍTO PROGRAM

(word for water in the Emberá indigenous language):

we organized campaigns to clean beaches and to protect water resources.

BACURÚ PROGRAM

(word for tree in the Emberá indigenous language):

we planted trees, protected natural reserves, and cleaned up green areas.

PANAMA IS OURS PROGRAM:

We helped improve educational quality and infrastructure.

RECONCILIAT

(Get Reconciled) Program:

we supported the socioeconomic reincorporation of socially vulnerable youth (gang members) by giving them jobs in convenience stores.

TERPEL IN MY COMMUNITY PROGRAM:

we protected the rights of vulnerable children and teenagers.

During 2017, we strengthened employer supported volunteering and our determination to cooperate with communities.

- We expanded the Terpel in my Community program to the provinces of Colón and Chiriquí for a two-year period, in benefit of more than 140 children and teenagers.
- We supported the work of the Movimiento Nueva Generación Foundation, sponsoring 5 children in programs for counselling, social work, educational guidance, and training in the prevention of drug abuse, violence, and gang activity.



- We worked with the Pro Niños de Darién Foundation by sponsoring 12 indigenous children from 6 to 12 years of age, so they can have access to healthcare, food, and education.
- We supported the Amigos del Niño con Leucemia y Cáncer (Friends of Children with Leukemia or Cancer) Foundation through our volunteers, and their families and friends, who ran or walked a 2.5 km circuit to raise funds for treatments and medicine needed by the children served by the institution. Our company was ranked sixth in number of laps run among the 150 participating companies and institutions.
- We formalized a strategic alliance with the "Oportunía" program at the Jesús Luz de Oportunidades Foundation, which reincorporates gang members and their victims into civic life. On this occasion we hired 4 people from that foundation, 3 women and 1 man, to work at Va&Ven convenience stores in the City of Panama.

5 VOLUNTEER DAYS

130 VOLUNTEERS, EQUIVALENT TO 58% OF ALL EMPLOYEES IN PANAMA

157 VOLUNTEER HOURS

185 BENEFICIARIES

OTHER SOCIAL CAUSES SUPPORTED

We gave financial support in the amount of 167.3 million pesos for social projects that have important track records and recognition in the communities of Panama. The institutions receiving cooperation were:

- Casa Esperanza Foundation
- Pro Niños del Darién Foundation
- Movimiento Nueva Generación
- Club Activo 20-30 (Telethon)
- Aldeas infantiles SOS Panama
- Amigos del niño con Leucemia y Cáncer - Fanlyc Foundation





CIUDAD BOLÍVAR, ANTIOQUIA: MAIN PLAZA

“ We are very proud to belong to this network that has made it possible for us to serve the market and the community”.

Benjamín y Nelson Londoño, EDS La Colina Service Station

PERÚ

With the heavy rain and floods in diverse areas of the country during 2017, Peru experienced serious emergency situations that awakened solidarity on the part of everyone. With the purpose of joining together to provide support and humanitarian assistance to the affected families, the Organization, its suppliers, and employees raised more than 27 million pesos for the purchase of food products and other basic household goods. They were delivered by a team of volunteers that visited Barba Blanca and some were given to organizations that provided aid in other parts of the country, such as the Caritas del Peru organization and the National Institute of Civil Defense (INDECI).

5 VOLUNTEER DAYS

80 EMPLOYEE VOLUNTEERS

45 HOURS OF VOLUNTEERING

100 BENEFICIARIES

We made donations to the Casamor-Aldimi refuge that takes care of patients with cancer and adults living on a limited income.

TERPEL COLOMBIA CONTINUES RESTORING DREAMS

Journeying through the country for 50 years has made us sensitive to its problems and to its history, to how hard it is to live with conflict, and now, in the post-conflict era, to the importance of playing a key role in cities and in all of Colombia. That is why we continue to strengthen our position on reconciliation through the program Restoring Dreams. With this program we support productive projects, volunteer to help former-combatants, and support the enterprises of people in the process of reintegration.

WE PROMOTED 3 NEW PRODUCTIVE PROJECTS IN FLORENCIA, FOR A TOTAL OF 6 PROJECTS BENEFITED.

WE HELPED THE NATIONAL GOVERNMENT IMPLEMENT 26 REINCORPORATION ZONES BY PROVIDING FUEL. THIS IMPLIED INFRASTRUCTURE ADAPTATIONS TO BE ABLE TO STORE AND DISPATCH TO THOSE REGIONS.



CHALLENGES 2018

COLOMBIA

Implement the Adventures with Letters and The Leader in Me programs in the cities of Barrancabermeja and Florencia.

Execute the Design for Change program in Villa del Rosario, Baranoa, Jamundí and other cities.

Close the company's existing material gaps in the Dow Jones Sustainability Index.

Strengthen the perception of Terpel as a country partner through the development of reconciliation projects.

Implement the Sustainable Management Model in the Terpel operations in Peru and in Ecuador.



Terpel celebrates 50 years of building a better country, bringing to potential each person's capital, working as a team, contributing the best to each region, and always moving forward with the purpose of making Colombia a more innovative and competitive country.

We are and will continue to be the unconditional partner of Colombians.

Thank you for preferring us!





Memorandum Independent Review of the Sustainability Report of Organización Terpel (2017).

Scope of our work

We conducted our review of the adaptation of the contents of the Sustainability Report of Organización Terpel 2017 to the Guide for the preparation of Sustainability Reports of the Global Reporting Initiative (GRI Standards).

Verification process

We conducted our work in accordance with 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) of the International Federation of Accountants (IFAC)*, with the Standard AA1000 *Stakeholder Engagement Standard AA1000SES* (2015) and the International framework of the International Integrated Reporting Council (IIRC).

