



RELEVANT INFORMATION

Organización Terpel S.A., informs the market that, once the necessary processes and authorizations were completed to hold the General Shareholders' Meeting, which took place on March 22, 2024, in accordance with the call duly published; and, making use of its legal powers established in article 446 of the Colombian Code of Commerce, as well as those of its bylaws, provided in article 39°, paragraphs 2°, 3°, 4°, 5° and 6°, with an initial participation of 80.93% of the outstanding shares and a vote of 98.24% of the shares present and/or represented, approved the Regular Year-End Report (Management and Sustainability Report 2023) from the President of the company and the Chairman of the Board of Directors, being competent to pronounce on this point:

Regular Year-End Report

Management and Sustainability Report 2023

Organización Terpel S.A.

Basic identification of the issuer:

Organización Terpel S.A.
Carrera 7 No. 75-51 Bogotá, Colombia.

Securities outstanding:

Organización Terpel S.A. has outstanding equity securities, i.e., common stock, and fixed income securities in the form of ordinary peso-denominated bonds. Of the 195,999,466 shares of common stock, 14,574,961 shares have been repurchased, leaving a total of 181,424,505 shares of common stock outstanding.

Terpel has made a total of 5 bond issues, which took place in 2013, 2015, 2018, 2020, and 2023. The 2018, 2020 and 2023 issues were made under Terpel's Issuance and Placement Program (PEC), approved by the Colombian Superintendency of Finance (SFC), for COP\$2.78 trillion, of which COP\$1.98 trillion was placed.

The shares of Organización Terpel S.A. are listed on the Colombian Stock Exchange (BVC) and are traded through the MECPLUS system by brokerage firms supervised by the SFC.

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¹ Annexes 7-9 will be attached for approval at the General Shareholders' Assembly.

Glossary

2DS: Two-degree scenario, in an orderly global transition that limits global temperature rise to well below 2°C by 2100.

ACP: Colombian Petroleum and Gas Association

ACRIP: Colombian Federation of Human Resources

Andemos: National Association of Sustainable Mobility

ESG: Environmental, Social, and Corporate Governance (also called Economic).

B2B: Business to business, refers to sales between companies.

BAU: Business as usual, traditional operations.

CEO: Chief Executive Officer, the role performed by the President.

CES: Strategic Services Center

COP: Colombian Pesos

COPASST: Joint Committee on Occupational Health and Safety

CSA: Corporate Sustainability Assessment

CTVAr: Climate Transition Value at risk

DANE: National Administrative Department of Statistics

DJSI: Dow Jones Sustainability Index

H R: Human rights

EatCloud: Organization that manages food third parties are not able to sell in their facilities to ensure its use.

EBITDA: earnings before interest, taxes, depreciation, and amortization.

EDS: Service stations

FAU: Used Oil Fund

FENALCO: National Trade Federation

IMF: International Monetary Fund

GBTU: Giga BTU per day, a unit of measurement that refers to the amount of gas transported.

GHG: greenhouse gases

SH: Stakeholders:

LPG: Liquified petroleum gas

CNG: Compressed natural gas

I.E: Public school

DFI: Direct foreign investment

KBPD: thousands of barrels per day.

KPI: key performance indicators

LAP: Lima Airport Partners is the private operator of Jorge Chávez International Airport.

MM: million

MMcf/d: million cubic feet per day.

IFRS: International Financial Reporting Standards

NTC: Colombian Technical Standard

SDG: Sustainable Development Goals

OECD: Organisation for Economic Co-operation and Development

ILO: International Labour Organization

NGO: Non-governmental organization

P&L: Profit and loss statement (Income statement).

POS: Point(s) of sale

PDCA: plan-do-check-act.

Phygital: A shopping experience that blends the physical with the digital.

GDP: Gross Domestic Product

PQRS: Petitions, complaints, claims, and suggestions

SMEs: small and medium-sized enterprises

RCP: Representative Concentration Pathway, a prediction of climate change

RET: Terpel Business Owner Network

ROE: Return on equity

RPA: Robotics Process Automation

SASB: Sustainability Accounting Standards Board

SAP: Software for managing information and business processes.

SFC: Financial Superintendency of Colombia

HSEQ: Health, safety, environment, and quality.

CS: Convenience services

OHS-MS: Occupational Health and Safety Management System

SMLV: Current legal minimum wage

STEM: Science, technology, engineering, and mathematics

S&P: Standard and Poor's, the consulting firm responsible for evaluating the CSA.

TCFD: Task Force on Climate-Related Financial Disclosures.

CS: Convenience stores

IT: information technology

TONS: Tons

USD: American dollars

EVG: Economic value generated

EVD: Economic value distributed

EVR: Economic value retained (EVR=EVG-EVD)

VP: Vice President

About this report

At Terpel, we are committed to communicating with our stakeholders with transparency about our work, the progress we have made, and our challenges and achievements. For more than 13 years, our Management and Sustainability Report has provided a detailed analysis of our sustainability performance and outlined our medium- and long-term strategies. This reflects our ongoing commitment to accountability.

(2-1) (2-2) The information reported refers to Organización Terpel S.A. (hereinafter referred to as Terpel), a joint-stock company with its principal place of business in Bogotá, Colombia, located at Carrera 7 #75-51. The report consolidates the results of operations in Colombia, Ecuador, Panama, Peru, and the Dominican Republic.

(2-3) In this report, Terpel's activities are described in the Subsidiaries section. The consolidated figures are presented in the 2023 financial statements, which are included in this document and will be published in March 2024. The report has been prepared in accordance with the GRI Guidelines, Core Option, and covers the period from January 1 to December 31, 2023. It provides detailed information on the results of our operations in Colombia, covering environmental, social, and economic aspects, and presents highlights of the results of our subsidiaries in Ecuador, Panama, Peru, and the Dominican Republic.

Throughout this document, we explain how we manage sustainability in line with our business model and detail the progress we have made on each of the issues with double materiality for the company, as defined in the latest 2023 analysis. We also comply with the ESG disclosure requirements of the Financial Superintendency of Colombia (SFC).

(2-4) This report contains updated figures and restatements of information reported in previous country reports, described in the GRI Index and Annex 5 of this report. In addition, we have expanded the scope of Colombia's carbon footprint, making this year's information not comparable to previous years.

(2-5) To ensure the highest levels of confidence for our stakeholders in the information reported, the firm KPMG Advisory, Tax & Legal assures the integrity of our figures and management using the methodology described in the assurance letter included in the annexes.

(2-14) The information is also validated internally and monitored by Terpel's management team. Senior management is informed and involved in the key observations and improvements that the organization will implement through the Sustainability Committee.

For further details on our Sustainable Management Model or Sustainability Reports, please visit: <https://www.terpel.com/en/who-we-are/sustainability>.

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Statement on sustainable development strategy

The year 2023 was complex. Global markets were highly volatile and geopolitical tensions had an impact on the global economy. In Colombia, results were poorer than expected in various sectors and in the economy in general. It is a landscape that will bring great challenges in 2024 and in the years to come.

In this increasingly challenging environment, at Terpel we work 365 days a year, 24 hours a day, to keep people, businesses, and the country on the move with the best energy.

Guided by our purpose, and fully committed to being a Country Partner, during 2023 we adapted to changes, faced a variety of adverse situations, and continued to make a contribution to the country's development and mobility.

Thanks to our resilience, flexibility, teamwork, creativity, passion, and perseverance, we were able to overcome market challenges, strengthen the sustainability of our business, and create value for our stakeholders.

Today, I'm pleased to share our 2023 Management and Sustainability Report and our economic, social, and environmental achievements, among which I'd like to highlight the following:

- Despite the challenging outlook, **our company's consolidated EBITDA increased by 12%²** to COP\$1,586,936 million. This result is proof of our efforts in the areas of operations, efficiency, and savings.
- For the eighth consecutive year, **we measured our sustainability performance against the S&P Global Corporate Sustainability Assessment (CSA)**, the most comprehensive and widely recognized sustainability assessment in the world. In 2023, **we improved on all dimensions of the CSA** compared to the previous year, outperforming the industry average by 44 points. This performance earned us inclusion once again in the Dow Jones S&P Global Yearbook 2024, the world's leading sustainability publication.
- In honor of our commitment to the environment, **we began operations at three new CNG refueling stations dedicated to heavy-duty vehicles** in different fueling corridors known as green corridors, closing out the year with 214 CNG stations. **We also developed 11 self-generation projects**, which generated 3% of the energy consumed by Terpel.
- **We complemented our convenience services with the addition of the Sbarro pizza franchise**, the New York-based brand known worldwide for its single-

² Adjusted in accordance with IFRS15.

serving model, use of fresh ingredients, and fast service. We closed the year with 14 Altoque stores operating in different cities across the country.

- **Our ViveTerpel loyalty program reached 2.8 million** registered users.
- **We inaugurated the new fuel laboratory** at our Technology and Innovation Center. The laboratory has the capacity to process nearly 1,200 samples including jet fuel, diesel, and gasoline for Organización Terpel and other third parties.
- **In lubricants, our market share for the Mobil brand increased by 2.3 points** to 33.9%. The share of the Terpel brand increased by 0.1 points to 6.7%. Together, the two brands give us a total market share of 40.6%. In addition, in keeping with our commitment to never stop innovating, we launched a new line of heavy-duty engine oils under the Mobil brand and a new differentiated product for motorcycles under the Terpel brand.
- **In our subsidiary Flux Terpel, we finalized deals to self-generate more than 10 MWp in solar photovoltaic power**, exceeding the target for the year, which was 8 MWp.
- We continue to support new mobility programs in the country. Our Terpel Voltex brand **launched 9 fast charging stations** on highways and in cities, closing the year with 21 fast charging stations located inside and 4 outside service stations. **We installed 3 new heavy-duty electric vehicle charging hubs**, closing the year with a total of 4 hubs.
- **We carried out a new bond issue** on the Colombian Stock Exchange, which was oversubscribed by a factor of 2. As a result, we consolidated our position as a repeat and attractive issuer for the market, with a total of 5 issues, 3 of them under the Issuance and Placement Program (PEC).
- **We received important recognitions.** Standard & Poor's confirmed our 'AAA' rating, and Fitch Ratings confirmed our 'AAA (col)' and 'F1+(col)' ratings. For the tenth year in a row, we received the IR (Investor Relations) Award for Issuers, underscoring the market's confidence in the organization.
- **To strengthen fuel supply in the country, we built 4 tanks** at the Villa del Rosario and Mansilla plants, increasing storage capacity by 116,000 barrels, and **5 tanks** in Leticia, increasing capacity by more than 8,600 barrels.
- Working with our **Terpel Foundation, we built 4 interactive classrooms** in Mitú, Inírida, Leticia and Guaviare to strengthen education for youth and help close digital gaps.

Our passion, dedication, and team effort are reflected in these results. Thank you, Team Terpel for making these achievements possible. I would also like to thank the Board of Directors, our shareholders and investors for their confidence and support, our partners for their dedication and hard work, and our suppliers for their excellent performance and compliance.

Finally, we thank our customers for choosing us to accompany them on their travels by land, sea, and air.

I invite you to read our report for details that will give you a complete picture of the work we do to keep people, businesses, and the country on the move with the best energy.

Thank you very much.

Oscar Bravo Restrepo
President Organización Terpel S.A.

Our history

1968: Terpel is born in Bucaramanga, with 20 service stations, as a solution to a problem with fuel shortages in the Department of Santander.

1971-1988: Terpel expands to additional regions in the country; the lubricants and aviation businesses get started. Also created are the regional organizations: Terpel Center, Terpel North, Terpel Antioquia, Terpel West, Terpel Savanna, and Terpel South.

