

TERPEL MANAGEMENT AND SUSTAINABILITY REPORT | 2020

MANAGEMENT 2020

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For the last 12 years, we have reported each year on Terpel's work in the area of sustainability, reflecting our commitment to sustainability and to communication with our stakeholders. We have built a sustainability model and fine-tuned the materiality assessment and the quantitative and qualitative indicators we report, in order to issue quality reports that are increasingly effective, accurate, and forthright.

Our Management and Sustainability Report 2020 represents a transition toward a fully integrated report. It was prepared in conformance with the GRI standards: Core option and is based on GRI principles for defining content and quality. It describes economic, social, and environmental performance from January 1 to December 31, 2020 for Terpel's operations in Colombia. We report on performance for Ecuador, Panama, Peru, and the Dominican Republic in the chapter "Regional Operation."

We have structured the report around the seven (7) material topics identified and validated during the most recent materiality exercise in 2020. The information in the financial statements is for the consolidated operations of Colombia, Ecuador, Panama, Peru and the Dominican Republic.

This document contains no restatement of data or information, nor are there any fundamental changes with respect to previous reports. Note, however, that the presentation of some information related to Terpel's human talent has been aligned with internal criteria and ranges.

External assurance for the report was provided by the firm Deloitte Asesores y Consultores Ltda., and it was also validated by internal control systems and directly monitored by Terpel's Executive Team, guaranteeing its integrity and credibility.

The document is also our Communication on Progress (CoP) for the United Nations Global Compact. For further information on Terpel's sustainable development model or sustainability reports, go to: <https://www.terpel.com/en/Sostenibilidad>

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LETTER FROM OUR PRESIDENT

TRANSFORMING UNCERTAINTY INTO OPPORTUNITY



As the new president of Organización Terpel, I am proud to share with you the company's first integrated report describing its main outcomes and achievements and, in particular, the economic, social, and environmental dimensions of our work during the period from January 1 to December 31, 2020. This document, in line with best reporting practices, demonstrates Terpel's management of its material issues and its contribution to four Sustainable Development Goals (SDG's). Publishing it reveals our commitment to our stakeholders and to the country's development.

Today, more than ever, the world needs companies that create value for society, companies that are socially committed, empathetic, and resilient. Companies that value human talent by training, nurturing, and motivating their people. Companies that can react quickly and creatively to change, transforming uncertainty into opportunity.

Now, more than ever, the phrase we coined in 2020, "We'll get through this together," is applicable, because the pandemic's impact is not yet over, and because together we have a better chance of recovering from adversity.

Although we face great challenges as a country and as a society, I am confident that through cooperative and coordinated teamwork we will continue to help transform our cherished Colombia in the years to come.

After more than 15 years at Terpel, I can assure you that we are capable of rising to the challenges around us, of adapting to the needs of the market, and of generating decent jobs. We are capable of promoting the development of the regions we serve, of protecting the environment, and of responding to Colombia's most pressing needs. In the following report you will learn about our progress on the economic, social, and environmental fronts, as well as our challenges in those areas.

Thank you for coming with us on this journey and for your support as we continue creating memorable experiences and growing more deeply rooted in the hearts of Colombians.

ÓSCAR BRAVO RESTREPO
President, Organización Terpel

TERPEL, DEFYING ADVERSITY

In 2020, we faced a situation without precedent in human history. The pandemic took us by surprise, forcing us to physically isolate and to invent strategies to ensure the sustainability of the business while expressing solidarity with those most in need.

They were difficult months for everyone. But we maintained our composure and acted in unity, out of the conviction that working together and in coordination we could mitigate the situation's impact and navigate the turbulent waters of the crisis.

Our main challenge was to ensure the sustainability of the business and protect the health of the people involved in one way or another with our organization. We coordinated actions to alleviate cash pressure on each link of the chain, successfully mitigating, with government support, the significant impact of the fall in demand. In the particular case of Terpel, the challenge was to achieve this relief by finding savings in all expense and investment line items,

while guaranteeing the team's job stability as much as possible. We defined protocols with high standards for safety, and adapted our businesses, facilities, and offices to be able to take care of people's health in compliance with guidelines issued by the competent authorities.

At the same time, we faced the challenge of switching 67% of our employees to remote work, communicating to them a message of safety and optimism in the midst of a difficult situation. Thanks to earlier experimentation with pilot telework programs, and constant communication with the entire team, we were able to reduce uncertainty and inspire optimism among employees.

Staying united and setting clear austerity goals, while expressing solidarity toward the needy and keeping people at the center of every decision, we were able to reinvent ourselves in many areas. The pandemic challenged us to design alternatives in line with consumers' new needs, and

invited us to be even more creative and innovative on how to continue providing memorable experiences for our customers. As a result, we ended up achieving milestones we couldn't have imagined, some of which I would like to share with you:

- In Colombia, our market share for liquid fuel service stations at the close of 2020 was 44.5%, continuing to position us as leaders, thanks to our 1,928 liquid fuel service stations in the country, of which 1,628 (86%) have now been renovated with our new look.
- We strengthened our presence in the electric mobility business by building and inaugurating the first Terpel Voltex terminal for the first fleet of electric buses for the SITP public transportation system in Bogotá and by closing out the year with three electric charging stations, continuing to deliver on our promise to interconnect cities.

**WE ARE PROUD
TO REPORT THAT,
FOR THE FIFTH
CONSECUTIVE
YEAR, WE WERE
RECOGNIZED
AS ONE OF THE
WORLD'S MOST
SUSTAINABLE
COMPANIES IN THE
RETAIL SECTOR.**



- In the aviation business, we implemented a pilot plan for an aircraft disinfection service in Colombia, in adaptation to new measures required by the pandemic. Terpel's different airports also obtained biosafe operation certificates, generating confidence among our stakeholders. Our marine fuel business grew more than 10% over the year 2019.
- We consolidated our position as leaders in the lubricant market, with a 41.5% market share. Technology, constant innovation, and the highest standards for our quality processes allowed us to launch five new products in the Mobil Super 2000 and 3000 family, and 2 semi-synthetic products for the Mobil Super Moto MX line, giving us

a robust portfolio of products and a strong market position.

- In our convenience services line, we adapted the products and services our stores offer. Not only did we expand the basic necessities available for customers to replenish supplies, but we also successfully activated a home delivery channel that came to represent 7% of the business line's sales.
- In our operation to supply compressed natural gas (CNG) for vehicles, we obtained a 45%* market share. We built a new CNG station with a special design and the capacity to serve freight trucks on one of the country's main highways (Ruta del Sol), allowing us to serve a fleet of 45 CNG-powered tractor-

trailers. With these actions, we have established a more robust presence in these green corridors, continuing to consolidate Gazel as an industry leader.

- We maintained Terpel's 'AAA' rating from Fitch Ratings, reflecting our competitive and robust market position, our stable financial profile, and our ability to meet our commitments. For the seventh consecutive year we obtained the IR Recognition from the Colombian Stock Exchange (BVC), despite the uncertain times for the country's economy.
- We are proud to report that, for the fifth consecutive year, we were recognized as one of the world's most sustainable companies in the

retail sector according to the Dow Jones Sustainability Index, ranking us 14th among the 116 organizations assessed in that sector.

- With a focus on mitigating climate change, we continued to develop alternative energy sources at our work centers, closing out the year with 1,054 solar panels.
- We received a "Human Resources Management" award from *Premios Portafolio* for outstanding prioritization of talent, self-learning, and development; for creating incentives for diversity, equity, and inclusion, and promoting non-discrimination; and for protecting the jobs of 100% of our workforce in moments of crisis and uncertainty.

We have achieved these important accomplishments thanks to the effort of our incredible team, the confidence of our shareholders and investors, the backing of the communities near our operations, the all-out support of our partners in all business segments, and our unswerving motivation to always offer our consumers our best. I invite you to read this report that summarizes our experience and challenges during 2020 in Colombia and in the other countries where Terpel operates. It is the last one I will present as President of Terpel, the company I have been honored to lead for the last 8 years. Thank you to each and every one of you for accompanying me on this wonderful journey.

SYLVIA ESCOVAR GÓMEZ

President, Organización Terpel 2012 - 2020

*Information as at November 2020

GLOBAL AND NATIONAL CONTEXT

Every political, economic, and social forecast for 2020 changed drastically in the wake of COVID-19. The virus quickly became a global health crisis. On January 14, 2020, the first cases of the disease were reported outside China, and, on March 11, the World Health Organization (WHO) officially declared it a pandemic. By the end of July, the number of cases worldwide reached 10 million, and that number doubled just six weeks later.

According to the European Centre for Disease Prevention and Control (ECDC), by December 2020, around 68 million cases of the virus and more than 1.5 million deaths had been reported worldwide.

In Colombia, the first confirmed case of COVID-19 was reported on March 6. Days later, a national health emergency was declared, and compulsory measures to restrict mobility were decreed in the country's main cities.

In addition to its human, social, economic, and cultural impact, the pandemic caused unemployment figures to soar. In the United States, the jobless rate went from 2.7% in 2019 to 10.4%. Meanwhile, in Colombia, that indicator reached a historic high of 19.8% in the month of July, according to the Labor Market Report issued by the Bank of the Republic, in comparison to a rate of 10.5% in 2019. According to the DANE, the unemployment rate at year end was 15.9%.

The emergency affected the global economy, producing negative projections for economic growth for all countries. The International Monetary Fund's prediction in January 2020 for growth in world gross domestic product (GDP) was 3.3%. But by the month of June, it had adjusted its projection downward to a contraction of 4.9%¹.

The blows to the Colombian economy brought by the pandemic during 2020 through global recession, a contraction in consumption, and the collapse of commodity prices, will continue to influence its performance over the short and medium term, and will also continue to inject an unusually high level of uncertainty into economic projections.

Researchers from the Bancolombia Group estimated that the Colombian economy contracted 7.4% between January and November. The private foundation Fedesarrollo established that, by the close of 2020, the Colombian economy had experienced a contraction for the year of between 5.0% and 7.9%. Private consumption fell

5.1% due to restrictive measures and the increase in unemployment.

The DANE, on its part, stated that Colombia's GDP in 2020 contracted a historic 6.8%. Three sectors account for 80% of this contraction: mining and quarrying, construction and trade, and transportation, lodging, and food services.

Given the relevance of COVID-19 in every arena of life around the world, only a few events could even begin to compete with its importance. Worth mentioning is the United States presidential election that - in a context of historic levels of polarization - elected Democrat Joe Biden over Donald Trump, which is sure to have an impact on US relations with this part of the world.

Despite all this, the ANDI, in its year end economic report, predicted that 2021 would be a year of worldwide recovery. This would be produced by higher levels of operation in the different economic sectors than the levels seen in 2020. Growth of 5.2% is estimated for the world economy, while for Latin America, recovery is foreseen to be more moderate, with a rate of 3.2%. The ANDI has stated that Colombia's estimated growth is at the high end of that range, around 5%.

The ANDI explains that neither the crisis nor recovery have been homogeneous across different sectors. As a general rule, the hardest hit have been the sectors shouldering the heaviest burdens in term of restrictions on their operations, the resulting demand shock induced by restrictions

on mobility, and then the supply shock produced by loss of viability. Dramatic examples can be seen in entertainment, in events related to culture and the arts, and in tourism and restaurants.

The ANDI says the country's economic recovery will take two years to get back to 2019 levels. But, more importantly, it believes it will take four or five years to get back on the growth trajectory the country had recently achieved, considering that never before has it suffered a loss of social and economic value of these dimensions. The executive director of economic studies at the Bolívar Group, Andrés Langebaek, has argued that the coronavirus pandemic will end up causing Colombia to lose four years of economic growth in 2020, pushing the GDP back to values seen in 2015.

According to the Bank of the Republic, foreign direct investment experienced a steep fall of US\$3,655 million in 2020, relative to the previous year, as a result of the contraction in the world's economy.

And lastly, on a political level, the administration of President Iván Duque continues to receive a low score in terms of popularity. In the latest country perception survey (Guarumo Analítica December 2020) the president's disapproval rate was 41.6%, a five-point recovery over that same score in the November survey.

1. <https://www.weforum.org/agenda/2020/10/global-economy-gdp-growth-Covid-19/#:~:text=In%20June%2C%20the%20International%20Monetary,points%20below%20the%20April%20forecast.>



SECTOR CONTEXT

In 2020, the pandemic and Colombia's mandatory stay-at-home measures generated strong impacts on the fuel sector. In mid-March, when the first restrictions on mobility went into effect, gasoline consumption fell 65% and diesel consumption fell 50%, according to the Colombian Petroleum Association (ACP for the Spanish). During the second week of June, gasoline consumption began to pick up again, reaching 4.3 million gallons per day, more than double the figure for April, according to the Ministry of Mines and Energy.

According to the ACP, prior to the pandemic-generated emergency, the sector expected 2020 to bring an increase in consumption of gasoline and aviation fuel (Jet A-1) of 5%, and an increase of 1% in diesel. Although growth in January and February kept pace with the projections, as of April there was a reduction of close to 70% in nationwide gasoline consumption, forcing adjustments to the expectations and projections for the year's performance.² Of all fuels, Jet A-1 most keenly felt the impact on demand, with a 90% decrease due to the shutdown in commercial aviation.

2. <https://acp.com.co/web2017/es/asustos/economicos/682-impactos-del-Covid-19-en-el-mercado-de-combustibles-liquidos-y-perspectivas-de-recuperacion-2020/file>

The ACP estimated a 15% reduction by the close of 2020 in demand for oxygenated gasoline versus demand in 2019.

Contrary to national trends, gasoline consumption in the Departments bordering Venezuela increased 33%. The increased demand was due to gasoline shortages in the neighboring country and, in consequence, reduced smuggling of fuel into Colombia, increased legal consumption of Colombian gasoline and, possibly, an increase in the flow of fuel from Colombia to Venezuela.

According to the ACP, during 2020, 78% of all demand for liquid fuel was supplied with domestic product (versus 74% in 2019). Imports, relative to 2019, went down to 27 thousand barrels per day of gasoline (versus 29 KBD in 2019), to 3 thousand barrels per day of ethanol (versus 5 KBD), 21 thousand barrels per day of diesel (versus 43 KBD) and 1 thousand barrels per day of jet fuel (versus 1.7 KBD in 2019).

Total demand for jet fuel went down 58% over 2019. This decrease was caused mainly by airport shutdowns, their slow reopening starting in September, the loss of traveler confidence, and savings measures at the corporate level in business travel.

The ACP indicates that investments by wholesale distributors in 2020 totaled close to 400 billion pesos, while the budget for 2021 will be around 500 billion pesos. Wholesale distributors invested those 400 billion pesos in supply plants and the service station network to ensure nationwide continuity in fuel supply.

The CNG market has been experiencing a significant reactivation. According to Naturgas estimates, over a 20-year period approximately 622,000 vehicles have been converted to CNG, of which 2,800 are heavy vehicles. Those heavy vehicles include more than 2,300 buses and articulated and bi-articulated vehicles. According to this association, some 18,000 conversions were made in 2020. The Colombian government has passed laws to promote the use of natural gas vehicles, reducing the import tariff from 35% to 5%. It is therefore predicted that an increasing number of companies in the heavy transportation sector will be motivated to include CNG-powered vehicles in their fleet, which are environmentally-friendly and generate savings in fuel consumption.

In the field of electro-mobility, according to RUNT statistics, Colombia closed the year with close to 4,000 electric vehicles, plus another number of hybrid vehicles and electric motorcycles, totaling approximately 0.1% of the country's 6.4 million vehicles. Nine hundred electric vehicles arrived in the country in 2019 and approximately 800 entered in 2020.

With this annual growth rate, it would be feasible to reach the National Development Plan's goal of 6,600 electric vehicles by 2022.

IN ACCORDANCE WITH THE SECTOR'S BEHAVIOR, WE SEE THE FOLLOWING AS OUR MAIN CHALLENGES IN THE MEDIUM-TERM:

- Opening imports to third parties.
- Diversifying the value offer to customers.
- Improving the quality of fuels.
- Pursuing greater efficiency that will allow our agents to improve the quality of their customer service.
- Adapting to change, preparing for greater competition and new import agents, and developing greater flexibility in the supply of fuels.

The ACP has indicated that the sector's vision for the medium term is for a fuel market with greater competition between importers and distributors, and between energy sources. This will impose on us the challenge of obtaining greater efficiencies in benefit of our customers and consumers.

ABOUT TERPEL

We are Colombia's most experienced company in the distribution and marketing of fuels, compressed natural gas (CNG) and lubricants. We also have a significant presence in Ecuador, Panama, the Dominican Republic, and Peru.

Our more than 50 years in the market have pushed us to grow and innovate to keep people on the move, people who are at the center of our decisions and our strategy. We generate development in the country's different regions, and create value for our stakeholders, always in line with principles of ethics and transparency. Our sustainable competitive strategy allows us to ensure profitability, meet the challenges of the market, and fulfill the expectations of consumers, being the No. 1 brand everywhere we operate.

CONSOLIDATED FIGURES

TOTAL SALES VOLUME IN 2020

2,264

million gallons

✓ -22%
Over 2019

EBITDA

\$488,377

million pesos

✓ -45%
Over 2019

NET INCOME

-\$39,738

million pesos

✓ -117%
Over 2019

A COLOMBIAN COMPANY WITH INTERNATIONAL PRESENCE



TERPEL COLOMBIA IN FIGURES

SALES VOLUME LIQUID FUEL SERVICE STATIONS

1,323

million of gallons

MARKET SHARE LIQUID FUELS

44.5%

AVIATION MARKET SHARE

72.1%

INDUSTRY SALES VOLUME

139.4

million of gallons

SALES VOLUME LUBRICANTS

19.7

millions of gallons

MARKET SHARE LUBRICANTS

41.5%



1,928

Liquid fuel service stations



1,478

Direct employees



16,000

Indirect employees
(approximate)



325

Convenience stores



31

Supply Plants



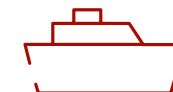
21

Airports served

GNV

242

CNG fueling stations



6

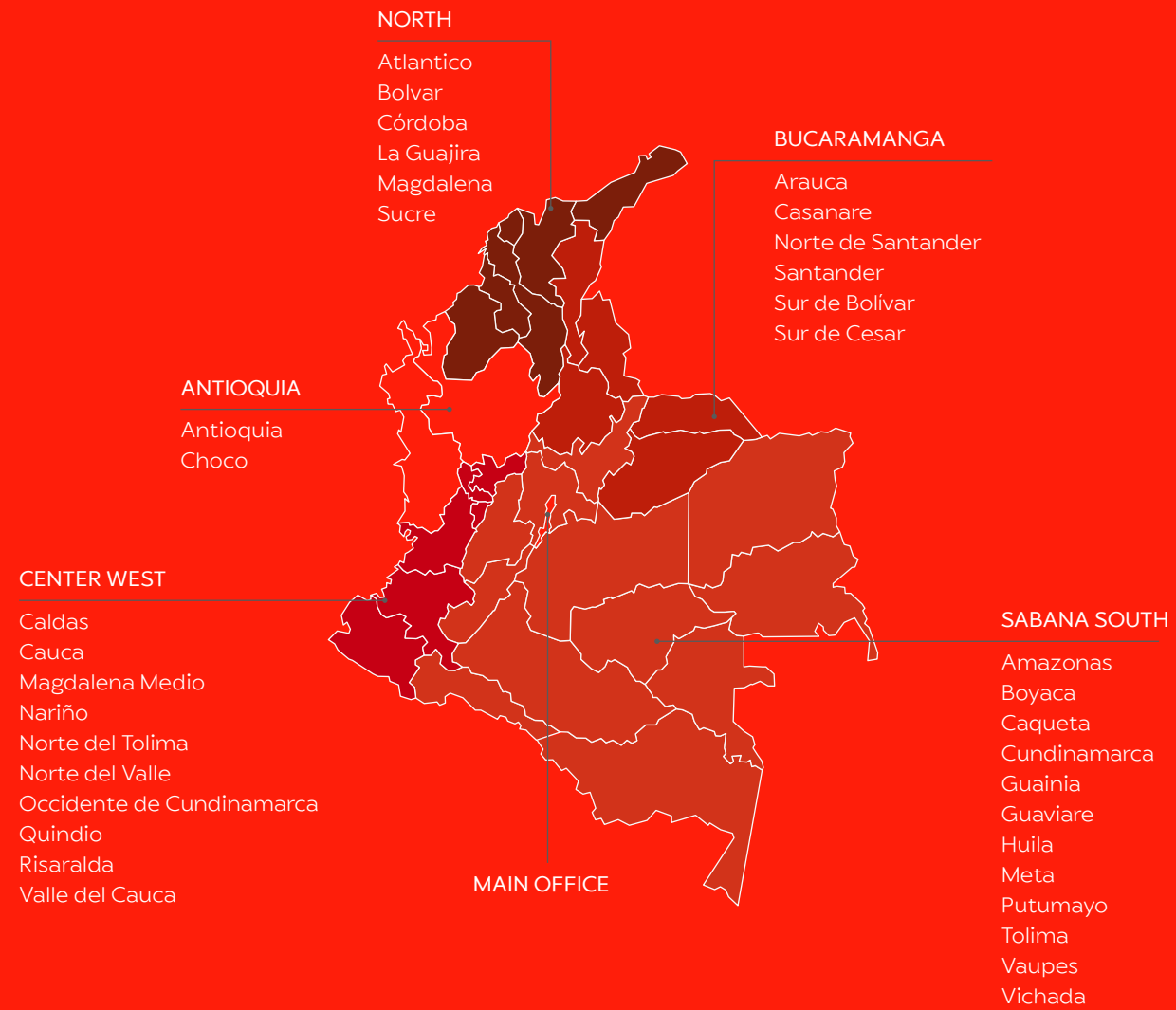
Ports served



3

Electric Mobility charging points
Bus Charging Terminal: 1

—
LOCATION
OF OUR
OPERATION



OUR STRATEGY

MISSION

To create memorable experiences, and to keep the country on the move with all our brands.

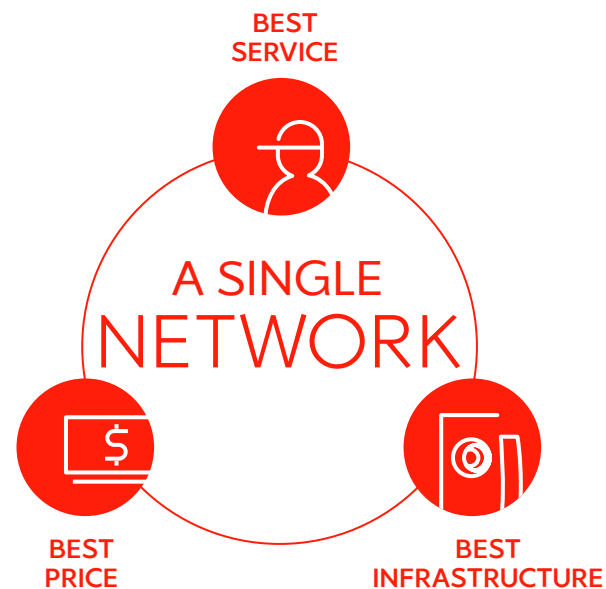
VISION

By the year 2025, a highly inspirational team will make Terpel the Number 1 brand in service, recognized as a Country Partner.

VALUES

Our strategic purposes are based on three values: **Integrity, respect, and reliability.**

The foundation of our philosophy is efficiency and satisfaction for the final consumer. It's focused on **serving people, not cars**, working to be the #1 brand in their hearts, supported by these three pillars:



- 1. The Best Service:** our vocation to service is the fuel powering our projects and achievements. It's what allows us as a company to outstrip all others and hold a privileged place in the hearts of consumers. We offer new and innovative products and services that captivate our users, under the highest standards for excellence.
- 2. The Best Infrastructure:** our service stations have a modern and updated infrastructure, with a design that's unique in the world. We have stations exclusively for motorcycles, convenience stores with products of excellent quality and a variety of foods that pay homage to the cuisine of each region, and carwashes for those who love to take care of their vehicles, along with other services.
- 3. The Best Prices:** Taken as a whole, our network continues to have the most competitive prices in each micro market where we operate. And this price factor completes the equation that adds up to making us the best option for our consumers.

OUR LOCATION IN THE SUPPLY CHAINS

Our business model is developed as part of three distinct supply chains: Fuels, Natural Gas, and Lubricants, with which all of our business lines are associated.

OPERATIONS BUSINESS LINES

Fuel Operation Service Stations

Convenience Stores
(located at service stations)

Electric Mobility
Charging Points
(located at service stations)

Fuels for Industry

Fuels for Aviation

Marine Fuels

Natural Gas Operation

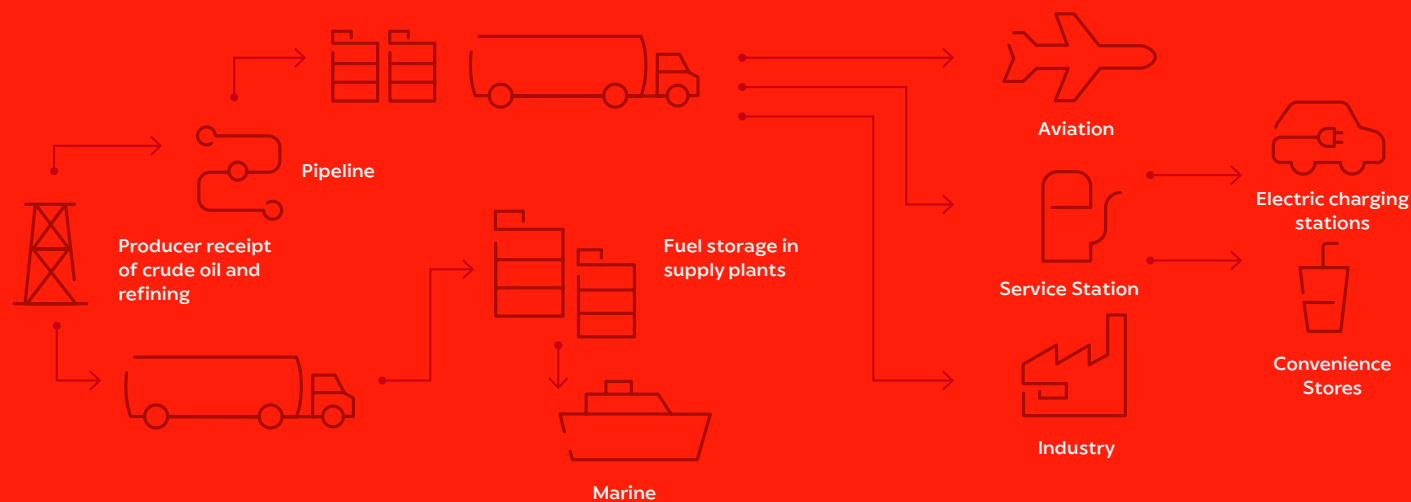
CNG Fueling Service Stations

Gas Distribution for Industry

Lubricants Operation

Production, Sales, and Distribution of Lubricants

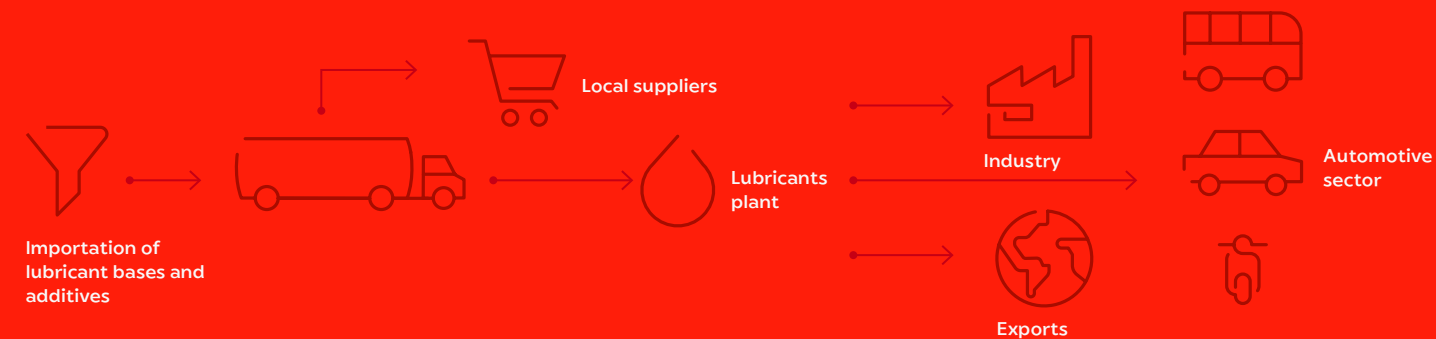
Fuel Operation



Natural Gas Operation



Lubricants



BUSINESS LINES TERPEL COLOMBIA



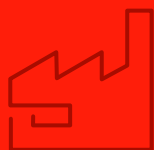
SERVICE STATIONS

We have 1,928 service stations with a modern and innovative design.



AVIATION

We serve 21 airports in the country.



INDUSTRY

We supply fuel to the internal fueling stations of industrial customers.



MARINE

We provide marine diesel for a great variety of ships at 6 of the country's ports.



COMPRESSED NATURAL GAS (CNG) FOR VEHICLES

We promote the use of clean fuels such as CNG, which produces 50% less CO₂.



LUBRICANTS

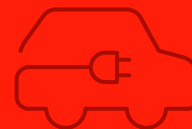
We produce, distribute, and sell Mobil and Terpel lubricants.



CONVENIENCE STORES

(located at service stations)

We offer integrated services that go beyond filling up at 325 points of service, including convenience stores, carwashes, and refreshment kiosks.

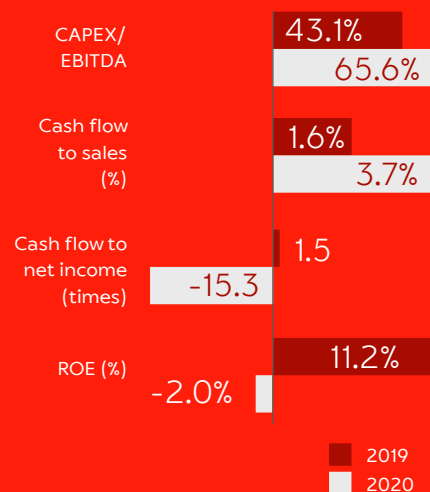


ELECTRIC MOBILITY

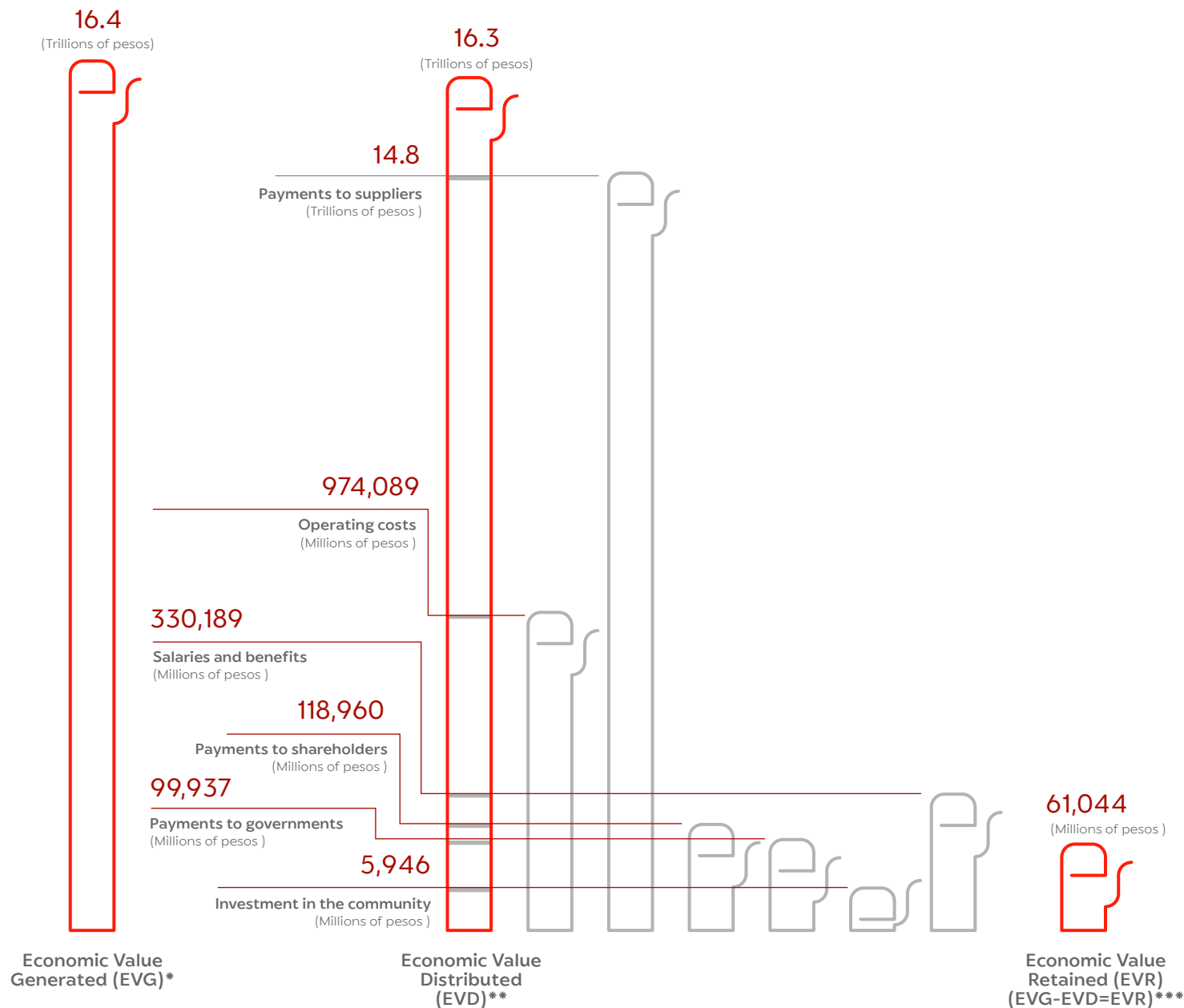
We install **charging points** for electric vehicles, and have inaugurated the first **electric terminal** for public transportation.

ECONOMIC AND FINANCIAL PERFORMANCE

Other Consolidated Indicators



Creation and distribution of value - Consolidated



THE CREDIT RATING AGENCY FITCH RATINGS CONFIRMED ITS 'AAA' RATING (THE HIGHEST) FOR ORGANIZACIÓN TERPEL, ITS ORDINARY BOND ISSUES IN 2013 AND 2015, AND ITS BOND AND COMMERCIAL PAPER ISSUES IN 2018 AND 2020. ACCORDING TO THE AGENCY, THIS RATING REFLECTS OUR COMPETITIVE AND ROBUST POSITION AS A MARKET LEADER IN FUEL SALES AND DISTRIBUTION AND THE STRENGTH OF THE MOBIL LUBRICANTS OPERATION IN THE REGION.

TAXES

For the first time in its history, Terpel's consolidated financial statements show a loss, due to the fall in income produced by the shutdown in operations with the COVID-19 pandemic. The greatest impact was felt in our airport operations, with significant negative repercussions on operating income. Although we generated financial losses, our income taxes were calculated over taxable income (reported rate of 32% on taxable income).