Our review work consisted in formulating questions to the management, as well as to the various areas of Organización Terpel who participated in the preparation of the Sustainability Report and the application of certain analytical procedures and review testing sample described below:

- Interviews with Organización Terpel employees to know about the principles, management approaches and data consolidation systems applied to prepare the Report.
- Analysis of how the content, structure and indicators were defined, based on the materiality exercise according to the GRI Standards.
- Analysis of the processes to collect and validate the data presented in the report.
- Checking, by sample testing and review of quantitative and qualitative evidence corresponding to the GRI contents and Organización Terpel internal indicators included in the Sustainability Report 2017, and proper compilation from the data supplied by Organización Terpel the sources of information.

Responsibilities of the Management of Organización Terpel and Deloitte

- The preparation of the Sustainability Report 2017 of Organización Terpel and its content are the responsibility of the organization which is also responsible for defining, adapting and maintaining management systems and internal control which information is obtained.
- Our responsibility is to issue an independent report based on our review procedures applied.
- This Report has been prepared exclusively in the interest of the organization in accordance with the terms of our proposed services. We do not assume any liability to third parties other than the Management of the company.
 - We have performed our work in accordance with the Independence regulations required by the ethic code of the *International Federation of Accountants (IFAC)*.
 - The scope of a limited review is substantially less than an audit. Therefore, we do not provide an audit about the Annual Report.

Deloitte & Touche Ltda.
Jorge Enrique Múnera D.
 Partner

Bogotá, July 2018





Confirmation that the Sustainability 2017 of Organización Terpel Report has been prepared in accordance with GRI Standards: Core option "in accordance".

General aspects:

It was confirmed that the report meets the requirements of the Essential option "in accordance" of the general aspects of the GRI Standards.

Specific aspects:

We reviewed the management approach, GRI disclosures and Organización Terpel internal indicators of the material issues below:

Material Issue	GRI Disclosures or Organización Terpel internal indicator*
Profitability	201-1. Direct economic value generated and distributed
Fair labor relations and conditions	401-1. New employee hires and employee turnover
	403-2. Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities
	3.2.1 Diversity
	405-2. Ratio of basic salary and remuneration of women to men
Good corporate governance and transparency	205-1. Operations assessed for risks related to corruption
Accompaniment to affiliates, suppliers, customers and consumers	Own. Environmental evaluation of Contractors. Number of contractors that are evaluated under environmental criteria
	Own. Terpel Schools. Training hours in each of the Terpel schools
	Own. Entrepreneurs that are part of the Terpel Business Network (TBN).
Climate change: carbon footprint	302-1. Energy consumption within the organization
	303-1. Water withdrawal by source
	305-1. Direct (Scope 1) GHG emissions
	305-2. Energy indirect (Scope 2) GHG emissions
	305-3. Other indirect (Scope 3) GHG emissions





Spills and waste	306-2. Waste by type and disposal method
	306-3. Significant spills
Quality education	Own. Terpel Foundation. Number of beneficiaries of education programs
	Own. Volunteering
Technology and innovation	Own. Image. Number of service stations with a new image
Development of human capital	404-1. Average hours of training per year per employee
Respect for and promotion of human rights	412-2. Employee training on human rights policies or procedures

Conclusion

As a result of our review, there was nothing that make us believe that Sustainability Report 2017 contains significant errors or has not been prepared in accordance with the GRI Standards.

Recommendations according to GRI principles¹

Context of sustainability / Materiality

General remarks

It highlights the appropriation and integration of economic, social and environmental issues as a strategic part of the company's management. Also, the analysis of these issues in the international, national and local context in terms of sustainability is highlighted, which allows stakeholders to have a comprehensive view of the management and reality of Organización Terpel.

Recommendations

It is suggested to continue strengthening this good practice through the management of own indicators and GRI that could potentially be associated with previously identified material issues and that could complete the management that has already been carried out. This will make it possible to demonstrate even more the management of the company, as well as the continuous improvement on a day-to-day basis. Likewise, it is suggested that medium and long-term goals be established around the management of their material matters, which will allow the performance and progress of the organization to be measured with respect to sustainability management.

ANNEX 1 Declaration of Independence

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¹ GRI principles of quality and content: Inclusion of stakeholders, context of sustainability, materiality, completeness, precision, balance, clarity, comparability, reliability, punctuality.





member firms in more than 185 countries, Deloitte brings world-class capabilities and high quality service to its customers. Approximately 250,000 professionals are committed to becoming the standard of excellence.

We confirm our independence from Organización Terpel. All our employees perform annual updates to the Ethics Policy which promptly declare that we have no conflicts of interest with Organización Terpel, its subsidiaries and its stakeholders.

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GRI Content Index

GRI 102-54

“This report has been prepared in accordance with the GRI Standards: Core option”

The Terpel Sustainability Report 2017 has been prepared in accordance with the Guidelines of the Global Reporting Initiative (GRI) for Preparing Sustainability Reports, “in accordance” with the core option, and its content has been subject to external assurance.