1993-1997: Terpel enters the marine fuels business. The company makes the first change to its image, establishing the sun as a symbol of energy and movement.

2001: Organización Terpel S.A is incorporated in order to standardize processes and policies under a single leadership body at the national level while maintaining a regional presence with the seven Terpels as shareholders.

2004: the Terpel Foundation is created to help Colombia address one of its most urgent challenges: education. The Foundation's work begins by strengthening citizenship skills in children and young people.

2006: Terpel is renovated and given a new image. The sun is modernized to reflect the brand's reliability, approachability, strength, and spontaneity. With the purchase of 65 service stations in Ecuador, Terpel takes its first step to expand its frontiers.

2007: with the acquisition of the Panamanian company Corporación Nacional de Energía S.A., Terpel enters Panama with a network of 53 owned and affiliated service stations.

2008-2009: Terpel acquires the company Gazel and expands its portfolio of services, giving its clients a sustainable option for mobility in the form of CNG for natural gas vehicles. In 2009, Terpel arrives in Peru with the Gazel brand. That same year the company launches its first sustainability report.

2010: Compañía de Petróleos de Chile S.A. COPEC becomes Terpel's majority shareholder.

2011: Terpel becomes a partner of the aviation industry in the Dominican Republic. Operations begin at the airports: Las Americas - JFPG International Airport (Santo Domingo) and Gregorio Luperón International Airport (Puerto Plata). The company joins the United Nations Global Compact for the first time.

2012: Terpel redefines its strategy, making people its focus. It lays out a roadmap to be the best option for Colombians in terms of service, infrastructure, and price. The sustainability model is updated this same year in line with this roadmap.

2013: Based on the premise, "we serve people, not cars," Terpel begins offering convenience services to give its consumers memorable experiences. Terpel enters the public securities market with its first bond issue. The merger takes place of Terpel Centro, SIE, and Proenergía.

2014: Terpel lists its shares on the securities exchange, positioning it as one of Colombia's most important private companies.

2015: Terpel implements pump islands exclusively for motorcycles. The islands have a modern design, are equipped with the latest technology, and are staffed by personnel who are knowledgeable about motorcycle mechanics to provide the best service to this segment.

The company makes its first measurement using the Dow Jones Sustainability Index.

2016: Organización Terpel joins the list of the companies worldwide with the best performance in sustainability. Thanks to its advances and its development of best economic, social, and environmental practices, Terpel is included in the RobecoSAM Sustainability Yearbook, the most complete and best-recognized publication on corporate sustainability.

2017: Terpel is included, for the second consecutive year, in the RobecoSam Sustainability Yearbook. The company announces its stance on climate change.

2018: Terpel acquires the lubricant business from ExxonMobil in Colombia, in addition to that company's operations in Ecuador and Peru. It thus consolidates its leadership in the region through Mobil, the leading global brand in lubrication technologies.

The company celebrates 50 years of service to Colombians.

2019: For the third time, Terpel is included in the SAM* Sustainability Yearbook 2019 as one of the world's top 10 companies in sustainability in the retail sector.

This same year, Terpel launches its electric mobility strategy through its Terpel Voltex brand.

The company enhances a focus on training in ESG, and diversity and inclusion.

2020: Terpel is once again included in the SAM* Sustainability Yearbook as one of the world's most outstanding companies in sustainability in the retail sector. The company's materiality analysis is updated.

Terpel wins the Portafolio Award for Talent Management during the pandemic, in one of the most challenging years for companies in terms of managing their teams.

2021: Terpel launches its first differentiated fuel. It pioneers the development of and launches the first Super Premium gasoline in Colombia (GT - Extra-98).

The image of the Altoque stores is transformed, implementing a new, quick, and friendly service model.

The company enters Colombia's LPG and energy storage markets through its affiliates Ampere and Stem.

It launches its own brand of bottled water with a social purpose, Agua Madre Altoque.

Terpel marks a milestone for the country's fuel market with the construction and start up in Cartagena of the first service station offering the public liquefied petroleum gas (LPG), promoting widespread use of this fuel gas based on its environmental and economic benefits.

2022: Terpel inaugurates the Innovation and Technology Center that offers specialized services to the industry sector.

The Terpel Voltex App - a 100% digital, self-managed sales channel for users - is launched as a key part of the e-mobility strategy.

The company establishes its ViveTerpel loyalty program.

The corporate environmental stance is defined.

The company reaches more than 100 Altoque stores operating in Colombia.

2023: The first double materiality analysis is performed to consider both socio-environmental impacts by the company on its environment and also financial risks and impacts that the external environment may have on the company.

The Sbarro brand of authentic New York pizza joins the Convenience Services portfolio, offering new products to our consumers.

The Terpel Foundation opens in Panama to take the foundation's positive impact to new regions.

The company achieves a historic 6-point increase in the eighth measurement of the Dow Jones Sustainability Index 2023 (S&P CSA), an assessment that highlights excellent practices in sustainability and ESG.

Terpel is once again included in the Dow Jones S&P Global Sustainability Yearbook 2024, the most important publication on sustainability.

Driving the country's growth

Global and national context

According to the International Monetary Fund (IMF), the global economy grew by 2.6%, a slowdown of 1.1% over 2022³, reflecting the implicit consensus among central banks to counter inflationary pressures with contractionary monetary policy.

Although inflation has begun to fall and the risk of a global recession has diminished, interest rates remain high in the major economies. Financing costs therefore remained high in 2023 and were an additional factor contributing to slowing global productive and economic activity. This was compounded by the impact of economic and geopolitical events related to the housing crisis in China, the national deficit in the United States, and the collapse of Silicon Valley Bank, as well as wars in Ukraine and the Middle East and tensions between China and Taiwan and between South and North Korea.

³ International Monetary Fund (October 2023). Available at: <https://www.imf.org/es/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023#:~:text=El%20pron%C3%B3stico%20de%20base%20es,%20de%203%2C8%25>

At the regional level, according to ECLAC,⁴ the growth rate for gross domestic product (GDP) in Latin America and the Caribbean was 2.1%, a lower rate than in 2022, and growth for 2024 is not projected to exceed 1.8%.

There are also ongoing concerns about the impact of the political and social situations in Venezuela, Argentina, Ecuador, Panama, Chile, and Colombia. According to Fitch Ratings,⁵ this could affect the stability of institutions and increase country risk, limiting public finances and investment opportunities, and thus economic growth.

Domestic context

The Colombian economy is in a contractionary phase, falling from 7.5% growth in 2022 to just over 1% growth in 2023. Government, the arts, and finances were the segments that added the most value to the economy.⁶

As a result of the contractionary monetary policy of the Bank of the Republic, the reference interest rate reached 13.25%, which had a negative impact on the construction, trade, and industry sectors. The central bank's decision to close out the year with an interest rate of 13% and an inflation rate of 9.28%, however, could be a sign of a possible easing of monetary policy, thus contributing to an economic reactivation for 2024.

In terms of inflation, the country closed the year at 9.28% and that indicator is expected to fall to 5.4% by the end of 2024, in line with the target set by the Bank of the Republic. An improvement is also expected in foreign investment, which experienced a significant slowdown in 2023, falling by 25.53% (information as of September 2023)⁷.

Over the course of 2023, the unemployment rate fell from 13.1% to 10%, with the manufacturing, government, agriculture, and tourism sectors driving job creation. In this regard, it should be noted that one of the aspects affecting the labor market and its costs, as well as the cost of living, is the increase in the minimum wage, which was 10% in 2022, 16% in 2023, and another 12% for the year 2024.

In the political arena, uncertainty was the constant. The introduction of structural reforms in the areas of taxation, labor, pensions, health care, and energy, among others, has exacerbated tensions between various political, economic, and social sectors, which have hindered the legislative process.

This is in addition to the results of the municipal elections, in which the parties of the governing coalition lost the mayor's offices in the country's main cities and won governors' seats only in the Departments of Magdalena, Nariño and

⁴ <https://www.bbc.com/mundo/articles/c13y82dn35ro>

⁵ <https://www.larepublica.co/globoeconomia/fitch-ratings-predice-desaceleracion-economica-modesta-para-america-latina-en-2024-3776020>

⁶ <https://www.dane.gov.co/index.php/estadisticas-por-tema/cuentas-nacionales/cuentas-nacionales-trimestrales/pib-informacion-technica#:~:text=En%20lo%20corrido%20del%20a%C3%B1o,crecimiento%20de%201%2C0%25.>

⁷ <https://www.larepublica.co/economia/la-llegada-de-inversion-extranjera-directa-sumo-mas-de-us-12-000-millones-hasta-septiembre-3776250>

Amazonas. Of the 14 million votes cast nationwide for city council tickets, the Historical Pact received only 1.6 million votes. In this scenario of party fragmentation, the majority of votes went to the Liberal and Conservative parties, and the center-right parties received almost 10 million votes.

Sector context

Despite geopolitical conflicts and tensions, oil prices remained stable, after peaking at USD 98 per barrel in September. Oil prices averaged USD 80 per barrel at the end of the year.

In this context,⁸ oil production in Colombia reached 778,000 barrels per day and 41 production wells were drilled, representing a decrease of 30.5% compared to the same period in 2022. Foreign direct investment (FDI) in the oil sector also fell by 34.2%.⁹

The average monthly gas supply was 1,255 GBTUD in December, compared to the potential national gas production of 1,541 GBTUD.

In the World Economic Forum's Energy Transition Index for 2023, Colombia slipped from 29th to 39th place, and the country is still in the process of defining the roadmap and sources of financing to move this transition forward.

In terms of mobility, although the number of electric vehicles and conversions to compressed natural gas (CNG) experienced positive growth year on year, these vehicles represent just 0.1% and 3%, respectively, of the total vehicle fleet, which closed the year at 18 million vehicles (7 million cars and 11 million motorcycles).¹⁰

According to the National Planning Department (DNP)¹¹, 9,809 electric vehicles were sold between 2019 and 2022, and another 600,000 of these vehicles are expected to be sold by 2030. There are currently about 12,000 battery electric vehicles (BEVs) and 13,000 electric motorcycles in Colombia. According to a report by FENALCO and ANDI, 3,677 electric and 27,813 hybrid vehicles had been sold by the end of 2023.

Since the country began using CNG as an energy source for mobility, more than 660,000 vehicles have been converted to CNG. In this context, it should be noted that the number of vehicle conversions to CNG grew by more than 62% in 2023, with more than 23,000 vehicles converted, according to figures from Naturgas. In addition, as of December 2023, there were also 4,655 factory-fitted CNG vehicles on the road in Colombia.

In addition, green hydrogen is beginning to emerge as an alternative for achieving decarbonization goals. According to the Andi-Naturgas Hydrogen Chamber¹², by 2030, Colombia could have the capacity to produce this type of

⁸ As of the month of October.

⁹ As reported by Campetrol (November 2023). Available at: <https://campetrol.org/informe-de-taladro-y-produccion/>

¹⁰ According to figures from RUNT, Andemos, and ACP calculations.

¹¹ <https://www1.upme.gov.co/DemandaEnergetica/ENME.pdf>

¹² Forbes Colombia (December 2022). Available at: <https://forbes.co/2023/12/21/economia-y-finanzas/proyectos-de-hidrogeno-verde-en-colombia>

fuel in the range of 1 to 3 gigawatts (GW) at an estimated cost of USD1.7 per kilogram. This projection, in turn, highlights the country's export potential thanks to its strategic location in areas such as La Guajira.

Fuel sector

The liquid fuels distribution sector represents 40% of Colombia's final energy consumption and is an essential component of the country's energy security.