EARNINGS (LOSS) BEFORE TAXES

-31,275

millions of pesos
(Loss)

TAXES REPORTED

22,869

millions of pesos
(Current tax)

8,462

millions of pesos
(Taxes on P&L)

CASH TAX PAID

- 36,369

millions of Pesos
(Balance in favor of income taxes)

Terpel's tax policy is available to the public on our website, using the following link:
<https://www.terpel.com/Global/version-ingles/tax-management.pdf>



PARTNERSHIPS
THAT CREATE VALUE

TERPEL, G12 MEMBER

G12 brings together 12 business organizations that use their businesses to promote the country's sustainable development agenda. Aligned with the Sustainable Development Goals, its members partner around shared goals and concrete actions to bring sustainable development to different regions of the country.

Organizations belonging to G12: Terpel, Grupo Nutresa, Grupo Argos, Grupo Bancolombia, Ecopetrol, ISA, Grupo SURA, Grupo Exito, Bavaria, Postobón, ENEL and Movistar.

We participate in G12 because we understand our role as economic and social agents in Colombia. We are convinced we will have our greatest positive impact on society, the environment, and the economy when we act in an ethical, conscientious, responsible, and sustainable manner, and when we report on those actions in a public and transparent way.

We joined G12 as a way of confirming our commitment to Colombia's sustainable development, and we share the conviction that business practices with purpose generate a more stable, equitable, and inclusive global market. This will, in turn, foster more prosperous societies, based on synergies and shared objectives, that will end up producing better outcomes under a long-term vision.

CERTIFIED OPERATIONAL EXCELLENCE

Line	Standards Certified	Scope
Lubricants	ISO 9001:2015 ISO 14001:2015 ISO 45001:2018	Production, sales, and distribution of lubricants Valid until: February 2021
Lubricants Laboratory	ISO 14001:2015 ISO 45001:2018	Oil analysis services at the MobilServ Bogotá laboratory. Valid until: February 2021
Aviation	ISO 9001:2015 ISO 14001:2015 ISO 45001:2018 NORSOK: 100%	Sales, transportation, operation and supply of aviation fuel at 20 airports in Colombia. Valid until: February 2023
	Biosafety seal. Score: 97.8%	Resolution 666 of 2020 and Resolution 797 of 2020 for 20 airports in Colombia. Valid until: December 2022
Plant	Occupational Health and Safety Management System (OHS-MS) Score: 100% ARL Audit 2020.	Decree 1072 of 2015 and Resolution 312 of 2019. Valid until: August 2021



AWARDS FOR TERPEL

- ▶ We were included in the *Sustainability Yearbook 2021*, ranked 14th among the world's top companies in sustainability in the retail sector. Thanks to our social, environmental, and economic practices, we are part of a select group with world-class sustainability.
- ▶ Fitch Ratings and BRC Standard & Poor's confirmed Terpel's 'AAA' rating, reflecting our competitive and robust position as market leaders.
- ▶ For the seventh consecutive year we obtained IR Recognition from the Colombian Stock Exchange (BVC).
- ▶ We are the first private company in the hydrocarbon sector to have appeared in the Merco ranking for Responsibility and Corporate Governance. Ranked 25 out of 100 for best practices in this area, we moved up seven positions from the previous year.
- ▶ In the Merco Companies ranking, which spotlights the organizations with the best reputation, we ranked 32nd out of the 100 companies assessed.
- ▶ For the second consecutive year, Sylvia Escovar, President until 2020, was ranked among the top 10 business leaders with the best reputation in Colombia. She was ninth on the Merco Leaders 2020 list, moving up one position with respect to the year 2019.
- ▶ We are one of the top three companies in the area of gender equity in the retail sector, according to the PAR Ranking 2020. We climbed 14 positions compared to 2019.
- ▶ In the Premios Portafolio 2020, we were chosen as the company with the best human resource management, a category that evaluates how well employees are treated and the company's commitment to their development.
- ▶ Terpel is one of Colombia's most valuable brands according to the study by the Compassbranding consulting firm. They ranked us 16th in the services segment.
- ▶ Terpel was recognized as one of the 25 companies making the largest contribution to Colombia.
- ▶ We obtained the Emprender Paz award for developing sustainable peace-building initiatives in Colombia.

SPOTLIGHT THE CHALLENGES OF A PANDEMIC

2020 will be remembered as a year that tested our resilience and our ability to adapt and innovate. It was a year of going back to the basics and of valuing what we have. A year of being grateful for life, for the health of our families, and for being part of this company, Terpel.

We wanted to tell you our story, capturing some of the year's highlights. It will give you a glimpse of who we are: a solid, responsible, results-oriented team that exceeds expectations. A team that is grateful and compassionate. A team that keeps all the countries where we operate moving, and, above all, a team capable of getting back up even stronger.

— STRATEGIC MANAGEMENT

- We created a crisis committee that met daily to make decisions during the pandemic.
- We strengthened our commitment to protecting the jobs of the Terpel team.
- We activated the Terpel Savings campaign, under which all divisions adapted their budgets to the new reality, in order to compensate the impact of the crisis.
- The entire Terpel team made a commitment to reducing the amount of accrued vacation.
- The company took advantage of the economic relief measures decreed by the national government to help protect jobs.
- The leaders of the Collective Employment Agreement donated two of the benefits that had been agreed on for delivery in 2020.
- We created an innovation and disruption committee to share best practices for business reactivation in each country.

— HUMAN TALENT

- A total of 860 employees switched to a remote-work mode, representing 67% of Terpel's team.
- We delivered the technological equipment people needed to work from home.
- We organized a campaign to deliver ergonomic devices to help protect the health of Terpel team members.
- We moved online with all the training in Clase T, our learning platform, along with the company's well-being plan.
- More than 1,100 people participated in Human Resources' virtual tour.

— OPERATION

- We restricted access to the administrative offices and implemented 12-hour shifts at operation centers such as the lubricant factory, supply plants, and airports. That way we were able to comply with the protocols for social distancing.

- We diversified the portfolio of products in the Altoque stores, offering more basic necessities.
- Altoque began offering home delivery using a variety of digital platforms.
- Pump island attendants began using a sign language to provide services.
- The Health and Safety area continuously monitored the health of 100% of our employees.
- The Terpel Foundation adjusted its educational model from in-person to 100% online, in order to effectively deliver its programs to the homes of teachers, students, and parents.

SOLIDARITY WITH OUR TEAM MEMBERS

- We delivered groceries to the teams at supply plants and airports.
- We implemented a campaign called *I mobilize for my People*, which encouraged donating groceries to promoters at service stations across the nation.

COUNTRY PARTNER

- The company donated 100% of the fuel for the vehicles used by the ABACO food bank to transport basic food products across the nation in benefit to 2 million people.
- Terpel provided the fuel the Colombian Civil Air Patrol needed to transport samples from possible COVID-19 patients in different parts of Colombia, and to deliver protection kits to healthcare professionals in the most remote areas of the country.

WELL-BEING FOR TRUCK DRIVERS, TAXI DRIVERS, AND MOTORCYCLISTS

- As a way of recognizing the hard work during the quarantine of the truck drivers who delivered the provisions the country needed, we set up 25 of our Altoque stores in 11 Departments to offer them soup or coffee to go, and give them free access to showers.

AS A RESULT OF THIS INITIATIVE WE GAVE OUT

2,146

cups of soup

19,205

cups of coffee

5,715

showers to the country's
truck drivers,

1,077

Altoque combos to taxi
drivers and delivery people

13,506

cups of coffee to members of the
armed forces and police.

- The Tesos Terpel and Mobil Lubrication Specialists Club programs supported lubrication technicians by **delivering 1,600 coupons** to redeem for money or groceries, or to pass on to someone else who needed it more.
- By donating groceries, we supported more than 1,100 families in the communities near the plants in: Neiva, Puerto Asís, Puerto Inírida, Apiay, Sebastopol, La Fortuna, Pasacaballos, Villa del Rosario, Leticia and Aguazul.
- We created the Terpel Red Table program. It's a table set aside at our service stations for donating food products, where people can leave some or take some as needed.
- In recognition of the excellent work done by members of the Army and police, we activated a campaign to invite them to stop at an Altoque store to enjoy a delicious cup of coffee for free.
- In joint work with the #MenuSolidario movement and Rappi, we delivered fast food to vulnerable population groups. For each combo meal donated by Altoque customers using the Rappi app, Terpel donated an additional meal.
- With the goal of supporting the country's farmers, we created the initiative #PorNuestrosCampesinosYo (#I'mForOurFarmers). It consisted of opening country markets at our service stations for the country's small-scale farmers to sell their products without the involvement of any intermediary.
- As part of our commitment to gender equity and respect for women's rights and safety, we joined the "Safe Spaces" strategy promoted by the Office of the Secretary for Women in Bogotá. We equipped our service stations to be able to provide counseling and protection against domestic violence.
- We joined the Unidos Somos Más País (Together we are a Greater Country) campaign, promoted by the ANDI, to donate resources to the InnspiraMED Initiative. Its goal was to raise sufficient funds to produce 2,000 mechanical ventilators for treating COVID-19 patients.

TERPEL SUSTAINABILITY MODEL

We were recognized for the fifth consecutive year as one of the world's most sustainable companies in the retail sector. We're ranked #14 among the 116 companies assessed in the category, out of a total of 7,000 companies. This distinction, awarded by S&P in its 2021 Sustainability YearBook - the world's leading publication on sustainability issues - highlights our excellent economic, social, and environmental practices.

WE UPDATED OUR MATERIALITY ANALYSIS

During 2020, we updated our materiality analysis in order to identify the most relevant economic, social, and environmental issues for Organización Terpel. This exercise gave us a broader understanding of the sustainability challenges faced by the different business lines and the different contexts of the operation, and helped us better focus engagement and communication with the company's stakeholders.

The three-phase analysis was supported by the external firm Qualitas T&T and integrated two perspectives: internal (business strategy and corporate policies) and external (stakeholder perspectives, sustainability standards, trends, and benchmarks).

PHASES

1



Analysis of the Context

The purpose of this phase is to understand Terpel's business and sector context, and its challenges in the area of sustainability.

2



Identification of Topics

This phase compiles the inputs from Phase 1 and identifies a broad range of topics potentially relevant to Terpel.

3



Prioritization and Validation

In this phase we prioritize the topics most relevant to Terpel's sustainability, in accordance with their impacts, risks, and opportunities.

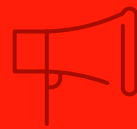
In phase one we conducted interviews inside the company, studied corporate documents and processes, reviewed sustainability standards and regulations applicable to the Retail and Oil & Gas sectors, and analyzed stakeholder expectations gleaned from secondary sources such as the press and social media. The standards and regulations reviewed were: The Global Reporting Initiative, SASB, Dow Jones Sustainability Index, Sustainable Development Goals (SDG), ISO 26000, Guiding Principles on Human Rights and Business, the OECD, IPIECA, the Global Compact, and ISO 20400.

In phase two we drew up a list of 53 potentially relevant issues. These were then grouped into 6 major categories and rated according to their frequency of recurrence. In phase three, we studied the issues from a more strategic perspective. The Legal and Corporate Affairs teams conducted a self-diagnosis of the company's current Sustainability Model and an analysis of Organización Terpel's market position. The list was thus whittled down to 18 issues, which were then prioritized in accordance with their financial and reputational impacts. Lastly, after a validation exercise with Terpel's management team, represented by the Executive Committee, seven topics were declared to be the organization's priority aspects.

MATERIAL TOPICS



Corporate Governance and Transparency



Health and Safety



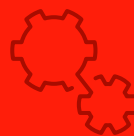
Quality Products and Services



Community Engagement



Diversity, Equity and Human Talent



Supply Chain Management



Alternative Energy Sources and Climate Change

Corporate Governance and Transparency: We maintain high standards for transparency and create value through stakeholder engagement, promoting behavior that is desirable for society. We make decisions based on principles and in compliance with current regulations, international standards, and corporate policies.

Subtopics: Transparency and ethics, the fight against corruption and anti-competitive behavior, human rights, management of risk and the regulatory environment, cyber security, and influence on and contributions to public policy.

Quality Products and Services: We develop efficient, safe, and innovative products and services that improve our customers' processes, facilitate their businesses, and promote cleaner operations. This development is supported by technology and knowledge transfer, and incorporates circular economy principles to generate products and services that increase well-being and satisfaction while reducing impacts on the environment.

Subtopics: Digital transformation, customer privacy and information security, consumer welfare, labeling and marketing practices, innovation, clean products and technology, use of

raw materials from renewable sources and/or bio-based materials.

Alternative Energy Sources and Climate Change: Different strategies and measures help us adapt the business to climate change, managing renewable and non-renewable resources, and offering long-term solutions for the problem of global warming.

Subtopics: Emissions, climate change mitigation and adaptation, energy efficiency, water management, and the commercialization of alternative energy and fossil fuel substitutes.

Diversity, Equity and Human Talent: We create an inclusive, diverse, equitable, and healthy environment for work that is well-paid, through practices and actions that promote the personal and professional development of our employees, and foment the company's growth and ability to adapt to new challenges.

Subtopics: Attracting, retaining and developing human talent, training and development, benefits and well-being, equity, diversity, and inclusion.

Health and Safety: We control the risks inherent to our operation and prevent their materialization by implementing policies and practices that offer a safe work environment for employees, contractors, customers, and neighboring communities.

Subtopics: Waste management, spill prevention, occupational health and safety.

Supply Chain Management: We strengthen relations with our suppliers, distributors, and partners through policies and measures that promote behavior that is responsible toward society and the environment. We also identify and mitigate risks generated by the operation that could affect our business or brand.

Subtopics: Responsible management of suppliers and partners in the operation, evaluation, training, and social and environmental development of suppliers, local/regional purchases, and the circular economy.

Community Engagement: We contribute to the progress and well-being of the communities where we have an influence through a variety of programs and actions. We want to evolve in our engagement, becoming a partner in their development, bringing their skills to potential, and promoting integration into the job market. To achieve this, we work together with governments, local stakeholders, and beneficiaries to maximize the impact of our programs and guarantee their sustainability.

Subtopics: Fostering the development and progress of communities and society (relations with neighboring communities, social investment, job creation), and building partnerships.

WE REVIEWED OUR STAKEHOLDERS

At Terpel, we believe that identifying and engaging with stakeholders is the basis for integrating sustainability into the organization. During the year 2020 we reviewed and updated our stakeholders. Our goal was to stay aligned with their expectations and needs, and to be increasingly accurate in our interaction and communication with them, always under the principles of timeliness, transparency, reliability, respect, availability, legality, and effectiveness.

The result of the review and updating process was a list of 9 stakeholders that group together close to 32 subgroups. Profiling them gives us

MATERIAL TOPICS		SUBTOPICS
Good corporate governance and transparency		<ul style="list-style-type: none"> • Transparency and ethics • Anti-corruption initiatives • Anticompetitive practices • Human Rights • Management of risks and the regulatory environment • Cyber security • Influence on and contributions to public policy
Quality products and services		<ul style="list-style-type: none"> • Digital transformation • Data privacy and information security • Consumer well-being • Labeling and marketing practices • Innovation • Clean products and technology • Use of raw materials from renewable sources and/or bio-based materials
Alternative energy sources and climate change		<ul style="list-style-type: none"> • Emissions • Climate change mitigation and adaptation • Energy efficiency • Water management • Commercialization of alternative energy sources and fossil fuel substitutes
Diversity, equity, and human talent		<ul style="list-style-type: none"> • Talent attraction, retention, and development • Training and development • Benefits and well-being • Equity, diversity, and inclusion
Health and safety		<ul style="list-style-type: none"> • Waste management • Spill prevention • Occupational health and safety
Supply chain management		<ul style="list-style-type: none"> • Responsible management of suppliers and partners in the operation • Evaluation and training, and social and environmental development of suppliers • Local/ regional purchases • Circular economy
Community engagement		<ul style="list-style-type: none"> • Fostering the development and progress of communities and society (relations with neighboring communities, social investment, and job creation). • Building partnerships

a high degree of precision that will strengthen our conversations and build a long-term relationship of trust.

TERPEL STAKEHOLDERS 2020

- ▶ Investors/ Shareholders
- ▶ Customers
- ▶ Partners in the operation
- ▶ Suppliers
- ▶ Employees
- ▶ Institutions
- ▶ Trade associations
- ▶ Communities
- ▶ Civil society

STAKEHOLDERS	SUBGROUPS
Investors/ Shareholders	<ul style="list-style-type: none">• Board of Directors• Shareholders• Investors
Customers	<ul style="list-style-type: none">• Aviation• Marine• Industry• Lubricants• Service Stations• Convenience Services• Electric Mobility
Partners in the Operation	<ul style="list-style-type: none">• Service Stations• Transporters• Distributors• Commercial agents
Suppliers	<ul style="list-style-type: none">• Raw materials• Goods and services
Employees	<ul style="list-style-type: none">• Direct• Indirect
Institutions	<ul style="list-style-type: none">• The national government• Local governments• Regulatory bodies• Stock exchanges• Raters & ratings• Certifying agencies
Trade associations	<ul style="list-style-type: none">• Industry Associations• Associations• Competitors
Communities	<ul style="list-style-type: none">• Neighboring communities• Project beneficiaries
Civil society	<ul style="list-style-type: none">• Opinion Leaders• The Media• Academia

SUSTAINABILITY MODEL

Our focus on sustainable development is embedded in our business strategy, guiding both decision-making and actions. Our sustainability model has people at its core, who are our strategic focus. That core is encircled by the key elements of our competitive strategy, and the three dimensions of sustainability. The concentric circles, from the center outward, symbolize the fact that processes and procedures need to cut across every area and be coordinated in order to promote sustainability at the company.

-  Corporate governance
-  Health and safety
-  Quality products and services
-  Alternative energy sources and climate change
-  Diversity, equity, and human talent
-  Supply chain management
-  Community relations



IN 2021, WE WILL UPDATE OUR SUSTAINABILITY MODEL, INCORPORATING THE NEW MATERIAL TOPICS INTO THE ACTION FRONTS.

The model also demonstrates the interaction between the organization's stakeholders and their relevance in decision-making, helping make us even more competitive.

► **Center of the model:** For us, people are at the center of every decision the company makes. That's why we say we serve people, not cars.

► **Sustainability Action Fronts:** The next circle out from the center contains the 7 focuses of our work to create value for our stakeholders: 1. Memorable experiences, 2. Consolidation of our network, 3. Good Corporate Governance, 4. Growth of the Terpel Team, 5. Protection of the Environment, 6. Community Wellbeing, and 7. Supplier Development.

► **Core elements of the competitive strategy and business strategy:** The model's next circle describes the value proposition that differentiates us: we offer the consumer the best price in each micro market, a modern and friendly infrastructure, and excellent service. All of this continues to make the brand #1 in the hearts of consumers.

► **Economic growth, social contribution, and environmental care:** This circle describes our interest in coordinating the company's work in the three dimensions of sustainability.

In the economic dimension, we pursue profitability for the investments of our shareholders and affiliates. We want them to continue to see this brand as their best business option in a competitive and demanding market. We bring progress to the regions where we operate and contribute to the development of our supply chain.

In the social dimension, we take fuel to every corner of the country, promoting the growth of the places where we operate and the comprehensive development of people; we contribute to the well-being of our employees and neighboring communities; and we invest in the future of Colombia.

In the environmental dimension, we are committed to improving the quality of life everywhere we operate, by taking care of the environment, implementing initiatives to mitigate the impact of our value chain, and reducing our ecological footprint.

► **We are a "Country Partner":** The outermost circle of our model describes the principle behind our actions: to be a Country Partner. Being a Country Partner means we go beyond the sale and distribution of products to align ourselves with the most relevant needs we see, committed to taking care of the environment, watching out for the well-being and development of regions and communities, and creating quality jobs.

OUR COMMITMENT TO THE 2030 AGENDA

At Terpel we are convinced of the importance of working together with different members of society to promote real changes in the wider environment. We therefore remain strong in our commitment to the Sustainable Development Goals (SDGs) defined by the United Nations as the roadmap for improving the quality of life of societies around the world. Our business strategies and the sustainability model we have been updating and strengthening, aligned with the changes and challenges brought by our business's current context, have led us to prioritize actions in 4 of the SDGs:

- **SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all.** Developing and implementing new sources of energy is one of our main priorities. We have gone from taking specific actions within our business lines, to strengthening our overall structure and creating new departments to manage electric mobility and new energy sources. In the area of electric mobility, we continue to expand and strengthen our Voltex brand, which provides charging points at service stations for electric and hybrid vehicles. In the area of promoting new energy sources, we are working on making battery energy storage systems increasingly more relevant.

- **SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.** Our commitment to society is not limited to creating jobs. It goes far beyond that. Because we care about offering our employees decent and quality employment, we consistently spearhead the use of labor practices that create incentives for education and training. We provide benefits focused on employee well-being, such as our BienSer benefits program. We also focus on promoting diversity, equity, and inclusion, as in the case of our partnership with Best Buddies, to promote hiring individuals with disabilities. We give preference to purchases from local suppliers, and evaluate their performance to motivate their continuous improvement. Furthermore, our social management programs, as well as those sponsored by the Terpel Foundation, are all important tools for promoting economic growth in the areas where we operate.

- **SDG 13: Take urgent action to combat climate change and its impacts.** Our work to fight climate change is central to our objectives. We are committed to measuring and efficiently managing emissions, tracking our carbon footprint and the scope 1, 2, and 3 emissions we generate. We then identify practices and initiatives that will reduce those emissions, such as

using solar panels and optimizing processes. We are convinced of the importance of education and training in environmental issues, so we encourage participation in the different Terpel schools, and in the Reliable Service Stations Program.

- **SDG 16: Promote just, peaceful, and inclusive societies.** Peace and justice begin by developing corporate practices that promote transparent actions based on organizational values, so our initiatives focus on compliance with our strict code for ethics and conduct. We promote anticorruption initiatives, and to that end we have developed a manual of best practices for mitigating possible risks of corruption and bribery, we train our teams in the prevention of money laundering, and we participate in initiatives and arenas that put us on the vanguard of the best practices for good corporate governance, such as the Colombian Institute of Corporate Governance. We are also signatories of the United Nations Global Compact. We have developed a human rights policy, and our Terpel Foundation social programs also promote the development of new societies that are fairer and more committed to everyone's well-being.

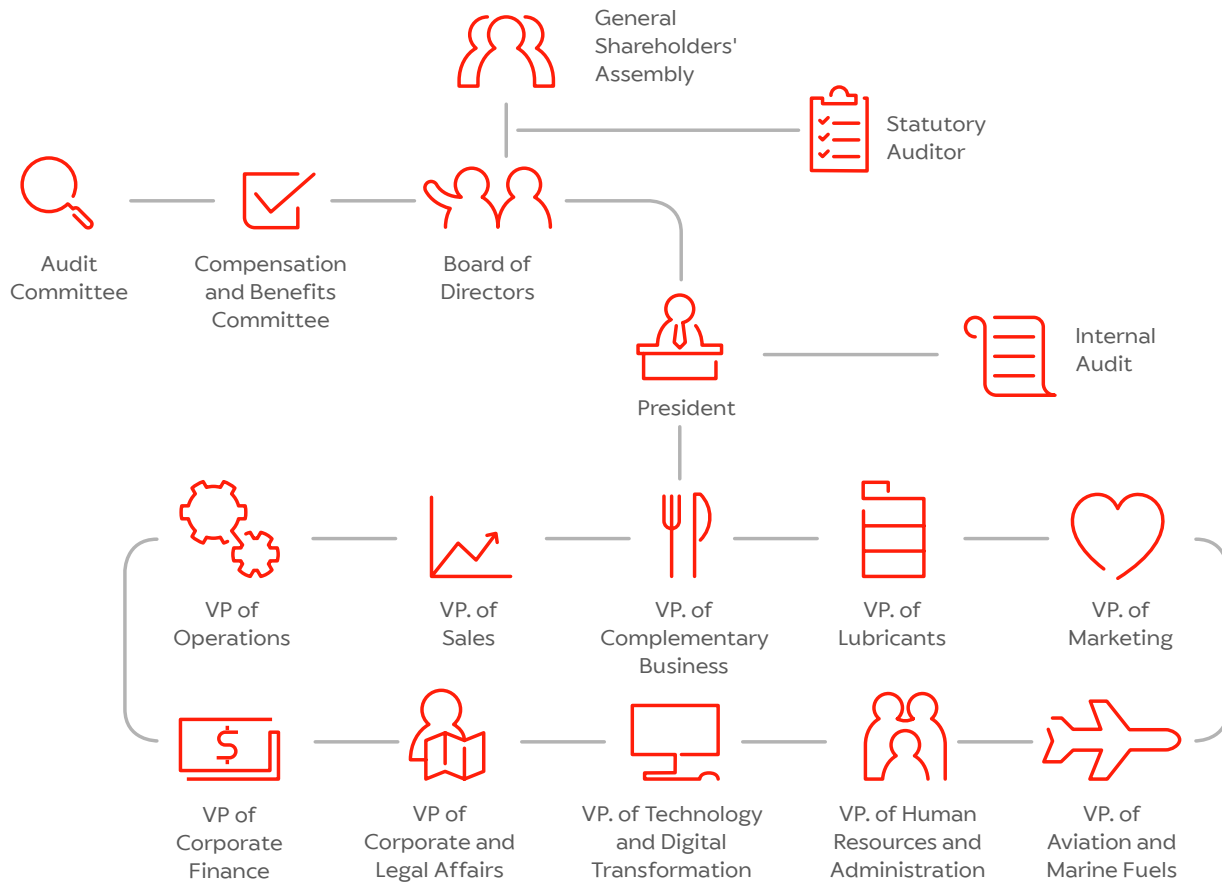
CORPORATE GOVERNANCE

We maintain high standards for transparency and create value through stakeholder engagement, promoting behavior that is desirable for society. We make decisions based on ethics and on compliance with the laws in effect, international standards, and corporate policy.

As an organization committed to best practices in corporate governance, our actions in all relationships are based on clearly defined principles including respect, transparency, integrity, reliability, and equitable treatment. Our goal is to create value through our stakeholder engagement and, in everything we do, promote behavior that is desirable for society.

GOVERNANCE AND ADMINISTRATIVE STRUCTURE AND LEVELS

The levels of corporate governance at Organización Terpel can be illustrated as follows:



THIS REPORT PRESENTS GOVERNANCE ISSUES IN GREATER DETAIL IN THE FINAL CHAPTER WITH ITS INTEGRATED REPORT ON LEGAL AND FINANCIAL ASPECTS, AS A CLEAR EXPRESSION OF THE IMPORTANCE TO THE ORGANIZATION OF MAINTAINING A HIGH STANDARD FOR GOVERNANCE.

GENERAL SHAREHOLDERS' ASSEMBLY

Our highest governance body is the General Shareholders' Assembly, which holds its regular meeting during the first quarter of each year. In the year 2020, since an in-person meeting of the shareholders was impossible (due to the restrictions imposed by the pandemic), we decided to hold the **"First Virtual General Shareholders' Assembly."** The idea was well received, and 78% of the capital stock was represented.

BOARD OF DIRECTORS

Our Board of Directors was elected by the Shareholders' Assembly for the 2019-2022 period. It is made up of seven regular members and seven alternates, none of whom is an executive. In accordance with the legal requirements for issuers of securities, 25% are independent.

Our corporate documents establish the requirements for independent members. If any of them does not meet the criteria, they must so declare in a written communication, in which they also make a commitment to fulfill the duties and obligations established, and to act based on the values, principles, and duties indicated in Terpel's Good Corporate Governance Code. Members are elected for a three-year period using the electoral quotient system. The average tenure of members of the Board of Directors is four terms.



REGULAR MEMBERS OF THE BOARD

- 1 Lorenzo Gazmuri Schleyer
Board President
- 2 Jorge Andueza Fouque
- 3 Arturo Natho Gamboa
- 4 Leonardo Ljubetic Garib
- 5 Jorge Alberto Bunster Betteley
- 6 Jose Oscar Jaramillo Botero
- 7 Bernardo Dyner Rezonow

The administration dealt with the significant challenges imposed by the COVID-19 crisis with a demonstration of great resilience. The Board of Directors and management addressed the severity of the situation by meeting more frequently and opening direct channels for communication. This facilitated immediate attention and decision-making in order to meet the emergency head on. The business continuity plan was executed by



ALTERNATE MEMBERS OF THE BOARD

- 1 Juan Díuana Yunis
- 2 Alejandro Palma Rioseco
- 3 Jorge Andres Garcés Jordán
- 4 Rodolfo Castillo Garcia
- 5 Eduardo Navarro Beltrán
- 6 Gabriel Jaramillo
- 7 Tulio Rabinovich Manevich

taking measures in all business lines and centers of operation to protect the integrity of essential personnel and attend to critical customers.

From January to December 2020, there were 13 meetings of the Board of Directors, including both in-person and online meetings. Average attendance was above 90%.

Committees of the Board of Directors

The Board of Directors of Organización Terpel S.A. has two (2) formal support committees: the Compensation and Benefits Committee and the Audit Committee. In line with their functions, these committees presented the corresponding reports and recommendations to the Board of Directors.

Other supporting committees:

- Sustainability Committee: This is the highest governing body for decision-making on the sustainable management of the company in benefit to all stakeholders. It is led by the President of Terpel, who in turn has delegated to the Vice President of Corporate and Legal Affairs the functions of guidance, integration, coordination, and management of sustainability in its economic, environmental, and social aspects. Since 2019, minutes of this committee's meetings have been sent to the Board of Directors to keep the Board continually updated on sustainability.
- Communications Committee: This is the highest level decision-making body for the definition, evaluation, and follow up on the company's communications strategy. It is led by the President of Terpel with the participation of one member of the Board of Directors and the Vice Presidents of Corporate and Legal Affairs, Sales, Marketing, and Human Resources and Administration.

- Compliance and Ethics Committee:
This committee was created with the purpose of monitoring compliance with policies and tools, in order to prevent inappropriate conduct in the areas of ethics, human rights, and transparency. Its work is supervised by two Vice Presidents and the Audit Manager.

Board Evaluation

We use a tool for evaluation and self-evaluation of the Board of Directors. This allows us to identify opportunities for improvement relative to the Board's work in different areas, including economic, environmental, and social aspects.

Communication Channels

As an issuer of securities, Terpel has established a permanent communication channel that stakeholders, especially shareholders, can use to make queries, petitions, suggestions, or any other type of request. The Department of Legal Affairs manages suggestions received, which are an aid to the continuous improvement of the company's good governance practices

Details on the competencies, election, functions, and remuneration of the members of the Board, as well as the composition and work of its committees, are described in the last chapter of this document, entitled: Integrated Report on Legal and Financial Aspects.

SENIOR MANAGEMENT

Our senior management is made up of a group of top-level executives who work together to meet and develop the company's objectives and obligations:

Oscar Bravo Restrepo
President

José Carlos Barreto
Vice President of Operations

Daniel Perea Villa
Vice President of Corporate and Legal Affairs

Alonso Botero Pardo
Vice President of Corporate Finance

Tony Quintero Mejia
Vice President of Marketing

Johand Patiño Vega
Vice President of Sales

María Mercedes Carrasquilla
Vice President of Human Resources and Administration

Liliana Tovar Silva
Vice President of Aviation and Marine Fuels

Nelson Yobani Pabón
Vice President of Technology and Digital Transformation

Alejandra Londoño Carulla
Vice President of Complementary Business

Rodrigo Marcelo Ferreira
Vice President of Lubricants

TERPEL ON THE COLOMBIAN STOCK EXCHANGE BVC

Since 2014, Terpel has been traded on the Colombian Stock Exchange (BVC), which has led to further formalization of our corporate governance. For the seventh consecutive year, we obtained the IR seal from the Colombian Stock Exchange in recognition of our best practices in information disclosure and investor relations, based on providing sufficient and timely information using appropriate communication channels.

INITIATIVES BACKING OUR GOOD GOVERNANCE

We participate on its Board of Directors and are active members of the Colombian Institute of Corporate Governance - ICGC, which promotes the development and adoption of best corporate governance practices in Colombia. We filled out and submitted the "Country Code Survey" Corporate Best Practices Report, which is available for consultation on our website.

Good Corporate Governance Code

We implement the best practices of good corporate governance and are committed to transparency in our work and administration. Our Code contains the principles for governing our company, and the application, compliance with and effects of those principles on the way we do business. It also establishes respect and guarantees for shareholders' rights.

WE ARE IN TUNE WITH THE CHANGES BROUGHT BY THE FOURTH INDUSTRIAL REVOLUTION AND THE WORLDWIDE DIGITALIZATION OF PROCESSES. WE HAVE THEREFORE STRENGTHENED OUR CORPORATE STRUCTURE BY CREATING A DIVISION OF TECHNOLOGY AND DIGITAL TRANSFORMATION.

DURING 2020,
WE IDENTIFIED
39 VIOLATIONS
OF THE CODE OF
CONDUCT. THEY
WERE HANDLED IN
ACCORDANCE WITH
THE ESTABLISHED
PROCEDURES
AND THEY
CONCLUDED WITH
THE IMPOSITION
OF DISCIPLINARY
MEASURES.

ETHICS AND TRANSPARENCY

Code of Conduct

This is the set of rules that orients our conduct and contains guidance regarding the ethical behavior we expect from Terpel team members. We expect efficient and effective performance of job functions with a customer service attitude and honesty. Conduct must comply with the law and express tolerance, respect, and decency. There must be no discrimination of any type, but rather a pursuit of harmony with each other, with our stakeholders, and with our surroundings.

Our Code of Conduct covers aspects such as corruption and bribery, discrimination, the confidentiality of information, conflicts of interest, antitrust or anticompetitive practices, money laundering, insider trading or dealing, the environment, health and safety, and the reporting of irregularities. Our Code of Conduct can be consulted using the following link: <https://www.terpel.com/Global/co-p-04-codigo-de-conducta-v-09-vf.pdf>

To ensure implementation of the Code, we have a help center, and specific points of service or direct lines for reporting cases. Reporting responsibilities and channels are clearly defined. Disciplinary actions are also considered in the case of a violation or failure to comply with the Code (such as warnings, dismissal, and "zero tolerance" policies), and the compliance system is audited, verified, and certified by third parties.

The Code of Conduct covers 100% of our 1,478 employees. During 2020, 63 employees (4.3%) were trained in the Code of Conduct as part of the corporate induction process. At the conclusion of the training, they signed a written consent form stating their commitment to the organization's ethical guidelines.

Reporting Channels

We have several reporting channels:

- The confidential reporting line: <https://www.terpel.com/en/reportes-confidenciales/>
- Free telephone hotline: 01-800-752-2222
- E-mail: reporteconfidencial.terpel@resguarda.com

Any of these channels can be used to file an anonymous and confidential report of any discriminatory conduct, harassment, improper use or safekeeping of assets, violation of intellectual property rights, infraction of free competition laws, improper use of information, incorrect use of money, unreported conflicts of interest, or conduct that puts environmental protection at risk. The line is managed by Terpel's Internal Audit area.