GRI GENERAL STANDARD DISCLOSURES	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS
GRI 101: Foundation, 2016			
GRI 102: General Disclosures, 2016			
GRI 102: Organizational Profile			
102-1 Name of the organization	Organización Terpel S.A.	Index	
102-2 Activities, brands, products, and services	At Terpel we Create and Distribute Value/ Lines of Business	Page 12	
102-3 Location of headquarters	The main offices of Organización Terpel S. A. are located in Bogotá, Colombia, Carrera 7 Numero 75 –51	Index	
102-4 Location of operations	Terpel Publishes Ninth Sustainability Report At Terpel we Create and Distribute Value / Lines of Business At Terpel we Create and Distribute Value / Division by regions in Colombia	Pages 2, 12 and 13	
102-5 Ownership and legal form	Organización Terpel S.A.	Index	
102-6 Markets served	At Terpel we Create and Distribute Value / Lines of Business Evolution / Memorable Experiences and Network Consolidation: Terpel in the Service Stations of Colombia, Ecuador, Panama and Peru In Ecuador, More Benefits for Consumers In Panama, 10 years at the Country's Service In Peru, We Increased Service Station Sales Volume Terpel's NGV Fuel Figures for Colombia and Peru In Peru, Club Gazel Updated Terpel Lubricants in Colombia, Ecuador and Panama We Maintained Leadership in Aviation Fuel Sales in Colombia and the Dominican Republic We Transport Marine fuel in Colombia and Panama Industry in Colombia, Ecuador and Panama	Pages 12, 16, 20, 21, 22, 23, 25, 30, 32 and 33	
102-7 Scale of the organization	At Terpel we Keep Growing and Distributing Value Leadership/ Growth of the Terpel Team / Half a Century Creating Jobs	Pages 14 and 45	
102-8 Information on employees and other workers	Leadership / Growth of the Terpel Team / Half a Century Creating Jobs	Page 45	
102-9 Supply chain	Quality/ Supplier Development/ Five Decades Committed to Local Purchases (Pages 73-79)	Pages 73-79	



GRI Content Index

GRI GENERAL STANDARD DISCLOSURES	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS
102-10 Significant changes to the organization and its supply chain	Mexico operation no longer reported starting in 2017, due to its sale during that year.	Index	
102-11 Precautionary Principal or approach	Responsibility / Protection of the Environment (Page 84)	Page 84	
102-12 External initiatives	Global Compact Network, Colombia. Businesses for Peace	Index	
102-13 Membership of associations	<p>Colombia</p> <p>Colombian Oil Association (ACP), National Business Association of Colombia (ANDI), Association of Corporate Foundations (AFE), Colombian Confederation of Non-governmental Organizations, America Network (CCONG), International Association of Students in Economic and Commercial Sciences (AIESEC), Colombian Business Council for Sustainable Development (CECODES)</p> <p>Panama</p> <p>American Chamber of Commerce Panama (ANCHAM), International Association of Students in Economic and Commercial Sciences (AIESEC)</p> <p>Peru</p> <p>The Peruvian Services Stations Association (AGESP), the Peruvian Chamber of Natural Gas Vehicles (CPGNV), Peruvian Institute of Educational Development (IPFE)</p>	Index	
GRI 102: Strategy			
102-14 Statement from senior decision-maker	Five Decades in the Hearts of Colombians	Page 4	
GRI 102: Ethics and integrity			
102-16 Values, principles, standards, and norms of behavior	https://www.terpel.com/en/Quienes-somos/Nuestro-proposito/	Index	
102-17 Mechanisms for advice and concerns about ethics	<p>https://www.terpel.com/en/Quienes-somos/Nuestro-proposito/Confidential Whistleblowing Line: 01-800-912-0531 and https://www.reportesconfidencialessterpel.com/</p> <p>Transparency / Good Corporate Governance / Mechanisms for Safeguarding our Shareholders' Investments</p>	Index Page 42	
GRI 102: Governance			
102-18 Governance structure	The Communications Committee is the highest level decision-making body for communications and sustainability issues. The CEO and a board member are members of the committee.	Index Page 41	
	Transparency/ Good Corporate Governance / Bodies Facilitating and Guaranteeing Good Governance		
102-19 Delegating authority	<p>The Vice President of Corporate and Legal Affairs and the Director of Corporate Affairs are in charge of directing, providing advice for, integrating, coordinating, and managing the sustainability of the economic, environmental, and social aspects of Organización Terpel in benefit of all stakeholders. 2. The Communications Committee is the highest level decision-making body for communications and sustainability issues. The CEO and a board member are members of the committee.</p> <p>Transparency/ Good Corporate Governance / Bodies Facilitating and Guaranteeing Good Governance</p>	Index Page 41	



GRI Content Index

GRI GENERAL STANDARD DISCLOSURES	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS
102-20 Executive-level responsibility for economic, environmental, and social topics	The Vice President of Corporate and Legal Affairs and the Director of Corporate Affairs are in charge of directing, providing advice for, integrating, coordinating, and managing the sustainability of the economic, environmental, and social aspects of Organización Terpel in benefit of all stakeholders, while informing the highest-level decision-making body regarding decisions and initiatives to be developed.	Index	
102-21 Consulting stakeholders on economic, environmental, and social topics	<p>The Vice President of Sales maintains a direct relationship with affiliates and franchises through regional committee meetings each quarter.</p> <p>Each year we organize national tours to provide direct contact between the Vice President of Human Talent and the workers in each region.</p> <p>We also organize tours to visit suppliers, encouraging participation by members of this immensely important group of stakeholders.</p>	Index	
102-22 Composition of the highest governance body and its committees	Transparency/ Good Corporate Governance / Bodies Facilitating and Guaranteeing Good Governance/ Terpel's Board of Directors is an Example of Best Practices	Page 41	
102-23 Chair of the highest governance body	The President of the Board of Directors does not hold an executive position at Organización Terpel	Index	
102-24 Nominating and selecting the highest governance body	<p>The competencies of the members of the Board of Directors are analyzed by the General Meeting of Shareholders in accordance with the guidelines established in the Code of Good Corporate Governance and in the Regulations of the Board of Directors. The individuals designated as members of the Board of Directors must meet, in addition to the conditions required by law and the regulations, the following conditions: i) they must have knowledge and expertise in the business developed by the Corporation and/or have experience in the field of industrial and/or commercial activity, finances, technology, administration, or similar sciences; ii) they must have a good reputation and be recognized for their professional suitability and integrity; iii) they must diligently serve in the position, including responding to summons to meetings of the Board of Directors and meetings of the committee's on which they serve; iv) they must not belong simultaneously to more than five (5) Boards of Directors of joint-stock companies (participation on the Boards of Directors of simplified joint stock companies is an exemption from this provision).</p> <p>When the members of the Board of Directors accept their appointment, they make a commitment to fulfill the duties and obligations established in the internal regulations of the Board of Directors and in the Corporate bylaws. They commit to promoting the corporate vision and mission and acting in line with the values, principles, and duties described in Terpel's Corporate Good Governance Code.</p> <p>The experience and trajectory of each member of the Board of Directors makes them suitable for participation on said board, in addition to their ability to make a contribution in economic, social, and environmental areas.</p>	Index	
102-25 Conflicts of interest	The Good Governance Code and the Code of Conduct contain mechanisms for preventing conflicts of interest in the highest governance body. Web site: https://www.terpel.com/Global/Accionistas/Codigo_de_Buen_Gobierno_Corporativo.pdf	Index	