In addition, according to the Colombian Petroleum Association (ACP), "the activities of the liquid fuels distribution chain (refining, transportation, and wholesale and retail distribution) generate approximately 60,000 direct jobs and 200,000 indirect jobs (fuel transportation, engineering services, and other activities related to the development of new infrastructure and convenience stores at service stations)."¹³

Taxes collected through the national fuel tax and surcharges increased by 14%, representing COP\$8.4 trillion in revenue for the nation, thanks to the dynamism of the sector.

In 2023, liquid fuel consumption (gasoline, diesel, and jet) in Colombia grew by 0.3% over 2022, amounting to 5,282 million gallons/year.

The following aspects of fuel demand stood out during this period,¹⁴ according to the Colombian Petroleum Association: 1. The 3% increase in demand for diesel (driven by the growth in ground transportation and the consumption of electricity generated by thermoelectric plants). 2. An increase of 2% in the consumption of jet fuel -Jet A1- (despite the departure of two low-cost airlines from the market and thanks to an increase in tourism). 3. The 2.5% fall in demand for oxygenated gasoline (regular and premium), due, among other things, to the economic cycle, changes in consumer habits, trends such as teleworking and the effect of the abolition of the fuel price stabilization fund, which led to a 48% increase in the retail price.

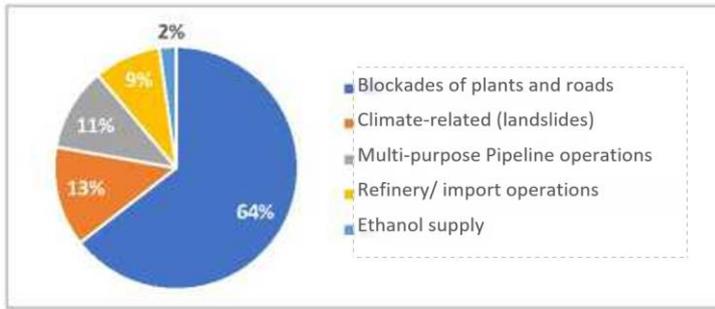
In terms of fuel supply, during the year 2023, "the role of wholesalers is highlighted in managing the logistics of supply to their plants and inventory management in such a way as to grow in flexibility and allow different alternatives for fuel dispatch to the nearly 6,500 automotive, marine, river, and air service stations, thermal power plants, and other industrial consumers throughout the country."¹⁵ This was possible thanks to the support of the national government, and in particular the Ministry of Mines and Energy, in overcoming the various contingencies that arose and threatened the supply of nearly 45 million gallons of fuel.

Distribution of fuel volume at risk of shortage by type of event in 2023

¹³ See Colombian Petroleum Association (ACP), 2024. Informe económico del mercado de combustibles líquidos. (Economic report on the liquid fuels market.)

¹⁴ Ibid.

¹⁵ ACP (2024). Mercado de combustibles líquidos en Colombia, Evolución 2023 y perspectivas 2024 - 2033." (Liquid fuel market in Colombia, Evolution 2023 and Outlook 2024 - 2033).



Source: ACP (2023)

Dismantling of the FEPC fuel subsidy

Considering the fiscal cost of the FEPC fuel subsidy, which was COP\$37 trillion (2.5% of GDP) in 2022, the national government continued the gradual reduction of the subsidy on regular gasoline in 2023 while keeping the price of diesel stable to avoid greater inflationary effects. By 2023, the fiscal cost of this subsidy had fallen to COP21 billion, a 44% reduction compared to 2022.¹⁶

Organización Terpel S.A. and subsidiaries

(2-6). About Terpel

We are a company of Colombian origin, tradition, and perspective that for more than 55 years has been committed to the country, promoting its development, growing shoulder to shoulder with its affiliates, and operating under strict policies for business ethics and corporate governance. Our purpose is to power people, businesses, and the country with the best energy, keeping them on the move.

We are leaders in the distribution and sale of liquid fuels, CNG, and lubricants in Colombia. As a contribution to the energy transition, in 2019 we launched our e-mobility strategy, offering our users a variety of alternatives for recharging, thereby facilitating the circulation of electric vehicles.

As a growth-oriented company, we are developing long-term strategic plans that include key areas such as expanding service stations, diversifying convenience services, developing new energy sources, and strengthening our lubricants business. Our commitment to the country drives the company's efforts to meet the highest environmental, social, and governance (ESG) standards and to continually seek ways to minimize our environmental impact and contribute positively to the communities in which we operate.

We have a significant presence in Ecuador, Panama, the Dominican Republic, and Peru.

We have a network of more than 2,400 service stations in Latin America, and 31 supply plants in our country of origin. In the Aviation business, we lead the market, operating in 20 airports in Colombia. We also have operations at 5

¹⁶ Ibid.

airports in the Dominican Republic and 5 in Panama, and we serve the main airport in Peru. Terpel is the authorized distributor of Mobil brand lubricants in Colombia, Ecuador, and Peru.

We are a country partner because we promote people's comprehensive development and our employees' growth, and contribute to the well-being of our neighbors. We invest in the future of Colombia through high-quality educational programs that our Foundation has run for 20 years, benefiting more than 1,500,000 people.

Through our excellence and friendly service, modern infrastructure with a fresh look, and competitive prices, we seek to position ourselves as the number 1 brand in the hearts of consumers.

Contribution of the business units to financial sustainability

A Colombian company with an international presence

Consolidated figures: Competitive conditions

5	Countries
31	Airports with operations
2,427 ¹⁷	Service stations
2,245	Liquid fuel service stations
241	CNG fueling stations
32	LPG fueling stations
586	Convenience services ¹⁸
47,817	Industry customers
657	Points of sale (POS) for lubricants
40	Terpel Voltex electric charging points ¹⁹
2	Lubricant blending plants
31	Fuel plants ²⁰

Item	Amount	Variation over 2022
Total company income	COP\$3,225,805 MM	2.2%
Sales Volume²¹	3,201 million gallons	-2%
EBITDA (KPI)	COP\$1,586,936 MM	12%
Net earnings/ loss (KPI)	COP\$285,273 MM	-14%
CAPEX / EBITDA²²	33.4%	-7.3%

¹⁷The total number of service stations reported includes dual-fuel stations that have islands for both liquid fuels and LPG or CNG.

¹⁸ Includes stores, kiosks, Sbarro, Wash&Go, Ziclos carwashes, tire shops, and DeUna and all convenience services.

¹⁹ Including charging hubs, strategic alliances, and charging stations.

²⁰ Does not include invoicing points.

²¹ Eliminates intercompany sales for Lubricants business.

²² Adjusted in accordance with IFRS15.

Adjusted CAPEX / EBITDA ²³	36.2%	-4.5%
Cash flow to sales (%)	2.5%	1.6%
Cash flow to sales (times)	3.2	1.7
ROE	10.4%	11.1%

201-1. Economic value created, distributed, and retained	Amount in COP MM
Economic value created (EVC)	36,225,805
Economic value distributed (EVD)	36,170,357
Operating costs	1,481,511
Payments to suppliers	33,021,968
Payments to shareholders ²⁴	708,611
Payments to governments	417,348
Investment in the community	10,617
Salaries and benefits	530,302
Economic value retained (EVR) (EVC-EVD=EVR)	55,449

Organización Terpel Colombia in Numbers

2023	Total
Sales Volume	
Liquid fuel service stations (Terpel-owned and affiliates) 2023	1,781 million gallons
Market share service stations	44.7%
Growth in liquid fuel sales at service stations	-0.7% ²⁵
Sales volume LPG	433,454 gallons
Sales growth of LPG	329.7% ²⁶
Market share LPG	Not currently measured.
Sales Volume CNG²⁷ (Terpel-owned and affiliates) 2023	59.4 million gallons
Market share CNG	47.4%
Sales growth of CNG	-7.3% ²⁸
Sales Volume	335.4 million gallons

²³ Adjusted in accordance with IFRS15 and IFRS16

²⁴ Corresponds to dividends paid to shareholders and financial expenses as defined by the GRI.

²⁵ The decrease is due to a 2.13% decrease in regular gasoline sales and a 15.29% decrease in premium gasoline sales compared to 2022. The impact was seen mainly in border regions due to problems associated with contraband. In the case of Extra, the decrease was caused by the increase in the price of the product, which led to higher consumption of regular gasoline.

²⁶ The growth in LPG corresponds to the increase in the number of conversions in 2023 and the maturation of the 2 active service stations.

²⁷ Corresponds to service station and Industry sales.

²⁸ The decline in growth is associated with the decline in sales in the first half of 2023, with a cumulative decline of 15.7%, followed by a recovery generated by increased competitiveness as a result of the price differential with regular gasoline.

Aviation	
Sales growth of Aviation fuel	-17.7% ²⁹
Market share Aviation	64.1% ³⁰
Sales Volume Marine fuels	16.8 million gallons
Sales growth Marine fuels	1.8%
Market share Marine fuels	12.3%
Sales Volume Industry³¹	175.5 million gallons
Sales growth Industry	-6.2% ³²
Market share Industry	21.1%
Sales Volume Lubricants	25.8 million gallons
Sales growth Lubricants	-4.18%
Market share lubricants	40.6%
Sales Volume Convenience services³³	COP\$118,360 MM
Sales growth convenience services	35.7%
Market share convenience services	6.2%

Liquid fuel service stations	2,039
Terpel-owned - Masser	125
Affiliates	1,762
Franchises	152
Convenience POS	134 Altoque stores 245 De Una kiosks 14 Ziclos carwashes 14 Sbarro pizza shops ³⁴ 1 tire shop 394 Convenience services
Airports served	31 (20 in Colombia, 1 in Peru, 5 in DR, and 5 ³⁵ in Panama)
Supply Plants	31

²⁹ The decrease was mainly due to the non-renewal of a contract with Avianca at certain airports in Colombia and the departure of Ultra and Viva Air.

³⁰ Figure as of October 2023. Ecopetrol is the official source of this information, subject to the publication of its annual report, which was not available at the time this report was published.

³¹ Corresponds to liquid fuels only.

³² This decrease corresponds to the contraction of the economy, mainly affecting the construction, oil, and agribusiness segments.

³³ Includes convenience stores, refreshment kiosks, and car washes.

³⁴ The Sbarro POS are inside the stores, so they should not be duplicated.

³⁵ Includes 5 airports in Panama where we have a presence, 3 of which are operations.

CNG fueling stations	214 ³⁶
Marine terminals served	41
LPG fueling stations	2
Voltex - EV charging stations	24
Charging stations for industrial customers	4

Employees of Terpel and affiliates	
Organización Terpel	1,555 ³⁷
Terpel Exportación	3
Terpel Energía	8
Terpel Foundation	6
Masser	2,495
TOTAL	4,067
Indirect jobs	More than 10,000

Financial figures Organización Terpel Colombia

Economic value created and distributed	Amount in COP MM
Economic value created (EVC)	25,375,938
Economic value distributed (EVD)	25,286,901
Operating costs	855,727
Salaries and benefits paid to employees	295,320
Payments to suppliers	23,382,246
Payments to shareholders ³⁸	457,534
Payments to governments	307,546
Investment in the community	8,528 ³⁹
Economic value retained (EVR)	89,037

Where we are located (Colombia)

With locations across the nation, Terpel is organized in 7 regional offices:

North, South, West, Center, Savanna, Antioquia, Bucaramanga, and the Main Office.

³⁶ Includes 3 Transcribe stations (corporate).

³⁷ This figure does not include temporary employees.

³⁸ Corresponds to interest only.

³⁹ Includes social investments by Masser.

These regional offices, in turn, group together the different Departments where we operate, including service stations and convenience stores, plants, and work centers.