— ANTICORRUPTION MANAGEMENT

We have a policy for fighting corruption and bribery that is available to the public. It covers topics such as bribery of any type, political contributions, and the orientation of social investments.

We want to explicitly state that this company makes no contributions to campaigns, candidates, or political movements. Our Manual for the Prevention of MLFT Crimes (Money Laundering and Financing of Terrorism) and our Business Ethics and Anticorruption Program establish Terpel's general guidelines for the system to manage the risk of money laundering and financing of terrorism, allowing us to continue strengthening good corporate governance. We also established a policy for Accounting Transparency and Anti-bribery Practices in connection with government officials, and a Data Protection Policy.

100% of our Board members are informed about and have received training in anticorruption policies and procedures.

We have provided information about fighting corruption to 1,200 of our employees (98%), and they have received training in ethics. During 2020 we received one report and three inquiries regarding fraud, which were all given a proper response. We received two complaints regarding corruption, which were also handled in a timely manner.

— HUMAN RIGHTS

Our Human Rights policy has the goal of establishing guidelines for respecting and promoting human rights in all actions by Terpel, by our stakeholders, and by our international operations. It aims at encouraging actions in favor of the enjoyment of human rights inside the company and in our engagement

with our stakeholders. The policy applies to all of Terpel's operations in Colombia and in other countries where it operates, and to stakeholders who act in the company's name.

To respect and promote human rights at Terpel, we adhere to and make a clear commitment to abide by the international standards and principles that govern them. Stakeholders in the countries where Terpel operates must also follow the guidelines described in our policy and incorporate them into their work. Therefore, they and we are committed to:

- Respect, promote, and value diversity, inclusion, and the principle of equal opportunity. We recognize the competitive advantage and opportunities gained from learning from differences. That's why we work to form our workforce and the highest governance body with people from diverse nationalities, ethnic groups, beliefs, gender identities and expressions, and sexual orientations.

- Evaluate the real and potential impacts of our operation in the area of human rights and establish mechanisms for preventing, mitigating, and remedying them.
- Permit the exercise of freedom of association and recognize collective bargaining.
- Prohibit and reject forced labor, child labor, and discrimination along the entire supply chain.
- Establish safe working spaces for the well-being of our employees and contractors.
- Respect the culture and customs of communities near the operation.
- Develop plans that contribute to establishing a safe and healthy environment for society.

WITH THE PURPOSE OF STRENGTHENING THE IDENTIFICATION OF PRESENT AND FUTURE RISKS IN ALL BUSINESS LINES, AND IN ALIGNMENT WITH THE COMPANY'S STRATEGY, WE MADE THE DECISION TO CREATE THE RISKS DEPARTMENT, WHICH WILL BE CONSOLIDATED IN 2021.

To work toward and meet the above commitments, we have established these action lines:

- Labor practices
- Supplier relations
- Community relations
- The environment and society

CYBER SECURITY

We have a Cyber Security Committee at Terpel in charge of making decisions in response to cyber security indicators and relevant events with confirmed impact. It also examines high-impact incidents that require a regional strategic plan or improvements and complements at the control level, and reviews regional security indicators. Terpel's CIO (Chief Information Officer) is responsible for cyber security, and oversees the work of the Corporate CISO - Chief Information Security Officer - who enforces compliance with the cyber security strategy

INFORMATION SECURITY POLICY

We have established an Information Security Policy at Terpel. Under it, we provide ongoing training in the rights of data subjects and cyber security, and organize regular campaigns using email and the Teams platform. Employees can use the Clase-T training channel and the Incident and Petitions Management System to report suspicious actions and to escalate the incident to Terpel's Cyber Security Team for analysis, conclusions, and solutions to any findings.

At least once a year, we develop business continuity/ contingency plans and incident response procedures. Although our system has not been certified, it has been audited. We conduct vulnerability scans including simulated hacker attacks (planned and unplanned). During 2020 we were tested by our majority shareholder (Copec).

In 2020 we had one (1) incident with malicious software that compromised resources in the amount of COP\$1,800 MM. To mitigate the financial risk of cyber security issues, we have a Cyber insurance policy with coverage of COP\$7,000 MM.

To guarantee effective implementation of the data privacy policy, we organize training sessions and regular internal audits, and we have contracts that regulate issues related to rights for data subjects. It is our practice to inform our customers about how we protect their data and their privacy.

In 2020, we received no claims related to privacy violations or data leaks from our customers, nor were we fined or penalized for data leaks or data loss.

During the reporting period we received no complaints related to privacy violations or data leaks from customers. We received 249(*) data-associated complaints or claims related to matters such as updating, erasure, or rectification, and/or requests for related information.

() In our 2019 Sustainability Report we reported 218 customer complaints related to privacy violations or data leaks; that that figure corresponds, however, to complaints on general issues related to the rights of data subjects.*

IN 2020, WE TRAINED 1,185 OF OUR EMPLOYEES ON THE RIGHTS OF DATA SUBJECTS, MEETING 80% OF OUR GOAL, WHICH WAS TO TRAIN 1,473 EMPLOYEES. THIS ALLOWED US TO IMPROVE INFORMATION MANAGEMENT PRACTICES, SET UP CONTROL MEASURES FOR DATA HANDLING, AND INCREASE OUR EMPLOYEES' KNOWLEDGE OF THE RULES RELATED TO THE RIGHTS OF DATA SUBJECTS.

QUALITY PRODUCTS AND SERVICES

We develop efficient, safe, and innovative products and services that improve our customers' processes, facilitate their businesses, and promote cleaner operations. With support from technology and knowledge transfer, we incorporate circular economy principles to offer products and services that increase well-being and consumer satisfaction while reducing impacts on the environment.

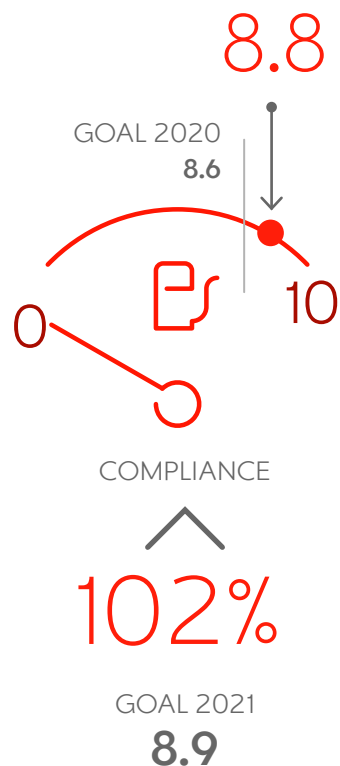


OUR OVERALL
CUSTOMER
SATISFACTION
SCORE WAS
8.8 OUT OF 10,
MEETING 100%
OF OUR GOAL OF
A SCORE OF 8.8
FOR 2020. FOR
2021, OUR GOAL
FOR CUSTOMER
SATISFACTION IS
A SCORE OF 9.0.

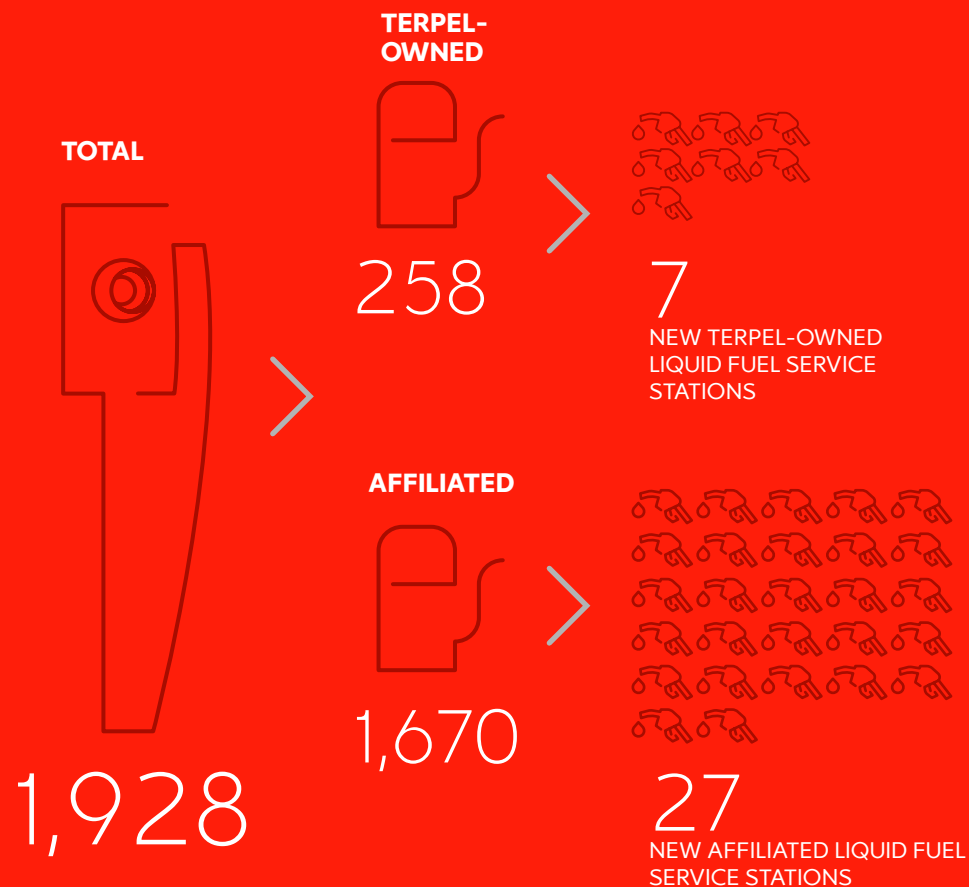
SERVICE STATIONS

Through our service stations, we deliver memorable experiences to our customers. Our network has the most extensive coverage in the country. We offer exclusive pump islands for motorcycles for the country's close to 8 million motorcyclists. The service station operating model includes both Terpel-owned and affiliated service stations. The Terpel-owned stations are operated directly or through franchise contracts, and our affiliated stations are operated by business owners with whom we share our values and our way of doing things, leading to continuous growth in our network of service stations.

SATISFACTION SCORE FROM OUR LIQUID FUEL SERVICE STATION CUSTOMERS



LIQUID FUEL SERVICE STATIONS



We conducted our image survey with an average of 900 service stations, obtaining a score of 4.5 over 5.0. Only one measurement was possible in the first quarter of 2020, before suspending the survey due to the pandemic. The results indicated we had met our goal by 96%, since the goal for 2020 was 4.7. For 2021, our goal for our image score is also 4.7.

INITIATIVES AT SERVICE STATIONS

Groceries for Terpel Service Station Promoters: to mitigate the impact of the pandemic on the income of the families of service station and Altoque promoters, we delivered 14,964 bags of groceries and biosafety kits to 1,983 service stations across the nation. We were thus able to help support all the promoters, assistants, and administrators at our stations.

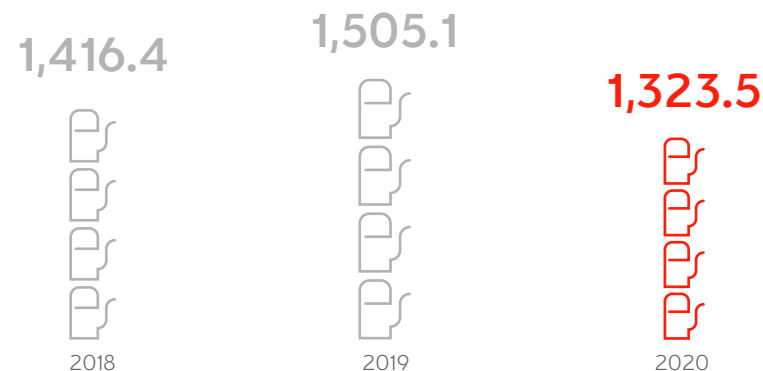
Together, to a New Peak (Affiliated Service Stations): this program provided financial relief to all Terpel affiliates, motivating recovery of the volumes not sold during the months of the pandemic through a system of incentives for volume purchased. Eighty-six percent (1,505) of stations everywhere in Colombia joined the program, resulting in an additional 22.1 million gallons entering the network, and bonuses of \$5,906 million pesos over 5 months.

LIQUID FUEL (LF)



SALES VOLUME

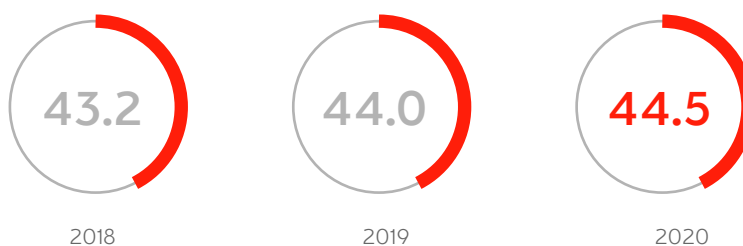
Millions of gallons



SALES GROWTH %



MARKET SHARE %



WE HAVE
1,665 SERVICE
STATIONS WITH
OUR NEW
CORPORATE
IMAGE,
REPRESENTING
86% OF THE
NETWORK, AND
69 PUMP ISLANDS
EXCLUSIVELY FOR
MOTORCYCLES.



Additional credit days: we offered additional days of credit to 100% of our affiliated and franchised service stations. This allowed our customers to support their employees, thus ensuring job stability for the majority of their workers, without affecting the stations' cash flow or the sustainability of the business.

Together, let's get back to the Top: this program targeted 246 franchise stations, delivering an additional bonus to the franchisee for volume recovery from June to December 2020. We organized activities to reward final consumers for preferring to fill their tanks at our stations, building loyalty and generating greater recall.

By December 2020, we had recovered 112% of fuel sales at franchise stations compared to January 2020. We gave away more than 2 billion pesos in additional bonuses distributed among promoters, and in prizes for end consumers.

We conducted our service survey with an average of 900 service stations at just two different points in time, due to the pandemic. As of April, we canceled this measurement, resuming it from September to November using a different methodology. This means the results are not comparable, and for that reason they are shown separately. In the first part of the year we obtained

a score of 4.3, and in the second part of the year a score of 3.5 out of 5.0. The results indicated we met our goal by 91% and 74%, based on a goal for 2020 of 4.7. For 2021, our goal for our service score is the same 4.7.

TERPEL BUSINESS OWNER NETWORK

Terpel's business owner network reinforces connectivity, alignment, and trust between Terpel and its business owners (partners and franchisees). It is a channel for communication, consulting, training, innovation, and

getting to know each other better. It helps business owners work as a network, generating value for them and for the brand. The program has three pillars: engagement with business owners, business owner training, and well-being and events.

373

business owners belong to the Business Owner Network

NETWORK ACTIVITIES

We set up an online diploma course for 34 service station owners and franchisees through ActionCOACH, with the goal of strengthening the knowledge customers need to increase the efficiency of their service station revenues.

We organized meetings with national representatives to work together on solutions for problems related to teamwork on the job, sales strategies, and how to face new challenges, attended by 33 business owners.

We gave online talks on COVID-19 prevention measures, attended by 66 business owners.

AVIATION FUELS

We are the main partner of the country's industrial aviation industry for passenger and cargo transportation, and of the military aviation sector. We serve 21 airports in Colombia and offer regional coverage to 32 airports, connecting Latin America and the Caribbean with the world.

Our value proposition goes above and beyond fuel supply. We offer additional services with quality and excellence and a smart network that allows us to connect regional customers in the four countries where we have airport operations - Colombia, Panama, Peru and the Dominican Republic.

We have strengthened our market share and have new customers, such as the German airline Lufthansa, included in our customer portfolio for the first time. We also became the main partner to the Colombian Air Force for aviation fuel supply (6 million gallons per year).

WE ARE LEADERS IN THE AVIATION FUEL INDUSTRY IN COLOMBIA WITH A 72.1% MARKET SHARE.

AIRPORTS SERVED

21



SALES VOLUME

Millions of Gallons

359.6



2018

366.0



2019

147.3



2020

SALES GROWTH %

2018

3.30

2019

1.80

2020

-59.75

MARKET SHARE %

80.9

2018

76.1

2019

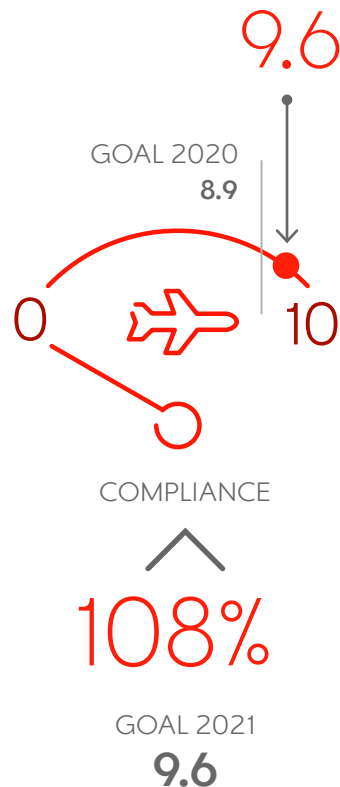
72.1

2020



WE WERE CHOSEN BY THE INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA) TO REPRESENT COLOMBIA IN THE FUEL RESTART COORDINATION GROUP (FRCG) TO CONTRIBUTE OUR EXPERIENCE AND KNOWLEDGE TO THE PROMOTION OF THE WORLDWIDE RECOVERY OF AVIATION OPERATIONS.

SATISFACTION SCORE
FROM OUR AVIATION
FUEL CUSTOMERS



Our services are characterized by high standards for quality. During 2020, we developed new products and services such as a pilot plan for aircraft disinfection services for the general aviation segment.

We integrate excellence into our operation using digital tools and automation, in order to expedite processes and make them increasingly efficient. This impacts everything from operations to billing, including IATA Cargo-XML messaging and standards, and automation using the ELA robot.

—
QUALITY AND
EXCELLENCE

Our operation is certified under the Norwegian standards for industrial safety, occupational health and environmental management, called NORSOK S-006, and under the ISO 9001, 14001, 18001 and 45001 standards, and we comply with all the environmental regulations necessary to operate.

In 2020 we obtained the bio-safe operation certificate issued by ICONTEC for Terpel's airports, earning this biosafety seal in alignment with best industry practices and inspiring stakeholder confidence.

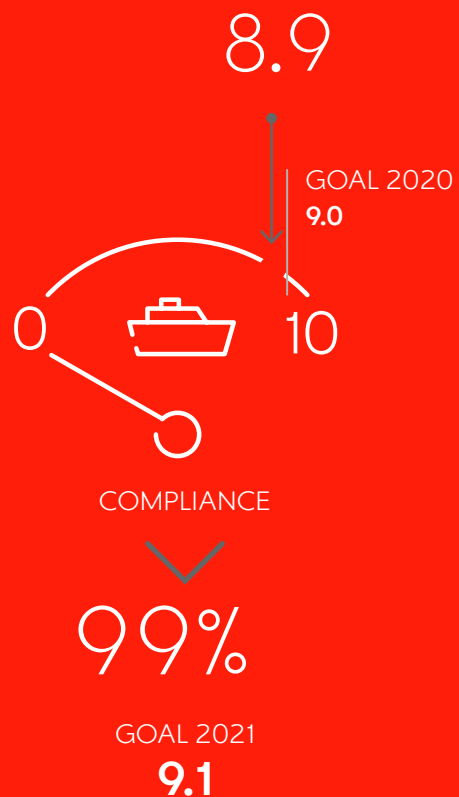
IN 2020, WE FOCUSED
ON SERVING
FLIGHTS CARRYING
HUMANITARIAN AID.
WE SUPPORTED THE
WORK OF LOCAL
AND NATIONAL
AUTHORITIES TO
CONTAIN EMERGENCIES
IN COMMUNITIES,
AND TRANSPORTED
HEALTHCARE SUPPLIES
AND BASIC NECESSITIES,
AMONG OTHER
ACTIONS TO EXPRESS
SOLIDARITY.

MARINE FUELS

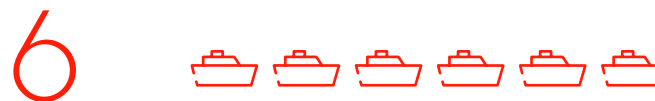
Our operation delivers marine fuels to different types of vessels. We dispatch from the Mamonal plant in Cartagena to six ports: Cartagena, Barranquilla, Santa Marta, Coveñas and Tolú on the Caribbean coast and Buenaventura on the Pacific coast. We provide our services to the port authorities in those cities, and also serve river traffic on the Magdalena River.

IN 2020, OUR MARINE FUEL BUSINESS GREW 10% OVER THE YEAR 2019.

SATISFACTION SCORE FROM OUR MARINE FUEL CUSTOMERS



PORTS



MARINE TERMINALS



SALES VOLUME

Millions of Gallons





97% OF OUR CUSTOMERS ARE AFFILIATED WITH THE CORPORATE PARTNER PROGRAM, WHICH HAS THE PURPOSE OF BUILDING STRONGER TIES BETWEEN CUSTOMERS AND OUR EXECUTIVES, THROUGH STRATEGIES FOR RECOGNIZING ACHIEVEMENTS AND SENDING MESSAGES ON SPECIAL DATES.

The marine diesel or marine gas oil we distribute is sold by Ecopetrol from its refinery in Cartagena and dispatched from the Mamonal plant. Our fuel delivery operation takes place using extremely safe supply vehicles, generally using a transfer cart or barges. At Terpel, we have the largest storage capacity for marine diesel in the country with a shared plant in Cartagena with a 27,000-barrel storage capacity in the form of two 13,500-barrel capacity tanks.

We are an expert partner to our customers, giving them the best service. For that reason our fuel delivery operation uses high-safety bunkering vessels or barges. During 2020, we updated our value proposition, making marine fuel the business line least impacted by the pandemic, and meeting our target by 107.6%.

We actively participated as delegates or speakers at 135 regional and international sector events (132 virtual and three in-person).

FUELS FOR INDUSTRY

We are energy that keeps industry moving, because we are a strategic partner to operations in the sectors of mining, oil, transportation, construction, and agro-industry. We offer a portfolio of integrated products and services that include continuous supply of and impeccable logistics for liquids, gases, and lubricants through an extensive supply network. We accompany industries with technical, environmental, and regulatory consulting, and transfer knowledge through training programs for our customers in the Clean Industry program.

RUMBO TERPEL

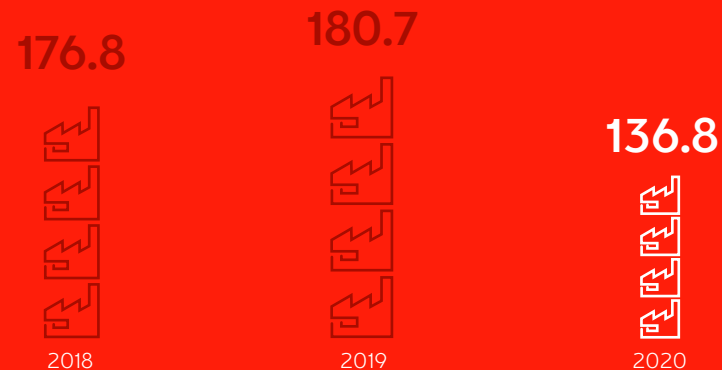
Our Rumbo Terpel program for the administration and control of the supply of liquid fuel and CNG for transportation fleets operates in the country's largest interconnected network of service stations. We have 786 interconnected stations, 10 of them new, in the program network, and 236 CNG fueling stations. Rumbo Terpel encompasses three programs: Large Fleets, My Business, and Terpel Community.

SATISFACTION SCORE FROM OUR INDUSTRY FUEL CUSTOMERS



SALES VOLUME

Millions of Gallons



SALES GROWTH %



MARKET SHARE %



WE HAVE PIONEERED THE CONSTRUCTION AND COMMISSIONING OF THE FIRST ELECTRIC TERMINAL IN AN INTERNAL YARD OF THE INTEGRATED TRANSPORTATION SYSTEM FOR THE CITY OF BOGOTÁ (SITP). WITH THIS, WE HAVE ENTERED THE MARKET TO SUPPLY ELECTRIC ENERGY FOR PUBLIC ELECTRIC MOBILITY OPERATIONS.



Large Fleets: This program was created for companies with fleets that circulate on the country's main highways and need fuel administration and control for each trip segment. During 2020, we had 105,000 vehicles registered for liquid fuels, and 13,180 for CNG.

My Business: This program focuses on offering value-added services and benefits to SMEs that manage fleets, to help them monitor fuel for vehicles. In 2020 we expanded the payment options for our customers to include credit cards, and as a result, 23 new customers made 17% of all the credit card charges in the month of December, representing a growth of 10% over the previous month. The

program finished out the year with 815,226 gallons and 1,422 active customers.

Terpel Community: this program for corporate customers allows the transfer of Terpel benefits to the customer's employees and/or family. This can be done using a geo-referenced platform to monitor the consumption of the customer's community and also get them involved in Terpel's loyalty program. At year end we had 11 active customers/communities.

OTHER INITIATIVES

Rumbo Caravan - Pits

We created the caravan program to raise the awareness of our service providers at our points of sale about the importance of the "Control" attribute in our value proposition. Before the national government's declaration of the health crisis in March, the caravan had made visits to 59 service stations in Bogotá, where 430 people participated in the events, with an average satisfaction score of 4.92%. The Caravan was reactivated in November, implementing the respective biosafety protocols, and we closed out the year 2020 having visited a total of 95 service stations with a total of 654 participants (51% women).

SATISFACTION SCORE FROM OUR RUMBO CUSTOMERS



Digital Rumbo:

In 2020 we connected the first 5 customers to our new Web Service. It sends real-time information allowing customers to consult their sales online, schedule controls and restrictions in accordance with their routes, and assign amounts and specific service stations to the vehicles in their fleet. They can also integrate the Web Service into their own systems in order to optimize their operations. Credit cards were enabled as a new online payment means on our virtual channel for customers.

Clean Industry Program: we transfer our knowledge and best practices in fuel handling to promote safe and environmentally sustainable operations, coming through on our promise, "We are more than fuel." The program is designed for the personnel who handle fuel at corporate fueling stations, and includes five modules:

Industry School: The aim of this school is to help companies safely manage product, doing quality control and implementing preventive and sustainable environmental practices.

Occupational Health and Safety and the Environment: This school focuses on identifying and managing the main environmental aspects and occupational health and safety risk factors associated with managing fuel and with regulatory compliance.

Training Center: The center provides practical experience to become familiar with the infrastructure of a fuel facility, and to gain practical experience with situations related to inventory control and product quality, response to spills and fires, and safe fuel handling.

Technical visit: This visit provides consulting on infrastructure, storage, fuel handling and control, and occupational health and safety and the environment, leading to recommendations that can help optimize the operation and prevent the occurrence of events.

Inventory Administration and Control (Online): We make our experience available to help implement best practices for fuel inventory administration and control.

We share our customers' objective of assuring operations. For that reason, in 2020 we organized the webinars, "Fuel and Biofuel Blend Regulations and Quality" and "Fuel Unloading Procedure."

TOTAL GREEN VISITS

13

INDUSTRY CUSTOMERS VISITED

13*

TRAINING DAYS

17

TOTAL INDUSTRIAL CUSTOMERS – INDUSTRY SCHOOL

(Includes OHS and environmental topics)

66

TOTAL INDUSTRIAL CUSTOMERS – CLEAN INDUSTRY PROGRAM

117

TOTAL TRAINING SESSIONS UNDER THE CLEAN INDUSTRY PROGRAM

86**

(*) Visits were made by direct employees only. During the health emergency, supplier visits were suspended.

(**) We organized 13 in-person training sessions, 69 online training sessions, and 4 webinars.

NATURAL GAS OPERATION - GAZEL

We are pioneers in Colombia in the provision of natural gas for vehicles (CNG), and we also promote the conversion of vehicles to CNG. We partner with ecological transportation systems and fleets because we have the biggest network of CNG fueling stations, the only network with national coverage.

Our Gazel brand has 242 CNG fueling stations distributed across more than 40 municipalities of Colombia. We also have a network of conversion and maintenance shops called "Territorio gazel" (Gazel Territory) that operate in different cities, where they encourage special Gazel conversion events supported by financing. In 2020, our CNG customer satisfaction score was 9.2 out of 10, meaning our percentage compliance with our goal was 107%. For 2021, our goal is set at 9.2.

During 2020, we built a new CNG station with a special design, capable of serving cargo transportation fleets on one of the country's main highways (Ruta del Sol). This new station allows

us to service a fleet of 45 CNG-powered tractor-trailers. We plan to lead the way in establishing green corridors in Colombia, consolidating Gazel as the leader in the natural gas for vehicles industry.

INITIATIVES AT CNG FUELING STATIONS

We implemented the campaign called *Juntos Gasificamos al País* (Together let's go for CNG in Colombia) in the last quarter of the year, to recover the volume lost during the pandemic. As part of the campaign, we gave rewards to CNG stations that were able to meet a minimum sales volume, with the help of a series of activities targeting the final consumer. The campaign helped recover close to 1,200,000 m³ during the three months. In total, we gave bonuses to 69 stations in a total amount of \$143 million pesos.

CNG FUELING STATIONS

242



SALES VOLUME

Millions of M³

261.7



2018

264.7



2019

181.1*



2020

SALES GROWTH %

2019

1.10

2020

-31.6

MARKET SHARE %

46.3

2018

46.9

2019

45.0**

2020

* Includes sales at corporate service stations.

** Information as at November 2020

GAZEL CLUB

This is our loyalty program that offers memorable experiences to our customers at all our Gazel service stations. By joining the club, members can accumulate cubic meters and later claim prizes in accordance with the amount consumed.

VEHICLES CONVERTED TO CNG

 18,360

NEW CONVERSIONS CREATING LOYALTY THROUGH TERPEL FINANCING

 3,666

NUMBER OF GAZEL CUSTOMERS

 195,396*

PARTNERS WHO REDEEMED PRIZES THROUGH THE GAZEL CLUB

 65,996

PRIZES REDEEMED THROUGH THE GAZEL CLUB

 292,272

(*) Number refers to the active vehicles in the category, including customers of Gazel and of the entire industry.

Through the Gazel Club, 65,995 members redeemed cubic meters during 2020, for a total of 292,272 prizes redeemed through the Club in Colombia.

SUPPORT FOR CONVERSION SHOPS

During the COVID-19 crisis we supported conversion shops to help them stay open. Their work is important to the industry, because they convert vehicles to CNG and provide technical support to their customers. We reviewed the conditions for customer access to annual maintenance, increased the amount of financing for private vehicle conversions, and established financial assistance for opening shops in towns not yet served. As a result of these measures and of working together, shops remained open in all the cities or towns in which Gazel operates. In addition, shops were opened in Soledad (Atlántico), Sahagún (Córdoba) and Corozal (Sucre).

EL MULERO SERVICE STATION (BOSCONIA, CESAR).

We opened the El Mulero service station to interconnect green corridors and offer the infrastructure of a CNG fueling station that can fill large tanks that require a high flow rate on the country's highways. The customers who drive those vehicles now have a strategic fueling point during their trips from the Caribbean coast to the center of the country and vice versa.

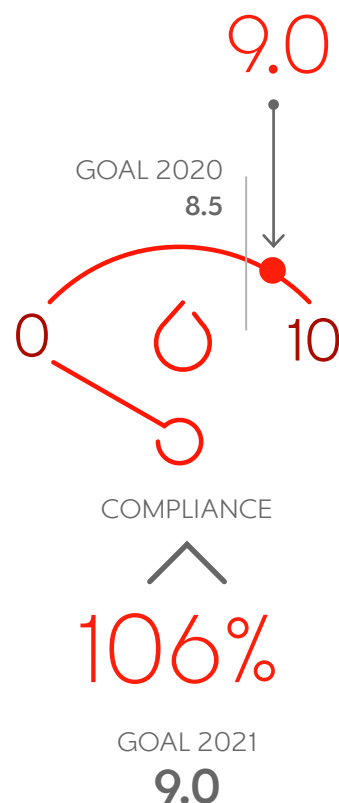
WE EXPANDED CNG FUELING STATION COVERAGE BY INSTALLING FAST-FILL STATIONS ON THE COUNTRY'S MAIN HIGHWAYS. WE FOCUSED OUR EFFORTS ON FACILITATING THE CIRCULATION OF CNG VEHICLES ON THE HIGHWAY CONNECTING CUNDINAMARCA WITH THE NORTH OF THE COUNTRY, INSTALLING STATE-OF-THE-ART PUMPS AT 10 FUELING STATIONS.

LUBRICANTS OPERATION

We are the best provider of lubrication solutions. We have the market's two leading brands, Mobil and Terpel, the distribution network with the greatest coverage, and the highest level of technical knowledge and experience for meeting the needs of our customers, the industry, and consumers. We have specialized lubricants for each segment, including diesel engines, gasoline engines, and motorcycles.

WE LEAD THE LUBRICANTS MARKET IN COLOMBIA WITH A 41.1% MARKET SHARE.

SATISFACTION SCORE FROM OUR LUBRICANTS CUSTOMERS



COMPLIANCE

106%

GOAL 2021

9.0

POINTS OF SALE FOR LUBRICANTS

21,482

SALES VOLUME

Millions of Gallons

19.83



2018

24.33



2019

19.70



2020

SALES GROWTH %

2018

105

2019

23

2020

-19

MARKET SHARE %



2018



2019



2020

*Amount was adjusted using the methodology for the years 2019 and 2020.



In 2020, we had 294 customers, 20 of which are commercial agents or distributors, allowing us to take our products to every corner of the country. Twenty-nine of them are in the automotive channel - dealerships and automotive oil change shops - and 245 are industry customers or own their own fleets and take care of their vehicles and equipment. Of the 19,708,154 gallons sold in this business line in 2020, 19,563,098 gallons were lubricants and 145,056 were coolants. In terms of market share, the Mobil brand holds 33.3% and Terpel 8.2%, for a total of 41.5%.

OUR PRODUCTS

Under the highest standards of ExxonMobil, a company with more than 130 years of history in the worldwide lubricants market, Terpel produces mineral and synthetic lubricating oils for both our brands, Mobil and Terpel, at the Cartagena plant. One hundred percent of our domestic production is packed in containers at the plant, which has the capacity to produce 2.7 MM gallons/month, and is certified under ISO 9001 and 14001:2015, and OHSAS 18001:2007. During 2020, we incorporated 19 new products manufactured locally. Thirteen of our products are certified with the ICONTEC seal and 13 have an API License.

We have three new products in the light vehicles segment that offer environmental advantages to our customers, such as fuel savings and protection of exhaust gas treatment systems.

IN 2020, WE
LAUNCHED THE FIRST
100% SYNTHETIC
MOBIL LUBRICANT
MANUFACTURED
IN THE COUNTRY.
MOBIL SUPER 3000
IS RECOMMENDED
WORLDWIDE TO
EXTEND ENGINE
LIFE AND REDUCE
EMISSIONS IN MID-
RANGE VEHICLES,
PROTECTING THE
ENVIRONMENT AND
CARS.

During 2020, we moved the **MobilServ** laboratory to Terpel's new Lubricant Technology and Innovation Center. The laboratory is specifically designed to provide oil, grease, and turbine extended service analysis, which creates value for industry customers by detecting deterioration and premature wear in equipment, avoiding unscheduled shutdowns and high-cost repairs.