GRI Content Index

GRI GENERAL STANDARD DISCLOSURES	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS
102-26 Role of highest governance body in setting purpose, values, and strategy	Some of the issues discussed by the Board of Directors with respect to economic, environmental, and social impacts, risks, and opportunities are: Launching the Sustainability Report, bearing in mind its regional impact; validation and approval of the Human Rights Policy; issues related to Corporate Governance; and aspects related to reinserted former combatants, an important issue on the country's agenda.	Index	
102-27 Collective knowledge of highest governance body	The assessment and self-evaluation tool developed for the Board of Directors identifies opportunities for improvement with respect to how the body manages economic, environmental, and social issues.	Index	
102-28 Evaluating the highest governance body's performance	A structure has been designed for assessment and self-evaluation of the Board of Directors, and is used with each member of the governance body, both main and alternate.	Index	
102-29 Identifying and managing economic, environmental, and social impacts	Some of the issues discussed by the Board of Directors with respect to economic, environmental, and social impacts, risks, and opportunities are: Launching the Sustainability Report, bearing in mind its regional impact; validation and approval of the Human Rights Policy; issues related to Corporate Governance; and aspects related to reinserted former combatants, an important issue on the country's agenda. By placing these matters at the consideration of the highest governance body, a venue is provided for that body to make recommendations on their management.	Index	
102-32 Highest governance body's role in sustainability reporting	The sustainability report is approved by the Office of the President of Organización Terpel	Index	
102-35 Remuneration policies	https://www.terpel.com/Global/Accionistas/Codigo_de_Buen_Gobierno_Corporativo.pdf / Section 4 Policy for Selection, Remuneration, and Incentives for Administrators, and their Responsibilities	Index	
102-36 Process for determining remuneration	The salaries for different positions are established in accordance with internal technical studies and the labor market.	Index	
GRI 102: Stakeholder Engagement			
102-40 List of stakeholder groups	https://www.terpel.com/Global/Accionistas/Codigo_de_Buen_Gobierno_Corporativo.pdf Terpel does Sustainable Business / Our Stakeholders are Part of our Story	Index Page 7	
102-41 Collective-bargaining agreements	Growth of the Terpel Team / We Respect Freedom of Association	Page 54	
102-42 Identifying and selecting stakeholders	Terpel does Sustainable Business / Our Stakeholders are Part of our Story	Page 7	



GRI GENERAL STANDARD DISCLOSURES	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS
<p>102-43 Approach to stakeholder engagement</p>	<p>The Sales Departs maintains a direct relationship with affiliates and franchises through quarterly regional committees that disseminate information of interest and gather information about expectations with an eye toward enhancing the company's stakeholder engagement.</p> <p>Each year we organize national tours to provide direct contact between the Vice President of Human Talent and the workers in each region.</p> <p>The results of these conversations are taken into account when defining this report's material aspects.</p> <p>Other communication mechanisms include: Monthly meeting with the Board of Directors General Meeting of Shareholders held annually Confidential Whistle Blowing Line for employees, pump island attendants, and suppliers. Questions, comments and complaints line for final consumers and neighboring communities Joint Committee and Workplace Peaceful Coexistence Committee for employees</p> <p>Terpel does Sustainable Business / Our Sustainable Management Model Focuses on People</p> <p>Growth of the Terpel Team / Channels for Open Communication at Terpel / In Colombia, we are in Tune with the Dreams and the Culture of the Different Regions</p>	<p>Index Page 7 and 71</p>	



GRI Content Index

GRI GENERAL STANDARD DISCLOSURES	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS
102-44 Key topics and concerns raised	<p>Terpel does Sustainable Business / Our Material Aspects / Material Aspects</p> <p>At Terpel we Create and Distribute Value</p> <p>Evolution/ Memorable Experiences and Network Consolidation:</p> <p>Terpel in the Service Stations of Colombia, Ecuador, Panama and Peru</p> <p>Terpel LifeMiles Club: to win over the hearts of Colombians</p> <p>The Terpel Business Owner Network continues to Strengthen Bonds of Trust</p> <p>Being a 'Teso' is a synonym of experience in lubricant sales</p> <p>In Ecuador, we strengthened our lubricants sales strategy</p> <p>In Colombia, Rumbo Terpel adds value for our customers</p> <p>Transparency / Good Corporate Governance / Mechanisms for Safeguarding our Shareholders' Investments</p> <p>Leadership/ Growth of the Terpel Team</p> <p>Quality/ Supplier Development:</p> <p>We Develop Best Practices with Suppliers</p> <p>We Evaluated the Processes of our Suppliers</p> <p>Responsibility/ Protection of the Environment</p> <p>We Measured our Emissions and Joined the Fight against Climate Change</p> <p>50 Years of Experience Strengthening our Culture of Prevention</p> <p>We Managed Waste Products Responsibly</p> <p>The Public / Community Wellbeing</p> <p>In 2017 we continued to focus on the issues brought up by stakeholders in the group of affiliates during dialogues held in 2014. These issues are related to: price as an element of competitive strategy, communication and protocols, image, and service.</p>	<p>Pages 8, 12, 16, 18, 27, 29, 33, 40, 42, 45, 73, 80, 81, 84, 86, 88, 89, 90 and 98</p> <p>Index</p>	
GRI 102: Reporting practice			
102-45 Entities included in the consolidated financial statements	Terpel's Ninth Sustainability Report	Page 2	
102-46 Defining report content and topic boundaries	<p>Terpel does Sustainable Business / Our Material Aspects</p> <p>Terpel does Sustainable Business / Our Material Aspects/ Boundaries and Limits</p>	Page 8 and 9	