- North: Atlantico, Bolivar, Cordoba, Magdalena, Sucre, and Guajira
- Bucaramanga: Arauca, Casanare, Norte Santander, Santander, south of Bolivar, and south of Cesar.
- Savanna: Amazonas, Boyaca, Cundinamarca, Guainia, Guaviare, Meta, Vaupes, and Vichada.
- South: Caqueta, Huila, Putumayo, and Tolima.
- West: Cauca, Nariño, and Valle del Cauca.
- Center: Caldas, Quindio, and Risaralda.
- Antioquia: Antioquia and Choco.
- Main office, located in Bogota.

For more information about the communities where we have service stations, check the following link: <https://www.terpel.com/en/service-stations/plan-your-stops>

Our strategy

Purpose - To power people, businesses, and the country with the best energy, keeping them on the move.

Mission - To create memorable experiences, keeping the country on the move with all our brands.

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

Values - Integrity, respect, and reliability.

Terpel cultural attributes

- Innovation
- Efficiency
- Inclusion
- Recognition

Competencies of the Terpel team:

- Attitude of service
- Strategic discipline
- Results-oriented
- Teamwork
- Leadership

Our philosophy focuses on serving people, not cars. We seek to create memorable experiences in all our business lines, supported by three pillars:

The best service: This means delivering exceptional service that allows us to outperform all others and hold a privileged place in the hearts of consumers.

The best infrastructure: Our comprehensive services go far beyond filling up the tank. We build service stations with a modern infrastructure that creates a comfortable and safe environment; we offer clean restrooms available 24 hours a day; we continue to expand the products offered by our Altoque stores, where Colombians can find a friendly stop along the way and areas created with truckers in mind; we have designed our Ziclos car washes so that users can quickly and efficiently wash their vehicles; our Deuna refreshment kiosks offer consumers snacks without getting out of their cars; and we have pump islands especially designed for motorcycles.

Best prices: We offer the most competitive prices in the arenas in which we operate.

We adapt this philosophy to each line of business to guide its management with the same organizational principles.

Portfolio and quality operations

(3-3). Having every energy source in the marketplace available to meet consumers' mobility needs and providing them with a superior service experience challenges and drives us every day as an organization. By ensuring the quality of our portfolio, we can win the hearts of our consumers, remain relevant in the marketplace, and continue to build a solid reputation that has a direct impact on our results and business growth.

Being the only company in the country that offers every energy source necessary for mobility - liquid fuels, compressed natural gas (CNG), electricity, liquefied petroleum gas (LPG), and a portfolio of convenience services - allows us to strengthen customer and consumer loyalty to our brand.

In this context, technology and digital transformation are fundamental factors that differentiate us. They allow us to be more efficient, streamlined, and reliable as we adapt to changes in our environment.

By placing people at the core of our decisions, we are able to create initiatives and take actions in all of our lines of business to deliver unique products and services that then secure user preference.

For example, we have loyalty programs, technology tools, and other resources in place to ensure that we are delivering on our promise of value across all our segments.

Fuel Operation Service Stations

(Incluir infografía de combustibles líquidos)

We are known for being the service station network with the most extensive coverage nationwide. We focus on delivering memorable experiences to our

customers through modern stations known for having the best infrastructure, competitive pricing, and fast and friendly service. We also have an extensive network of convenience services that complement what we offer at points of sale (POS).

We operate under a model that includes Terpel-owned stations that are operated by third parties through franchise agreements, and affiliated stations that are owned by independent business owners who share our values and operate in an ethical and transparent manner. We currently have, directly and indirectly, more than 10,000 promoters working throughout the country.

Numbers	2023
Number of Liquid fuel service stations	2,039
Terpel-owned	277
Franchises	152
Terpel-owned, not franchises	125
Affiliates	1,762
Sales Volume	1,781 million gallons
Sales Growth (%)	-0.7%
Market share (%)	44.7%

Our franchise model

The people who operate Terpel-owned stations under the franchise model have a unique set of qualities that make them excellent ambassadors for our brand. All franchise candidates go through a selection process that takes approximately 8 months and includes the following steps:

1. **Interviews and psychological tests**
2. **Franchise School**
3. **Co-management evaluation**

This rigorous process ensures that prospective franchise owners are fully prepared and attuned to Terpel's standards and operations before taking on the responsibility of operating a service station.

We offer a competitive price

In Colombia, the price of fuel is regulated by the Ministry of Mines and Energy. In Terpel-owned service stations, Terpel establishes a competitive price for each micro-market, ensuring that it covers the station's costs and expenses while generating a reasonable profit.

The wholesale and retail margin is regulated by the Energy and Gas Regulatory Commission (CREG) in the following resolutions:

- Wholesale Margin Resolution 41278 of 2016: Margin increases in June of each year in accordance with the CPI.
- Retail Margin Resolution 40191 of 2019: margin increases annually in February in accordance with the CPI.

Main initiatives:

- With a view toward better coordination, we fine-tuned the steps for upgrading Terpel-owned service stations in 2023. The primary goal is to prevent potential future closures or shutdowns that could have a negative impact on reputation, operations, or regulatory compliance.
- Terpel formed an alliance with Honda Colombia and Altoque to position Terpel GT Extra-98 as the fuel recommended by Honda for its high displacement motorcycles.

We renovated 111 service stations using the new corporate image and installed 3 new islands exclusively for motorcycles, closing the year with a total of 90.

Business Owner Network

The Terpel Business Owner Network is Terpel's program to strengthen connections and trust between Terpel and its partners.

The program strengthens relationships and communication with our business owners, providing arenas for advice, training, integration, and innovation that will give them tools that create value for the consumer.

Growing hand in hand with our network

- **Business owners belonging to the network:** 2,039
- **Roundtables organized:** 3
- **Businesspeople participating in the roundtables:** 257 businesspeople representing 207 service stations.
- **Participants in workshops to reinforce knowledge of Terpel's programs:** Terpel Business Owner Network - Reliable Service Station Trips: 48 people representing 30 service stations participated in this activity.
- **Businesspeople attending National Network Leader Meetings:** 19
- **Contracts renewed:** Contracts were renewed with 158 service stations.
- **Rebranding:** 47 new affiliates and 6 rebrandings
- **Service stations doing business using the Terpel Virtual Network:** 622

Aviation Fuels

Our business supplies fuel to passenger, cargo, general aviation, and government aircraft.

We adhere to the highest national and international operating standards, ensuring optimal fuel quality, process safety, operational excellence, and respect for the environment at the 20 airports where we operate in the country.

We offer much more than fuel. We have an intelligent network that connects Latin America and the Caribbean with the world through a network of 31 airports in the region. We serve our more than 250 customers under the highest standards and with the best energy, to be the partner on the ground for those who fly high. We are constantly evolving to meet the technological and logistical needs of the industry and remain at the forefront, setting the standard for quality and service.

(Infografía de la presencia regional)

- 20 airports in Colombia
- 5 in the Dominican Republic
- 5 ⁴⁰in Panama
- 1 in Peru.

Sales Volume (millions of gallons)	335.4
Sales Growth (%)	-17.7%
Market share (%)	64.1%⁴¹

Main initiatives:

- In 2023, we achieved a historic score of 100/100 for our Norsok certification for the entire aviation business in all countries.

By aligning ourselves with these rigorous HSE assessment criteria, we reaffirm our commitment to international best practices in the industry. This certification validates the effectiveness of our environmental management and occupational health and safety processes, while reinforcing our position as a leader committed to safety, sustainability, and operational excellence in all our hydrocarbon-related operations.

- We obtained the ISO 9001, 14001, and 45001 certificates (Quality, Environment and Occupational Health and Safety) for CI Terpel Exportaciones SAS. And certification was renewed for the Aviation Division of Organización Terpel S.A. to the standards 9001, 14001 and 45001 (Quality, Environment and Occupational Health and Safety).
- We have consolidated regional negotiations with global customers who recognize Terpel's reliability.
- In Colombia, Peru, and the Dominican Republic, we continued firm in our commitment to decarbonize the industry through the implementation of technological solutions such as digitalization and the elimination of paper.

⁴⁰ This is the number of airports where we are present in Panama. Three of the five are currently Terpel operations.

⁴¹ Figure as of October 2023. Ecopetrol will publish the final figure, which was not available at the time this report was published.

- In the Dominican Republic, we set an all-time record for sales and number of refuelings, with sales expected to reach 60 million gallons from more than 35,800 wing refuelings. We also achieved a record customer satisfaction score of 9.2/10 and exceeded both expected and previous results in the workplace environment survey.

Our integrated offer includes the Terpel Aviation Fuel School, a free training program where we share best practices in aviation fuel management. During the year, we had 96 graduates, 67 in Colombia and 30 in the Dominican Republic. The school shares Terpel's best practices for aviation fuel handling and guarantees the promise of service through a learning process.

Marine Fuel

We serve the marine fuel market by supplying fuel to cargo ships, dredges, tugboats, offshore equipment, and barges visiting Colombian ports. We provide our services to port authorities in Colombia and are members of the IBIA, the International Bunker Industry Association.

We have the largest marine diesel storage capacity in the country, and we deliver our fuel via high-security delivery trucks or barges, always with quality certifications that support the excellence of our processes.

The marine diesel or marine gas oil we distribute is sold by Ecopetrol from its refinery in Cartagena and dispatched for distribution from the Mamonal plant or directly from the refinery. In 2023, we served 18 ports and 41 marine terminals in Colombia.

We make a difference

Tools like our transfer cart are one of the differentiators of our service. The cart has a pumping system that allows us to improve the time efficiency of fuel transfer to the vessels we serve. Through these types of initiatives, we provide better service while incorporating technology and tools to enhance the experience for our domestic and international customers.

Our certifications:

- Coltugs: 99% Highly Reliable
- Rimorchiatori Riuniti: Demonstrates reliability and compliance
- Sociedad Portuaria Operadora Internacional - SPOI: Excellence in service
- Compañía Marítima de Servicios - Maryter: 100%
- GPC Tugs: 88.1%
- Astivik: Reliability and Commitment
- Transnaval: Reliability and Commitment
- Serport: 89%
- Sociedad Colombiana de Servicios Portuarios - Serviport: 75/80
- Dragados Hidráulicos: 94%

Sales Volume (millions of gallons)	16.8
Sales Growth (%)	2%
Market share (%)	12.3%
Number of Marine fuel customers	31 customers served
Number of ports served	18 ports served
Number of marine terminals served	41 marine terminals served

Main initiatives:

- We supplied the Colombian Navy with fuel billed to Ecopetrol, delivering 530,000 gallons to different ships. This included the ARC Simón Bolívar, which set sail for an Antarctic expedition with 181,000 gallons, the largest delivery in the Navy's history.
- We were awarded the contract to supply fuel to Ecopetrol Offshore for the Orca exploration well with an estimated volume of 1,800,000 gallons. This operation will start in November 2023 and is expected to be completed in January 2024.
- We began implementation of the Partners' Channel with Marine customers.

HIGHLIGHT: The year 2023 was **a record sales year** for the company with cumulative sales of more than 16 thousand gallons, surpassing the sales of 2022. The Marine service station segment had record sales of more than 10 thousand gallons.

Fuels for industry

We power industry by providing fuel and energy to a variety of sectors including oil, construction, mining, agribusiness, transportation, energy, industrial distributors, and industry in general. Our portfolio of products and services includes the continuous supply of liquid and gas fuels and lubricants with seamless logistics using our extensive supply network. We also provide technical, environmental, and regulatory advice, and share our knowledge through training programs.

Quality and excellent service are fundamental to the value we promise to deliver. We ensure that the facilities of our strategic allies comply with applicable regulatory requirements.

Our work is regulated by Technical Regulation 40198, which defines the activities appropriate for agents in the fuel chain and the conditions for these activities.