COMMERCIAL AGENT MODEL

In 2020 we successfully executed the "Dual Brand" commercial agent strategy to unify the distribution network made up of Mobil and Terpel brand commercial agents, achieving greater reach and coverage for the distribution of our products. For our industry lubricants, we established a team of "Hunters" to strengthen the B2B sector.

We have 21,482 points of sale for lubricants that sell the Mobil and/or Terpel brands in lubrication centers, stores, dealerships, service stations, shops, and wholesalers.

PILOT PROGRAM TO RECYCLE PLASTIC LUBRICANT CONTAINERS

Based on concerns about the environmental pollution caused by the improper disposal of plastic lubricant containers, we have moved ahead with an initiative to incorporate this waste back into the production chain. This reduces environmental impacts and raises environmental awareness in the lubricant value chain.

In 2020 we ran a pilot project to collect Mobil and Terpel brand lubricant containers in Bogotá at 28 points of sale. That waste was then transformed into items such as plastic pallets, oil change trays for lubrication technicians, and chairs for changing motorcycle oil.

We gathered 806 kg of plastic containers, equivalent to 28% of the containers sold at the participating points of sale. Two commercial agents and 28 points of sale were involved and they demonstrated an interest in continuing the program to help reduce environmental impacts.

TERPEL TESOS PROGRAM

Terpel's lubricant loyalty program is designed for lubrication technicians and lubrication recommenders, who are called "Tesos." It provides financial compensation for their participation in the form of well-being and training benefits.

TESOS TRAINED IN COLOMBIA

Virtual Teso Bingo event, for entertainment purposes

513

% OF SALES UNDER CUSTOMER LOYALTY THROUGH TESOS

43%

TESOS ACTIVE IN THE PROGRAM

1,348

POINTS OF SALE WHERE TESOS ARE LOCATED

961

TESOS RECOGNIZED ON SPECIAL DATES

1,420

AT TERPEL-OWNED SERVICE STATIONS, WE HAVE FIVE PREMIUM LUBRICATION CENTERS USING THE MASTERLUB FORMAT (4 LIGHT MASTERLUB AND 1 MOTORCYCLE MASTERLUB CENTERS), AND WE REMODELED THREE POINTS OF SALE IN 2020 TO COMPLETE A NETWORK OF 23 LUBRICATION CENTERS WITH THE LUBRIPLUS FORMAT (22 LIGHT AND 1 LUBRIPLUS MOTORCYCLE CENTERS).

CLUB FOR LUBRICATION SPECIALISTS

This Mobil-backed loyalty program, targeting expert lubrication technicians who know the brand, has the objective of improving the quality of life of affiliates and their families through benefits and events exclusively for them.

CLUB MEMBERS ACTIVE IN THE PROGRAM

2,564

MEMBERS AND FAMILIES PARTICIPATING IN EVENTS

Virtual event "Family Afternoon for Specialists," for entertainment purposes

547

% OF CUSTOMER LOYALTY SALES THROUGH CLUB SPECIALISTS

12

POINTS OF SALE WHERE CLUB LUBRICATION SPECIALISTS ARE LOCATED

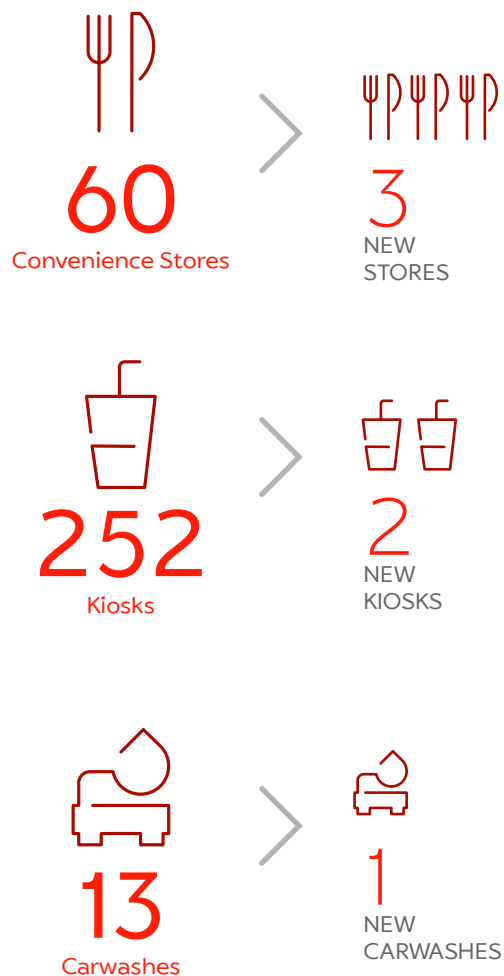
1,585

CLUB MEMBERS REMEMBERED ON SPECIAL DATES

1,627

CONVENIENCE SERVICES

We offer memorable experiences through conveniences that make our stations' service even more dynamic. They include Altoque convenience stores, Deuna refreshment kiosks, and Ziclos carwashes, serving the millions of users who visit Terpel service stations daily on the highways and in our cities.



Services:



ALTOQUE CONVENIENCE STORES

With local flavor, these stores offer a unique gastronomic experience to consumers.



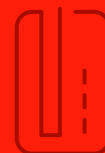
DEUNA REFRESHMENT KIOSKS

These huts are designed to give consumers access to a wide variety of drinks and snacks while they fill their tanks.



ZICLOS CARWASHES

We offer our consumers a chance to wash their car in 31/2 minutes, at a competitive price, without getting wet.



OTHER SERVICES

Restrooms, an extensive network of ATMs, air pumps and vacuums, a tire repair shop and additives all complement the services Terpel offers.



We improved supply logistics for our 60 Altoque stores by implementing a logistics operator. This allowed us to consolidate 94 suppliers at a single point and centralize and produce products at one plant, ensuring standardization throughout the network.

— PACKAGING

As part of the basic improvement plan for convenience stores, we developed a program during the year 2020 to manage waste products, and we analyzed biodegradable materials in order to implement a new value proposition for the Altoque stores.

In addition, in line with the company's commitment to the environment and to protecting its surroundings, we established a goal for the 2021-2030 period for the recovery of paper and plastic, the materials we use in Terpel-brand packaging. Total paper consumption was 19.7 tons and plastic consumption was 9.9, and we have set a target for recovery in 2021 of 1.97% and 0.99%, respectively, for Terpel-brand products.

WE SET UP BICYCLE REPAIR SHOPS AT 45 STATIONS, BRINGING US CLOSER TO THE CYCLISTS OF COLOMBIA. WE ALSO IMPLEMENTED OUR FIRST ENTREPRENEURSHIP SECTION IN STORES, INFLUENCED BY THE COUNTRY MARKETS WE ORGANIZED DURING THE PANDEMIC.

ALTERNATIVE ENERGY SOURCES AND CLIMATE CHANGE

We implement strategies and measures to adapt the business to climate change, managing renewable and non-renewable resources, and offering long-term solutions for the problem of global warming.

ENVIRONMENTAL MANAGEMENT

We have an environmental management system at Terpel that is based on our environmental policy. That policy is available to the public, and covers aspects such as legal compliance, risk management for processes, products, and services, and the promotion of cleaner practices in the operation.

The management system lays out a roadmap for our work, starting with the identification and assessment of environmental impacts and aspects generated by the operation, and then defining controls for their prevention and mitigation. With that, we define our environmental programs. Our environmental management system is certified for the lubricant factory and airports. The certification is obtained through an external audit process.

During 2020, we developed a technological tool that facilitates the consolidation of the organization's environmental indicators and provides for real-time, online cloud storage of evidence and supporting documents for the environmental management system. This includes evidence from the Reliable Service Stations program, the legal compliance program, and, in general, all environmental programs. Our goal for 2021 is to consolidate all the environmental indicators in a single tool for online verification.

WE MADE ENVIRONMENTAL INVESTMENTS IN 2020 OF MORE THAN 290 MILLION PESOS.

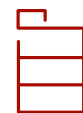
— ENVIRONMENTAL EXPENSES AND INVESTMENT



ENVIRONMENTAL EXPENSES AT SERVICE STATIONS

(includes service stations and convenience stores).

\$ 4,312,603,527.60



ENVIRONMENTAL EXPENSES AT PLANTS

\$ 239,825,942.00



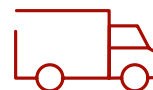
ENVIRONMENTAL EXPENSES IN THE FACTORY

\$ 187,226,331.84



ENVIRONMENTAL EXPENSES AT AIRPORTS

\$ 49,504,318.00



TOTAL ENVIRONMENTAL EXPENDITURES

(Includes service stations and convenience stores, plants, airports, the factory, offices, and transportation)

\$ 4,984,701,107.44

Compliance with environmental regulations is essential to us, and we received no fines or sanctions during the reporting period.

Our environmental management includes a program for monitoring natural resources. Its goal is to save and efficiently use water and power, measuring our consumption in order to identify opportunities for improvement and to implement operational practices for optimization.

ENERGY EFFICIENCY

Energy efficiency is one of our main objectives. Therefore, each of our work centers (airports, lubricant factory, and supply plants) has defined objectives and a specific goal to meet under the natural resource control program.

We organize campaigns to raise awareness about using resources efficiently and rigorously monitor energy consumption, which has allowed us to implement improvements in lighting and equipment. Solar panels at work centers allow us to use renewable energy to reduce the emissions generated by using conventional energy sources, and we closed out the year with 1,054 panels installed.

Energy Consumption	
	Gigajoules
Total energy consumption (Total energy consumption + consumption of own fuels).	406,514.42
Consumption of other energy sources (Solar energy at service stations, plants, and airports)	599.16
Consumption of fuels from nonrenewable sources (Consumption of Terpel diesel, gasoline, and Jet A-1).	23,104.91
Gasoline consumption (mobile sources) (Consumption of Terpel gasoline)	11,368.90
Consumption of other energy sources (Consumption of Terpel diesel and Jet A-1)	11,736.02
Consumption of electricity (Total consumption of conventional energy)	383,409.51
Energy generation (Power generation San Jose Airport)	19.36
Total internal energy consumption (Total conventional energy consumption)	383,409.51
Energy consumption at plants	17,972.69
Energy consumption at service stations (Consumption by service stations, convenience stores, and CNG fueling stations).	356,062.00
Energy consumption at offices	2,481.20
Energy consumption at the factory	4,787.70
Energy consumption at airports	2,105.68
External energy consumption (Total conventional energy consumption)	383,409.51
Energy Intensity (per employee)	18.50

THE TOTAL COST FOR ENERGY CONSUMPTION WAS COP \$55,716,857,039

ELECTRICITY PURCHASED (GJ)

383,409.51

PURCHASE OF NONRENEWABLE ELECTRICITY (MWH)

106,502.64

TOTAL PURCHASE OR GENERATION OF RENEWABLE ENERGY (MWH) (Power generation San Jose Airport)

5.38

PURCHASE OR GENERATION OF SOLAR ENERGY (MWH)

(Consumption of solar energy by the Cogua, Bascula, and Melgar service stations and the Baranoa plant, and generation in San Jose)

166,433,957

DECREASE IN ENERGY CONSUMPTION

The installation of solar panels at nine work centers - Cogua, Báscula, Melgar, Montecristo, Recreo, the Baranoa plant, Buga, Villa del Rosario and San José Guaviare - has led to a considerable decrease in energy consumption. This is because we are consuming clean energy instead of conventional energy, achieving a positive environmental impact and avoiding greenhouse gas emissions.

TERPEL ENERGÍA - ESP

Terpel Energía is our public utilities company (ESP for the acronym in Spanish) through which we buy natural gas for our Gazel service station network, and sell the surplus using mechanisms described in current regulations. We also purchase energy in the wholesale energy market for the operation of the service stations that are part of the unregulated market. Through this trading company we gain access to the best prices on the market and considerable savings on the margins. In 2020, we traded the equivalent of 162 million m³ in gas supply, 142 million m³ in transportation capacity, and 32 GWh/year of electric power.

We reinforced our team of people working in this area to be able to participate in the regulated energy market, and began installing solar panels for self-generation. In 2020, we awarded the bid for the first self-generation project, to begin operation during the first half of 2021. We also closed on an agreement to supply the power for the chargers for the first electric buses in Bogotá at three different yards in the system.

In 2020, we had to deal with a decrease in CNG consumption with firm contracts. Working together with our suppliers, however, we were able to minimize the impact, meeting 81% of our target for operating profit.

NEW ENERGY SOURCES AND NEW MOBILITY

The energy sector is undergoing major changes, such as the adoption of clean energy sources and the diversification of the energy matrix. All of this represents great challenges as well as opportunities for companies in the sector. For that reason, our strategy looking toward the future includes complementing our current business with meeting consumer demands for new energy sources and artificial intelligence.

NEW MOBILITY

With the Voltex brand, we offer electric charging services for electric vehicles and plug-in hybrids at our stations equipped with the fastest chargers in the country. We thus promote the country's mass adoption of this form of mobility, moving it out of the cities. During 2020, we continued to connect cities and offer Colombians more options for mobility in their electric vehicles or plug-in hybrids. We installed a fast electric charging station in Guarne, Antioquia, which completes our supply of fast charges on the Medellín-Bogotá route, allowing electric vehicle owners to drive that route without worries about charging.

IN 2020, WE
INSTALLED
SOLAR PANELS,
REPLACING UP
TO 31% OF THE
CONVENTIONAL
ENERGY USED
AT 2 SERVICE
STATIONS
(MONTECRISTO
AND RECREO)
AND 2 PLANTS
(VILLA DEL
ROSARIO AND
BUGA). THE
MULALÓ PLANT
IS IN PROCESS.



DURING 2020, WE STRENGTHENED OUR INTERNAL STRUCTURE IN ORDER TO EFFECTIVELY ADDRESS THIS NEW CHALLENGE, CREATING THE NEW ENERGY AND ELECTRIC MOBILITY BUSINESSES DEPARTMENT. THROUGH THE NEW MOBILITY OFFICE, THE DEPARTMENT WILL CONTINUE TO EXPAND THE VOLTEX BRAND AT SERVICE STATIONS, IN PUBLIC SPACES, AND IN THE TRANSPORTATION AND RESIDENTIAL SECTORS. WE ALSO CREATED THE NEW ENERGIES OFFICE TO IMPLEMENT ENERGY STORAGE PROJECTS (SMART BATTERIES) AND TO COORDINATE OUR SOLAR PANEL STRATEGY.

We also inaugurated the first electric terminal for the first SITP electric bus operation in Bogotá.

We will supply the energy, through Terpel Voltex, required by the first fleet of electric buses in the SITP public transportation system in Bogotá.

NEW ENERGY SOURCES

During 2020, we created the New Energies area at Terpel, in order to promote new businesses in Colombia and the region. We have seen that battery energy storage systems are gaining increasing relevance, because they can provide up to 13 different services to the grid and facilitate the transition this sector is currently experiencing.

To strengthen the structure we created Stem-Terpel, a new affiliate in Colombia in charge of procuring energy storage projects. We began execution and set up of 3 pilot projects with Ampere Energy batteries for the residential sector.

EMISSIONS MANAGEMENT AND CARBON FOOTPRINT*

SCOPE 1 EMISSIONS

Our measurement of scope 1 emissions is based on information on the consumption of fuel by Terpel-owned vehicles, fuel consumed by RFL, and fuel consumed by firefighting systems and electric power plants included in the environmental indicators for plants and airports.

DIRECT EMISSIONS OF GREENHOUSE GASES (tCO₂e)

(Terpel-owned private transportation, firefighting systems, and power plants)

1,560.97

SHARE OF SCOPE 1 IN TOTAL CARBON FOOTPRINT

3%

TERPEL-OWNED PRIVATE TRANSPORTATION (tCO₂e)

1,500.92

SHARE OF EMISSIONS FROM PRIVATE TRANSPORTATION IN THE TOTAL CARBON FOOTPRINT

2.9%

FIREFIGHTING SYSTEMS AND DIESEL POWER PLANTS (tCO₂e)

60.05

SHARE OF EMISSIONS FROM FIREFIGHTING SYSTEMS AND DIESEL POWER PLANTS IN TOTAL CARBON FOOTPRINT

0.12%

*All measurements are made in "t CO₂e" which means tons of CO₂ equivalent

SCOPE 2 EMISSIONS

We measure Scope 2 emissions based on financial information related to energy expenses at Terpel's work centers, financial data from the Masser service stations, and CNG consumption by the service stations. We determine the total kWh by business line for plants, airports, service stations, convenience stores, the factory, and CNG fueling stations. Our goal is a 10% reduction by the year 2025.

INDIRECT EMISSIONS OF GREENHOUSE GASES FROM CONSUMING ENERGY (tCO₂e)

Terpel Self-generation

17,679.4

SHARE OF TOTAL CARBON FOOTPRINT

34.4%

DATA COVERAGE WITH RESPECT TO MEASUREMENT

100%

GOALS FOR REDUCING INDIRECT EMISSIONS

10%

YEAR TO MEET THE GOAL

2025

SCOPE 3 EMISSIONS

Our main source of Scope 3 emissions is our consumption of fuel to transport fuel to the service stations (not including the return trip) and supply plants. This transportation takes place under contract and represents the majority of the Scope 3 emissions.

OTHER INDIRECT GREENHOUSE GASES EMISSIONS (tCO₂e)

32,161.4

SHARE OF TOTAL CARBON FOOTPRINT

62.6%

EMISSIONS FROM CONTRACTED PRIVATE TRANSPORTATION (tCO₂e)

32,017.9

SHARE OF EMISSIONS FROM CONTRACTED PRIVATE TRANSPORTATION IN THE TOTAL CARBON FOOTPRINT

62.3%

EMISSIONS FROM PUBLIC AIR TRANSPORTATION (tCO₂e)

143.4

SHARE OF EMISSIONS FROM PUBLIC AIR TRANSPORTATION IN THE TOTAL CARBON FOOTPRINT

0.3%

CARBON FOOTPRINT

We measure our carbon footprint based on fuel consumption by Terpel-owned and contracted fleets, fuel consumption by our power plants and the firefighting system, energy consumption by the business lines, and the footprint from employee air travel. We take into account direct emissions (scope 1), indirect emissions from generating energy (scope 2), and other indirect emissions (scope 3).

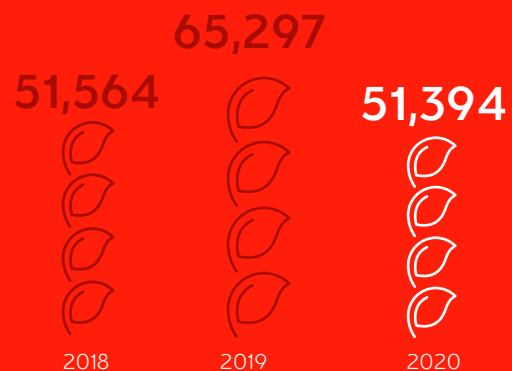
Our goal in connection with climate change is to reduce the Scope 2 carbon footprint by 10% by 2025.

EMISSIONS-REDUCING INITIATIVES

Because one of the most important factors in our operations' emissions is energy consumption, the goal for 2020 was oriented toward the installation of solar panels at 2 service stations and 3 supply plants. In Colombia, our carbon footprint measurement was verified by the external auditing firm Deloitte.

In 2020, we achieved a reduction in GHG emissions of 13,908 t CO₂e relative to our carbon footprint for 2019.

TOTAL CARBON FOOTPRINT IN tCO₂e



SHARE OF TOTAL CARBON FOOTPRINT

100%

GHG EMISSION INTENSITY (T CO₂E)

34.8

TOTAL CARBON FOOTPRINT (tCO₂e)

51,394

CLIMATE CHANGE MITIGATION AND ADAPTATION

At Terpel we recognize the impact of climate change on our surroundings, and share in this global concern. So protecting the environment is part of our strategy, decision-making, and work.

We are aware of the real and potential impacts, both direct and indirect, we can have on the environment, and we therefore take decisive action with responsibility and respect. In order to be part of the solution to climate change, and as a country partner, we work on the following fronts:

- Identification of risks and execution of controls throughout the supply chain.
- Improvement of energy efficiency at our work centers by establishing lighting models that use cutting-edge technology to guarantee lower energy consumption.
- Maintenance of safe conditions in our operation through training programs, accompaniment of the operations, monitoring, and verification of compliance.
- Sale of environmentally-friendly products.
- Promotion of responsible fuel consumption.
- Regular rendering of accounts based on standards and indicators that permit comparison with other sectors.

- Adherence to global initiatives and standards.
- Alignment with the national government's commitment under the Paris Climate Agreement that includes the goal of reducing greenhouse gas emissions by 20% by the year 2030.

Our sustainability committee is the highest instance in this area at the management level and defines our guidelines for addressing climate change. One of our main objectives is to continue implementing photovoltaic systems to replace conventional energy with clean energy.

We have made a decisive investment in the mitigation of climate change through our new energies and new mobility initiatives, joining Colombia in its active participation in global climate change goals, including the promotion of environmentally-friendly energy.

WATER MANAGEMENT

Each of our work centers has a matrix for identifying environmental aspects, including water consumption. Our program for saving and efficiently using water includes activities such as identifying consumption points, optimizing and controlling monthly consumption, and identifying improvements that can enhance the efficient use of water.

The water we consume comes from different sources such as groundwater, surface water, water supply networks, water purchases, and rainwater collection. It is used for domestic consumption, including restrooms, washing and cleaning, and is discharged into the sewage system, surface bodies of water, and/or onto the ground.

Each plant, airport, and factory has a goal and specific objectives under the natural resource control and water management programs

DISCHARGES

Environmental standards regulate the quality of any water to be discharged into bodies of water, the ground, or the sewage system. Each year we take samples and perform laboratory analyses to verify compliance with the permissible limits. Our discharges meet the standards established by the environmental authority and have all the permits they require.

During the year 2020, we promoted initiatives to improve the quality of discharges and also implemented improvements in the pipelines and treatment systems at the Pereira, Mulaló, Buga, Mansilla, and Manizales supply plants. We also installed domestic water treatment plants at 4 service stations to treat domestic discharge and reuse it to water gardens.

Water withdrawal and consumption in cubic meters

Total water consumption	521,406
Total volume of water taken from surface bodies of water	2,340
Total volume of water taken from groundwater	49,639.1
Total volume of water taken from rainwater collected and stored by the organization	8
Total volume of water coming from municipal water supply networks or other public or private utilities	469,407
Total volume of water recycled and reused	12
Percentage of total water withdrawn that is recycled and reused by the company (Rainwater is collected and reused)	0.002%
Total volume of water produced (including reused)	12
Total volume of water taken from fresh water	521,406

DIVERSITY, EQUITY, AND HUMAN TALENT

We create an inclusive, diverse, equitable, and healthy environment for work that is well-paid, through practices and actions that promote the personal and professional development of our employees, and foment the company's growth and ability to adapt to new challenges.

TERPEL'S HUMAN TALENT

The COVID-19 pandemic imposed huge challenges on human talent management. We reinvented ourselves in order to be at the service of the Terpel team and protect their jobs despite the adverse conditions. All of our programs and initiatives focused on them.

We adjusted our work arrangements, moving from a 100% in-person format to having 67% of our administrative and sales employees working online (close to 860 people). In our operating centers (factories, plants, airports, and warehouses) we implemented 12-hour shifts, which allowed us to comply with social distancing protocols. We mobilized to facilitate connectivity for personnel working remotely during the pandemic, providing corporate cell phones and adapting computers, chairs, and other equipment for ergonomic comfort at home.

With help from the Health and Safety team, we trained 100% of our employees on COVID-19 management and prevention, and put in practice the biosafety manual and protocol at operating centers to take care of our team.

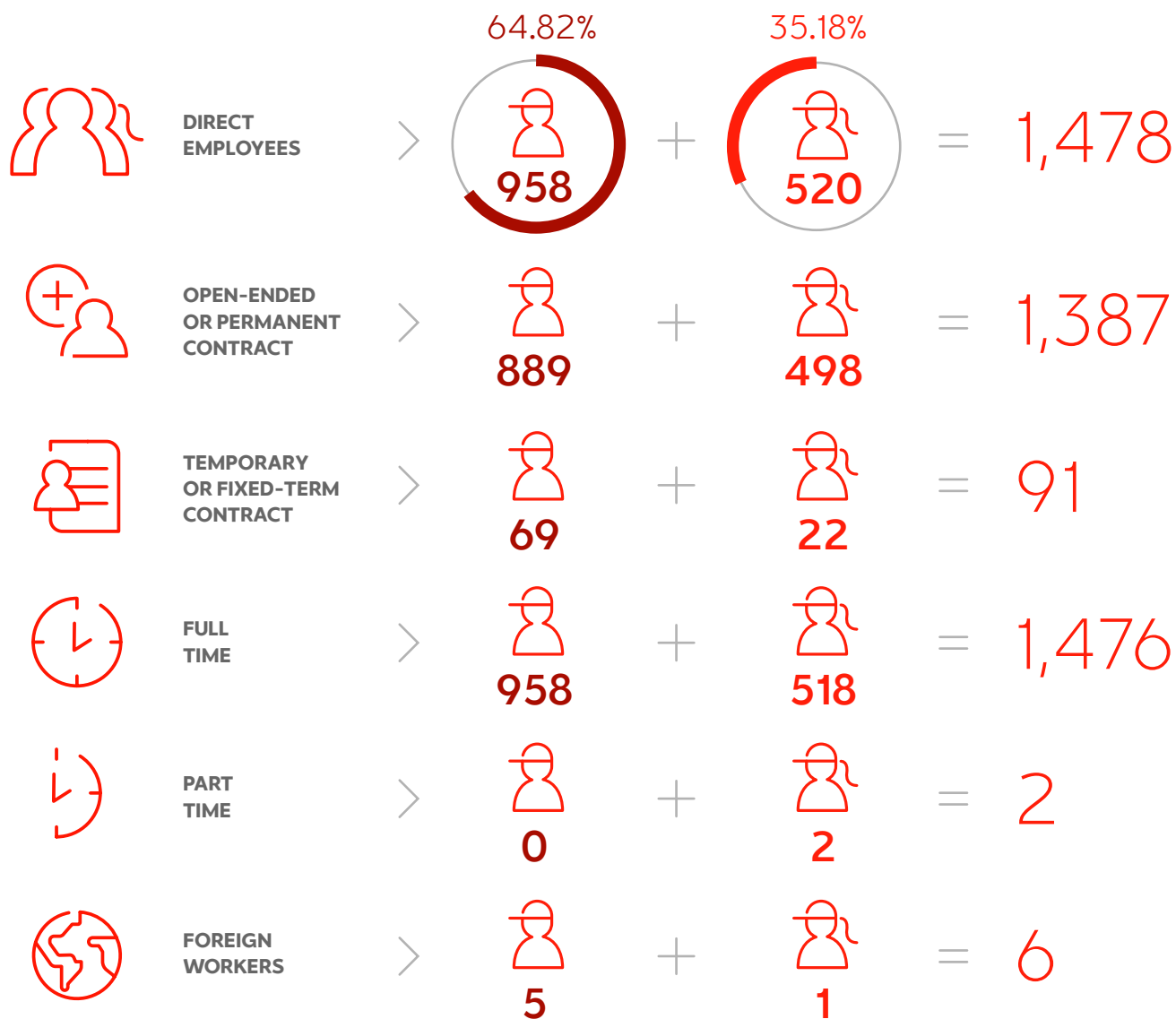
Our internal communications in this situation focused on supporting employees with timely and accurate information, continuing to promote human talent with the Terpel seal. Despite maintaining a distance during the pandemic, we were able to conduct our annual tour in which the Vice President of the area meets with the employees in each work center. This year the tour was virtual, and 1,100 employees attended, achieving 100% participation by the work centers.

We set a benchmark for human talent management, actively participating in online arenas with different entities such as SapSuccessFactors, Vansa, GR Chía, EF Education First, and WorkUniversity, sharing about Terpel's experience in the areas of gender equity, new work modes, and innovation, and describing how the talent process has been a strategic ally in the current situation.

THE PREMIOS
PORTAFOLIO 2020
AWARDS RECOGNIZED
US AS THE COMPANY
THAT BEST MANAGED
HUMAN RESOURCES
DURING THE PANDEMIC.
WE WERE CHOSEN
OUT OF FIVE FINALISTS
AND HUNDREDS OF
NOMINATIONS IN
THIS CATEGORY THAT
ASSESSED GOOD
TREATMENT FOR
EMPLOYEES AND
COMMITMENT TO
PROMOTING THEIR
DEVELOPMENT DURING
THE CRISIS.

OUR TALENT IN FIGURES

Distribution of our team members



94.74% OF OUR MANAGERS BELONG TO THE LOCAL COMMUNITY.

Distribution by type of position



INNOVATION TERPEL - UNIQUE PROGRAM

Our innovation model - Unique - is an arena for promoting innovative ideas by employees to achieve efficiencies in processes, policies, and daily activities in the short and medium term. Our challenge for 2020 was: How can we save on the expenses associated with our day-to-day work? This season we had 80 participants and 56 ideas submitted, 14 of which were approved by the innovation committee to be piloted during the first half of the year 2021.

COLLECTIVE EMPLOYMENT AGREEMENT

There was no collective bargaining during 2020, because a two-year agreement was signed in 2019. This collective employment agreement covers 1,364 (92.3%) of our trade union-affiliated employees. We have another union, of which 55 workers (3.7%) are members, and we held a meeting with them in November 2020.

EQUITY, DIVERSITY, AND INCLUSION

Terpel is aligned with the seven United Nations Women's Empowerment Principles. We have a gender equity policy whose objective is to establish guidelines and principles for promoting and safeguarding gender equity, equal opportunities, and inclusive environments in all of the company's operations, as well as measures to prevent, address, and remedy any action or behavior counter to this purpose.

PARTICIPATION BY WOMEN AT TERPEL

- 35% of the Terpel team are women.
- 27% of senior management positions are held by women.
- 36% of managerial positions are held by women.
- 38.67% of senior managers (directors) are women.
- 32.48% of junior managers are women.
- 17% of managers with revenue-generating functions are women.

To promote gender equity, we participate in The Gender Parity Initiative (GPI) led by the inter-American Development Bank (IDB) and the Ministry of Labor, WomeninConnection (WIC), a group of women dedicated to taking action to close gender gaps in the country, and the ANDI Gender Equity Committee.

In 2020, our compensation and benefits committee, which includes two members of the Board of Directors, the President, and the Vice President of Human Resources and Administration, approved equity in the treatment of the pension age for women in the company. This means that women who wish to continue working until they reach 62 years of age (the age legally defined in Colombia for retirement for men) will be able to do so as of the year 2021.

"TERPEL, A SAFE SPACE FROM DOMESTIC VIOLENCE" CAMPAIGN

We joined the initiative against gender violence by the Bureau of Women at the Mayor's Office in Bogotá, in their campaign to provide a network of safe and trusted spaces. Men and women victims of violence can go to our service stations in Bogotá and find a safe place in our service stations and Altoque stores, where they can seek shelter and receive information on how to access the competent authorities who can protect them.

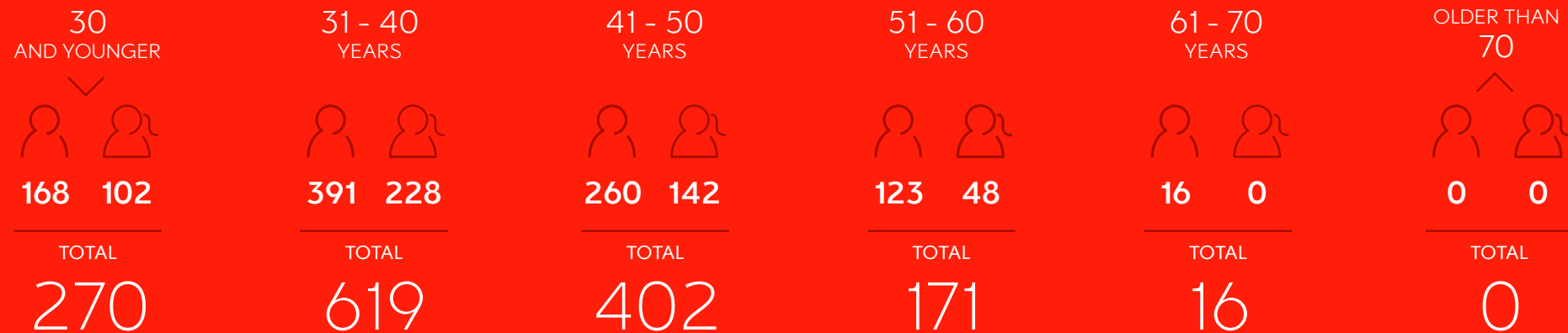
WE WERE
RECOGNIZED
AS ONE OF THE
TOP THREE
COMPANIES
IN THE AREA
OF GENDER
EQUITY IN THE
RETAIL SECTOR,
ACCORDING
TO THE PAR
RANKING
2020. AT THE
REGIONAL
LEVEL WE ARE
IN THE TOP 10.

DIVERSITY

At Terpel we recognize the competitive advantage and opportunities of learning from our differences. That's why we work to form our workforce and the highest governance body with people from diverse nationalities, ethnic groups, beliefs, gender identities and expressions, and sexual orientations. We currently have a partnership with the Best Buddies Foundation and have hired 5 people from the foundation under open-ended contracts, who receive the proper remuneration for their jobs.



Employees by Age Group



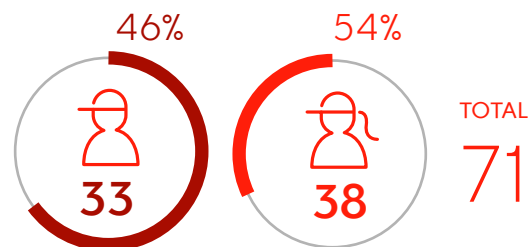
In 2020 we implemented an initiative called **"Diverse Team"** that brought together people from different areas, levels, regions and countries. As agents for mobilizing diversity, inclusion, and equity, they work in four groups related to internal and external communications, unconscious bias, new masculinity, and education and training.

TALENT ATTRACTION AND RETENTION

Of the 72 people who left their jobs, 3 left based on mutual agreement, 35 resigned, 1 retired, and 33 left for other reasons. Thirty-six employees took an early retirement (18 women and 18 men).

OUR HIRING COSTS IN 2020 WERE COP\$ 291,386,133, WHICH WAS 17% LESS THAN IN THE YEAR 2019.

New hires in 2020



ANNUAL
NEW HIRE RATE

> 4.8%

Note that more women than men were hired.

Employee separations



TOTAL ANNUAL
TURNOVER RATE

> 4.87%

MONTHLY
VOLUNTARY
TURNOVER

> 0.20%

AVERAGE
ANNUAL
VOLUNTARY
TURNOVER RATE

> 2.43%

TOTAL AVERAGE
MONTHLY
EMPLOYEE
TURNOVER RATE

> 0.41%

COMPENSATION AND BENEFITS

At Terpel, the salaries for different positions are established in accordance with internal technical studies and the job market. The entire company works under the variable remuneration system, established in accordance with the results for the immediately prior year and in compliance with the corporate scorecard.