GRI Content Index

GRI GENERAL STANDARD DISCLOSURES	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS
102-47 List of material topics	Terpel does Sustainable Business / Our Material Aspects/ Material Aspects At Terpel we Create and Distribute Value Evolution / Memorable Experiences and Network Consolidation: Terpel in the Service Stations of Colombia, Ecuador, Panama and Peru Terpel LifeMiles Club: to win over the hearts of Colombians The Terpel Business Owner Network continues to Strengthen Bonds of Trust Being a 'Teso' is a synonym of experience in lubricant sales In Ecuador, we strengthened our lubricants sales strategy In Colombia, Rumbo Terpel adds value for our customers Transparency / Good Corporate Governance / Mechanisms for Safeguarding our Shareholders' Investments Leadership/ Growth of the Terpel Team Quality/ Supplier Development: We Develop Best Practices with Suppliers We Evaluated the Processes of our Suppliers Responsibility/ Protection of the Environment We Measured our Emissions and Joined the Fight against Climate Change Other emissions 50 Years of Experience Strengthening our Culture of Prevention We Managed Waste Products Responsibly The Public / Community Wellbeing	Pages 8, 12, 16, 18, 27, 29, 33, 40, 42, 45, 73, 80, 81, 84, 86, 88, 89, 90 and 98	
102-48 Restatements of information	Terpel's Ninth Sustainability Report Footnote 2	Pages 2 and 14	
102-49 Changes in reporting	Terpel's Ninth Sustainability Report	Page 2	
102-50 Reporting period	2017	Index	
102-51 Date of most recent report	2016	Index	
102-52 Reporting cycle	Annual	Index	
102-53 Contact point for questions regarding the report	For further information on the company's sustainable development model or sustainability reports, go to https://www.terpel.com/en/Sostenibilidad/ and https://www.terpel.com/Global/Sostenibilidad/rs-ot-2017.pdf or get in touch with: Maria Paula Gómez, Head of Corporate Responsibility.	Index	
102-54 Claims of reporting in accordance with the GRI standards	Terpel's Ninth Sustainability Report	Page 115	
102-55 GRI content index	GRI Content Index		
102- 56 External Assurance	Terpel's Ninth Sustainability Report See external assurance report	Pages 2, 112 - 115	



GRI Content Index

GRI GENERAL STANDARD DISCLOSURES	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS
GRI 103: Management Approach 2016			
103-1 Explanation of the material topic and its Boundary	Terpel's Ninth Sustainability Report Boundaries and Limits At Terpel we Create and Distribute Value Evolution / Memorable Experiences and Network Consolidation Transparency/ Good Corporate Governance Leadership/ Growth of the Terpel Team Quality/ Supplier Development Responsibility/ Protection of the Environment The Public / Community Wellbeing	Pages 2, 9, 12, 16, 40, 45, 73, 84 and 98	
103-2 The management approach and its components	At Terpel we Create and Distribute Value Evolution / Memorable Experiences and Network Consolidation Transparency/ Good Corporate Governance Leadership/ Growth of the Terpel Team Quality/ Supplier Development Responsibility/ Protection of the Environment The Public / Community Wellbeing	Pages 9, 12, 16, 40, 45, 73, 84 and 98	



Índice de Contenido GRI para la Opción Esencial “de Conformidad” con los Estándares GRI

The Terpel Sustainability Report 2017 has been prepared in accordance with the Guidelines of the Global Reporting Initiative (GRI) for Preparing Sustainability Reports, “in accordance” with the core option, and its content has been subject to external assurance.

MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	CONTENTS	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS	ASSURANCE
Profitability					
GRI 201: Economic Performance, 2016	GRI 201-1: Direct economic value generated and distributed.	At Terpel we keep Growing and Distributing Value (Page 14)	Page 14		Yes
	IP R 01: Sales volume	At Terpel we Keep Growing and Distributing Value Evolution / Memorable Experiences and Network Consolidation: Terpel in the Service Stations of Colombia, Ecuador, Panama and Peru Terpel's NGV Fuel figures for Colombia and Peru Terpel Lubricants in Colombia, Ecuador and Panama We Maintained our Leadership in Sales of Aviation Fuel in Colombia and the Dominican Republic We transport marine fuel in Colombia and Panama Industry in Colombia, Ecuador and Panama	Page 14, 15, 16, 23, 25, 30, 32 and 33		
	IP R 02: Market Share	Evolution / Memorable Experiences and Network Consolidation/ Terpel in the Service Stations of Colombia, Ecuador, Panama and Peru Evolution/ Memorable Experiences and Network Consolidation/ Terpel's NGV Fuel figures for Colombia and Peru Evolution/ Memorable Experiences and Network Consolidation/ We Maintained our Leadership in Sales of Aviation Fuel in Colombia and the Dominican Republic	Pages 16, 23, 30	This indicator is not reported for the Marine Business Line.	
	IP R 03: Sales Growth	Evolution / Memorable Experiences and Network Consolidation/ Terpel in the Service Stations of Colombia, Ecuador, Panama and Peru	Page 16	This indicator is reported for Service Stations only.	