Committed to ensuring the proper application of these and other existing guidelines, 100% of our operations are certified as fuel chain agents⁴² to meet the requirements of the Ministry of Mines and Energy.

We support the customers we supply in the correct implementation of guidelines in the area of infrastructure. This enables them to achieve their respective certification and SICOM code.⁴³

Our customer portfolio consists of 382 industrial liquid fuel customers from the country's different sectors, served at 1,442 delivery points. We supply CNG to 12 strategic partners (industrial distributors) and 3 direct customers.

Sales Volume (millions of gallons)	175.5
Sales Growth (%)	-6.2%
Market share (%)	21.1%

Clean Industry

Our Clean Industry program trains the teams responsible for fuel handling at our customers' facilities to ensure the application of operational safety guidelines.

The program's 4 modules teach best practices and minimum expected behaviors to ensure a safe and environmentally sustainable operation.

Throughout 2023, we trained customers virtually and in-person in the different modules.

See our training numbers in the Diversity, equity, and human talent chapter of this report.

- **Industry school**
- **Occupational health and safety and the environment**
- **Training camp**
- **Inventory administration and control**

Main initiatives:

- As part of the program's activities for the environmental management and safety module, we conducted green visits consisting of customer training sessions addressing relevant environmental aspects of fuel operations.

⁴² (Large-scale consumers, private car service stations, industrial distributors, and end users)

⁴³ The Fuel Movement Control System is an electronic management system used to monitor and record transactions related to the sale and delivery of fuel at service stations, storage terminals, and other related facilities in Colombia.

During these visits, we focused on sharing tools and knowledge to help identify the key environmental and occupational health and safety risk factors applicable to their operations.

Total green visits	36 ⁴⁴
Total industrial customers⁴⁵ visited	101
Total training days	20 ⁴⁶
Total occupational health programs	16
Total industrial customers - Industry School	33
Total industrial customers - Clean Industry Program	101
Total training sessions - Clean Industry Program	174

Rumbo Terpel

Rumbo is our program for managing and controlling liquid fuel and CNG supply for transportation fleets. It has 155,000 registered IDs (4% fewer than in 2022) and operates in a network of 843 interconnected liquid fuel stations - 578 affiliated and 265 Terpel-owned - and 218 CNG fueling stations.

The three Rumbo initiatives:

Rumbo - Pits Caravan: The purpose of this initiative is to raise awareness among service providers at the points of sale (POS) about the importance of following the sales protocol.

My Business: Through this initiative, we provide benefits and value-added services to small and medium-sized businesses that manage fleets and want to monitor fuel consumption. In 2023, we activated 105 new stations, bringing our network to 1,061 stations serving our 6,479 customers (843 liquid fuel stations/218 CNG stations).

Large Fleets: This initiative was created for companies with fleets that travel on the country's main highways and need fuel administration and control for each trip segment.

- In 2023, Rumbo completed more than 9.7 million transactions with 155,000 active ID devices (2,433 active ⁴⁷liquid fuel and CNG customers).

⁴⁴ To 35 customers or companies.

⁴⁵ Understood as different company names.

⁴⁶ Includes Organización Terpel personnel trained: 19 workshops for customers and 1 for OT employees.

⁴⁷ Identification devices that we install in vehicles or motorcycles to allow them to be refueled.

- We expanded our portfolio by 55,162 liters per year by developing a business model for the delivery of urea, using Rumbo to supply fuel from a network of 23 service stations.
- We have implemented a referral model for franchise owners and distributors with the goal of increasing sales through the acquisition of new customers.
- Service stations can now easily manage their own sales using our sales recovery module. As a result, they currently recover an average of 1,623 cash sales per month. This helps streamline service station processes and has reduced the number of cases handled by the CES Strategic Service Center by 70%.

Main initiatives:

- We brought the Caravan experience to over 800 people and took the learning curve for the Rumbo customer service protocol from 73% to 90%.
- We were awarded Category B in the Colombia Compra Eficiente Framework Contract and were able to fulfill 143 new orders from 108 customers.
- Our twelfth class graduated from our diploma course in Tools and Good Practices in Ground Transportation, bringing the total number of graduates to 1,774 from 302 companies.

In the area of digital transformation, we implemented a feature that permits downloading public documents from the virtual channel, with the aim of promoting self-management for our customers.

Natural Gas Operation - CNG and LPG ***Liquified Petroleum Gas - LPG***

In line with our mission to keep the country moving with the best energy, we consolidated our service in Medellin and Cartagena, where we reported a 274% increase in sales volume. We sold more than 2 million liters in the two cities during the year. This increase was primarily due to the growing number of active vehicles consuming the product, which increased from 241 vehicles in 2022 to 655 in 2023.

LPG, a blend of propane, butane, and other gases in smaller proportions, is characterized by its excellent mileage, low cost, and reduced emissions of harmful particles. Classified as a transition fuel, it has become a widely-used energy source around the world, used by an estimated 27 million vehicles according to the World LPG Association.

No. of LPG stations	2
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Location of the stations	Cartagena and Medellin
Total LPG vehicles on the road in the country	2,000+
Terpel's coverage serving these vehicles	48%
Total vehicles converted	Cumulative: 953 2023: 655

Compressed Natural Gas - CNG for Vehicles

For 38 years, Terpel has been committed to encouraging large-scale use of compressed natural gas (CNG) for vehicles as an alternative fuel for light and heavy-duty vehicles across the country. We promote the conversion of vehicles to CNG as a way to partner with environmentally friendly fleets and transportation systems.

Our service stations in green corridors serve more than 1,200 CNG-dedicated heavy-duty vehicles and are preferred by users of this type of vehicle. These fueling stations specialize in the heavy-duty natural gas segment, offering robust compression capacity and fast fill valves that significantly reduce fill times.

We began operations at 3 new green corridor service stations dedicated to serving heavy-duty CNG vehicles.

IF-GU-540a.4 Managing the integrity of the gas supply infrastructure:

Our service station maintenance program ensures the safety and integrity of the entire infrastructure for the accurate and reliable delivery of natural gas for vehicles across the entire GAZEL network. We schedule and implement preventive/corrective routines at all service stations and implement best practices for managing service station assets. This ensures that our operations are safe and efficient at all times, minimizes the risk of accidents during our operations, and extends the useful life of the infrastructure. To this end, we are constantly working to:

- Implement specific routines at the service stations to ensure compliance with the various legal obligations and technical regulations.
- Perform scheduled inspections to ensure that the installed equipment is operating at its best.
- Schedule preventive maintenance (when the CNG equipment is not in use) to ensure its availability, efficiency, and safe operation.
- Replace equipment at the end of its useful life.
- Perform maintenance with specialized personnel obtained through competitive contracting processes.

Vehicle conversions

In 2023, we saw a 58% increase in the number of conversions nationwide due to the competitiveness of CNG over regular gasoline, sales of which have declined by 50%. We served more than 163,000 vehicles at our CNG service stations, consolidating our position as the leading provider of natural gas for vehicles in Colombia with a market share of 47.3%.

Sales Volume (millions of gallons)⁴⁸	59.4
Sales Growth (%)	-8%
Market share (%)	47.4%
Number of CNG service stations	214
Total number of vehicles converted to CNG	23,378
Total number of new loyalty program conversions	5,531

Gazel Territory

Out of a desire to see the CNG fleet continue to grow, we are committed to promoting CNG conversions through the "Network of Allied Workshops," Terpel's nationwide network of conversion and maintenance shops. During certain seasons, conversions are offered with special financing.

Club Gazel is now Vive Terpel

We create memorable experiences for our customers through our loyalty programs. In August 2023, the Club Gazel program was migrated to Vive Terpel in order to offer more benefits to our customers. We currently have close to 100,000 customers enrolled in the program and enjoying the benefits of being a Vive Terpel member.

In 2023, more than 41,000 customers redeemed 68,206 prizes, consisting of vouchers for CNG and products from Altoque stores.

Learn more about our loyalty and customer relations programs in the chapter Our commitment to people, in the section on Customer relations.

Main initiatives:

- In 2023, we ran various campaigns with end users through the loyalty programs, such as "Fill up and get double points," which gave away COP\$10,000 gas vouchers after 4 fuel purchases of 6 m³ or more, and Taxi Tuesdays, where double Vive Terpel points were awarded to natural gas customers who drive taxis.
- With nearly 35,000 winning customers, these programs generated an additional 790,000 m³ of sales for the company.

⁴⁸ Includes service stations and industry CNG.

- In terms of incentive programs to generate demand, we conducted free annual servicing for high-consumption customers who had purchased more than 1,800 cubic meters in the last year. We also offered free servicing for expired customers with zero consumption in the last two months or with a total consumption between 600 and 1,799 cubic meters in the last year.

Lubricants Operation

We provide lubricants and lubrication services throughout Colombia. As of 2018, we offer our customers in both the automotive and industrial segments a complete and balanced range of lubricants under the well-known Mobil and Terpel brands.

We produce over 93% of the mineral and synthetic lubricating oils for both our brands at our Cartagena plant, which has the capacity to produce 2.7 million gallons/month.

The following certifications attest to the quality of our production:

1. ISO 9001, which certifies our Quality Management System
2. ISO 14001, for our Environmental Management System
3. ISO 45001 certifies our Occupational Health and Safety Management System
4. AEO, which certifies that processes meet customs regulations
5. Icontec product seals (NTC 1295, NTC 1399, RTE INEN 014) related to compliance with technical requirements for lubricating oils according to Colombian and Ecuadorian regulations
6. 3PIM, for complying with the ExxonMobil Quality Management System
7. QP&G, ExxonMobil's Laboratory Practices Management System

Sales Volume (millions of gallons)	25.8
Sales Growth (%)	-4.18%
Market share (%)	40.6%
Gallons of lubricants produced per month	2,019,602 per month on average.
Total lubricants customers	344 ⁴⁹

(417-1) Information requirements for product labeling

The starting point for developing label text for lubricants and coolants is the material safety data sheet that complies with the requirements of the GHS (Globally Harmonized System). The safety data sheet contains the classification of the product according to the GHS, whether it is a hazardous substance or not,

⁴⁹ Includes industrial customers, distributors, and the automotive sector.

the physical, chemical, health, and environmental hazards, if any, and the precautions to be taken, as well as storage, handling, transportation, ecological, and toxicological information, and recommendations for disposal of the product.

Labels are subject to marketing, technical, legal, and, in the case of Mobil products, Exxon Mobil approval processes.

The safety data sheets for Mobil lubricants can be found at: <https://public.spheracloud.net/Search/AdvancedSearch.aspx>

The safety data sheets for Terpel lubricants can be found at: <https://www.terpel.com/en/business/lubricants/terpel-lubricants>

Innovation and Technology Center

Colombia's 3,000-square-foot Innovation and Technology Center offers advanced analysis of lubricants, fuels, greases, and coolants.

The center provides specialized engineering services that closely monitor the operations of our industrial customers and provide them with accurate information. This information, in turn, enables them to improve productivity, extend the life of their equipment, and realize significant economic benefits, including significant energy efficiency savings. In addition, it helps them take care of the environment.

Strategically located in the town of Funza, in Cundinamarca, the Innovation and Technology Center currently provides services to more than 400 customers from different industrial segments in the country (oil, gas, energy, fleets, hydroelectric, paper, transportation, mining, food, manufacturing, and agribusiness).

In 2023, we received ISO/IEC 17025 accreditation from the ANSI National Accreditation Board, the largest accreditation body in North America, which serves more than 75 countries. This accreditation has allowed us to open and operate a new fuel laboratory with the capacity to handle samples of Jet A1, AVgas, diesel and its blends, and gasoline.