LEGAL MINIMUM WAGE

877,803

877,803

STARTING SALARY

1,325,000

1,325,000

AVERAGE EXECUTIVE
LEVEL SALARY
(President, Vice
President and
Managers)

38,838,893

33,087,091

AVERAGE
DIRECTOR SALARY
(Directors)

17,614,043

17,056,172

AVERAGE NON-
MANAGEMENT LEVEL
SALARY

(heads, analysts,
administrators and
supervisors, technicians
and assistants, and
workers)

3,556,634

3,900,499



BENEFITS FOR OUR TEAM

Our employees' benefits include life insurance, a funeral policy, home loans, compressed work schedules, birthday days, five-year service day, additional vacation days, and prepaid medical plans. Assistance is also provided related to disability, education, healthcare, and recreation.

During 2020, 64 of our employees were entitled to parental leave (40 men and 24 women). All of them took the leave, and 98% returned to the organization at the conclusion of the leave. Sixty-two of those employees are still with the company after a year, meaning the reinstatement rate was 90% and the retention rate was 91.7%.

Solidarity gets us moving. On the initiative of our employees, we supported 2 donation campaigns: "I mobilize for my people" (support for service station promoters) and "Betting on the Operation" (support for workers at plants, airports, and the factory). In addition, more than 740 employees contributed resources to support a campaign by the Cardio Infantil Foundation in benefit of healthcare professionals.

BIENSER PROGRAM

This program has the goal of improving mental health and the quality of life of employees and their basic family group, promoting initiatives to balance work and personal life for 100% of our employees. Participation in Terpel activities such as these does not depend on the employee's level in the organization; everyone has access to the same program benefits. The initiatives include Teleapoyo BIP, which is a telephone line to assist employees with coaching or judicial, legal, financial, or tax advice. We also have the online Bienser options that include courses on yoga, photography, cooking, and managing one's emotions, among other subjects.

WE MOVED THE WELLNESS PLAN ONLINE TO SUPPORT EMPLOYEES AND THEIR FAMILIES DURING THIS JUNCTURE WITH FUN ACTIVITIES. IT'S A WAY WE CAN HELP EMPLOYEES UNPLUG FROM WORK AND CONNECT WITH THEIR FAMILIES, CONTRIBUTING TO A WORK-LIFE BALANCE.

OUR INVESTMENT
IN TRAINING
DURING 2020
WAS COP\$
2,555,948,127.
THAT
CORRESPONDS
TO AN AVERAGE
AMOUNT FOR
TRAINING AND
DEVELOPMENT
PER EMPLOYEE
OF COP\$ 1,731,672,
WHICH IS 4% LESS
THAN IN THE
YEAR 2019.

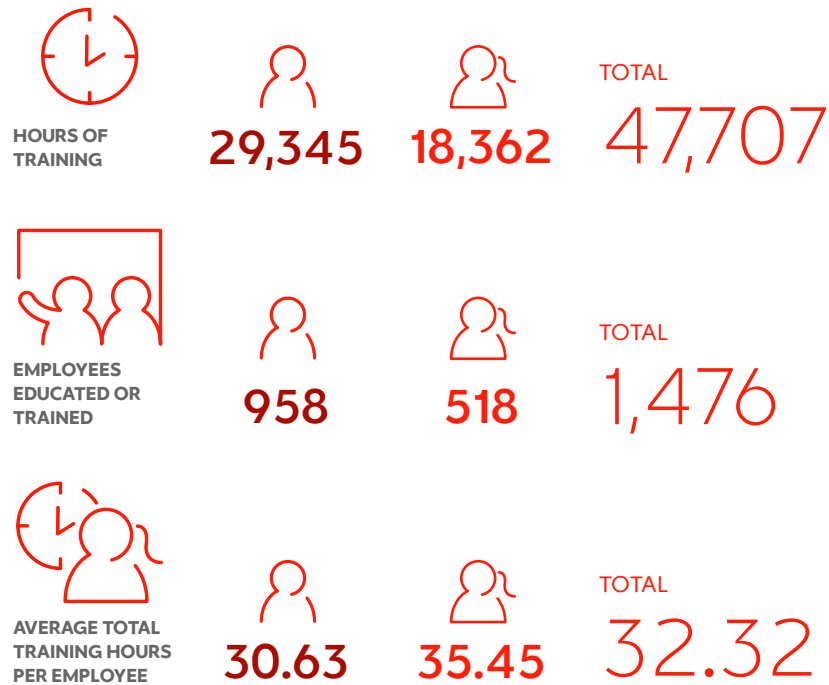
EDUCATION
AND TRAINING

Our training goals for 2021 will target bringing our team's soft skills to potential through personalized teaching, with a focus on on-demand learning, making different methodologies available to our workers that will allow them to acquire knowledge in different areas.

TRAINING INITIATIVES

- In partnership with Universidad Jorge Tadeo Lozano, 52 people from the New Energies and Electric Mobility teams, along with support areas, expanded their knowledge about our operation and regulations, trends, and opportunities in the Colombian energy market.
- We organized training sessions to expand knowledge about the operation and business line processes, preparing our Terpel talent to replicate what they learn about each business line with other areas of the company. A total of 622 employees participated in the program (42% of all team members).
- 99.86% of our employees participated in the Corporate University program.
- Leadership for Terpel Supervisors. We support the leadership process of employees who are in charge of other people. We help them develop skills such as active listening, indicator management, powerful conversations, time management, and work-life balance.

Training hours for our employees



Average training hours by position and by gender



NEW PROGRAMS:











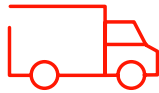

- **Talent in Development:** under this program, an employee takes over the responsibilities of another position, leaving aside his or her own responsibilities for a determined amount of time. The purpose is to learn the job and prepare to fill a future vacancy in that position, while developing new skills and responsibilities and learning about other processes. Sixteen people have participated in this program, six of whom have remained in the new job.
- **Mentoring:** this program aims to develop potential through knowledge transfer. During 2020 we had 11 ongoing mentorships.
- **Shadowing:** this program is based on observing another person's behavior in order to internalize and strengthen key skills for development. We organized 8 Shadowing exercises.
- **Bilingualism:** this is an arena for employees to learn English using two modes, online and in-person. We had 113 participants online, and 30 in-person participants.

TERPEL TALENT AT YOUR SERVICE

With this new initiative, our goal is to encourage the Terpel team to place their passions, hobbies, and talents at the service of the company as a way to support areas that have cut spending on consulting, outsourcing, and other services. At the same time, we can generate learning and development opportunities for employees in a time of crisis and uncertainty. We now have 131 volunteers registered in the program, 19 talent searches underway, and 44 people who are already offering their talents in service to other areas.

THE PANDEMIC PROMPTED US TO CREATE NEW WAYS TO TRAIN USING FORMATS SUCH AS WEBINARS, WHICH WE USED TO REACH DIFFERENT AUDIENCES, BOTH INTERNAL AND EXTERNAL, WITH 12 CONFERENCES ON GENERAL TOPICS. THE WEBINARS WERE ATTENDED BY 67% OF OUR EMPLOYEES, INCLUDING 988 IN-HOUSE STAFF AND 5,209 ADMINISTRATORS AND PROMOTERS.

TRAINING SCHOOLS

		PEOPLE TRAINED			AVERAGE HOURS OF TRAINING			TOTAL HOURS OF TRAINING
								
PUMP ISLAND SCHOOL		4,588	2,900	7,488	4.31	3.77	4.10	30,695.7
ADMINISTRATORS SCHOOL		69	93	162	3.92	3.40	3.62	586.6
STORE SCHOOL		110	237	347	2.41	2.27	2.32	804
AVIATION SCHOOL		37	4	41	9.24	7.50	9.07	372
INDUSTRY SCHOOL		24	22	46	3.44	4.43	3.91	180
DRIVERS SCHOOL		3,485	33	3,518	2.12	3.52	2.13	7,498
RELIABLE SERVICE STATIONS		302	231	533	6.87	6.84	6.86	3,654

EMPLOYEES RECEIVING PERFORMANCE EVALUATIONS

	Men	Women	Men and women
President		1	
Vicepresidents	7	3	
Managers	17	8	
Directors	44	31	
Heads/ Executives	154	97	1,456
Analysts/Supervisors	164	188	
Technicians/ Assistants	175	133	
Workers	391	43	
Total	952	504	

PERFORMANCE EVALUATION

We assess the work of each employee, encouraging his or her development and personal and professional growth, using a performance evaluation. Our evaluation is based on the 180° methodology, under which the employee's organizational competencies are evaluated by his immediate supervisor, and the employee also evaluates his supervisor in terms of his leadership, with the purpose of taking both perspectives into account and generating greater objectivity in the evaluation process.

For the last 4 years we have been measuring results orientation, strategic discipline, and an attitude of service, and this year we have included the

leadership competency. We promote impartiality, objectivity, transparency, and precision for this evaluation using the **Gente** platform.

HUMAN RESOURCES SATISFACTION

We did not conduct a satisfaction survey or working climate evaluation in 2020, given the need to substantially reduce our expenses. We did, however, conduct a Regional Remote Worker Census - the first census under the new normality - to explore employees' opinions and perceptions about the work-at-home mode implemented during COVID-19. In this way, not only did we learn how our employees feel, but we were able to design a better human

IN 2021 WE WILL ADD GOALS FOR EACH EMPLOYEE'S INDIVIDUAL CONTRIBUTION TO THE PERFORMANCE EVALUATION. THE CHALLENGE IS TO INTEGRATE THE ORGANIZATIONAL COMPETENCIES MODEL INTO THE PERFORMANCE EVALUATION, IN ALIGNMENT WITH OUR VISION, MISSION, AND BUSINESS OBJECTIVES.



resources strategy for dealing with the occupational and social challenges during and after the crisis.

We had 838 employees working at home at the time of the census. A total of 823 of them, or 98%, participated in the census, answering questions about adapting, setting up their workplace, productivity, and remote working modes.

During 2020, we received 11 complaints related to human resource issues. We responded to all of them, and fired 6 people as a result of the investigations. We received 7 claims regarding labor practices, including 1 lawsuit and 6 injunctions. The 6 injunctions have been resolved and the lawsuit is still in process.

CHALLENGES 2021

Our challenges for 2021 include:

1. Implementing a "new normal" work model in all administrative offices, with a gradual return to in-person work in accordance with the needs of the business.
2. Bringing wages into a range of 80% to 120% of the market median for the entire Organización Terpet, as established in our guidelines, with priority on positions earning lower incomes.
3. Continuing to position Terpet as an employer brand, moving forward with implementation of the inclusion, diversity, and gender equity policy.
4. Implementing the winning ideas from the 2020 season of the Unique program.
5. Developing, based on the company's strategic challenges, a new edition of the Unique program in 2021.
6. Structuring and implementing a development plan for the company's different jobs and a succession plan for critical positions.

IN THE REGIONAL REMOTE WORK CENSUS, WE RECEIVED A 4.75 SATISFACTION SCORE ON A SCALE OF 1 TO 5 FOR THE ACTIONS THE COMPANY TOOK WITH ITS EMPLOYEES DURING THE COVID-19 CRISIS.

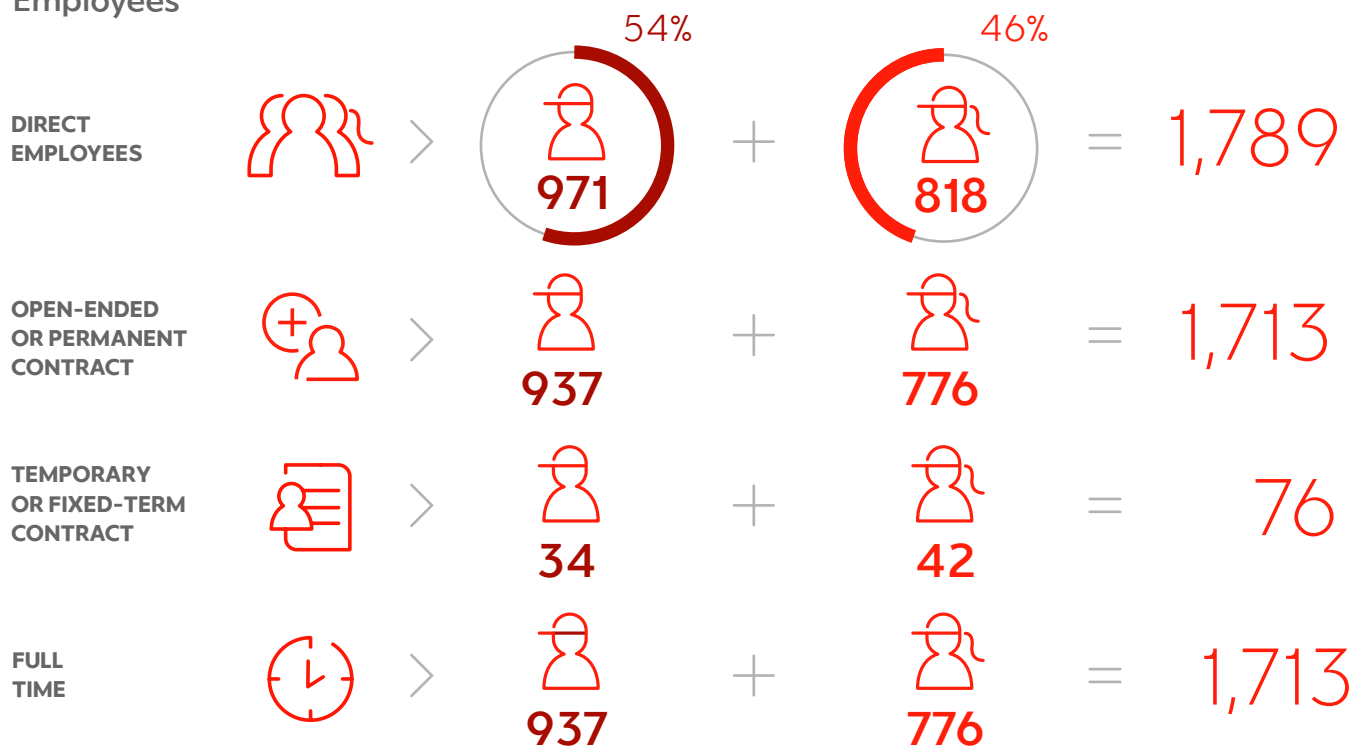
MASSER TERPEL'S MAIN FRANCHISEE

Masser belongs to the Organización Terpel group of companies and we are in charge of the comprehensive management of service stations and the Altoque brand convenience stores under a franchise model. We are Terpel's strategic partner, creating value for its brands through efficient operations and memorable service. We achieve this goal based on the premises of resource control, quick decision-making, and good customer service.

At Masser we have a variety of policies and guidelines related to human resource management, such as selection, training, internal communications, and payroll policies, and we have programs and projects for efficiently managing our human talent.

OUR TEAM IN NUMBERS

Employees



COMPENSATION AND BENEFITS

The starting salary for our employees is equal for men and women, and is the current legal minimum wage, COP\$877,803.

"Mass Bienestar"
(More Well-being) Program

We offer employees a package of Masser extralegal benefits for better quality of life. The benefits include healthcare, life insurance, and funeral policies, an employee fund (Fonmass), a birthday gift, and others.

We have also added a "Comprehensive Counseling" service to our benefits package in alliance with BIP, a company specialized in providing well-being services. It offers guidance on issues related to daily life such as mental health, legal advice, nutrition, finances, and account keeping.

TALENT TRAINING AND DEVELOPMENT

Our training and development policy promotes the comprehensive development of our employees, encouraging continuous improvement in their performance. It also meets the legal requirements applicable to the different areas of the company.

We implemented our "Mass Saber" (More Knowledge) training program and developed a Masser Online Training Plan with the goal of training our workers to do their jobs using best practices. It also covers topics having to do with the operation and their daily lives, using new technologies to make the training process more efficient.

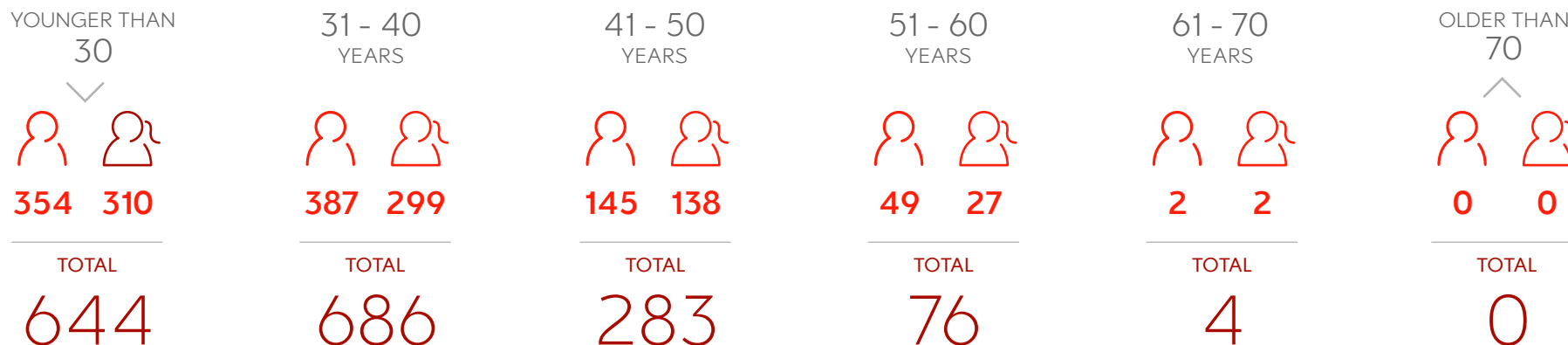
HIRING AND TURNOVER

Our policy for selecting and hiring personnel establishes guidelines for the process, so we can hire ideal candidates that meet the requirements of the company's different areas.

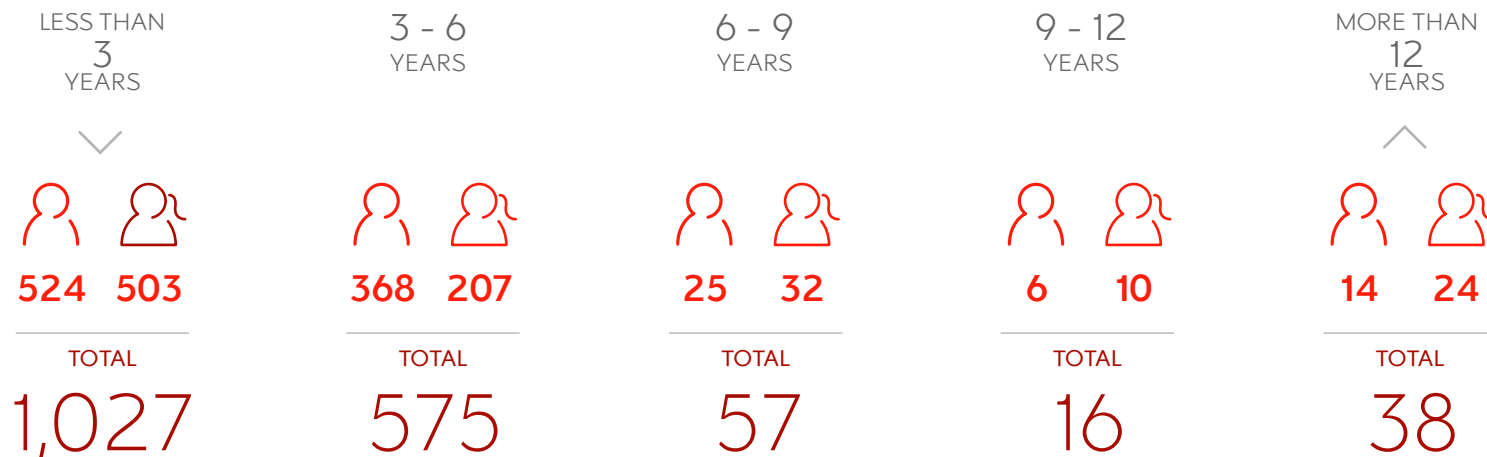
Our total annual turnover rate is 29.71%. Annual voluntary turnover is 19.96%, the average annual voluntary turnover rate is 1.66%, and the average monthly employee turnover rate is 2.36%.

During 2020, 509 people left their jobs, 1 by mutual agreement, 341 through resignation, 1 into retirement, 3 through death, and 163 based on other reasons.

Employees by Age Group



Seniority



PERCENTAGE OF VACANT POSITIONS FILLED INTERNALLY



44.83%

PEOPLE RECEIVING PROMOTIONS

13

VACANT POSITIONS FILLED INTERNALLY BY MEN (promotion or horizontal movement)

5

VACANT POSITIONS OPEN TO BEING FILLED INTERNALLY

29

VACANT POSITIONS FILLED INTERNALLY BY WOMEN (promotion or horizontal movement)

8

TOTAL VACANCIES OCCUPIED INTERNALLY (promotion or horizontal movement)

13

HEALTH AND SAFETY

We prevent and control the risks inherent to our operation, implementing policies and practices that offer a safe work environment for our employees, contractors, and neighboring communities.

OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (OHS-MS)

At Terpel we have an occupational health and safety management system that applies to all the activities carried out by the organization in the different business lines and work areas, and covers all our employees. Our system has been validated to be 100% compliant by ARL Bolívar and it meets the requirements of the ISO 45001 standard. The system includes occupational health and safety programs to prevent work-related accidents and occupational illness, and promotes healthy habits for living and working.

EMPLOYEE PARTICIPATION IN HEALTH AND SAFETY

Employee participation is seen mainly on the Joint Management-worker Health and Safety Committee (COPASST), whose function is to coordinate, monitor, and follow-up on all occupational health and safety activities that take place at the company. It has 8 regular members (4 employee representatives and 4 management representatives), and represents 100% of our employees. During 2020, elections were called and held for committee renewal. Employees also participate on the Labor Relations Committee, Emergency Response Brigades, and the Highway Safety Committee.

IDENTIFICATION OF OCCUPATIONAL HAZARDS AND RISK ASSESSMENT

We organize hazard and risk identification workshops for employees, work center supervisors and HSEQ supervisors, and as a team we identify, evaluate, and determine the controls to establish. We prioritize action plans with quantifiable objectives for business unit managers, and determine goals and programs for each year. We do independent external verification of health, safety, and well-being as part of our compliance with the ISO 45001 standards and Resolution 312 of 2019.

To identify and eliminate hazards and minimize risks we administered a self-perceived health survey, assessed workplace conditions, and delivered ergonomic equipment, all to help people adjust to working at home. In addition, we carried out ergonomic inspections and occupational measurements of noise, temperature, air circulation, and chemicals at the work centers.

OCCUPATIONAL HEALTH PROGRAMS

At Terpel, we facilitate access to quality health services for our employees. All of our team members are affiliated with a healthcare service provider (EPS). We also provide assistance for affiliation with a prepaid medical plan, and in cases of work-related accidents or

occupational illness, they are covered by the Labor Risks Administrator (ARL). We also have medical consultants to orient us on health issues and promote good health for our team members through programs such as:

Dynamic People: promotes a healthy lifestyle, led by physical therapists specialized in occupational health and safety.

Comprehensive Health Program: comprehensive monitoring of health with an emphasis on preventive and occupational medicine for the workers targeted.

Psychosocial Risk Prevention System: Intervention in psychosocial risk factors, in order to protect members of the target population group from the potential effects of those risks on their health, through surveillance, monitoring, and education on facing a variety of situations.

Hearing and chemical risk surveillance systems: control of these two risks using different strategies for intervention in the environment and with the workers.

"Take a Break" Program: encourages physical activity, by suggesting employees take a break and do something different during the week. It focuses on good posture and making plans for recreation to encourage a true disconnect from work and good use of leisure time.

OCCUPATIONAL HEALTH AND SAFETY INDICATORS – TERPEL EMPLOYEES

Occupational Health and Safety Indicators for Employees	2020			2019			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total days worked	307,404	172,104	479,508	305,660	185,610	491,270	311,862	175,851	487,713
Total hours worked	3,085,938	1,584,566	4,670,505	3,150,391	1,714,715	4,865,106	3,204,168	1,620,079	4,824,247
Work-related fatalities	0	0	0	0	0	0	0	0	0
Total employee lost days (Incident rate)	11.47	13.44	12.18	20.24	15.07	18.28	7.22	12.02	8.96
Severity rate	0.50	0.18	0.39	1.42	0.83	1.19	0.89	0.35	0.69
Accidents with lost time	5	1	6	14	5	19	9	2	11
Days lost from accidents	114	75	189	200	91	291	73	69	142
Number of occupational illnesses	0	0	0	1	1	2	0	0	0
Accident rate	4.54	1.89	3.64	11.11	7.58	9.87	5.62	5.56	5.60
Lost time injury frequency rate	1.62	0.63	1.28	4.44	2.92	3.91	2.81	1.23	2.28
Occupational Illness Frequency Rate	0	0	0	0.00000063	0.00000058	0.00000061	0	0	0
Number of employees whose occupation has a high incidence or high risk of illness	45	430	475	45	430	475	45	430	475

OCCUPATIONAL HEALTH AND SAFETY INDICATORS – TERPEL CONTRACTORS

Occupational Health and Safety Indicators for Contractors	Total 2020
Total days worked by contractors	1,028,352
Total hours worked by contractors	8,226,816
Work-related fatalities, contractors	0
Total employee lost days, contractors (Incident rate)	2.67
Accidents with lost time, contractors	9
Days lost from accidents, contractors	88
Number of occupational illnesses, contractors	0
Accident rate, contractors	0.27
Lost time injury frequency rate, contractors	0.000088
Contractors whose occupation has a high incidence or high risk of illness	1,755

TOTAL RECORDABLE ACCIDENTS
(with or without lost time) for contractors

9

HEALTH AND SAFETY TRAINING

Training this year has been associated with COVID-19 prevention, updates on COVID-19 risks and hazards, legal updates for the area of health and safety, and environmental legal compliance. Training topics covered personal protective equipment, active breaks, highway safety for heavy vehicles, safe work at heights, the transportation of hazardous merchandise, and dissemination of the Biosafety Protocol.

We also provided telephone support for team members, to promote mental and emotional well-being, and courses on managing emotions, handling stress, mindfulness, and other topics

DURING 2020, WE PROVIDED 6,654 HOURS OF TRAINING RELATED TO HEALTH AND SAFETY, THROUGH 32 COURSES FOR OUR EMPLOYEES.

HEALTHCARE DURING THE COVID-19 PANDEMIC

In 2020, we developed our COVID-19 Prevention Biosafety Protocol with the purpose of disseminating information that would help prevent and monitor illness, keeping our team members healthy. It involved the workers in taking care of themselves and those around them, in order to help prevent the spread of COVID-19.

We organized a variety of activities to prevent psychosocial risks as part of our epidemiological surveillance system, had specialized physicians to monitor health in the case of positive test results or suspected cases of COVID or quarantine, and we had doctors and psychologists on hand to provide emotional support for employees who tested positive or had close family members who were ill.

The goals for health and safety for the year 2021 will be defined after the year's first meeting of the Board of Directors.

COVID-19 FIGURES

	Men	Women	Total
Employees, number of active cases	4	3	7
Total number of tests taken at the company's expense for employees	268	149	417
Employees, total number of positive tests	102	56	158
Employees, maximum number of positive test results	23	18	41
Employees, COVID-19 fatalities	0	0	0
Contractors, number of active cases	0	0	0
Contractors, total number of positive test results	6	2	8
Contractors, maximum number of positive test results	N/A, No two cases were simultaneous		
Contractors, COVID-19 fatalities	0	0	0

RELIABLE SERVICE STATIONS

The objective of our Reliable Service Station program is to eliminate unsafe conditions at service stations and change behavior that could have a negative impact on personnel. The goal is to have service stations that are safe, protect the environment, and guarantee quality and standardized metering. We do this by taking four steps: **1.** Identification of risks and controls, **2.** education and training, **3.** emergency response, **4.** investigation of accidents. The program includes regular verification of the use of best practices in the operations, through periodic inspection visits to the service stations.

The program includes workers at Terpel-owned and affiliated service stations and Altoque stores, ensuring compliance with the best standards for safety, the environment, and product quality.

- Training: we have a training field for simulated learning to help identify risks in the operation and controls that can be exercised. We train and teach on topics related to prevention and promotion of occupational health and safety (including COVID-19).

We trained all the station operators to identify risks and implement controls, strengthening the competencies they need to run a reliable operation. In 2020, we trained 437 people, 234 in-person during the first quarter of the year, and 203 online during the last quarter.

- Follow-up and verification: we organized visits to assess the stations' work, suggest and support improvement plans, and provide continuous coaching and training.



Service Stations involved in the Reliable Service Stations program (affiliates and Terpel-owned)	1,610
Total Terpel-owned service stations (operated directly or through a franchise) participating in the program	255
Percentage of total affiliated service stations participating in the program	84%
Number of affiliated service stations participating in the program	1,355
Total service stations visited as part of the program (affiliated and Terpel-owned)	402
Masser + Franchise service stations visited under the program. Two visits are made during the year. Figure includes visits made during the first and last quarters of 2020.	343
Findings at Terpel-owned service stations and franchises (Includes findings resulting from the COVID-19 checklist)	1,887
Findings closed out at Terpel-owned service stations and franchises Findings closed out during the year 2020 include findings from the COVID-19 checklist.	960
Affiliated service stations visited under the program	59
Findings at affiliated service stations	15,253
Findings closed out at affiliated service stations	1,148
Coverage of affiliated liquid fuel service stations	88%

THE THREE
PILLARS OF
THE RELIABLE
SERVICE STATIONS
PROGRAM ARE
THE SAFETY OF
PEOPLE, THE
QUALITY OF THE
PRODUCT, AND
RESPECT FOR THE
ENVIRONMENT.



DURING 2020,
WE MANAGED
A TOTAL OF
2,729.6 TONS
OF HAZARDOUS
WASTE
PRODUCTS.

WASTE MANAGEMENT

At Terpel we have a Comprehensive Waste Management Program for managing hazardous and nonhazardous waste products generated at the work centers. It guarantees correct separation at the source, proper temporary storage, and correct disposal. And by doing that, it prevents any risk to human health, or of environmental pollution, and ensures compliance with the environmental regulations in effect.

Waste product disposal methods are defined in accordance with the current laws in effect. Companies certified by the environmental authority manage disposal of the waste products generated by the work centers. Each work center has people responsible for ensuring on-site compliance with regulations and receipt of the final disposal certificates for the waste delivered to the waste product handlers. Goals are set by each work center related to hazardous waste product generation and compliance is monitored monthly.

Method for waste disposal	Total weight in tons
Sent to sanitary fill. Sent to an approved safety cell	46.2
Waste recovered. (including energy recovery)	20.93
Waste incinerated	68.86
Waste transported	2,729.6
Waste treated	2,593.5
Hazardous Waste	2,729.6

Method for hazardous waste disposal	Total weight Tons
Hazardous Waste	2,729.6
Liquid hazardous waste	2,619.1
Used oil	11.26
Solid hazardous waste	99.1
Drums recycled at the lubricant factory. (Drums reused)	69
Hazardous waste no longer generated, via collection of drums	117.20
Hazardous waste recovered (including energy recovery)	20.93
Hazardous waste incinerated	68.86
Hazardous waste transported	2,729.6
Hazardous waste treated	2,593.5

During the year there were no leaks in underground storage tanks.

TRAINING

- During 2020 we used the Clase T platform to develop a training module for operating personnel, and used it to disseminate the new hazardous and nonhazardous waste classification standard.
- We updated personnel on:
 - regulations and guidelines for implementing the comprehensive waste management plan
 - comprehensive waste management
 - hazardous chemical and waste products
 - our hazardous waste declaration

INITIATIVES FOR CORRECT WASTE MANAGEMENT

- We installed domestic wastewater treatment plants at four service stations, in order to treat and reuse domestic wastewater to water the gardens. We were thus able to avoid disposing of those liquids as hazardous waste.
- We signed a contract with a co-op that collects and recycles cups, and plastic, paper, and cardboard packaging from the convenience stores and from lubricants, in compliance with Resolution 1407 of 2018.

SPILL PREVENTION

At Terpel we developed and implemented a program to control spills, hydrocarbon leaks, and environmental contingencies. It establishes guidelines for preventing possible impacts on the environment and on communities from the operations at work centers and during the transportation of product.

The program includes the definition and implementation of a contingency plan, the placement of a spill kit at sites with a spill risk, training for emergency spill response teams, and the dissemination of lessons learned from events in order to prevent their recurrence.

TOTAL SPILL VOLUME (GALLONS)

14,909.50

TOTAL SPILL VOLUME (M3)

56.43

MAJOR EVENT RATE

0.53

COVERAGE OF THE DATA ON
TOTAL VOLUME OF SPILLS (%)

100%

SPILLS NOT AFFECTING NATURAL
RESOURCES (GRADES 1 AND 2)

52

TOTAL PRODUCT SPILLS
(GRADES 1, 2 AND 3)

56

2020 GOAL FOR REDUCTION
IN MAJOR EVENT RATE

0.50

SPILLS AFFECTING NATURAL
RESOURCES (GRADE 3)

4

INITIATIVES TO REDUCE THE RISK OF SPILLS

Our spill and leak prevention program for all work centers includes talks on best practices for preventing spills during the operation, the publication of rules for preventing spills, the installation of overfill alarms for tanks, and the use of an environmental log. We also held training sessions on aspects of the ISO 17001:2015 standard relevant to spill and leak control.

As a mitigation measure, we have also built mini-dikes with a minimum capacity of 2,000 gallons, located at the base of the tanks that receive fuel from the multipurpose pipeline. We also developed a tool to standardize shift changes to avoid overfills caused by shortcomings in that process.

SUPPLY CHAIN MANAGEMENT

We strengthen relations with our suppliers, distributors, and partners through policies and measures that promote behavior that is responsible toward society and the environment. We identify and mitigate risks generated by the operation.

RESPONSIBLE SUPPLIER MANAGEMENT

Our suppliers are key partners in the efficient development of our operations. We work constantly to implement improvement processes through evaluation and engagement mechanisms that help us build long-term relationships of trust with them.

All our contractors and suppliers are familiar with Terpel's Code of Conduct, and sign an agreement in writing that they will act in strict compliance with it. They receive our manual with our policies, which establishes the health, safety, environment, and quality (HSEQ) guidelines for carrying out the work contracted, and defines the technical conditions of the services. It includes instructions for protecting human health, minimizing environmental impacts, and preventing work-related accidents and occupational illness for everyone who works with Terpel.

TOTAL SUPPLIERS

1,505



2018

1,604



2019

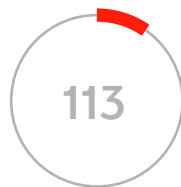
2,420



2020

CRITICALITY OF SUPPLIERS

8.30%



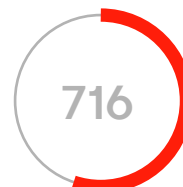
HIGH CRITICALITY

39.09%



MEDIUM CRITICALITY

56.61%



LOW CRITICALITY

100%



TOTAL

DURING 2020
WE MADE
PURCHASES
FROM 1,361
SUPPLIERS
FOR A TOTAL
AMOUNT OF
COP\$ 11,019,813
MILLION PESOS

We make sure contract administrators and buyers have an explicit understanding of their roles and responsibilities so they can better understand the procurement procedure. We clarify and reinforce concepts and processes so they can meet the standards of Organización Terpel.