GRI Content Index

MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	CONTENTS	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS	ASSURANCE
Good Corporate Governance and Transparency					
GRI 205: Anti-corruption, 2016	GRI 205-1: number and percentage of operations assessed for risks related to corruption and significant risks detected.	The percentages of the operation centers assessed are: 100% of regional offices and the main office, and 13.3% of plants. In total, one case was found of an alteration of calibration factors in Rionegro. The personnel implicated were fired in consequence. Transparency/ Good Corporate Governance / Assessment of Corruption Risks	Index Page 43		Yes
Fair Labor Relations and Conditions					
GRI 202: Market Presence, 2016	GRI 202-2: Proportion of senior management hired from the local community.	Leadership / Growth of the Terpel Team/ Employment Statistics at Terpel / Half a Century Creating Jobs / Percentage of senior management of local origin	Page 46		
GRI 401: Employment, 2016	GRI 401-1: New employee hires and employee turnover DJSI: Talent Attraction and Retention New hires and turnover	LiLeadership / Growth of the Terpel Team / Half a Century Creating Jobs / Number of direct employees Leadership / Growth of the Terpel Team / Half a Century Creating Jobs /New hires and retention rate in Colombia In Colombia, 53 men under the age of 30 years, 50 men from 30 to 50 years and 3 men older than 50 years were hired. For women, new hires included 29 women under the age of 30, 13 women from 30 to 50 years of age, and no women older than 50. In terms of separations, in Colombia 19 men younger than 30 years of age, 53 men between 30 and 50 years of age, and 9 men older than 50 years left the company. In terms of the women who left the company, 11 were younger than 30 years of age, 21 were between the ages of 30 and 50, and 3 were older than 50.	Pages 49 and 50		Yes
	GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Leadership / Growth of the Terpel Team / We're Part of the Quality of Life of our Employees	Pages 69 and 70		
	GRI 401-3: Parental leave	In Colombia, 100% of our employees who had a right to a maternity and/or paternity leave took the leave, and 100% of them were reincorporated after the leave.	Index		



GRI Content Index

MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	CONTENTS	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS	ASSURANCE
GRI 403: Occupational Health and Safety, 2016	GRI 403-1: Workers representation in formal joint management-worker health and safety committees	Leadership / Growth of the Terpel Team / 50 years of Commitment to Occupational Health and Safety / Figures on Practices to Protect Health and Safety / Health and Safety Committees in 2017	Page 69		
	GRI 403-2: Types of accidents and accident rates, occupational diseases, lost days, absenteeism, and number of work-related fatalities through occupational diseases or work-related accidents.	Leadership / Growth of the Terpel Team / 50 years of Commitment to Occupational Health and Safety / Figures on Practices to Protect Health and Safety	Pages 65 - 69		Yes
	GRI 403-3: Workers with high incidence or high risk of diseases related to their occupation	In Colombia, the three most common occupational illnesses reported are back pain, rotator cuff syndrome, and spinal disc problems. The most commonly reported causes of work-related accidents are poor posture when lifting loads, and incorrect handling of fuel hoses. In Colombia, a total of 1,763 contractors and 314 employees do jobs that have a high incidence or risk of osteomuscular disorders.	Index		
GRI 405: Diversity and Equal Opportunity, 2016	GRI 405-1: Diversity of governance bodies and employees	Transparency / Good Corporate Governance / Bodies Facilitating and Guaranteeing Good Governance / Terpel's Board of Directors is an Example of Best Practices Leadership / Growth of the Terpel Team / Half a Century Creating Jobs	Pages 41, 45 - 47		



GRI Content Index

MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	CONTENTS	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS	ASSURANCE
	GRI 405-2: Ratio of basic salary and remuneration of women to men	<p>Average remuneration for women in managerial positions (base salary + other monetary incentives such as bonuses): Managers 15,178,359 pesos.</p> <p>Average remuneration for men in managerial positions (base salary + other monetary incentives such as bonuses): Managers 15,614,020 pesos</p> <p>Average salary of female executives (base salary only): President, Vice Presidents, Country Managers and Managers 28,189,000 pesos</p> <p>Average salary of male executives (base salary only): President, Vice Presidents, Country Managers and Managers 31,767,014 pesos</p> <p>Average salary for women in management (base salary only): Managers 13,491,875 pesos</p> <p>Average salary for men in management (base salary only): Managers 13,879,129 pesos</p> <p>Average salary for non-managerial-level women (base salary only): Leaders, analysts, administrators and supervisors, technicians and assistants, and operators 3,191,081 pesos</p> <p>Average salary for non-managerial level men (base salary only): Leaders, analysts, administrators and supervisors, technicians and assistants, and operators 2,760,622 pesos</p>	Index	This indicator is reported for Colombia only.	Yes



GRI Content Index

MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	CONTENTS	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS	ASSURANCE
	<p>DJSI: Labor Practice Indicators and Human Rights</p> <p>Diversity</p>	<p>Eight women in executive positions (maximum two levels from the president): President, Vice Presidents, Country managers, and managers</p> <p>24 women in entry level management positions: Managers</p> <p>432 women in positions below supervisory levels: Leaders, analysts, administrators and supervisors, technicians and assistants, and operators</p> <p>2.41% of women in executive positions (maximum two levels from the president): President, Vice Presidents, Country managers, and managers</p> <p>27.57% of women in entry level management positions: Managers</p> <p>32.51% of women below supervisory levels: Leaders, analysts, administrators and supervisors, technicians and assistants, and operators</p>	<p>Index</p>	<p>The scope for this indicator is Colombia</p>	
Safe Operating Conditions					
	<p>IP CSO 01: Advances in Reliable Service Station Program</p> <p>Number of service stations involved in the program</p>	<p>Responsibility / Protection of the Environment / Our Experience makes us a Reliable Operation</p>	<p>Pages 84 and 85</p>	<p>The scope for this indicator is Colombia</p>	<p>Yes</p>