This accreditation, in addition to supporting the quality of fuels marketed by Terpel, recognizes our laboratory as having the technical competence to perform 35 test methods applied to liquid fuels such as JET A1, gasoline, diesel, and biodiesel.

It thus validates the Center for Technology and Innovation as an assessment body for the quality of fuels and lubricants, confirming our contribution as a Country Partner.

Main initiatives:

- Under the Smart Assistance brand, we began offering engineering services and matrix testing for coolants and greases.

- We renewed the ISO 14001 Environmental Management System certification, the ISO 45001 Occupational Health and Safety Management System certification, and achieved a NORSOK S-WA 006 score of 100 /100 with Icontec.
- Under Resolution 2381, the Ministry of Science and Technology qualified the project "*New methods and automated measurement tools for the measurement of chemical variables in liquid fuels in Colombia through the implementation of an accredited laboratory, increasing the testing capacity for internal and external clients*" as a Process Innovation Project.

Our Products

- **We launched a new brand architecture and image for the Mobil Delvac™ brand**, in line with ExxonMobil's global guidelines for light- and heavy-duty vehicles. As a result of this initiative, we are in a position to offer consumers a complete and modern portfolio in line with their expectations and needs.

With more than 100 years of history, the Mobil Delvac™ brand has positioned itself as a global leader in diesel engine lubricants. Today, we continue to evolve and strengthen our brand architecture to help consumers identify the right product group for the age and technology of their vehicle and equipment. In addition to changing our image, we have added new state-of-the-art products with cutting-edge technology that take care of not only the engines, but also the entire ecosystem of transportation mobility and off-road equipment, meeting the specifications required by vehicle manufacturers in the market.

We would like to present the 3 pillars of the brand: Ultra, Modern, and Legend.

- **Mobil Delvac™ Ultra:** Ultra meets the needs of engines with the latest technology in the form of the most sophisticated, 100% synthetic products that maximize oil change intervals, save fuel, and enhance performance.
- **Mobil Delvac™ Modern:** Modern covers the widest range of technological needs in accordance with engine age and equipment type.
- **Mobil Delvac™ Legend:** Legend offers owners of older and high-mileage vehicles and engines the benefits and warranties of Mobil Delvac™.

Main initiatives:

- We built a new coolants factory at the Cartagena factory site.
- We achieved a 50% reduction in incidents and accidents over the year 2022 (20 in 2022 versus 10 in 2023) reflecting an enhanced behavior-based safety culture.
- We re-certified the factory's management systems to the following standards: ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety), assuring our customers that our management systems meet international standards.

- We confirmed that the plant's 4.1-million-gallon capacity meets Mobil brand product manufacturing standards with a satisfactory result in the 3 PIM audit conducted by ExxonMobil.
- We recertified product quality (Icontec) for 38 products. Considering the factory's track record, the certifier decided to extend the validity of the certificate from 3 to 6 years.
- **Reliable supply source:** We implemented the new Mobil Delvac-branded line of lubricants for commercial vehicles without incident, customer shortages, downtime, or residual costs for a total of 33 SKUs and 520,000 gallons/month (24.5% of total sales).
- We changed the model for supplying wooden pallets, focusing on the recovery and repair of used pallets. The resulting impact on environmental sustainability was a 45% reduction in new units purchased in 2023 compared to the previous year.

Our portfolio includes 16 certified Mobil brand products, 100% of which have the Icontec seal of approval, and none of which have been withdrawn from sale to the public. We launched 14 new lubricants in 2023, with a brand milestone being the implementation of the new brand architecture for the Mobil Delvac™ commercial vehicle line.

(SASB. RT-CH-410a.1) We also have 15 lubricants with environmental benefits in the engine lubricant lines. Thanks to their low viscosity, they help conserve fuel and protect the exhaust aftertreatment system in favor of cleaner emissions. In the industrial line, we have three products that use technology to improve the efficiency and reduce the fuel consumption of earthmoving equipment. A biodegradable product is also available. These products have generated COP\$44,384 million in income.

Our goal is to provide lubrication solutions that meet the specific needs of each industry and satisfy the drivers of each type of vehicle. Our dual brand strategy unifies the distribution network with commercial agencies for the Mobil and Terpel brands in the B2C sector. This strategy diversifies our sales channels and allows us to have a greater presence in the distribution network.

Learn about our products, here:

[Mobil](#)
[Terpel](#)

Our business in numbers:

Total lubricant customers (direct)	Industry: 294 Commercial agents: 19
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	Others: 31
Total Lubricant POS	POS Terpel Lubricants: 21,329 ⁵⁰ Workshops: 5,414 Stores: 10,789 Lubrication Centers: 2,539 Service stations: 2,398 ⁵¹ Concession holders: 92 Wholesalers: 97
B2B businesses handled by commercial agents	2,377

Green Pass Program

As a Country Partner, and guided by our commitment to operating in an environmentally responsible manner, we developed Green Pass, our sustainable lubrication program.

Through the collection and recycling of lubricant containers, bulk sales, and the certification of lube centers and workshops, this project protects the environment, creates incentives for best practices, encourages process innovation, and creates a sustainable model for the distribution and management of Mobil™ and Terpel lubricants.

Green Pass brings together three initiatives that involve different parts of the lubricant chain.

POS Certification. This certification recognizes excellence in implementing best practices in lubricant management, providing exceptional customer service, and properly managing recyclable and hazardous waste. We currently have 258 POS's certified. In the case of waste oil, we verify its delivery to a FAU-backed waste oil handler.⁵² Certification is in the form of a seal of excellence approved by Icontec.

Circular economy through the collection, recycling, and transformation of containers. Green Pass extends the life of lubricant containers and creates incentives for the correct disposal of waste lubricant.

By the end of the year, we were able to collect 26.2 tons of containers, broken down as follows: Bogota and Savanna 19.7 tons, Medellin 2.9 tons, Monteria 2.5 tons, and Villavicencio 1.1 tons. We then transform the collected containers into

⁵⁰ This figure is for all the different corporate names.

⁵¹ Ibid.

⁵² The Colombian Oil and Gas Association's Waste Oil Fund, FAU, is a voluntary initiative of major lubricant companies to promote and encourage organized systems with high environmental standards for corporate self-management of proper handling, recovery, and disposal of used oil.

objects used in the lubrication centers, such as roller seats, mechanics' creepers, and cleaning tools.

Bulk sales program. We introduced an innovative strategy that uses 150-gallon tanks to deliver bulk products to customers at POS's, ensuring product quality and integrity, building consumer confidence, and reducing the environmental impact of plastic containers.

Tesos Program

This loyalty program is designed to build and nurture long-term relationships with our lubrication technicians and lubrication recommenders, who are called "Tesos." The program's exclusive benefits motivate them to influence consumers to buy Terpel lubricants.

- In 2023, 57 Tesos participated in the virtual training course, which taught them about different types of engines and the right products for each one. They also learned the procedures for checking the oil in cars and motorcycles, strengthening their knowledge, and enabling them to provide better service to customers and consumers.
- We partnered with the Universidad Santo Tomás to offer a personal finance course to 46 Tesos.
- We implemented the Tesos program at 1,078 locations in 234 cities and towns in 28 Departments.

As a result of this work, 38% of all sales came through the loyalty program, we increased the number of program members by 15% compared to 2022, and we were able to increase the coverage of the benefits. Members scored their satisfaction with the program at 80%.

Tesos active in the program	1,358
Number of POS with Tesos	1,078
Tesos recognized on special dates Events: Special details delivered on special dates, such as <ul style="list-style-type: none"> • Birthdays • Mother's Day • Father's Day • Tesos' Day 	2,242

Club for Lubrication Specialists

This loyalty initiative builds long-term relationships with our lubrication technicians and recommenders by creating memorable experiences and exclusive benefits for the whole family. This subgroup is of strategic interest because of their ability to influence purchasing decisions in favor of the Mobil™ brand of lubricants.

Participants have access to online training and exclusive events, and receive prizes from a catalog of awards selected for their ability to improve the quality of life for club members and their families.

Main initiatives:

We organized a new round of "**Family Afternoons**," an exclusive event designed for members of our program that provides a unique experience where they can spend time together as a family. In 2023, we had 346 attendees in 3 cities across the country. The event satisfaction rating was 4.9/5.

- Thanks to the Specialists Club, more than 16% of all sales by our affiliates were made through the **loyalty program**.

Club members active in the program	2,057
Number of POS with members	1,395
Club members remembered on special dates We celebrated events such as: <ul style="list-style-type: none"> • Mobil Delvac Grand Prize • The two-wheel fair - F2R • Mother's Day • Father's Day • Halloween 	853
Cities with the program	260 towns and cities in 26 Departments

Masterlub: this is our network of lubrication centers located at Terpel service stations, an expert and reliable place to experience an easy oil change with Mobil and Terpel lubricants.

We have two formats: Portable MasterLub, specialized in motorcycle oil changes, and large format MasterLub, which offers service to all types of vehicles (private, public, commercial, and motorcycles). All Masterlub Centers are Green Pass certified, ensuring:

- Original Mobil and Terpel lubricants
- The right service protocol
- Correct disposal of waste oil

We currently have 17 MasterLub centers (10 large format and 7 portable), having increased from a network of 13 lubrication centers to 30. They all meet high standards for maintenance and brand guidelines with an NPS (net promoter score, a survey of customer perception) of 4.27/5 in a brand image audit. Similarly, based on what we hear from real customers, there is a high level of satisfaction with the experience, as evidenced by a score of 9/10.

Convenience services

Terpel serves people, not cars. That's why we offer a range of convenience services in addition to our fuels and lubricants. The millions of users who visit Terpel service stations every day have access to convenience stores with a great variety of products and services, car washes, and refreshment kiosks that add a new dynamic to our stations' service.

Sales Volume	COP\$118,360 MM
Sales Growth (%)	35.7%
Market share (%)	6.2%

Altoque stores - a friendly stop on the way for Colombians

In 2023, we achieved a number of important milestones that represent a significant step forward for our business.

Our goal is to create an experience in our stores that captivates people and delights them with our products. We aim at being the perfect stop along the way, satisfying customers' and consumers' cravings and recharging their batteries with a quick, friendly, and delicious experience.

The modernity and speed of our services have been key to adapting to the changing demands of the market. As we grow, we are also strengthening our connection to the surrounding environment through our commitment to providing exceptional products and engaging with communities in the regions where we operate.

As a result of this commitment to our communities, we have maintained our alliance with the Soy Oportunidad Foundation, which provides income-generating opportunities to women in vulnerable situations, and the Fundayama

Foundation, which supports breast cancer patients. In 2023, we donated more than COP\$70 million to support these organizations, representing 4% of the sales of our own Agua Madre brand of sparkling, still, and flavored water. This donation has brought benefits to more than 150 women in 8 municipalities around Colombia.

Learn more about these foundations by [clicking here](#).

Main initiatives:

- To further strengthen our convenience offering and provide Colombians with a wider variety of food products at service stations, we introduced two new brands at our Altoque stores:
 - First, we began selling Sbarro pizza, the New York brand known worldwide for its by-the-slice sales model, use of fresh ingredients, and fast service. We closed the year with 14 pizza shops operating in Altoque stores, with sales of approximately COP\$3,400 million.
 - Then, in December, we introduced Mimos ice cream, a very popular brand in Colombia, in our Altoque stores. We expect this to help Terpel service stations continue to grow across the country.
- **Refill cup.** In 2023, we sold 229,161 beverages in refill cups. This represents a significant environmental impact because it means we used 229,161 fewer paper cups for beverage sales, helping us take care of the environment.
- **The circular economy and the fight against hunger:** We are committed to reducing the amount of food waste generated in our Altoque stores when products are not sold. Through our alliance with the Association of Food Banks of Colombia (Abaco) and Eatcloud, we were able to recover approximately 1,250 kilos of food waste from 35 stores nationwide, representing a donation of COP\$20 million. In addition, we were able to recycle 3,243 kilograms of excess cardboard from our stores and donate it to charitable foundations.
- We were recognized for being the chain selling the second largest number of hot dogs in Colombia, with 85,000 units sold per month. This is a testament to our customers' and consumers' enjoyment and preference for the diversity of our product portfolio.