We classify our suppliers according to their criticality (high, medium, or low). Critical suppliers are suppliers who have a high impact on the operation and generate purchases of more than COP\$1,000 MM. In 2020 we had 113 critical suppliers, and 97.68% of all purchases were made from them during the year.

INTERNATIONAL SUPPLIERS

We have 77 international suppliers, 56 of which are SMEs.

LOCAL PURCHASES

Our commitment as a Country Partner leads to a focus on strengthening relationships not only with local suppliers, but also with SMEs. We give priority to local labor and promote the same practice by our contractors.



AMOUNT OF PURCHASES FROM
INTERNATIONAL SME SUPPLIERS (COP\$)

12,446,203,432

AMOUNT OF PURCHASES FROM
INTERNATIONAL SUPPLIERS THAT ARE NOT SMES (COP\$)

374,789,885,399



DOMESTIC SUPPLIERS (SMES)

1,192

DOMESTIC SUPPLIERS (NOT SMES)

92

AMOUNT OF
PURCHASES FROM
DOMESTIC SME
SUPPLIERS (COP\$)

402,124,694,965

AMOUNT OF
PURCHASES
FROM DOMESTIC
SUPPLIERS THAT
ARE NOT SMES
(COP\$)

10,230,452,735,584

WE HAVE
2,329 LOCAL
SUPPLIERS
ON OUR
SUPPLIER LIST,
EQUIVALENT TO
96.2% OF ALL
SUPPLIERS.

Purchases from Domestic Suppliers	Amount of purchases COP\$	% Share
Supplies and services	\$ 167,957,924,632	1.524%
Civil works	\$ 31,671,589,415	0.3%
Liquid fuels and biofuels	\$ 9,793,533,422,911	88.9%
Natural gas	\$ 239,084,712,486	2.2%
Base oils and additives	\$ 76,792,963,399	0.7%
Transportation	\$ 225,881,340,266	2.050%
Inputs	\$ 38,531,044,836	0.4%
Other purchases	\$ 59,139,636,554	0.5%
Total		100.00%

SUPPLIER EVALUATION

In addition to our procurement policy, we have a supplier selection and evaluation process. It's a tool for improvement, used mainly with highly critical suppliers, that looks at criteria for quality, on-time delivery, and administration. The evaluation process allows us to diagnose, identify opportunities for improvement, propose action plans, follow up on supplier operations, and recognize their achievements.

Suppliers Evaluated	# of Suppliers Evaluated	%
Environmental	32	6.39
Uniform supply	1	0.20
Maintenance	98	19.56
Marketing	19	3.79
Civil works	30	5.99
HSEQ	12	2.40
Fuel transportation	34	61.67
Total Suppliers Evaluated	227	100.00

During 2020, 67% of our suppliers were evaluated with respect to their environmental impact, and we reached improvement agreements with two of them (0.14%) after evaluating their social impacts.

TRANSPORTATION SUPPLIERS

The supply chain brings us fuel via pipeline, which arrives at plants we own or own jointly. From there transportation suppliers take it to airports and plants not connected to the pipeline. At that point it is distributed through our business lines (industry, affiliated and Terpel-owned service stations, marine fuels, and aviation fuels). We also transport products coming from our biodiesel and additive suppliers. In 2020, we worked with 34 transportation providers.

OUR
TRANSPORTATION
PROVIDERS
MOVED 1,051
MILLION GALLONS
OF FUEL IN
COLOMBIA
IN 2020.

COMMUNITY RELATIONS

We contribute to the progress and well-being of communities where we have an influence, through a variety of programs and actions. We work to evolve in our relations and be a partner in their economic and professional development, strengthening their capabilities and promoting their integration into the job market. To achieve this, we work together with governments, local stakeholders, and beneficiaries to maximize the impact of our programs and guarantee their sustainability.



CLOSE TO 70% OF THE PERSONNEL AT THE SUPPLY PLANTS ARE FROM THE COMMUNITIES AND REGIONS NEAR OUR OPERATION.

PROGRAMS WITH THE COMMUNITIES

RELATIONSHIP WITH THE COMMUNITY AT THE NEIVA SUPPLY PLANT

We began implementing a community relations plan with the Neiva Supply Plant. It focuses on communicating and coordinating with the community, local authorities, and plant personnel, in addition to conducting a socio-political risk analysis of the operation.

We implemented three productive projects that were defined in consensus with the community during meetings to share information, tours of the community, and training focused on generating sustainable enterprises.

During 2021, this social and business technical assistance process will conclude with the capitalization of projects that will benefit more than 50 families in the community near the operation.

We are a Country Partner - #JuntosSaldremosAdelante

Terpel, as a Country Partner, took action to support the pandemic through a campaign called #JuntosSaldremosAdelante (#TogetherWe'llGetThroughThis), which promoted a series of initiatives that enabled us be part of the solution to problems caused by COVID-19 in Colombia. They included:

- *Donations to the Food Bank of Colombia (ABACO):* We donated 100% of the fuel Abaco needed to transport food to different parts of the country. Thanks to the company's support, more than 52 million kg of products from 303 municipalities of the country were mobilized in benefit of more than 2.8 million people across the nation.
- *Colombian Civil Air Patrol:* We partnered with the Civil Air Patrol to take healthcare to the most remote places in Colombia. The fuel we donated made it possible to transport samples from possible COVID-19 patients and deliver more than 284,000 biosafety kits to more than 7,000 healthcare professionals in 78% of the country's Departments.

We also organized 5 sexual and reproductive health brigades in the Departments of Sucre and Córdoba in benefit to 519 women. And on the Island of Providence, we made it possible to provide healthcare services to the victims of Hurricane Iota.

- *Unidos Somos Más País Campaign:* We joined this "Together we are a Greater Country" campaign, promoted by the ANDI, to donate resources to the InnspiraMED initiative. The goal of the initiative was to raise sufficient funds to produce 2,000 mechanical ventilators for treating COVID-19 patients.
- *Fuel donations:* The total fuel donated by the company was 122,857 gallons for vehicles and aircraft, equivalent to traveling around the world 153 times. The fuel was used by government institutions, nonprofit organizations, and airlines to transport humanitarian aid and contribute to the well-being of vulnerable population groups.

Restoring Dreams – committed to reconciliation

Our Restoring Dreams program embraces all of our company's reconciliation and peace-building initiatives. With the pandemic, we had to rethink how we could support former combatants and victims of the armed conflict, since our regular, in-person lines of action were not possible due to the restrictive measures established in the country.

Committed to regional development, we opted for online training that brought benefits to 578 former combatants and victims, in addition to 50 professionals from the Agency for Reincorporation and Normalization (ARN) who provide support for the 50 productive units that benefited in 15 Departments of the country.

The training covered topics related to structuring business ideas, learning key marketing and sales concepts, developing administrative and managerial processes, and using accounting, tax, and legal guidelines. It also explored innovation, and social, cultural, and environmental management.

TERPEL FOUNDATION

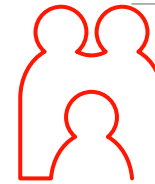
Through the Terpel Foundation, we help improve the quality of education in Colombia. Our work focuses on giving boys and girls in different regions of the country a better education, implementing high-impact programs for young people from low-income families to develop basic skills in leadership, mathematics, and language.

The Terpel Foundation uses social media to support education. With in-person classes suspended across the country, at the Terpel Foundation we designed a plan to help parents reinforce their children's skills in mathematics, language, and leadership, with educational content we shared on the Foundation's social media.

We rose to the challenge of creating new strategies and quickly implementing an online model for our programs. We digitally adapted 100% of our educational programs in order to effectively reach the homes of thousands of students from a distance.

In addition, as part of our commitment to improving the quality of education in Colombia, we are providing online support for the Colombia Aprende platform. This platform, developed by the National Ministry of Education, has more than 80,000 content segments in video, audio, and text, including teachers' guides.

SOCIAL INVESTMENT



COP\$5,786,227,271

Total social investment

COP\$3,473,346,253

Investment Terpel
Foundation Programs

COP\$1,265,900,018

Investment in support for
Terpel Foundation programs
and administrative costs

COP\$582,481,000

Amount for COVID-19
social support

COP\$274,500,000

Amount of donations from
the Terpel Foundation

COP\$150,000,000

Fuel donation
Colombian Civil Air Patrol

COP\$40,000,000

Investment in Restoring Dreams



OUR WORK IN 2020



242,039

Total beneficiaries
of educational programs

-28%
✓

Change in beneficiaries over previous
year. The decrease in the number of
beneficiaries was due to the pandemic.



147

Municipalities benefited



138

Parents benefited



238,713

Students benefited



213

Schools involved



3,030

Teachers and principals trained



11

Secretaries of Education benefited

PROGRAMS IMPLEMENTED BY THE FOUNDATION:

Design for Change: this is a movement underway in schools around the world that offers young people an opportunity to express their own ideas on how to change the world and put them into practice. During 2020, more than 80,000 students benefited in 47 municipalities in 20 Departments of the country. We developed 150 social innovation projects, implemented the first online social innovation workshop, and trained 372 teachers from across the country. We carried out the Design for Change competencies test online, with a comparative measurement, and 423 of the students surveyed were perceived by their teachers as empathetic student leaders who are concerned about their communities.

Investment in the program



\$ 353,964,502

GOAL 2020
\$426,749,062

83%



Students involved



83,905

81%

GOAL 2020
104,000

Teachers participating in the program



760

63%

GOAL 2020
1,200

Schools invited



2,502

Projects implemented



158

79%

GOAL 2020
200

Student leaders



6,022

151%

GOAL 2020
4,000

Votes



25,137

84%

GOAL 2020
30,000

Schools that Learn®: This comprehensive strategy strengthens administrative, academic, teaching, and community aspects at schools, in order to positively impact the instruction children receive in mathematics and language. In 2020, the program benefited more than 50,000 people despite the pandemic, and we were even able to implement the program in two new cities, Bello and Pereira, training more than 800 teachers in an online mode. We worked on prioritizing content and learning experiences, helping schools make curriculum more flexible, which was a necessary step with the new educational format during the pandemic.

Investment in the program



\$ 1,128,210,859

GOAL 2020
\$1,222,267,314

92%



Students benefited



51,673

96%

GOAL 2020
53,997

Teachers Trained



920

173%

GOAL 2020
530

Schools involved



41

103%

GOAL 2020
40

Parents trained



138

115%

GOAL 2020
120

Principals trained



42

102%

GOAL 2020
41

Officials from Secretaries of Education trained

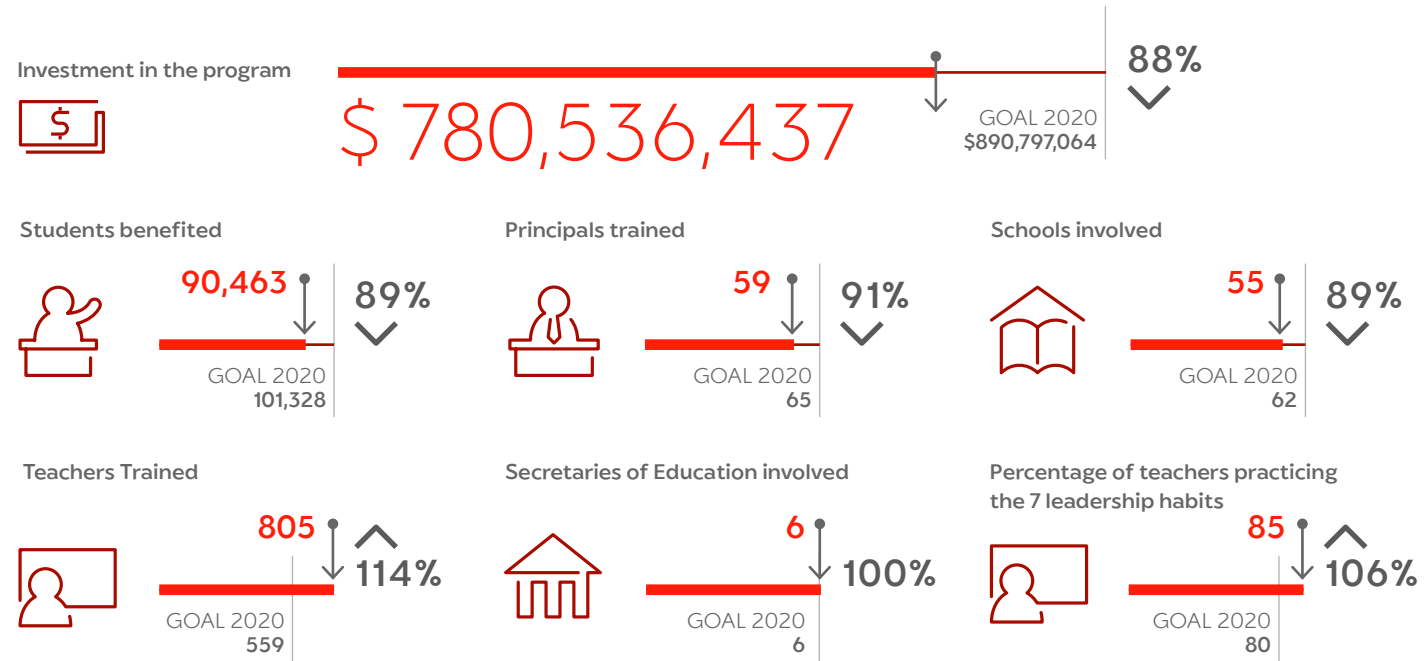


82

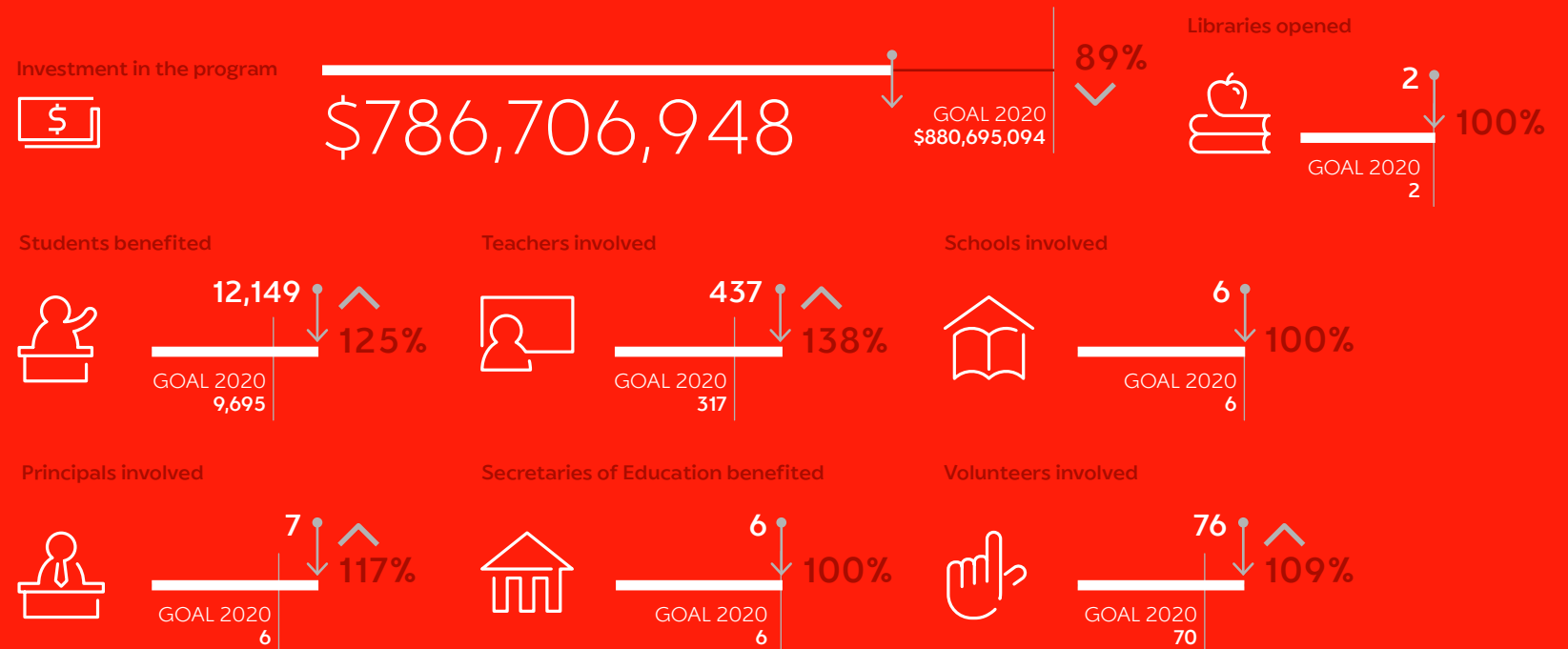
241%

GOAL 2020
34

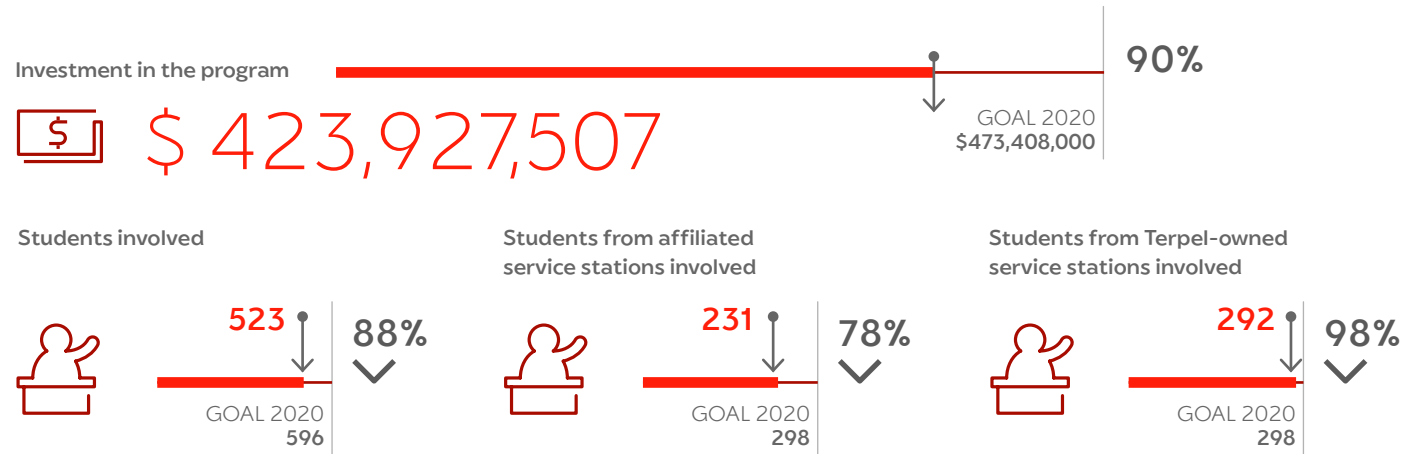
Leader in Me: This program models leadership based on the 7 Habits of Highly Effective People by Franklin Covey. The program in 2020 benefited more than 90,000 students in 55 schools. We implemented the program in two new cities, Valledupar and Ibagué, and created an online version based on the practice of the 7 habits. We designed and successfully used a direct coaching model to accelerate the change toward a culture of effective leadership.



Adventure with Letters: The objective of this program is to provide libraries for public schools and organize activities to help motivate young students to read. In 2020, we took benefits to more than 9,000 students at 6 schools, and delivered new libraries in the cities of Valledupar and Ibagué. We designed and spread the word about the Adventure with Letters digital library, a free website with educational resources and reading materials for teachers and students all over the country. We trained 243 teachers in online workshops and online support visits.



MyFuture Now. This program establishes a fund to support the technical, technological, or technical-vocational education of our pump island attendants and clerks at Altoque stores, or their children. The fund finances 80% of the total cost of the education and provides psychosocial and economic support for the beneficiaries until they graduate.



MUNICIPALITIES BENEFITED



131

NEW STUDENTS 2020



120

TOTAL STUDENTS GRADUATED



189

SINCE THE BEGINNING OF THE PROGRAM, 523 STUDENTS IN 131 MUNICIPALITIES HAVE BENEFITED, AND 189 OF THEM HAVE SUCCESSFULLY COMPLETED THEIR STUDIES. IN 2020, WE WERE ABLE TO INCLUDE 120 ADDITIONAL STUDENTS WHO DECIDED TO FULFILL THEIR DREAMS OF FURTHER EDUCATION.

OUR REGIONAL OPERATIONS

TERPEL PANAMA

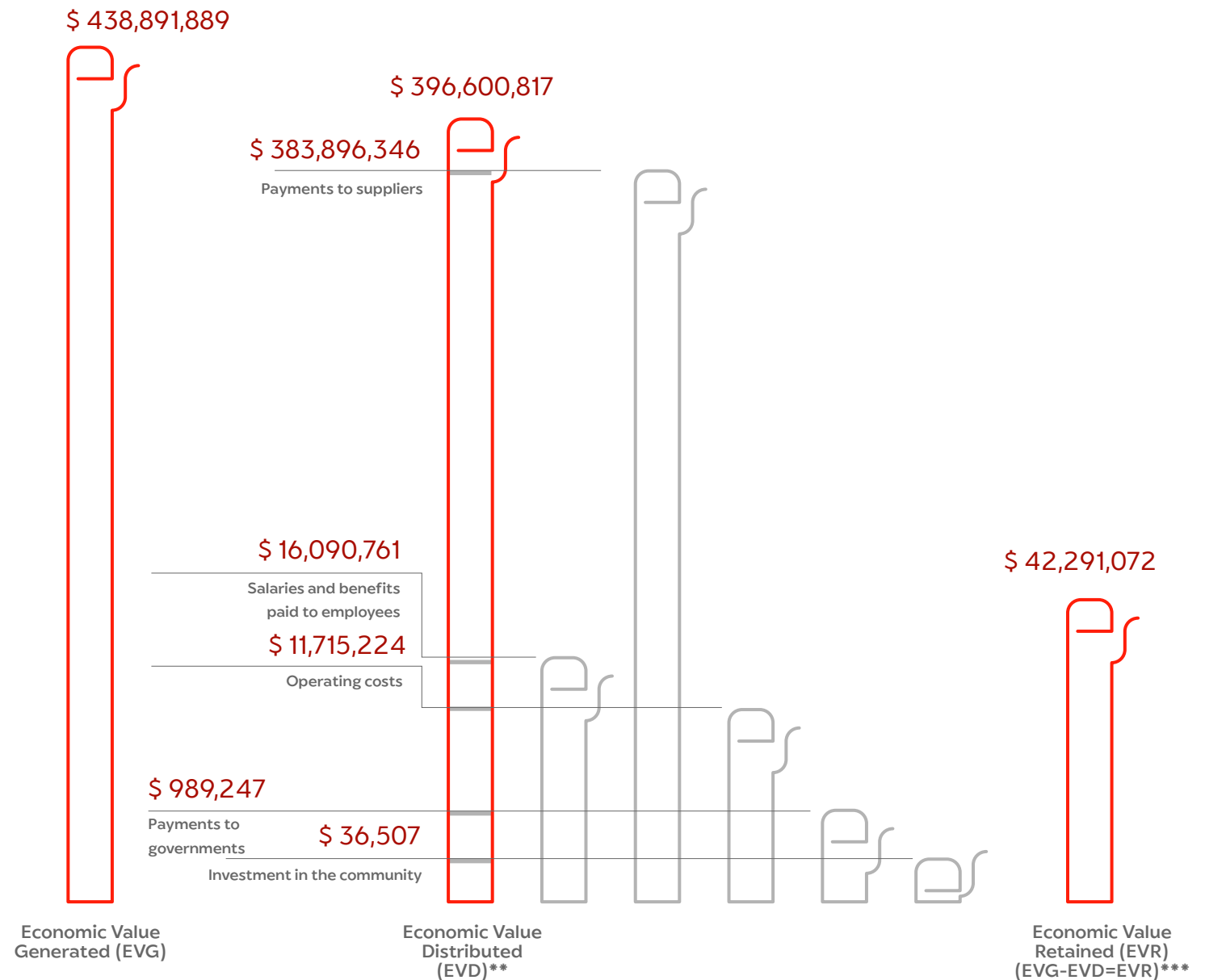
We develop six business lines in our operation in Panama: liquid fuel service stations, industry fuel, aviation fuel, marine fuel, lubricants, and convenience services. In 2020, strongly impacted by the pandemic, our sales volume was 206 million gallons, representing a fall of 27% over the year 2019. EBITDA, in turn, was \$11.9* million dollars and net income totaled -\$8.7 million dollars, representing falls of 61% and 276%, respectively, over 2019.

For us, the greatest reward this year is the well-being of the entire Terpel team. And on that premise, the most important COVID-19 measure we took in 2020 was the implementation of our national corporate job protection guideline, which had a very positive impact on the stability of our team members and their families.

With the implementation of robust processes for innovation and internal transformation and consolidation, anchored in our values and in our best practices for corporate governance, we were recognized by **Great Place To Work** as one of the best places to work in Panama (the only company

We Create and Distribute Value

(Figures in dollars)



*Corresponds to EBITDA adjusted for royalties and financial leases.



**DURING 2020 WE MADE
PURCHASES FROM 508
SUPPLIERS IN THE TOTAL
AMOUNT OF US\$44,644,060.**

in the Central American fuel sector to achieve this recognition). We were also recognized by **Merco** as one of the companies in Panama with the best practices in corporate responsibility and governance. As a result of the implementation of our sustainable management model, we were chosen by **AmCham** (one of the most important bi-national chambers in the country) to lead its Sustainability Committee, becoming a benchmark for best practices in sustainability in the business sector.

As a reaffirmation of our commitment to Panama, the local Global Compact Network chose us as one of its relevant success and business resilience cases in Panama in reference to COVID-19. We were also one of a select group of companies that signed the Women's Empowerment Principles, an initiative led by UN Women.

TERPEL TEAM PANAMA

Our team is made up of 1,063 people (444 men and 619 women). In 2020 we had an annual turnover rate of 18%.

Occupational health and safety management focused on responding to and managing the COVID-19 health crisis. In that framework, we implemented biosafety measures for our national network of service stations and convenience stores, and were one of the first companies in the country to implement remote work for the entire administrative team. We also developed a protocol for the return to our administrative offices.

As important as physical health is, emotional and mental health are also important. For that reason we implemented the programs **Terpel With You** and **Your Family at Home**, also made available to our suppliers, to provide tools to help parents and caregivers strengthen learning at home for boys and

girls. We also implemented a **Get Connected** program to learn to process emotions in times of crisis, making channels available to the team for comprehensive psychological assistance, aiding them in the practices of resilience and self-protection.

We never stopped learning in 2020. We implemented E-learning platforms for training (Clase T and Ubits) and trained 172 administrative employees and 219 operative personnel. We also prepared a development plan for promotions, in order to standardize our process for promoting our best talent internally.

Using an innovative and sustainable concept, we designed and made **Terpel Eco-desks** available to our team members working remotely, made with 100% recyclable natural cardboard fibers. We also offered them ergonomic chairs, and prevention kits to promote their maximum well-being as they worked from home.

OUR BUSINESS LINES

Service Stations: We have 155 liquid fuel service stations (122 Terpel-owned and 33 affiliated), with a market share of 38.3%. In 2020, the sales volume was 151 million gallons, representing a 26% decrease. We organized a big national promotion of anti-virus keychains with a purchasing incentive, to increase the average ticket. We sold more than 26,000 key chains at Terpel-owned and affiliated stations, promoting COVID-19 biosafety among consumers.

Convenience Stores: We have a total of 43 Va&Ven stores, 79 refreshment kiosks, and 7 Wash&Go carwashes. In 2020, we opened our first drive-thru convenience store in the country, allowing us to supply the needs of our customers quickly, safely, and without getting out of their cars. It generated sales of more than 235,000 dollars since operations began in April 2020 (55% of the store's sales). We also implemented a delivery service using our Va&Ven Express app, with coverage for 27 of the 43 stores, producing a 25% increase in invoicing.

Innovatively, we inaugurated the Va&Ven Food Truck with a full line of foods and beverages, and a few convenience products to continue providing memorable experiences for our consumers. Our private label bottled water brand called "Pawa Panama Water" achieved a 68% market share at Terpel convenience stores and kiosks with its differentiated packaging and pricing strategy.

Lubricants: In Panama we have more than 1,200 points of sale for lubricants. The sales volume for lubricants was 462,000 gallons, representing a 17% decrease in sales. In order to provide our customers with product supply solutions, we started delivering lubricants (packs or combos) to homes. We also strengthened our El Más Berraco (The Toughest) program, including an incentive plan for pump island attendants at Terpel-owned, franchised, and affiliated stations across the nation.

Marine Fuels: Our operation serves 18 ports and 9 marine terminals, with a sales volume of 7.4 million gallons. In 2020 we began our operation to supply vessels that do not dock at a port and require fuel supply via barge. This will increase sales and expand our product portfolio to gasoline and diesel.

Fuels for Industry: We supply fuel to 115 industry customers, holding a 28.4% share of the market. In 2020, our sales volume was 42.6 million gallons, representing a 34% drop in sales over the year 2019.

Aviation Fuels: We serve five airports and our market share is 5.10%. In 2020, our sales volume for aviation fuels was 4.0 million gallons, representing a 27% fall in sales.

WE PROVIDED
11,430 HOURS
OF EDUCATION
AND TRAINING
TO 896 TEAM
MEMBERS, WITH AN
INVESTMENT OF
US\$130,152.

ENVIRONMENTAL AND SOCIAL MANAGEMENT

Our energy consumption totaled 67,732.29 Giga Joules, and we consumed 320,033 m³ of water from the municipal water system. In the area of waste management and disposal, during 2020 we managed a total of 83.76 tons through authorized agents. Our expenditures in environmental investments totaled US\$308,319.44

OUR CARBON FOOTPRINT IN 2020 WAS

8,133

TONS OF CO₂eq

In alignment with the SDGs, we implemented the **ReciclaT** environmental sustainability program, expanding it to the province of Panama Oeste, with the goal of promoting best practices for the responsible management of single-use products. The ReciclaT program quantifies the products collected to determine the amount of CO₂ emissions we have prevented through the program, and the number of trees not cut down, as well as the amount of energy and water saved.

THROUGH THE RECICLAT PROGRAM WE ACHIEVED A REDUCTION OF

1.63

TONS OF CO₂

In 2020 we maintained and strengthened our corporate volunteer programs, benefitting 4,865 people with 76 volunteer events across the country. Thirty percent of our employees participated in the program, contributing a total of 1,475 volunteer hours.

Through the volunteer program Panama is Ours, we helped improve educational infrastructure in Panama City. In confirmation that serving Panama through innovation is in our DNA, we implemented our online volunteer program, ConectaT, to help provide emotional support for fathers, mothers, caretakers, and senior citizens, in partnership with UNICEF and the Red Cross of Panama.

OUR SOCIAL INVESTMENT IN 2020 TOTALLED US\$

32,895

With the goal of supporting the country's healthcare workers, we implemented the Heroes of Healthcare campaign to donate 1,000 gasoline fill-ups to healthcare professionals.

We also implemented the "Feeding Hope" initiative, designed as an immediate response to the food insecurity experienced by many families across the nation as a result of COVID-19. The program is open to anyone who wants to participate by donating a bag of groceries from our convenience stores. A percentage of each combo purchased at our Va&Ven stores was set aside for grocery bags filled with basic necessities, or they could be purchased directly - either in-person or online. In addition, for every three bags purchased, Terpel and Va&Ven donated an additional bag. In December 2020, this initiative was transformed into Christmas with Hope, and we delivered bags with toys, protective face masks, and food from our stores to children and teenagers in 6 of the country's 10 provinces.

WE BENEFITED

3,075

FAMILIES IN 90% OF THE NATION,
WITH MORE THAN 25 TONS OF
FOOD.

TERPEL PERU

Our operation in Peru now has five Business Lines including service stations, aviation fuel, lubricants, and the operation of 12 convenience stores. In 2020 we also entered the industry segment with 8 customers and a sales volume of 0.5 million gallons.

With the impact of the pandemic in 2020, our sales volume totaled 52.4 million gallons, including 31.7 million gallons in the service stations segment, 14.9 million gallons in lubricants, and 5.8 million gallons in the aviation business line, representing a 30% decrease over 2019. EBITDA, in turn, was \$8.6* million dollars and net income totaled -\$1.0 million dollars, representing a fall of 46% and 83%, respectively, over 2019.

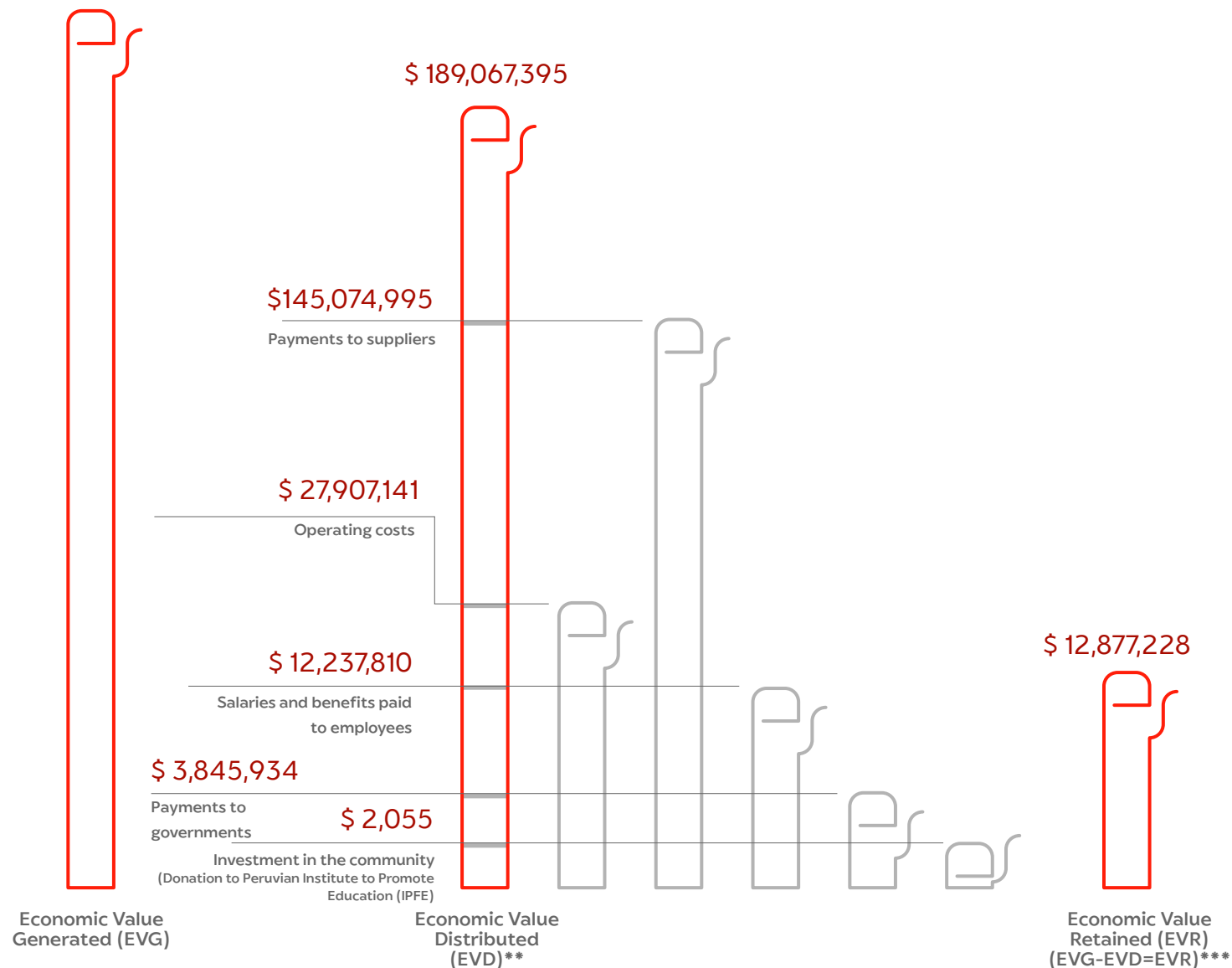
In terms of environmental management, the operation's total consumption of energy was 72,601.46 Giga Joules, and total water consumption was 43,081 cubic meters. In 2020 we carried out our waste management plan, managing a total of 2,546.35 tons.