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Accompaniment for affiliates, suppliers, customers, and consumers					
	IP AA 01: Results of surveys to measure customer satisfaction.	Evolution / Memorable Experiences and Network Consolidation: Satisfaction of Service Station Customers in Colombia Satisfaction of Service Station Customers in Ecuador Satisfaction of Service Station Customers in Panama Satisfaction of Service Station Customers in Peru Satisfaction of Lubricant customers in Colombia Satisfaction of Aviation customers in Colombia Satisfaction of Aviation Customers in the Dominican Republic Satisfaction of Marine Fuel customers in Colombia Satisfaction of Rumbo Terpel customers Satisfaction of Industry Customers in Colombia	Pages 15, 17, 20, 21, 22, 28, 31, 32, 33 and 34		
	IP AA 02: Environmental Evaluation of Contractors /The number of contractors evaluated under environmental criteria	Quality / Supplier Development / We Evaluated the Processes of our Suppliers	Page 81		Yes
	IP AA 03: Terpel Schools/ Hours of training at each Terpel School	Leadership / Growth of the Terpel Team / 50 years Generating Growth for our Teams / Terpel Schools, to be the Best in Service	Pages 61 - 63		Yes
	IP AA 04: Advances in Reliable Service Station Program / Number of service stations involved in the program	Responsibility / Protection of the Environment / Our Experience makes us a Reliable Operation	Page 85	The scope for this indicator is Colombia	
	IP AA 05: Number of drivers trained	Quality / Supplier Development / We Develop Best Practices with Suppliers	Page 81		
	IP AA 06: Number of restrooms remodeled	Evolution / Memorable Experiences and Network Consolidation/ In Colombia, We are the #1 Service Station Network	Page 17		
	IP AA 07: Number of business owners participating in the Business Owner Network	Evolution / Memorable Experiences and Network Consolidation/ The Terpel Business Owner Network continues to Strengthen Bonds of Trust	Page 18		Yes



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Climate Change: carbon footprint					
GRI 302: Energy, 2016	GRI 302-1: Energy consumption within the organization.	Responsibility / Protection of the Environment / We Measured our Operation's Energy Consumption	Page 88		Yes
	GRI 302-2: Energy consumption outside of the organization	The operation in Panama had consumption of 34,811.23, but the other countries did not report this indicator.	Index		
	GRI 302-3: Energy intensity	Responsibility / Protection of the Environment / Energy Intensity	Page 89		
GRI 305: Emissions, 2016	GRI 305-1: Direct (Scope 1) GHG emissions	Responsibility / Protection of the Environment / We Measured our Emissions and Joined the Fight against Climate Change	Pages 86 and 87	The scope of this indicator is Colombia and Panama.	Yes
	GRI 305-2: Energy indirect (Scope 2) GHG emissions	Responsibility / Protection of the Environment / We Measured our Emissions and Joined the Fight against Climate Change	Pages 86 and 87	The scope of this indicator is Colombia and Panama.	Yes
	GRI 305-3: Other indirect (Scope 3) GHG emissions	Responsibility / Protection of the Environment / We Measured our Emissions and Joined the Fight against Climate Change	Pages 86 and 87	The scope of this indicator is Colombia and Panama.	Yes
	GRI 305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Responsibility / Protection of the Environment / We Measured our Emissions and Joined the Fight against Climate Change	Page 88	The scope of this indicator is Peru and the Dominican Republic.	
Spills and waste products					
GRI 306: Effluents and Waste, 2016	GRI 306-2: Waste by type and disposal method	Responsibility / Protection of the Environment / We Managed Waste Products Responsibly	Pages 90 - 94		Yes
	GRI 306-3: Significant spills	Responsibility / Protection of the Environment / 50 Years of Experience Strengthening our Culture of Prevention	Pages 89 and 90	The scope of this indicator is Colombia, the Dominican Republic, and Panama.	Yes
GRI 307: Environmental Compliance, 2016	GRI 307-1: Non-compliance with environmental laws and regulations	During 2017, Organización Terpel did not receive significant environmental sanctions of more than USD\$10,000.	Index		
	IP DR 01: Number of spill kits delivered	In 2017 we delivered 33 spill kits to our industry clients.	Index		



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MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	CONTENTS	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS	ASSURANCE
Quality Education					
GRI 201: Economic Performance, 2016	GRI 201-1: Direct economic value generated and distributed.	At Terpel we keep Growing and Distributing Value The Public / Community Wellbeing / Terpel Creates Value through Social Initiatives	Pages 14 and 98		
GRI 413: Local Communities, 2016	GRI 413-1: Operations with local community engagement, impact assessments, and development programs.	We implemented development programs in 100% of the operations of Organización Terpel in Colombia. These programs cover 31 Colombian Departments and 120 municipalities. The Public / Community Wellbeing / The Public / Community Wellbeing / Schools that Learn	Index Pages 100 - 108		
	IP EC 01: Terpel Foundation/ Number of beneficiaries of the education programs	The Public / Community Wellbeing / In Colombia, the Terpel Foundation is a Benchmark for Quality Education	Page 99	The scope for this indicator is Colombia	Yes
	IP EC 02: Volunteerism Number of beneficiaries Number of volunteer days	The Public / Community Wellbeing / Country Partner in the Communities where we Operate	Pages 105 - 108		
Reconciliation					
	IP R 01: Reintegration Number of people hired by the organization	The organization has 6 reintegrated individuals who have been hired at service stations.	Index	The scope for this indicator is Colombia	
Technology and Innovation					
	IP TI 01: Image/Number of service stations with the new image	Evolution / Memorable Experiences and Network Consolidation: In Colombia, We are the #1 Service Station Network In Panama, We Celebrated 10 years at the Country's Service	Pages 17 and 21		Yes
	IP TI 02: Complementary Businesses/ Number of service stations that have complementary businesses	Evolution / Memorable Experiences and Network Consolidation: In Colombia, We are the #1 Service Station Network In Panama, We Celebrated 10 years at the Country's Service In Ecuador, there are 5 convenience stores. In Peru, Terpel has 6 convenience stores.	Pages 17 and 21 Index		