Total stores (Altoque)	134
Total new stores (Altoque) opened during 2023	18
Total Deuna refreshment kiosks	245
Total new Deuna kiosks opened during 2023	0
Total car washes (Ziclos)	14

Total car washes (Ziclos) opened during 2023	0
Total Sbarro	14
Number of cities where Sbarro is located	4
Cities with Sbarro POS	Bogotá, Barranquilla, Cali, and Cartagena

New energy and new mobility operations

At Terpel, we recognize our role as an ally in the energy transition expressed in a variety of strategies aimed at involving our stakeholders in the fight against climate change. We know that reversing this trend will require a concerted effort from all sectors of society. That is why, through our various business units, we are helping to bring new energies and new mobility to the masses with a portfolio of services that make our operations more sustainable.

This year we introduced the Turntide product portfolio. Turntide electric motors are controlled by artificial intelligence and are used mainly in air conditioning systems to save energy and make our customers' operations more efficient.

Terpel Voltex

At Terpel, consumers are at the core of our decisions, and we respond and innovate in light of their needs and interests. We made the decision to enter the electric market in order to support the country and our users in the era of electric mobility.

Our strategy, launched in 2019, focuses on connecting regions and enabling electric vehicle users to travel the country's main cities and highways, unrestricted by their range.

Our offering focuses on electric and plug-in hybrid vehicle charging services to meet the needs of EV users on every occasion they require electricity. We also work with mass transportation systems and corporate customers to continue to fulfill our promise to serve and to make electric mobility a reality in our country. In Bogota and Medellin, we have also developed a network of charging infrastructure in allied commercial spaces that provide an alternative to residential charging. In this way, we are helping remove one of the most significant barriers to the expansion of electric mobility in our country - a lack of charging infrastructure.

We continue to work to provide Colombians with a reliable and efficient infrastructure that encourages the use of electric vehicles and innovative solutions that promote decarbonization.

Main initiatives:

- We developed 3 charging hubs with high power charging stations exclusively for industrial vehicles. These hubs are designed to provide a fast, efficient, and reliable charging experience for owners of heavy-duty electric vehicles, including last-mile vehicles.
- We are committed to installing electric charging stations to connect the country's major highways, placing chargers along the country's most important roads in the network.
- We closed 2023 with 21 fast charging points in the country at private vehicle service stations and 4 outside of them.

Currently, our service station charging points are located at the:

1. Báscula station, Siberia
 2. Montecristo station: Puerto Salgar
 3. La Garota station: Guarne
 4. Melgar station: Melgar
 5. Chusacá station: Soacha
 6. La Mesa station: La Mesa
 7. Dagotá station: Barrancabermeja
 8. Cogua station: Cogua
 9. La Metro station: Calarcá
 10. El Recreo station: Tuluá
 11. Montecarmelo station: Puerto Colombia
 12. Palmas de Aguachica station: San Martin
 13. Santana station: Santana
 14. Piedecuesta station: Piedecuesta
 15. Pie del Cerro station: Cartagena
 16. Ancón Sur station: Sabaneta
 17. Río Córdoba station: Ciénaga
 18. Autopista Norte station: Antioquia
 19. Popalito station: Barbosa
 20. La Juana station: Bogotá
 21. Cruz Roja station: Bogotá
- In 2023, the highway charging network continued to grow, and new corridors were inaugurated, permitting Colombians to travel Colombia in electric vehicles. All our roadside stations are integrated with the Terpel Voltex application, which allows users to check charging availability, plug types, power levels, and other key data for route planning. Some of our stations also have GB/T type chargers to accommodate the growing number of electric vehicles.
 - We recognize the importance of developing collaborative initiatives and sharing knowledge of sustainability best practices throughout our value chain. Our goal is to strengthen alliances with customers and suppliers who share our social and environmental principles and commitments. One example is the signing of an alliance with the Volvo brand, which is committed to building a sustainable world.

- We also reached an agreement with Opain for the Eldorado Airport charging point business.

Projections for the future

Despite the weak performance of the auto market in 2023, EV sales increased by 5.5 percent compared to 2022. We are therefore making preparations to meet the energy needs of these vehicles and to continue to accompany the country as it transitions to a new system of mobility.

In 2023, a wide range of major vehicle manufacturers and marketers launched new 100% electric models with more affordable prices and benefits for consumers, leading us to see great opportunities for growth in our business. Trends in the electric mobility market show that brands are electrifying their product portfolios and taking an active role in building and opening new charging stations.

Contribution of the business units to financial sustainability

Subsidiaries

Terpel Energía (Colombia)

Terpel Energía is a subsidiary of Organización Terpel S.A., incorporated as a public utility company (ESP) in Colombia, and operating in the country's energy market. Its purpose is to provide energy and natural gas solutions in line with the transition to a more efficient and sustainable energy model.

Terpel Energía has three main business lines, each focused on providing comprehensive solutions to its customers:

1. **Marketing gas supply and transportation capacity:** The goal of this line is to provide solutions and engage in business dealings that create efficiencies for its customers in the natural gas markets by marketing gas supply and meeting the energy needs of a variety of industries.
2. **Commercialization of electricity:** Dedicated to selling electricity in the regulated, unregulated, and wholesale markets, this line contributes to the stability and efficiency of the Colombian power grid.

Regulated market

In 2023, Terpel Energía served 55 regulated boundaries with a total consumption of 8.79 GWh-yr.

Unregulated market

In 2023, Terpel Energía served an average of 143 unregulated boundaries with a total consumption of 35.27 GWh-yr.

Wholesale market

This market refers to transactions between energy traders and is characterized by a significant margin with relatively low operability and a very low-risk business environment.

In the course of 2023, Terpel Energía traded 45.9 GWh-yr in the wholesale energy market.

It also served 5 electric mobility markets with a total consumption of 43.24 GWh/year.

3. **Projects for solar self-generation:** Terpel Energía demonstrates its commitment to the energy transition by implementing solar self-generation projects. These projects enable customers to generate their own electricity from renewable sources such as solar, reducing their carbon footprint and promoting more sustainable energy practices.

1. La Vallenata
2. Palermo
3. Doña Manuela
4. Lubricants Factory in Cartagena
5. Pimsa
6. Duitama
7. Sotaquirá
8. Tayrona
9. Corozal Airport
10. Corzo II
11. La Paz
12. San Antonio
13. San Pedro
14. San Rafael
15. Córdoba River Córdoba

Terpel projects with external partners that are currently under our management:

1. Baranoa
2. San José del Guaviare Plant
3. Báscula
4. Cogua
5. Melgar
6. Villa del Rosario Plant
7. Buga Plant
8. Mulaló Plant
9. Recreo
10. Montecristo

Main initiatives:

- Terpel Energía is certified to ISO 9001, 14001 and 45001 standards until February 2026, with a follow-up scheduled for the end of 2024.
- The company traded 133.19 GWh-yr on the electricity markets, exceeding the annual forecast by 124%.
- By developing 11 self-generation projects, Terpel Energía added 923.2 kWp to its installed capacity, allowing it to generate 2.4 GWh/year and avoid the emission of 299.3 tons of CO2.

Masser (Colombia)

Our subsidiary Masser, part of the Terpel Group, is responsible for managing the service stations and Altoque convenience stores in Colombia that operate under a franchise model. Masser has a significant presence throughout the Colombian territory, meeting needs for the growth and expansion of Terpel's service stations and stores.

(2-7) Total number of employees	Permanent employees	Temporary employees	Total employees
North region	617	16	633
Antioquia region	156	11	167
Central Region	211	10	221
West region	455	11	466
Savanna region	511	8	519
South region	224	12	236
Bucaramanga region	164	4	168
Administrative Office	74	11	85
TOTAL	2,412	83	2,495
Men	1,204	33	1,237
Women	1,208	50	1,258

Employees by type of employment contract	2023
Permanent employees	2,412
Temporary employees	83
TOTAL	2,495

Service station promoters	Men	Women
Colombian	1,036	1,055
Foreigners	2	3
Total number of concession holders	302	

(405-1) Of the total workforce, 37% are under 30 years of age, 43% are between 30 and 40 years of age, 17% are between 41 and 50 years of age, and the remaining 3% are 50 years of age and older.

Seniority at Masser

Less than 3 years	1,778
From 3 to 6 years	310
From 6 to 9 years	333
From 9 to 12 years	35
More than 12 years	39

New hires and separations

In 2023, 2,051 job openings were filled by 908 men and 1,143 women, most of them between the ages of 18 and 40. Fifty-seven of the job openings were filled by internal candidates - 25 men and 32 women.

Training for our team

(404-1) Average training hours per employee	2023
Managers	8
Directors	8
Heads	0.9
Analysts/ Supervisors	10.9
Technicians/ Assistants	1
Operations personnel	11.33
Men	11.2
Women	11.06

Other subsidiaries⁵³

Flux Terpel: a subsidiary dedicated to the design, construction, and operation of solar photovoltaic systems for small- and large-scale self-generation of energy in Colombia. It closed 2023 having built 1.6 MWp for a total of 2.9 MWp of installed capacity and 9.5 MWp of contracted capacity.

Inversiones Organización Terpel Chile S.A: the purpose of this subsidiary is to make investments for profit-making purposes and not for sale, and the development of any activity directly or indirectly related to the aforementioned object.

Puertos del Caribe Sociedad Portuaria S.A: a subsidiary dedicated to investing in the construction, expansion, improvement, preservation, maintenance, and modernization of a port in the Cartagena port area.

Terpel Exportaciones Cl. S.A.S: dedicated to the marketing and sale of Colombian products abroad.

Stem Terpel S.A.S: subsidiary responsible for selling and managing energy storage systems on its own behalf or on behalf of third parties. Its focus is on the energy storage systems market.

OUR REGIONAL OPERATIONS

PERU⁵⁴

We operate seven lines of business in Peru, covering a variety of strategic areas: liquid fuel service stations, fuel for industry, sale of CNG under the Gazel brand, distribution of LPG, operation of convenience stores, supply of aviation fuel, and sale of lubricants. This diversified portfolio allows us to respond to all the needs of the Peruvian market and to strengthen our contribution in different sectors of the economy.

We operate through 6 subsidiaries and affiliates that manage the activities, products, and services of our various businesses:

- **Terpel Peru S.A.C.:** development and wholesale marketing of liquid fuels, installation and operation of service stations for the supply of fuels, liquefied petroleum gas (LPG), and natural gas for vehicles (CNG), convenience stores, and related services for motor vehicles.
- **Terpel Aviación del Peru S.R.L.:** responsible for the reception, storage, and dispensing of jet fuel at the Jorge Chávez International Airport in Lima.
- **Terpel Comercial del Peru S.R.L.:** responsible for the purchase, import, export, blending, bottling, distribution, and marketing of lubricants,

⁵³ On November 30, 2023, the liquidation of Terpel Ampere S.A.S. was approved by means of Minutes No. 3, and on December 15 of the same year, the company's commercial registration at the Bogotá Chamber of Commerce was cancelled.

⁵⁴ The information reported for Peru is only for Terpel Comercial Perú, Terpel Aviación Perú, and Terpel Perú.

greases, and related petroleum products and additives, as well as the sale of aviation fuels.