*Corresponds to EBITDA adjusted for royalties and financial leases.

We Create and Distribute Value

(Figures in dollars)

\$ 201,944,623



OUR CARBON FOOTPRINT IN 2020 WAS

471.72

TON CO₂eq

TERPEL TEAM PERU

Our team is made up of 583 people (277 men and 306 women). In 2020, our turnover rate for the year was 32%, and human talent management focused on the COVID-19 pandemic. Initiatives included the implementation of remote work, changes in shifts, office redesigns in accordance with biosafety protocols, and group conversations to talk about medical issues such as COVID-19 and staying healthy, mental health, ergonomics, and nutrition.

WE PROVIDED

14,781

HOURS OF EDUCATION AND
TRAINING, WITH AN INVESTMENT
OF US\$56,359.

We reinvented our training processes, migrating to an online format, with a focus on the business and on improving our competencies in technology and digital tools.

TERPEL PERU BUSINESS LINES

Service Stations: We have a network of 43 service stations offering CNG, LPG, and liquid fuels. At our 38 CNG stations, we sold 53.6 million m³, representing a decrease of 38% over 2019. Our market share is 11.68% In LPG, we have 25 service stations that sold a volume of 5.8 million gallons and held a 4.48% share of the market in 2020. The 24 liquid fuel service stations generated a sales volume of 8.3 million gallons, a change of -16% over 2019, representing a 1.43% share of local demand for liquid fuels at service stations. We continued with our Pits Peru initiative, with the annual training plan now offered 100% online due to COVID-19.

Convenience Stores: In 2020, 12 of our stores implemented home delivery services using specialized apps. This initiative produced a 7% increase in sales, adapting the products and services we offer to be even more convenient for our customers, providing them with basic necessities during the pandemic.

Lubricants: We lead the Lubricants market with a 32% market share. We have 2 direct points of sale and 16 distributor points of sale. In 2020, our total sales volume was 14.9 million gallons**, representing a 20% drop over 2019. We reached 100% implementation of our point-of-sale loyalty program called Mobil With You, which created incentives for purchasing our products in exchange for benefits, with a 29% increase in the points of sale involved. The Mobil League of Experts program was transformed into the LEM Virtual Recommender program, training more than 10,000 mechanics as brand recommenders through online classes.

DURING 2020 WE MADE PURCHASES FROM 1,514 SUPPLIERS IN THE TOTAL AMOUNT OF US\$183,910,191.

We were the leaders in the mining sector with more than 60% of that market.

With the largest lubricants factory in Peru, certification under ISO 9001, ISO 14001 and OHSAS 18001, recognized two times (2001/2007) as Exxonmobil's best lubricant plant in the world, and with a 34 MM gallon per year capacity, we serve both the local market and other countries in the region, such as Ecuador, Bolivia and Central America, and export specific greases to Colombia and to Chile when support is required. We are proud of our record of more than 21 years with zero lost time accidents, zero reportable product integrity incidents and zero environmental incidents thanks to our robust policies for health, safety, and the environment, and integrity controls. These policies form a part of the basic principles that allow us to obtain our license to operate in a fail-safe environment.

We have our state-of-the-art **Smart Lab** for used oil analysis, with the capacity to process 100,000 samples per year, serving direct customers, distributors, and third parties. We complete the offer with our "Smart your Business" technological platform that delivers solutions to customers for comprehensive lubrication management and online data analysis.

Aviation: This was one of our business lines most affected by the pandemic. Our sales volume was 5.8 million gallons, a 44% drop compared to 2019. We maintained our market share in aviation fuels close to the figure for 2019, at 4.2%.

**Includes sales to Terpel Ecuador Commercial

TERPEL ECUADOR

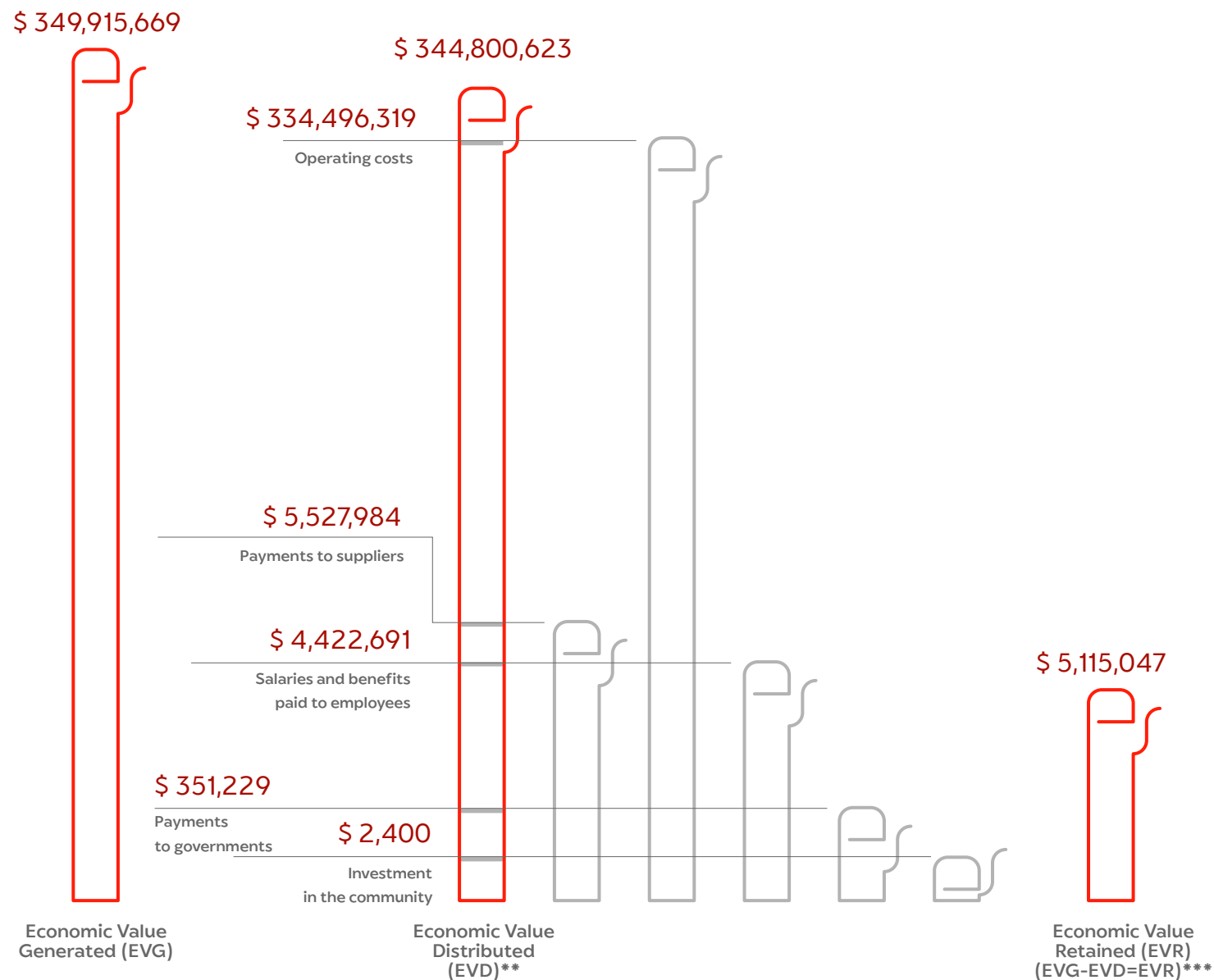
Our operation in Ecuador has four business lines, including liquid fuel service stations, fuels for industry, lubricants, and convenience services. In 2020, strongly impacted by the pandemic, as were others, our sales volume was 280.5 million gallons, representing a fall of 16% relative to the year 2019. EBITDA, was \$4.1* million dollars, showing growth of 11%, and net income totaled -\$439,000 dollars, a 65% fall over 2019.

*Corresponds to pre-royalty EBITDA.

**DURING 2020
WE MADE
PURCHASES
FROM 1,137
SUPPLIERS IN
THE TOTAL
AMOUNT OF
US\$334,734,094.**

We Create and Distribute Value

(Figures in dollars)



TERPEL ECUADOR TEAM

Our team is made up of 306 people (210 men and 96 women). In 2020 we had an annual turnover rate of 31%. During the year we focused our efforts on counteracting the effects of the pandemic on Terpel team members. We set up a Biosafety Committee to define and implement guidelines, programs, and initiatives to take care of the health of our employees and mitigate the spread of the virus.

The initiatives included setting up a blended work mode combining in-person work with remote work, making adaptations in the office, purchasing protective gear for all employees, and providing talks with medical information or with tips on dealing with emotions. In addition, despite the difficult situation, we protected the job stability of team members and continued to generate quality employment

WE PROVIDED

402

HOURS OF EDUCATION AND
TRAINING, WITH AN INVESTMENT
OF US\$8,260.

During 2020 we managed the training plan using the UBITS platform, a valuable online tool. We observed that 82% of all employees were able to take advantage of this tool, encouraging us to keep it available for employee training based on the logistical advantages of an online platform. At the Pump Island School we trained 156 people, with an average of two hours of training per person.

TERPEL ECUADOR BUSINESS LINES

Service Stations: We have 103 liquid fuel service stations (29 Terpel-owned and 74 affiliated), and a market share of 11%. In 2020, the sales volume was 187 million gallons, representing a 20% decrease. In 2020, we signed 22 renewal/affiliation contracts representing 22% of the network's volume, and acquired 4 service stations for direct operation.

Despite the pandemic, we continued with our training program for salespersons at the stations (Piston Cup), this time on site. We were also able to make progress consolidating the new corporate image, and in 2020 we implemented the Retrofit image at 14 service stations.

Lubricants: Our sales volume was 1.68 million gallons, representing a fall in sales of 30%. Our market share in the segment was 7.60%, with more than 4,000 points of sale for lubricants. To strengthen brand presence and reach all of our customers, we formed 4 distributors, enabling us to reach more than 2,500 new customers.

Industry: We have 112 customers in the industry segment and a sales volume of 91 million gallons, representing a 3% decrease in sales, and a market share of 23.4%. With the pandemic, we offered online podcasts on operational and environmental topics, as well as tailor-made conferences. We also held the 10th Management Forum online.

Convenience Stores: We have a total of 8 convenience stores. In 2020, we took over the operation of 3 stores that were in the hands of franchises, currently giving us 6 stores operated directly and 2 franchises. We activated home deliveries using an aggregator platform, achieving a 5% share in the channel.

ENVIRONMENTAL AND SOCIAL MANAGEMENT

Our energy consumption totaled 1717.71 GJ, and we consumed 5268.5 m³ of water from the municipal water system. In the area of waste management and disposal, during 2020 we managed a total of 1.3 tons under contracts with handling agents to ensure proper disposal, and managed hazardous waste products with authorized environmental waste handlers. Our expenditures in environmental investments totaled US\$62,511.

OUR CARBON FOOTPRINT IN 2020 WAS

247.10

TON CO₂eq

Our social investment in 2020 totaled US\$3,300, distributed among social contributions and support for the community, and contributions in the area of healthcare.

TERPEL DOMINICAN REPUBLIC

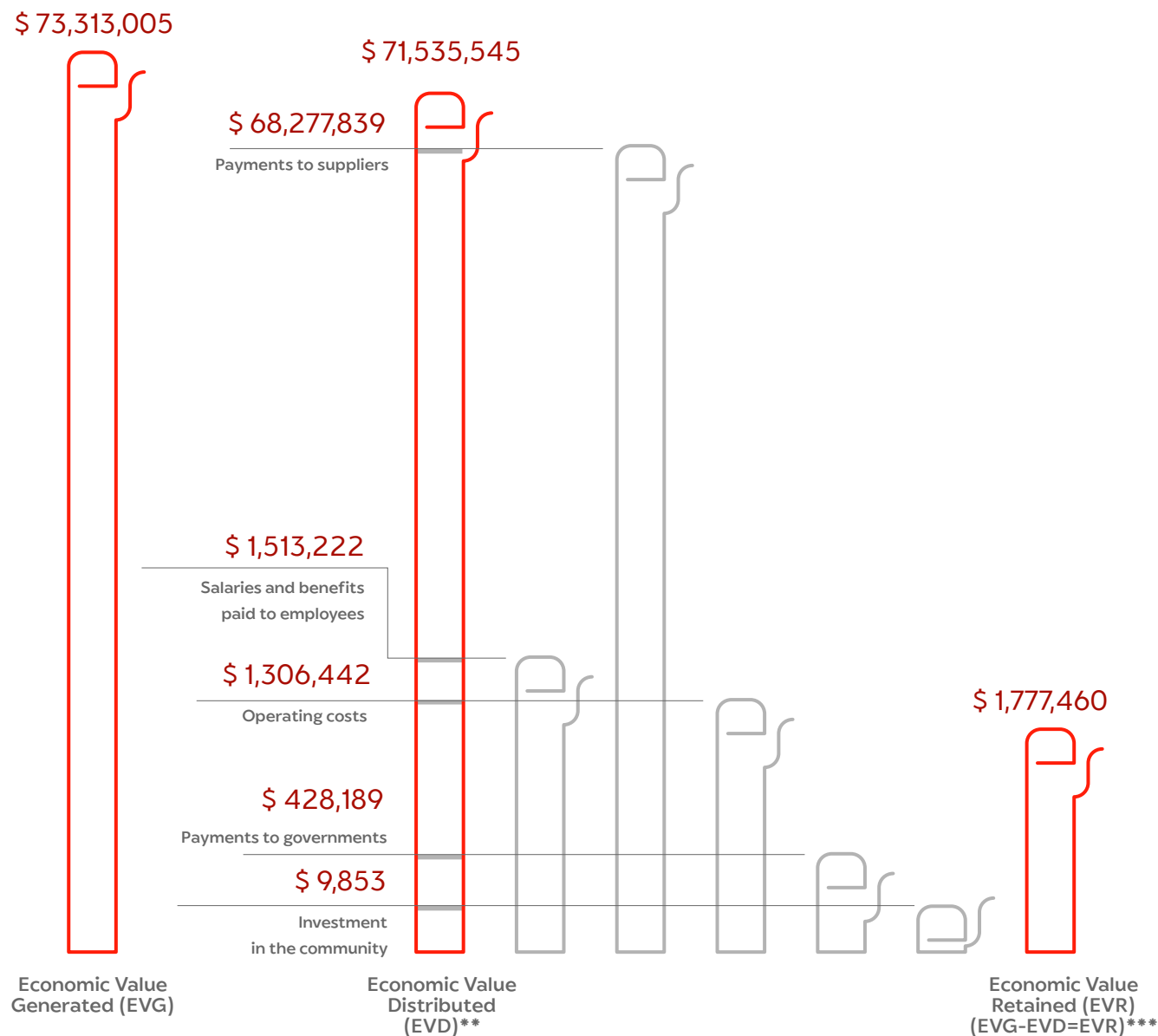
Our operation in the Dominican Republic concentrates on the storage, distribution, and sale of aviation fuels. In the last two years, however, we have been active selling liquid fuels in the industrial sector, achieving a volume of 7.3 million gallons in 2020, representing 22% of the total volume sold.

We have 92 customers, operate in 5 of the country's airports, and our share of the aviation market in 2020 was 36.6%. In 2020, given our focus on the business most affected by the pandemic, our total sales volume was 32.7 million gallons, representing a 46% fall over the year 2019. EBITDA, in turn, was \$1.6* million dollars and net income totaled -\$63 thousand dollars, representing falls of 78% and 102%, respectively, relative to 2019.

*Corresponds to EBITDA adjusted for royalties and financial leases.

We Create and Distribute Value

(Figures in dollars)





DURING 2020
WE MADE
PURCHASES
FROM 126
SUPPLIERS
IN A TOTAL
AMOUNT OF
US\$68,507,795.81.

TERPEL TEAM DOMINICAN REPUBLIC

Our team is made up of 79 people (69 men and 10 women). In 2020, our turnover rate for the year was 4%, and we established a variety of programs related to keeping our human resources safe during the COVID-19 pandemic.

WE PROVIDED

324

HOURS OF EDUCATION AND
TRAINING, WITH AN INVESTMENT
OF US\$6,485.

Despite the challenges brought by the pandemic, we were able to complete 100% of our online training, and consolidated Clase T training using the Ubits platform with great success.

ENVIRONMENTAL AND SOCIAL MANAGEMENT

During 2020, we managed a total of 10.66 tons of waste products, and our water consumption was 5,236.48 (m³), coming from the municipal water supply direct to the airport. Discharges go to a treatment system and subsequently into the airport's sewage system. Our total energy consumption was 599,846.072 GJ.

Our social investment totaled US\$5,279.38 during 2020. We partnered with the Ser Eco Foundation, and continued to implement the Design for Change program during the first quarter of the year. After that, the program was paused as schools went online in response to the pandemic.

INTEGRATED REPORT ON LEGAL AND FINANCIAL ASPECTS

Since the registration of Organización Terpel S.A. (hereinafter "Terpel") and some of its subordinates as a business group, we have focused on achieving determined and systematic objectives with shared purpose and management, by virtue of Terpel's direction as the parent company, notwithstanding individual development of the corporate purpose and of the activity of each subordinate. As of December 31, 2020 the companies in the group are:

- ▶ Terpel Comercial Ecuador CIA Ltda.
- ▶ Administración Estratégica de Gasolinera del Ecuador - Adesgae S.A.
- ▶ Terpel Peru S.A.C.
- ▶ Organización Terpel Chile S.A.
- ▶ Inversiones Organización Terpel Chile S.A.
- ▶ Organización Terpel República Dominicana S.A.S.
- ▶ Organización Terpel Corporation S.A.C.
- ▶ Petrolera Nacional S.A.
- ▶ Terpel Energía S.A.S E.S.P.
- ▶ Vonport Corp.
- ▶ Orlyn S.A.
- ▶ Transmarine Transportation & Barging S.A.
- ▶ Fuel Petroleum Services S.A.
- ▶ Masser S.A.S.
- ▶ Terpel Aviación del Peru S.R.L.
- ▶ Terpel Comercial del Peru S. R. L.
- ▶ Puertos del Caribe port company Portuaria S. A.
- ▶ Terpel Exportaciones C.I. S.A.S.
- ▶ Bac Thor S.A.C.
- ▶ Bac Petrol S.A.C.
- ▶ Terpel Voltex S.A.S.

In 2020, as part of our new mobility strategy, we constituted the company **Voltex S.A.S.** Its corporate purpose is the assembly, construction, operation, business development, storage, sale, distribution, dispensing, manufacture, assemblage, purchase, importation, exportation, marketing, and the supply of parts, accessories, devices, machinery, and equipment for electric charging stations, or any other electric vehicle recharging system. In addition, as a result of the conclusion of the merger between the Peruvian subordinates Organización Terpel Corporation S.A.C and Organización Terpel Andina S.A.C., the latter was absorbed and the corresponding control situation was modified.

In addition, during the first half of the year, we completed our second issue of ordinary bonds under the Program for the Issuance and Placement of Ordinary Bonds and Commercial Papers ("PEC"), in an amount of four hundred and seventy billion pesos (\$470,000,000,000). The results of the issuance were favorable, with demand for 2.12 times the amount offered. A loan was later taken out in the amount of \$150,000,000,000 to maintain adequate levels of liquidity and meet needs for additional working capital, which was paid in full.

After the national government decreed a health emergency in response to the worldwide pandemic (COVID-19), we held the General Shareholders' Assembly using an online platform. This was in accordance with the provisions of Decree 398 of 2020 (with authorization from the Financial Superintendence of Colombia), and

with the participation of 78.34% of the capital stock. We also implemented health and safety procedures for the company's regular activities and executed the business continuity plan, with the most important factor being the health of all customers and employees, and full compliance with the regulations applicable.

Lastly, we announced the retirement of Sylvia Escovar Gómez as the President and legal representative of Terpel, and the naming of Oscar Bravo Restrepo as her replacement. Also noteworthy are the appointment of Alonso Botero Pardo as the Vice President of Corporate Finance as of December 2020, and the creation of the Technology Division, led by Nelson Yobani Pabón.

A. BUSINESS GROUP RELATIONS

Notwithstanding the independence of each of the companies in the Conglomerate and the responsibilities of their governing bodies, there is an organizational structure for the Business Group, defined for the three (3) levels of government – the General Shareholders' Assembly, the Board of Directors, and senior management. This structure identifies key bodies and individual positions, and the relationships between them as a group. All of this is public, clear, and transparent, as shown in the following table:

	Bodies	Receives information from:			Informs:		
Parent Company	Shareholders' Assembly	Board of Directors	President				
	Statutory Auditor	Receives information at the group level.			Shareholders' Assembly	Board of Directors	Audit Committee
	Board of Directors	Audit Committee	Compensation Committee	President	Shareholders' Assembly		
	Audit Committee	Statutory Auditor	Internal Audit	President	Board of Directors		
	Compensation and Benefits Committee	President	Vice Presidents		Board of Directors		
	President	Vice Presidents	Managers	Country Managers	Shareholders' Assembly	Board of Directors	Audit Committee
	Internal Audit	Vice Presidents	Managers		Audit Committee	President	
	Vice Presidents	Managers			Board of Directors		
	Managers	Receive information from the offices they manage.			Vice Presidents		
Group Affiliates	Country Shareholders' Assembly	Country Board of Directors			Board of Directors		
	Country Board of Directors	Country Managers			Country Shareholders' Assembly		
	Country Managers	Receive information in accordance with the areas they manage.			Country Board of Directors	President	

For the year 2020, Terpel engaged in transactions with affiliates, subsidiaries, shareholders, and related parties in the framework of the laws currently in effect. In development of these transactions and with a view toward greater transparency, the Vice President of Corporate and Legal Affairs each month reported Transactions with Related Parties (with no material transactions being reported). This report was submitted to the Board of Directors, in order to disclose all transactions between Terpel and/or its related parties, with company administrators, and/or their related companies. This

was done in the understanding that, in accordance with current legislation: "Administrators are the legal representative, the liquidator, the factor, the members of boards or steering committees, and those who, in accordance with the bylaws, exercise or hold those functions." Likewise, two or more natural or juridical persons are considered to be related parties, when one participates directly or indirectly in the administration, control, or capital of the other. A related party can also be a natural person, if that person, in the exercise of their functions, exercises control or significant influence, or is a member of the reporting company's key management personnel.

Note that, as of December 31, 2020, none of the companies in the Terpel Business Group have any legal restrictions on developing their corporate purpose, nor have there been any legal convictions that could impair their financial results at the close of 2020. In addition, based on strict compliance with the laws and regulations for our activities, our adherence to free market principles, and our continuous respect for consumers' rights, there are no firm judicial convictions imposing fines or significant sanctions against the companies belonging to the group.

No transactions took place in the framework of the Business Group during the respective fiscal year between the controlling company or its affiliates or subsidiaries with the respective controlled company, nor were there transactions between the controlled companies and other entities, based on the influence or in the interest of the controlling company, nor transactions between the controlling company and other entities, in the interest of the controlled company, nor were relevant decisions made or not made by the controlled companies based on the influence or in the interest of the

controlling company. In addition, no relevant decisions were made or not made that the controlling company made or did not make in the interest of the controlled companies.

B. FOREIGN EXPENSES, EXPENDITURES AND OBLIGATIONS

Relative to the reports described in Article 446 of the Code of Commerce – expenditures – and in Article 29 of Law 222 of 1995 – business group, that information was made available to the shareholders during the period established by the laws in effect for the exercise of the Right of Inspection prior to the Shareholders' Assembly.

We have therefore included below a consolidated statement of expenses for salaries, fees, per diems, entertainment expenses, bonuses, benefits in money and in kind, transportation expenses, and any other type of remuneration received by the directors of Organización Terpel S.A., as well as expenses for those same line items received by consultants or managers associated with the company either under an employment contract or not, when their main function was to engage in procedures with public or private entities, to provide advice about them, or to prepare studies in order to undertake those procedures. It also lists advertising and public relations expenses, money or other assets held by the company abroad, and foreign currency obligations and investments in other companies, domestic or foreign, as follows:

- 1) In the year 2020, expenditures for per diems, entertainment, and other payments in money to the company's managers totaled \$ 4,724,307.
- 2) Fees paid to the Board of Directors for board attendance during the year 2020 totaled \$1,151,701,397.
- 3) Fees paid to consultants during the year 2020 are broken down as follows: legal advice \$2,628,074,806, financial advice \$1,541,585,679, tax advice \$5,238,304,086, and technical advice \$17,853,164,643.
- 4) Transfers of money and other assets were made for no consideration in favor of the following juridical persons: (table)

IDENTIFICATION	NAME	AMOUNT	DONATION
8301327692	Terpel Foundation	5,150,000,000	Money
9003264561	Asociación de Bancos de Alimentos de Colombia - Abaco	27,180,768	Money
8921152411	Fundación Cerrejón para el Progreso de la Guajira	21,000,000	Money
8300161450	Corporación Mixta para la Investigación y Desarrollo de la Educación	15,000,000	Money
8301240321	Best Buddies Colombia	6,424,170	Money
8904804680	Fundación Mamonal	5,000,000	Money
8600089025	Federación Colombiana de Sub de las Fuerzas Militares en Retiro	5,000,000	Money
9013597545	Fundación Yurumi	3,000,000	Money
9006785631	Fundacion para la Promocion del Desarrollo Cultural Social Turistico y Economico de Baranoa - Probaranoa	3,000,000	Money
9007621650	Edson Btl SAS	2,000,000	Money
8600359922	Fundación Cardio Infantil Instituto de Cardiología	1,500,000	Money
TOTAL		5,239,104,938	

5) Advertising and publicity expenses for the year 2020 totaled \$39,029,783,003.

6) Organización Terpel S.A.'s funds and obligations abroad for the year 2020 (includes accounts abroad) totaled \$3,887,127,623.

• Accounts abroad:

INSTITUTION	AMOUNT
JPMORGAN NY	USD \$641,264.70

• Obligations abroad as at December 31, 2020: Organización Terpel S.A. has no obligations outside the country.

7) The company's investments as at December 31, 2020 totaled \$1,303,875,355 and were the following:

IDENTIFICATION	NAME	% SHARE	INVESTMENT
20521921618	PGN NORTE S.A.C	25%	1,977,336
20521021880	PGN SUR S.A.C	25%	1,124,206
1791233905001	Terpel Comercial Ecuador Cia Ltda (antes Exxon Mobil Ecuador)	39%	33,250,756
20511995028	Terpel Perú S.A.C	64%	7,353,015
901.045.599-1	Puertos del Caribe Sociedad Portuaria S.A	90%	649,779
76004261-7	Organización Terpel Chile S.A.	100%	430,740
76127612-3	Inversiones Organización Terpel Chile S.A.	100%	55,822,422
1-30-78033-1	Organización Terpel S.A.S	100%	31,949,658
1019-225-108400 DV-92	Petrolera Nacional S.A.	100%	308,591,026
900.433.032-9	Terpel Energía S.A.S E.S.P	100%	19,001,868
206.056.3439-8	Organización Terpel Corporation S.A.C	100%	841,703,817
901.210.452-5	Terpel Exportaciones CI S.A.S	100%	2,020,732
TOTAL			1,303,875,355

C. ANNUAL GOOD CORPORATE GOVERNANCE REPORT

Organización Terpel S.A. is committed to adopting best practices for corporate governance in accordance with the highest standards established for securities issuers in External Circular 028 of 2014 issued by the Financial Superintendent of Colombia. The adoption of best practices for corporate governance is a commitment inspired by the

principles of respect, integrity, trust, and equitable treatment we express in all our relations with our different stakeholders and society's different administrative bodies.

The COVID-19 crisis posed significant challenges that our administration successfully tackled, showing great resilience. The Board of Directors and management addressed the severity of the situation by implementing direct channels for communication for the purposes of immediate attention and decision-making to deal with the emergency. The business continuity plan was executed by taking measures in every business line and operation

center to protect the integrity of essential personnel and serve critical customers. The element of uncertainty surrounding the crisis made it necessary to take a series of decisive actions and communicate them to the market in a timely manner. These included: (i) a strict cost reduction plan, (ii) concentration of the sales force in businesses exempt from confinement, (iii) reconfiguration of businesses to consider the inclusion of new products that are basic necessities and their sale through home delivery platforms, (iv) adjustments in production amounts in accordance with changes in demand, (v) review, reduction, and classification of investment priorities, (vi) requests

to extend supplier payment terms, and (vii) negotiation of terms and conditions for current commitments, and others.

In line with the above, efficient communication both inside and outside of the company allowed us to deal with the obstacles produced by the insecurity of the rapidly changing context, maintaining a balance and aligning the interests of different stakeholders (shareholders, employees, managers, government, the stock market, etc.)

Organización Terpel S.A. filled out and submitted the Corporate Best Practices Report called "Country Code Survey," and it is available for consultation both on the company's website, and as an annex and an integral part of this report. In addition, and in execution of best governance practices, we once again earned the IR Issuers Recognition from the Colombian Stock Exchange for adopting best practices in information disclosure and investor relations by providing sufficient and timely information through appropriate communication channels.

And lastly, we continued to participate actively in the Colombian Institute of Corporate Governance - ICGC - as a member of the Board of Directors. The Institute's purpose is to promote the development and adoption of best corporate governance practices in Colombia, helping improve the management and performance of organizations.

C.1 THE COMPANY'S OWNERSHIP STRUCTURE

With regard to our capital structure, there were no changes in 2020. The company continued to have 195,999,466 common shares, of which 14,574,961 have been repurchased, for a total of 181,424,505 common shares outstanding. As at December 31, 2020, 58.51% is held by the majority shareholder Compañía de Petróleos de Chile Copec S.A. (56.18% corresponding directly to 101,930,028 common shares and 2.33% held indirectly through its related company Copec Overseas with 4,230,457 common shares of Organización Terpel S.A.).

Except in the case of disputes between shareholders, or between shareholders and the company or its Board of Directors, which by express legal provision must necessarily be settled in the ordinary jurisdiction, the company's bylaws include mechanisms for settling disputes, such as direct agreement, amiable composition, conciliation, or arbitration.

We would like to report that during the year 2020, no agreements have been reported between shareholders, nor were there negotiations of shares and/or securities issued by the company on the part of members of the Board of Directors, senior management, or other administrators, in accordance with the provisions of the Code of Good Corporate Governance. Nor were there any conflicts between

shareholders causing them to resort to the mechanisms for settling disputes indicated in the company's bylaws.

During the same period there were no situations of conflict of interest to be placed at the consideration of the General Shareholders' Assembly. In this respect, during 2020 we strengthened the process for filling out the form for the prevention of conflicts of interest, by making it possible for all company employees to do so online, in order to maintain transparent relationships in all transactions. Our Compliance Committee is a body made up of the Vice President of Human Resources and Administration, the Administrative Manager, the Internal Audit Manager, the Compliance Officer, and the Head of Labor Relations. That committee analyzed the results from the conflict of interest forms and made the recommendations necessary to manage potential conflicts of interest, communicating them both to the direct supervisor and to the reporting employee.

This was done in accordance with the duty of company employees and administrators to act with due diligence and loyalty, communicating situations where there are conflicts of interest, and the right to confidentiality was also observed. All of our activities are characterized by expressing the values of integrity, respect, and reliability, as well as the rules of business ethics and good faith, and respect for laws and business customs. We focus on fulfilling the corporate purpose, while emphasizing and giving priority to the common good and service to the community.

A company employee facing a sporadic conflict of interest must use the following procedure: 1. Report the conflict in writing to the employee's supervisor, with details about the situation. The supervisor will determine whether the employee must continue with the respective process; 2. Abstain from direct or indirect involvement in activities or decisions connected with the company's determinations in reference to the conflict, or cease all actions in the case of knowledge of a conflict of interest; 3. Decisions or actions by managers at Organización Terpel S.A. must pursue the satisfaction of the company's interests and respect for the rights of shareholders, and must not be motivated by considerations of a personal nature; 4. Relationships of kinship, friendship, or expectations relative to current or potential suppliers, contractors, customers, or competitors must not affect their independence and good judgment in their protection of the interests of Organización Terpel S.A.

A company employee who faces an ongoing conflict of interest, must use this procedure: 1. Inform the employee's supervisor and immediately abstain from taking actions and from intervening, directly or indirectly, in activities and decisions related to the company's determinations regarding the conflict; 2. The supervisor must immediately report the conflict of interest to the Compliance Committee, which will make the decisions necessary. In the event the conflict of interest occurs at the level of the Board of Directors, the provisions shall apply

that are contained to that effect in the Internal Regulations of the Board of Directors. The existence of doubts about actions that imply a conflict of interest does not exempt the person from the obligation of abstaining from participating in the respective activities until a final decision is made by the corresponding body.

Decisions or actions by managers at Organización Terpel must pursue the satisfaction of the company's interests and respect for the rights of shareholders, and must not be motivated by considerations of a personal nature. Relationships of kinship, friendship, or expectations regarding current or potential suppliers, contractors, customers, or competitors must not affect their independence and good judgment in protecting the interests of Organización Terpel S.A. and its business group. Doubts about which acts imply a conflict of interest do not produce an exemption from the obligation of abstaining from participating in the respective activities until a final decision is made by the corresponding body.