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MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	CONTENTS	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS	ASSURANCE
	IP TI 03: Product Innovation / Number of products certified	<p>Evolution / Memorable Experiences and Network Consolidation In Colombia, Aviation is a benchmark for experience and service In the Dominican Republic, We Fly High to be the Best</p> <p>Lubricants ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 certification. Scope: Design and development, production, sales, and distribution of lubricants. Norsok Score 2017: 100% Quality Seal Certification for 31 product references: NTC ISO 1295 NTC ISO 2218 NTC ISO 3382 NTC ISO 1399 Laboratory accredited by the Colombian National Accreditation Organization (ONAC) in 9 methods.</p> <p>Aviation ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 certification. Scope: Commercialization, transportation, operation and supply of aviation fuel. Norsok Score 2016: 99%</p> <p>Gazel ISO 9001:2008 Certification Scope: Design, construction, and maintenance of service stations for filling tanks with compressed natural gas for vehicles (NGV fuel) and the sale of NGV fuel.</p> <p>Plant Operations RUC Certification: uniform registration of occupational health and safety and the environment management system evaluation for contractors in the hydrocarbons sector. Score 2017: 90%</p>	Page 31 Index		



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MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	CONTENTS	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS	ASSURANCE
	IP TI 04: Product Innovation / Number of lubricants with environmental advantages	Evolution / Memorable Experiences and Network Consolidation/ Since 1982, Innovations with our Terpel Lubricants	Page 26		
Development of Human Capital					
GRI 404: Training and Education, 2016	GRI 404-1: Average hours of training per year per employee.	Leadership / Growth of the Terpel Team / 50 years Generating Growth for our Teams	Pages 56 - 59		Yes
	GRI 404-2: Programs for upgrading employee skills and transition assistance programs	Leadership / Growth of the Terpel Team / 50 years Generating Growth for our Teams	Pages 60 and 61		
	GRI 404-3: Percentage of employees receiving regular performance and career development reviews	Executives: 28 (96%) Managers: 54 (98.2%) Staff: 524 (94.7%) Other positions: 626 (90.4%)	Index Page 55		
	IP DCH 01: Investment in training	Leadership / Growth of the Terpel Team / 50 years Generating Growth for our Teams	Page 56		
	IP DCH 02: Number of job vacancies filled by internal personnel	Leadership / Growth of the Terpel Team / Half a Century Creating Jobs / Vacant positions filled internally	Page 53		
Biodiversity					
GRI 304: Biodiversity, 2016	GRI 304-3: Habitats protected or restored	In Colombia, the Baranoa Plant in Atlántico is located across from the Megua Bio Theme Park, where Terpel has planted close to 50 hectares with tree species such as Matarratón (<i>Gliricidia sepium</i>) and White Manjack (<i>Cordia dentata</i>) since 2014.	Index	The scope for this indicator is Colombia	



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Respect for and Promotion of Human Rights					
GRI 407: Freedom of Association and Collective Bargaining, 2016	GRI 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<p>We extend our human rights policy to cover all our suppliers. During 2017 we engaged in an exercise to establish human rights due diligence for the operations in Panama. A preliminary diagnosis sought to learn of any risks or violations by the company with respect to incidents of forced or compulsory labor, and the measures the company has adopted to defend people's rights. One hundred percent of our operations in Colombia and Panama have been evaluated in terms of human rights.</p> <p>Terpel Focuses on Sustainability / Respect for Human Rights is at the Foundation of Terpel's Work / Terpel Moves Ahead on Establishing Human Rights Due Diligence</p>	Index Pages 10 and 11		
GRI 408: Child Labor, 2016	GRI 408-1: Operations and suppliers at significant risk for incidents of child labor	<p>We extend our human rights policy to cover all our suppliers. During 2017 we engaged in an exercise to establish human rights due diligence for the operations in Panama. A preliminary diagnosis sought to learn of any risks or violations by the company with respect to incidents of forced or compulsory labor, and the measures the company has adopted to defend people's rights. One hundred percent of our operations in Colombia and Panama have been evaluated in terms of human rights.</p> <p>Terpel Focuses on Sustainability / Respect for Human Rights is at the Foundation of Terpel's Work / Terpel Moves Ahead on Establishing Human Rights Due Diligence</p>	Index Pages 10 and 11		



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MATERIAL ASPECTS FOR TERPEL AND ITS STAKEHOLDERS	CONTENTS	RESPONSE / TITLE IN THE REPORT	INDEX / PAGE OF THE REPORT	OMISSIONS	ASSURANCE
GRI 409: Forced or Compulsory Labor, 2016	GRI 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>We extend our human rights policy to cover all our suppliers. During 2017 we engaged in an exercise to establish human rights due diligence for the operations in Panama. A preliminary diagnosis sought to learn of any risks or violations by the company with respect to incidents of forced or compulsory labor, and the measures the company has adopted to defend people's rights. One hundred percent of our operations in Colombia and Panama have been evaluated in terms of human rights.</p> <p>Terpel Focuses on Sustainability / Respect for Human Rights is at the Foundation of Terpel's Work / Terpel Moves Ahead on Establishing Human Rights Due Diligence</p>	Index Pages 10 and 11		
Other Relevant Aspects					
GRI 303: Water, 2016	GRI 303-1: Water withdrawal by source	Responsibility / Protection of the Environment / We Monitored use of Water Resources	Page 95	Terpel is not a major consumer of this resource. Its water comes from the municipal water supply or from other companies.	Yes



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Bogotá D. C. - Colombia



**Red Pacto Global
Colombia**

Since 2011, terpel is a signatory of the united nations global compact and is committed to its 10 principles.



Terpel was included in the RobecoSAM Sustainability Yearbook 2017, based on its outstanding economic, social, and environmental performance in the Retail sector.





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