C.2 COMPOSITION OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The General Shareholders' Assembly on March 22, 2019, maintained the remuneration of its members at eight (8) legal minimum monthly salaries currently in effect for each meeting attended. Using the electoral quotient mechanism established in Article 197 of the Code of Commerce, it chose the following members for the 2019-2022 term:



REGULAR MEMBERS

- 1 **Lorenzo Gazmuri Schleyer**
Shareholder-appointed
- 2 **Jorge Andueza Fouque**
Shareholder-appointed
- 3 **Arturo Natho Gamboa**
Shareholder-appointed
- 4 **Leonardo Ljubetic Garib**
Shareholder-appointed
- 5 **Jorge Alberto Bunster Betteley**
Shareholder-appointed
- 6 **Jose Oscar Jaramillo Botero**
Independent
- 7 **Bernardo Dyner Rezonzow**
Independent



ALTERNATE MEMBERS

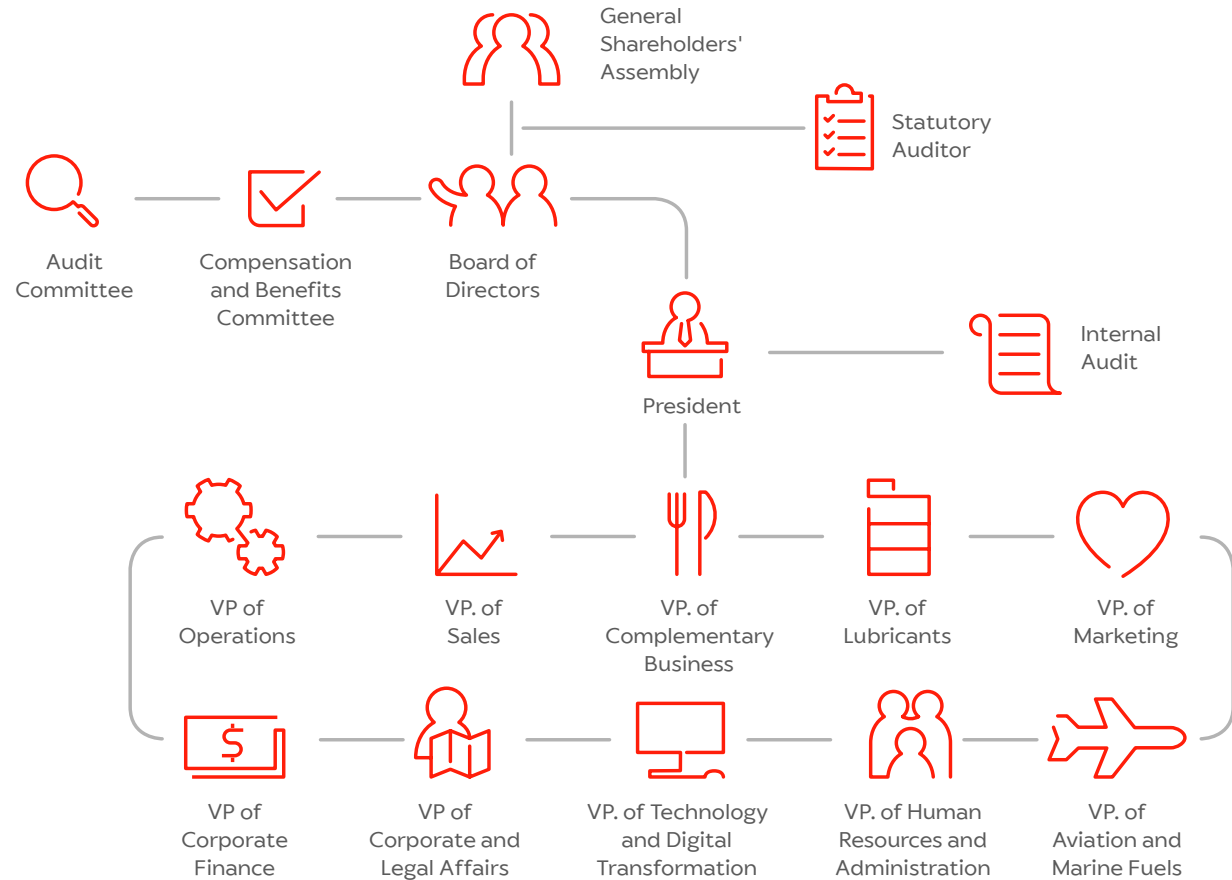
- 1 **Juan Diuana Yunis**
Shareholder-appointed
- 2 **Alejandro Palma Rioseco**
Shareholder-appointed
- 3 **Jorge Andres Garcés Jordán**
Shareholder-appointed
- 4 **Rodolfo Castillo García**
Shareholder-appointed
- 5 **Eduardo Navarro Beltrán**
Shareholder-appointed
- 6 **Gabriel Jaramillo**
Independent
- 7 **Tulio Rabinovich Manevich**
Independent

Shareholder-appointed members are members who are expressly nominated by a shareholder or group of shareholders to serve on the Board of Directors. A summary of the member's resumes can be consulted on Terpel's website using the following link: <https://www.terpel.com/Global/Accionistas/Gobierno-corporativo/junta-directiva-2019-2022.pdf>. We would like to highlight that from January to December 2020, the Board met 13 times including both in-person and online meetings, and attendance on average was over 90%.

Our senior management is made up of a group of top-level executives who work together to develop and meet the company's objectives and obligations:

- Óscar Bravo Restrepo**
President
- José Carlos Barreto**
Vice President of Operations
- Daniel Perea Villa**
Vice President of Corporate and Legal Affairs
- Alonso Botero Pardo**
Vice President of Corporate Finance
- Tony Quintero Mejía**
Vice President of Marketing
- Johand Patiño Vega**
Vice President of Sales
- María Mercedes Carrasquilla**
Vice President of Human Resources and Administration
- Liliana Tovar Silva**
Vice President of Aviation and Marine Fuels
- Nelson Yobani Pabón**
Vice President of Technology
- Alejandra Londoño Carulla**
Vice President of Complementary Business
- Rodrigo Marcelo Ferreira**
Vice President of Lubricants

Our corporate governance structure at Organización Terpel can be summarized as follows:



C.3 FUNCTIONS OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Terpel's vision is, "By the year 2025, a highly inspirational team will make Terpel the #1 brand in service, recognized as a Country Partner." What this vision clearly shows is that our governance is inspired by achieving our business strategy and objectives, and by fulfilling the important functions involved in our corporate purpose. With this perspective and in order to meet this goal, the Board of Directors has the following powers:

1.- To establish its own bylaws and establish the company's internal regulations; **2.-** To cooperate with the President in the administration and management of the company's business, and to delegate to the President or any other employee the functions it deems convenient; **3.-** To each year elect the Chairman of the Board and an alternate, as well as the Legal Representative and an alternate; **4.-** To order, when deemed appropriate, the formation of advisory or technical committees, composed of the number of members it determines, to advise the President on determined matters, and to create other positions it may deem necessary for the good service of the company, and to determine their functions and remuneration; **5.-** To designate the members of the Audit Committee; **6.-** With the President of the company, to present to the General Shareholders' Assembly the balance sheet for each fiscal year, and the other annexes and reports referred to in article four hundred and forty-six

(446) of the Code of Commerce, after they have been considered by the Audit Committee. In addition, when deemed convenient, to propose to the General Shareholders' Assembly any amendments it deems appropriate to the bylaws; **7.-** To advise the President upon request in connection with legal actions to be filed or prosecuted;

8.- To call a special session of the General Shareholders' Assembly whenever deemed convenient, or when requested by a number of shareholders representing at least one fourth of the subscribed shares;

9.- To give an advisory vote when the General Shareholders' Assembly so requests or when so determined by the bylaws; **10.-** When it sees fit, to examine either directly or through a committee, the company's books, accounts, documents, and cash; **11.-** To approve the acquisition of other companies, sell them, or propose to the General Shareholders' Assembly their incorporation or merger with another company; **12.-** To establish or eliminate branches or agencies inside or outside of the country, to regulate their operations, and to establish at all times the powers and duties of the administrators; **13.-** To regulate placements of common shares the company has in reserve; **14.-** To determine headings to be taken to special funds; **15.-** To interpret any bylaws on which there are doubts and establish their meaning until the next General Shareholders' Assembly can be convened to address the matter. **16.-** To authorize the President to enter into any act or contract that has an amount greater than one million dollars (USD\$ 1,000,000), except for the acquisition and sale of products

derived from petroleum, gas, and biofuels, the purchase, sale, or acquisition under any title, import, export, production, storage, packaging, supply, and distribution of synthetic lubricant base oils and synthetic lubricants; the purchase, sale, acquisition under any title and distribution of electric energy and/or any other alternative energy to vehicles, through service stations and/or any other location and/or means of supply; the assembly, construction, operation, business development, storage, sale, distribution, dispensing, manufacture, assembly, purchase or sale, import, export, commercialization, and supply of parts, accessories, devices, machinery, and equipment for electric charging stations or any other electric vehicle charging system, as well as the provision of consulting services related to the above activities, which are not subject to the above restriction; **17.-** To watch over strict compliance with all the provisions set forth in these bylaws and those established for the proper operation of the company, and to make all decisions necessary in order for the company to fulfill its purposes that do not correspond to the Assembly or any other body of the company; **18.-** To authorize the Legal Representative of all the affiliate and/or subordinate companies to enter into any act or contract of an amount greater than one million dollars (USD\$ 1,000,000); exempted from this provision are the acquisition and sale of products derived from petroleum, gas, and biofuels, the purchase, sale, acquisition under any title, import, export, production, storage, packaging, supply, and distribution of synthetic lubricant



base oils and synthetic lubricants; the purchase, sale, acquisition under any title, and distribution of electric energy and/or any other alternative energy to vehicles, through service stations and/or any other location and/or means of supply; the assembly, construction, operation, business development, storage, sale, distribution, dispensing, manufacture, assembly, purchase and sale, import, export, commercialization, and supply of parts, accessories,

devices, machinery, and equipment for electric vehicle charging stations or any other electric vehicle charging system, as well as the provision of consulting services related to these activities; which are not subject to the stated restriction; **19.-** To approve the issuance of securities, including, but not limited to the preparation and approval of the corresponding Issuance and Placement Regulations, and the determination of other terms and conditions deemed

pertinent to undertake the issuance of the securities, and to delegate the power to the legal representative to, either directly or through a proxy, take all actions necessary for the successful placement of the securities; **20.-** To create and/or modify the Code of Good Corporate Governance; **21.-** To approve the acquisition of shares of the company; **22.-** To designate from among the legal representatives or the legal representative, the person

responsible for timely disclosure of the company's relevant information; **23.-** To consider and respond in writing to proposals submitted and justified in a clear manner by any shareholder or group of shareholders. The Board of Directors shall provide a response through the Legal Representative within sixty (60) calendar days from the date of the request. In addition to the above, the Board of Directors shall have the power **24.-** To appoint the President of the company, and executives of subsidiaries, affiliates, or branches of the company, **25.-** To sell shares owned by the company, **26.-** To form strategic partnerships or any other type of equivalent agreement with third parties, (iv) To dispose of assets and investments under any title, **27.-** To make investments in other companies, **28.-** To take out guarantees for the company's obligations, and (vi) To guarantee obligations of the company or its affiliates or subsidiaries.

No members of Terpel's Board of Directors are legal representatives or members of the company's senior management. Likewise, in accordance with the prohibition contained in Article Twenty-six of the Internal Regulations of the Board of Directors, the person acting as the company's legal representative may not serve as the Chairman of the Board of Directors.

The Board Chairman is responsible for the direction of the activities of Terpel's Board of Directors, and the Secretary for their coordination. Therefore, in the Internal Regulations of the Board of Directors, the following are the ordinary powers of the Chairman of the Board: **1.-** To ensure that the Board

of Directors establishes and efficiently implements the company's strategic direction; **2.-** To promote corporate governance, acting as a liaison between the shareholders and the Board of Directors; **3.-** To coordinate and plan the operation of the Board of Directors by establishing an annual work plan based on the functions assigned; **4.-** To call meetings, either directly or through the Secretary of the Board of Directors; **5.-** To prepare the agenda for the meetings, in coordination with the President of the company, the Secretary of the Board of Directors, and the other members; among other powers. For the 2019-2022 term, Mr. Lorenzo Gazmuri will serve as Chairman.

The powers of the Secretary of the Board of Directors are the following:

- 1.** To give the members of the Board of Directors all assistance and information necessary to perform their duties;
- 2.** To save corporate documentation;
- 3.** To prepare the minutes of the meetings, taking special care to faithfully reflect the content of the sessions and identify the supporting documents for decisions made, as well as the reasons for either agreement or disagreement stated by those in attendance;
- 4.** To bear witness to the resolutions of the Board of Directors;
- 5.** To deliver all information required by the members of the Board of Directors no less than two (2) calendar days prior to the meetings, in accordance with the agenda items indicated in the call to the meeting;
- 6.** To send to all the regular and alternate members copies of the respective minutes of the board meeting once they are approved; and
- 7.** To make available to first-time

elected members of the Board of Directors, as well as alternate members, sufficient information to have specific knowledge about the company and the sector in which it operates. For the 2019-2022 period, the Vice President of Corporate and Legal Affairs will serve as Secretary of the Board.

C.4 COMMITTEES OF THE BOARD OF DIRECTORS

In exercise of its functions, the Board of Directors of Organización Terpel S.A. has, to date, two (2) formal support committees: (i) the Compensation and Benefits Committee; and (ii) the Audit Committee. These committees acted in strict compliance with their functions and they presented the corresponding reports and recommendations to the Board of Directors.

The following is a description of their composition and their main achievements:

The **Compensation and Benefits Committee**:

(I) COMPOSITION:

MEMBERS

José Óscar Jaramillo
(Member of Board of Directors)

Jorge Andrés Garcés
(Member of Board of Directors)

Óscar Bravo Restrepo
(President of Organización Terpel S.A.)

María Mercedes Carrasquilla
(Vice President of Human Resources and Administration)

María Cristina Romero
(Administrative Manager)

(II) WORK:

The Compensation and Benefits Committee at Organización Terpel S.A., in accordance with its bylaws, has ensured that the Human Resources area at Organización Terpel S.A., and at its related companies, is managed in accordance with corporate guidelines and with modern practices for the comprehensive development of human beings. The committee has worked to keep the compensation system equitable and competitive, in order to attract and retain the people the company requires to fulfill its mission and strategic objectives. The committee met two times in 2020, where it discussed and managed issues related to home loans, discussed a new structure for the Human Resources and Administration division, which was approved but not implemented given the situation with COVID-19, reviewed the actions taken in response to the

pandemic to protect employees' health, reviewed a telework survey in which the company received a very high score, and, with a view toward gender equity, approved retirement for women at Terpel in Colombia, on a voluntary basis, at the age of 62, the same age as retirement for men.

The **Audit Committee:**

(I) COMPOSITION:

PRINCIPALES

Bernardo Dyner Rezonow
(independent)

José Óscar Jaramillo Botero
(independent)

Juan Diuana Yunis

SUPLENTES

Tulio Rabinovich Manevich
(independent)

Gabriel Jaramillo
(independent)

Leonardo Ljubetic

(II) WORK:

In the exercise of its duties and in accordance with its bylaws, the Audit Committee: (i) reviewed the company's accounts and monitored compliance with the generally accepted accounting standards. In that analysis, it reviewed the annual and regular financial information prior to submitting it to the Board of Directors, giving emphasis to changes in accounting methods, accounting estimates, important adjustments as a result of auditing, and evaluations of

business continuity and of compliance with the current laws and regulations that affect the company; ii) served as a channel for communication between Terpel's Board of Directors and the external auditor; supervising the services of the latter; (iii) confirmed proper performance of the company's control and disclosure systems; (iv) verified that the Board of Directors complied with its duties and functions; and, (v) complied with the applicable legal and statutory provisions. It also verified that the transactions between Organización Terpel S.A. and its related parties took place under market conditions and did not violate equality of treatment among shareholders, and (vi) highlighted the importance of continuing to strengthen the internal control system of Organización Terpel and of its related companies. During 2020, the Audit Committee met 4 times, as recorded in the minutes.

Regarding the **organizational structure**, in 2020, we created a new division to lead and manage the company's technological development.

D. GENERAL SHAREHOLDERS' ASSEMBLY

Article 3 of Decree 398 of 2020, established: "(...) *All juridical persons, without exception, shall be entitled to apply the rules established in Articles 1 and 2 of this Decree to hold non-face-to-face meetings of their governing bodies.*" The Superintendent of Corporations in its External Circular No. 100-000002 on March 17, 2020, issued instructions regarding conducting non-face-to-face meetings of governing bodies. In accordance with those regulations, the company extended a call to meet on February 13, 2020. We employed the same mechanism normally used to send notification of a meeting (that is, an announcement in a broadly circulated newspaper, EL TIEMPO) on March 17 and 18, in order to change the meeting to a meeting not held in-person, due to the public health situation caused by COVID-19.

Accordingly, we then invited shareholders to send powers of attorney granted to legal professionals not related to and independent from Terpel management to represent the shareholders in the framework of the regular meeting of the General Shareholders' Assembly, whose powers were accompanied by voting instructions. This mechanism was authorized by the Financial Superintendent of Colombia. Although some shareholders did grant powers of attorney for their representation, online channels were also set up for



correct and simultaneous deliberation after confirmation of identification. Thus, on March twenty (20) of the year two thousand twenty (2020), at eight in the morning (8:00 a.m.), with a quorum of 142,129,317 shares, corresponding to 78.34% of the outstanding shares, the company's not in-person regular General Shareholders' Assembly was broadcast via the link: <https://xegmenta.net/terpel/asamblea2020/>

Relative to control systems, from September 21-30, 2020, our company received an on-site visit from the Financial Superintendent of Colombia. Using the Risk-based Supervision Methodology (RBS) as part of a Comprehensive Supervision Framework (MIS in the Spanish), the Financial Superintendent made an effort to learn about, evaluate, and determine the effectiveness of Terpel's controls for the process of preparing and reporting relevant information. It also looked at the process for managing and reporting risks associated with the development of its corporate purpose. After the Superintendent analyzed the information and documentation obtained during the visit, it found that Terpel has an appropriate process in place for preparing and reporting relevant information to the market using the RNVE (National Registry of Securities and Issuers). It also found that we have in place a risk management system that allows us to manage the company's different processes in such a way as to prevent or avoid the materialization of events that could affect the development of our activities, and the assessment

found supervisory functions such as compliance, the Board of Directors, senior management, and financial analysis to be adequate.

In line with this, we can also report that Terpel's manual is effective for the management and prevention of the risks of money laundering, financing of terrorism, and corruption related to our activities as an issuer of securities, port operator, customs user, and ground cargo transporter, and we have strictly complied with the rules and regulations applicable to the prevention and control of the **risk of money laundering and financing of terrorism**. In fact, in 2020 we worked to strengthen policies and procedures in this area, and established a separate area to manage these issues, which prepares the pertinent reports to the competent authorities, especially for the Financial Information and Analysis Unit (UIAF for the Spanish). We have also continued to train all company employees on this type of risk management.

In order to continuously improve these processes, we conducted an internal audit on existing policies and controls to identify possible improvements to be able to strengthen our program for the prevention of money laundering and financing of terrorism, bearing in mind its legal and reputational impacts. We engaged in an extensive and deep assessment, considering the policies, procedures, and other documents containing directives for the prevention of ML/FT and interviews with key officials involved in the corresponding processes.

On the topic of the **rights of data subjects**, we would like to highlight our compliance with these rules, the training we have provided for company employees, and the registration of our databases with the competent authority.

The following are the **significant regulatory** changes related to the development of the company's activities: (i) Resolution No. 40368 on December 4, 2020, which issued the technical regulations applicable to service stations that supply LPG for vehicle use (AutoGLP); (ii) Resolution No. 40340 on November 9, 2020, to establish the requirements to be met by agents providing LPG for vehicle use (AutoGLP and NautiGLP) as an automotive transportation fuel; (iii) CREG Resolution 185 on September 23, 2020, to establish provisions regarding the commercialization of transportation capacity in the wholesale natural gas market; (iv) CREG Resolution 186 on September 23, 2020, to regulate commercial aspects of supply by the wholesale natural gas market; (v) Law 2024 on July 23, 2020, which regulates what is called "Fair payment terms," and its Regulatory Decree 1733 on December 22, 2020, which established the time periods for making payment of the obligations of buyers, and established exceptions; (vi) Decree 1281 of 2020, to adopt new types of storage for fuels,

biofuels, and blends, and, in addition, (vii) Resolution 40405 of 2020, to adopt technical regulations applicable to service stations, storage plants, large-scale consumer facilities with fixed installations and final consumer storage tanks.

E. INTELLECTUAL PROPERTY

The Terpel Business Group also complied, during the year 2020, with the intellectual property laws established in Colombian law. Our brands are therefore duly registered in accordance with the legal requirements, and our contracts comply with the legal requirements for intellectual property. We registered the Terpel Voltex brand name and combined name and logo, in line with our strategy to be the main provider of clean energy for automobiles. Our companies all ensure proper protection of intellectual property and enforce the rules in this area.

Lastly, in accordance with Law 1676 of 2013, we state for the record that at no time did company management hamper the free circulation of invoices issued by vendors or suppliers and, consequently, we have permitted their free negotiation and collection by their legitimate issuers.

ON THE TOPIC OF THE RIGHTS OF DATA SUBJECTS, WE WOULD LIKE TO HIGHLIGHT OUR COMPLIANCE WITH THESE RULES, THE TRAINING WE HAVE PROVIDED FOR COMPANY EMPLOYEES, AND THE REGISTRATION OF OUR DATABASES WITH THE COMPETENT AUTHORITY.

GRI CONTENT INDEX CORE OPTION

GRI 102: GENERAL DISCLOSURES 2016					
STANDARD USED	CORE OPTION STANDARD	DISCLOSURE	COMMENTS	PAGE	OMISSIONS
GRI 102: GENERAL DISCLOSURES 2016	1. ORGANIZATIONAL PROFILE	102-1	Name of the organization	10	
		102-2	Activities, brands, products, and services	16	
		102-3	Location of headquarters	13	
		102-4	Location of operations	13	
		102-5	Ownership and legal form	32	
		102-6	Markets served	11, 13	
		102-7	Scale of the organization	12	
		102-8	Information on employees and other workers	70	
		102-9	Supply chain	15	
		102-10	Significant changes to the organization and its supply chain	N.A.	
		102-11	Precautionary Principle or approach	60	
		102-12	External initiatives	19	
		102-13	Membership of associations	Colombian Petroleum Association (ACP) National Business Association of Colombia (ANDI), Colombian Natural Gas Association (NATURGAS), United Nations Global Compact, Colombian Global Compact Network, Colombian Network against Child Labor.	
	2. STRATEGY	102-14	Statement from senior decision-maker	4	
	3. ETHICS AND INTEGRITY	102-16	Values, principles, standards, and norms of behavior	14, 35	
	4. GOVERNANCE	102-18	Governance structure	32-33	
		102-19	Delegating authority	32-33	
		102-20	Executive-level responsibility for economic, environmental, and social topics	33	
		102-22	Composition of the highest governance body and its committees	33-34, 118-119	
		102-24	Nominating and selecting the highest governance body	123	
		102-25	Conflicts of interest	122	
		102-26	Role of highest governance body in setting purpose, values, and strategy	125	

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GRI CONTENT INDEX CORE OPTION 2020

STANDARD USED	CORE OPTION STANDARD	DISCLOSURE	COMMENTS	PAGE	OMISSIONS
4. GOVERNANCE	102-27	Collective knowledge of highest governance body		123	
	102-28	Evaluating the highest governance body's performance		34	
	102-29	Identifying and managing economic, environmental, and social impacts		33	
	102-30	Effectiveness of risk management processes		36	
	102-31	Review of economic, environmental, and social topics		33	
	102-35	Remuneration policies		127	
	102-36	Process for determining remuneration		127	
	102-40	List of stakeholder groups		26-27	
	102-41	Collective bargaining agreements		71	
	102-42	Identifying and selecting stakeholders		26-27	
	102-43	Approach to stakeholder engagement		26-27,29	
	102-44	Key topics and concerns raised		24	
	102-45	Entities included in the consolidated financial statements	The figures presented for value creation correspond to the consolidated information from the operations of Organización Terpel in Colombia, Panama, Ecuador, Peru and the Dominican Republic.	N.A.	
	102-46	Defining report content and topic boundaries		3	
	102-47	List of material topics		24-26	
	102-48	Restatements of information		3	
	102-49	Changes in reporting		3	
	102-50	Reporting period		3	
	102-51	Date of most recent report		3	
	102-52	Reporting cycle		3	
	102-53	Contact point for questions regarding the report		3	
	102-54	Claims of reporting in accordance with the GRI standards		3	
	102-55	GRI Content Index		131	
	102-56	External assurance		3	

		GRI 200 ECONOMIC DISCLOSURES		GRI 300 ENVIRONMENTAL DISCLOSURES	
STANDARD USED	CORE OPTION STANDARD	DISCLOSURE	COMMENTS	PAGE	OMISSIONS
GRI 200 ECONOMIC DISCLOSURES	GRI 201 - ECONOMIC PERFORMANCE - 2016	201-1	Direct economic value generated and distributed Indicator Audited	17	
		201-2	Financial implications and other risks and opportunities due to climate change	64-66	
		201-4	Financial assistance received from government No assistance is received from the government.	N.A	
	GRI 202 - MARKET PRESENCE - 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	73	
		202-2	Proportion of senior management hired from the local community.	70	
	GRI 203- INDIRECT ECONOMIC IMPACTS - 2016	203-1	Infrastructure investments and services supported	100-101	The information is not available to provide a response for this content in accordance with the GRI requirements.
	GRI 204 - PROCUREMENT PRACTICES - 2016	204-1	Proportion of spending on local suppliers	96	
	GRI 205 - ANTI-CORRUPTION - 2016	205-1	Operations assessed for risks related to corruption	36	The information is not available to provide a response for this content in accordance with the GRI requirements.
		205-2	Communication and training about anti-corruption policies and procedures	36	Information not available on business partners trained and informed about anti-corruption policies and procedures.
		205-3	Confirmed incidents of corruption and actions taken Indicator Audited	36	Information not reported on the nature of or the measures taken in confirmed cases, based on confidentiality issues.
	GRI 206 - ANTI-COMPETITIVE BEHAVIOR - 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices No legal actions filed.	N.A	
	GRI 207 - TAX - 2019	207-1	Approach to tax	18	
GRI 300 ENVIRONMENTAL DISCLOSURES	GRI 301 - MATERIALS - 2016	301-3	Reclaimed products and their packaging materials	55, 58	Information not available to provide a response for this content in accordance with the GRI requirements, but we are working on identifying the most important elements of this content in order to enable us to strengthen the work and communicate it in accordance with the standard's requirements.
		302-1	Energy consumption outside of the organization Indicator Audited	61	
	GRI 302 - ENERGY - 2016	302-4	Reduction of energy consumption	62	

GRI CONTENT INDEX CORE OPTION 2020								
STANDARD USED		CORE OPTION STANDARD	DISCLOSURE		COMMENTS	PAGE	OMISSIONS	
GRI 300 ENVIRONMENTAL DISCLOSURES	GRI 303 - WATER - 2016	303-1	Interactions with water as a shared resource			67		
		303-2	Management of water discharge-related impacts			67		
		303-3	Water withdrawal			67		
		303-5	Water consumption			67		
	GRI 305 - EMISSIONS - 2016	305-1	Direct (Scope 1) GHG emissions		Indicator Audited	64		
		305-2	Energy indirect (Scope 2) GHG emissions		Indicator Audited	65		
		305-3	Other indirect (Scope 3) GHG emissions		Indicator Audited	65		
		305-5	Reduction of GHG emissions			66		
		305-6	Emissions of ozone-depleting substances (ODS)			N.A.		
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			N.A.		
	GRI 306 - WASTE - 2020	306-2	Management of significant waste-related impacts			90-91		
		306-3	Waste generated		Indicator Audited	90-91	Information on hazardous waste products not reported, because it is not available at report date.	
		306-5	Waste directed to disposal			90-91		
	GRI 307 - ENVIRONMENTAL COMPLIANCE - 2016	307-1	Non-compliance with environmental laws and regulations			61		
GRI 400 SOCIAL DISCLOSURES	GRI 401 - EMPLOYMENT - 2016	401-1	New employee hires and employee turnover		Indicator Audited	73	Information not reported by age or region.	
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees			73-74		
		401-3	Parental leave			74		
	GRI 403 - OCCUPATIONAL HEALTH AND SAFETY - 2016	403-1	Occupational health and safety management system			84		
		403-2	Hazard identification, risk assessment, and incident investigation			84		
		403-3	Occupational health services			84		
		403-4	Worker participation, consultation, and communication on occupational health and safety			84		
		403-5	Worker training on occupational health and safety			86		
		403-6	Promotion of worker health			84, 87		

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	STANDARD USED	CORE OPTION STANDARD	DISCLOSURE	COMMENTS	PAGE	OMISSIONS
GRI 400 SOCIAL DISCLOSURES	GRI 403 - OCCUPATIONAL HEALTH AND SAFETY - 2016	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		86	
		403-8	Workers covered by an occupational health and safety management system	100% of our workers are covered by the occupational health and safety management system.	84	
		403-9	Work-related injuries	Indicator Audited	85	Information not reported in accordance with the breakdown required by the GRI, because it is not available at report date.
		403-10	Work-related ill health	Indicator Audited	85	Information not reported in accordance with the breakdown required by the GRI, because it is not available at report date.
	GRI 404 - TRAINING AND EDUCATION - 2016	404-1	Average hours of training per year per employee.	Indicator Audited	75	
		404-2	Programs for upgrading employee skills and transition assistance programs		75-77	
		404-3	Percentage of employees receiving regular performance and career development reviews	Indicator Audited	78	
	GRI 405 - DIVERSITY AND EQUAL OPPORTUNITY - 2016	405-1	Diversity of governance bodies and employees	Indicator Audited	72-73	Information not reported in percentages, because it is not available.
	GRI 406 - NON- DISCRIMINATION - 2016	406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination occurred.	N.A.	
	GRI 407 - FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING - 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Commitments made under the Human Rights Policy of Organización Terpel.	N.A.	The information is not available to report this content in accordance with the GRI standard, but we are working on identifying the most relevant elements for our work, in order to respond in line with the standard.
	GRI 408 - CHILD LABOR - 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Commitments made under the Human Rights Policy of Organización Terpel.	N.A.	
	GRI 409 - FORCED OR COMPULSORY LABOR - 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Commitments made under the Human Rights Policy of Organización Terpel.	N.A.	
	GRI 413 - LOCAL COMMUNITIES - 2016	413-1	Operations with local community engagement, impact assessments, and development programs.		98-105	Percentage of operations with participation by the local community not reported.
	GRI 415 - PUBLIC POLICY - 2016	415-1	Political contributions	We make no contributions of any kind, and this is made explicit in our ethics and anti-corruption policies and programs.	N.A.	
	GRI 419 - SOCIOECONOMIC COMPLIANCE - 2016	419-1	Non-compliance with laws and regulations in the social and economic area	No non-compliance has occurred.	N.A.	

TERPEL INDICATORS

TERPEL INDICATORS	PAGE	MATERIAL ASPECT	ASSURED
Progress made with the Reliable Service Station program: Number of service stations involved in the program	88-89		
Contractor environmental evaluation: Number of contractors evaluated using environmental criteria	97		
Terpel Schools: Hours of training at each Terpel School	77		
Number of business owners in the Terpel Business Owner Network	42	Supply chain management	Si
Terpel Foundation: Number of beneficiaries of educational programs	102	Community relations	Si
Volunteerism, number of beneficiaries and number of volunteer days	N.A		
Number of beneficiaries of the Restoring Dreams program	100-101	Community relations	Si
Image: Number of service stations with the new look	41		
Number of complaints received related to breach of privacy or data loss.	37	Quality products and services	Si

MEMORANDUM OF INDEPENDENT REVIEW

Independent Review of the 2020 Terpel Management and
Sustainability Report

Memorandum of independent review

Independent Review of the 2020 Terpel Management and Sustainability Report

Responsibilities of the Management of Organización Terpel S.A and Deloitte.
The preparation of the 2020 Terpel Management and Sustainability Report of Organización Terpel S.A, between January 1st and December 31st 2020, 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 the procedures applied and previously agreed upon for our review.

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 ethics code of the International Federation of Accountants (IFAC).

Scope of our work
The scope of a limited review is substantially less than an audit. Therefore, we do not provide an audit about the 2020 Terpel Management and Sustainability Report.

We have carried out the review of the content adaptation of Organización Terpel S.A, 2020 Terpel Management and Sustainability Report to the Guide for the preparation of Sustainability Reports of the Global Reporting Initiative (GRI Standards).

Standards and review processes
We have carried out 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 Accounts (IFAC).

Our review work consisted in the formulation of questions to the Administration, as well as to the different areas and operations of Organización Terpel S.A, that have participated in the elaboration of the 2020 Terpel Management and Sustainability Report, in the application of analytical procedures and tests of revision by sampling described below:

- Interviews with Organización Terpel S.A. 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 simple, testing and review of quantitative and qualitative evidence corresponding to the GRI, contents and Organización Terpel S.A. internal KPIs included in the 2020 Terpel Management and Sustainability Report, and proper compilation from the data supplied by Organización Terpel S.A. the sources of information.

Confirmation that the 2020 Terpel Management and Sustainability Report of Organización Terpel S.A. has been prepared in accordance with the GRI Standards: Core option´.

General contents:
It was confirmed that the report has been prepared in accordance with the GRI Standards: Core option´ regarding the general basics contents.

Specific contents:
We reviewed the management approach, the GRI contents, and internal KPIs of its material issues:

Material Issues	GRI contents or own KPIs
Corporate Governance and transparency	201-1. Direct economic value generated and distributed
	205-3. Confirmed corruption cases and actions taken
Alternative energies and climate change	302-1. Energy consumption within the organization
	303-5. Water consumption
	305-1. Direct (scope 1) GHG emissions
	305-2. Energy Indirect (scope 2) GHG emissions
Diversity, equity and human talent	305-3. Other indirect (scope 3) GHG emissions
	401-1. New employee hires and employee turnover
	404-1. Average hours of training per year per employee
	404-3. Percentage of employees receiving regular performance and career development reviews
Spills and Waste	405-1. Diversity of governance bodies and employees
Health and security	306-3. Waste generated ¹
	403-9. Work accident injuries
Relationship with communities	403-10. Occupational diseases and illnesses
	Own self. Terpel Foundation: Number of beneficiaries of education programs
Supply chain management	Own self. People benefited from the Restoring Dreams program
	Own self. Number of entrepreneurs that are part of the Terpel Entrepreneurs Network (RET)
Quality products and services	Own self. Number of PQRS related to the privacy breach or data leak

¹ Associated with the material issue of the year 2019



Conclusions

Based on the work carried out described in this report, the procedures carried out and the evidence obtained, nothing has come to our knowledge, that leads us to think that the contents and KPIs within the scope of the review and included in the 2020 Terpel Management and Sustainability Report of Organización Terpel S.A. for the period between January 1st and December 31st 2020, have not met all the requirements for the preparations of reports, in accordance with the GRI Standards: Core option¹. For those contents of the GRI Standards where Organización Terpel S.A. did not report quantitatively (figures), only the qualitative information that included procedures, policies, evidence of activities carried out, among others, were reviewed.

Alternative lines of action

Deloitte has provided Organización Terpel S.A. with a report with the most significant alternatives of action for the future preparation Reports, which do not modify the conclusions expressed in this report, also a few observations that will strengthen the consolidation, management, measurement and communication processes of the organization's sustainability performance.

Declaration of Independence

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

Jorge Enrique Múnera D.
Partner

Deloitte Asesores y Consultores Ltda.

Bogotá, May 2021

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