- **PGN Norte S.A.C.:** Subsidiary responsible for the CNG compression service for the COSAC North Zone system passenger transport units.
- **PGN Sur S.A.C.:** Subsidiary responsible for the CNG compression service for the COSAC South Zone system passenger transport units.
- **Organización Terpel Corporation S.A.C.:** responsible for other activities in the financial services sector, with the exception of insurance and pension services.

We create and distribute value

Value creation and distribution	2023 Figures in COP millions⁵⁵
Economic value created (EVC) ⁵⁶	2,395,776
Economic value distributed (EVD) ⁵⁷	2,384,362
Operating costs ⁵⁸	251,471
Payments to suppliers ⁵⁹	1,994,192
Employee salaries and benefits	70,845
Payments to governments ⁶⁰	51,697
Investment in the community	42
Economic value retained (EVR)	11,414

In 2023, our total sales volume was 113.7 million gallons, with an EBITDA of COP 179,324 million, and net earnings of COP 59,699 million.⁶¹

In 2023, we made purchases from a total of 1,271 suppliers, 91% of which were domestic.

⁵⁵ corresponds to the information reported in the financial statements (P&L).

⁵⁶ Corresponds to the company's income.

⁵⁷ Includes payments to suppliers, employee salaries and benefits, payments to the government, and community benefits.

⁵⁸ Includes fees, insurance, rent, services, marketing, maintenance, travel, depreciation, and amortization.

⁵⁹ Includes all cost accounts.

⁶⁰ Corresponds to P&L tax expenses excluding deferred taxes.

⁶¹ Adjusted in accordance with IFRS15.

Our business lines

Convenience services	Liquid fuel service stations ⁶²	Aviation Fuels	CNG/ LPG ⁶³	Lubricants	Industry
8 stores 14 on highways ⁶⁴ 9 refreshment kiosks 31 Convenience services	29 in total	We serve 1 airport	CNG: 27 stations LPG: 27 stations	18,788 POS - distribution channel	20 customers
	Market share 0.65% Sales Volume ⁶⁵ 42.4 million gallons Sales growth: 120%	Market share: 7.81% Sales volume 22.91 million gallons Sales growth: -0.2%.	CNG Market share: 6.31% Sales Volume: 16.7 million CNG gasoline gallon equivalents Sales growth: 2.5% LPG Market share: 2.17% Sales Volume: 8.57 million gallons Sales growth: 8.6%.	Market share of 36% Sales Volume 21.8 million gallons ⁶⁶ Growth of 3.5%	Sales Volume 4.5 million gallons Sales Growth 1,119.3%

Main initiatives:

⁶² The information reported is the total for the country. The 2022 report only included Lima in its scope.

⁶³Note: Not all are separate stations; there are stations that provide both fuels.

⁶⁴Services on the islands of service stations.

⁶⁵ Includes the volume of the independent station (an unbranded gas station).

⁶⁶Includes exports to Ecuador.

- In 2023, our share of the lubricants market grew by more than 3%, reaching 36%, allowing us to maintain our leadership and our positioning with our customers.
- In our wholesale and retail business (Terpel-operated service station network), we sold more than 37 million gallons during the year. Retail sales volumes increased 8% for liquid fuels, 3% for CNG, and 9% for LPG. The overall contribution of these segments grew by 13%.⁶⁷
- We surpassed 4 million gallons in monthly sales, consolidating our wholesale fuel business.
- We achieved record consolidated EBITDA of COP 179,324 million, which was 98%⁶⁸ of what was budgeted.
- We reduced working capital by COP\$30,282⁶⁹ million by optimizing inventories of raw materials and finished products at the lubricants plant.

Terpel Peru Team

- Our team consists of 686 employees, of which 48% are men and 52% are women.
- Seventy percent of our employees are under the age of 40, and the remaining 30% are between the ages of 41 and 70.
- Our voluntary turnover rate was 59%.
- We provided 10,633 hours of training.
- We invested COP\$482.4⁷⁰ million in training and professional development.

The work environment

- In 2023, we implemented and updated a variety of policies and guidelines. Here are a few highlights:
 - Ethics Code
 - Sexual Harassment Prevention and Discipline Policy
 - Talent Recruitment and Retention Policy
 - Super-T Award Guidelines
 - Labor Relations Guidelines

All policies and guidelines are available in the Terpel digital library, which is accessible to direct employees and apprentices.

- We were the first country outside of Colombia to develop the Unique program, and we were able to implement not only the winning project, but also the projects of the other 5 finalists.

⁶⁷ Projection in USD.

⁶⁸ EBITDA without IFRS15 adjustment, and corresponding to TAP, TCP and Terpel Peru.

⁶⁹ Expressed in local currency: USD 7,000,000.

⁷⁰ Expressed in local currency: USD 111,519.

- In the area of health and wellbeing, we have set up 2 lactation rooms in our factory and administrative offices to provide greater comfort and safety for breastfeeding mothers.
- We focused on leadership and soft skills in our training and development.

Environmental

- We received the Jorge Chavez Star in the Environment category, a recognition awarded by the concession holder LAP⁷¹ to highlight actions and initiatives that generate value and promote development in the facilities and areas of influence of the Jorge Chavez International Airport in the city of Lima, Peru.
- Organización Terpel S.A. renewed its certification to the ISO 9001, 14001, and 45001 standards (quality, environment, and occupational health and safety).
- We received the Peru Carbon Footprint Level 3 recognition from the Peruvian Ministry of the Environment for reducing greenhouse gas emissions, calculated using the Peru Carbon Footprint tool.
- We worked with Bureau Veritas to develop a certification process for our client, Minera Condestable, which then demonstrated that they achieved a reduction of 11,634 kg of CO₂e through the use of our Mobil Delvac Modern Mine product.
 - **Total energy consumption:** 39,765.96 GJ
 - **Waste generated**⁷²: 611.28 (tons)
 - Hazardous: 359.6
 - Non-hazardous: 251.7
 - **Water consumption:** 42,273 m³
 - **Carbon footprint:** 2,649 ton CO₂e.

Social

- In collaboration with the NGO Despega, we implemented the "Living Values" program at the María Reiche School in Callao, with the goal of addressing the behavioral and social problems that have been experienced by elementary school students since returning to their classrooms after the pandemic.

⁷¹Lima Airport Partners is the private operator of Jorge Chávez International Airport.

⁷² Waste information for 2022 is restated following a review of data after publication of this report. The correct figure for waste generated in 2022 is 422 tons.

- The 8-week program involved 20 volunteers from the organization who served 33 students, 8 teachers, and 10 parents.
- Key results include a 29% reduction in hyperactivity and a 37% reduction in behavioral problems.
- On International Volunteer Day, we spent a day beautifying the María Reiche School, in Callao. This initiative involved 131 volunteers from the organization and benefited 145 students and 8 teachers.

Social investment: COP\$42 million

ECUADOR

Terpel has four key business lines in Ecuador: Liquid fuel service stations, fuels for Industry, lubricant distribution, and convenience services. This diversification allows us to meet the diverse needs of our customers and contribute to the sustainable development of the country. Our presence in these segments is backed by an ongoing commitment to quality, safety, and service, consolidating our position as a strategic partner in the Ecuadorian market.

We conduct our business in Ecuador through 3 subsidiaries:

- **Terpel Comercial Ecuador Cía. Ltda.:** the subsidiary responsible for the sale and distribution of liquid fuels, including gasoline, diesel, fuel oil, residuals, and liquified petroleum gas.
- **Adesgae Cía. Ltda. (Ecuador):** the subsidiary responsible for the purchase, sale, distribution, and marketing of fuels and lubricants, and for managing and operating service stations and convenience stores.
- **Terpel Lubricantes Ecuador S.A.S:** The subsidiary responsible for the sale and distribution of greases, lubricants, and oils.

Our 107 service stations distributed throughout the country keep our service station customers moving. We have 68 affiliated service stations and 39 Terpel-owned service stations.

In 2023, our total sales volume was 343 million gallons, with an EBITDA of COP\$⁷³31,663 million, and net earnings of COP\$-9,847 million.

We create and distribute value

Value creation and distribution	2023 (Figures in COP millions)
Economic value created (EVC)	2,994,252

⁷³ Without IFRS 15.

Economic value distributed (EVD)	2,995,270
Operating costs	73,103
Payments to suppliers	2,862,642
Employee salaries and benefits	38,730
Payments to governments	7,458
Investment in the community	36
Economic value retained (EVR)	(-1,019)

During 2023, we made purchases from a total of 683 suppliers.

	Convenience stores	Service stations	Lubricants	Industry ⁷⁴	Electromobility
Total points	14 Va&Ven Stores 1,373,964 customers	107 service stations 68 affiliated 39 Terpel-owned Includes 3 LPG service stations	6,200 POS 120 industrial customers for lubricants	100 customers • 100 customers	3 Charging points
Market share:	10%	Liquid fuel service stations: 10%	<ul style="list-style-type: none"> • 10.6% Mobil Lubricants • 2% Cat oils • 12.3% Total business 	Market share: <ul style="list-style-type: none"> • Fuels for industry: 17.7% 	
Sales Volume:	COP\$25,994 million	Liquid fuel service stations: 233.9 million gallons LPG: 3.3 million gallons	77,522 barrels (3.3 million gallons)	<ul style="list-style-type: none"> • Fuels for industry: 102.7 million gallons 	COP\$62 million
Sales growth:	42%	Liquid fuel service stations: -0.7% (Decline) LPG: N.A. - New business	Sales growth: -3.7% (Decline)	<ul style="list-style-type: none"> • Fuels for industry: -14.5% 	N/A

Our key milestones include the following:

⁷⁴ Includes only fuels

- **We maintained our leadership in the lubricants category** for the second consecutive year, reaching a 10.6% overall market share and a 2% share specifically with the CAT brand, for a total of 12.6%.
- **We successfully launched the direct distribution of LPG** at 3 service stations, exceeding expectations by executing 200% of the goal in the first year.
- We are ranked:
 - #2 for the **best customer experience** in our service stations.
 - #6 in the ranking of the **200 companies with the highest growth**, based on information from the Superintendency of Corporations, the Superintendency of Banks, and the Superintendency of the Popular and Solidarity Economy.
 - #9 for **companies with the greatest potential**.

Terpel Ecuador Team

- Our team consists of 561 employees, 65% of which are men and 34% are women.
- Fifty-seven percent of our employees are under the age of 30, followed by 30% between the ages of 30 and 40. The remaining 13% are between the ages of 41 and 70.
- Our voluntary turnover rate was 73%, mainly due to departures of our service station promoters, who are men under the age of 30 who were able to use the experience gained in the organization to pursue better opportunities.
- We provided 1,552 hours of training.
- We invested COP\$14 million⁷⁵ in training.

The work environment:

- We launched the Super T program to provide recognition for our employees and their outstanding achievements.

Environmental:

- We remained steadfast in our commitment to promoting energy reduction in our operations. One hundred percent of the lighting fixtures in our administrative office are LEED-certified.
- **Total energy consumption:** 14,756 GJ
- **Waste generated:** 12,346 tons
 - Hazardous: 12.28 tons
 - Non-hazardous: 0.066 tons
- **Water consumption:** 61,740 m³

⁷⁵ Expressed in local currency: USD 3,240.

- **Carbon footprint:** 1,692 TonCO₂e

Social

- We donated 1,000 T-shirts for the Ecocancer 4k race, valued at COP\$28.2 million.⁷⁶
- We made a significant contribution to The Social Project Foundation, providing 180 gallons of fuel per month for their Aqualancha School Project.

THE DOMINICAN REPUBLIC

Our operation in the Dominican Republic concentrates on the storage, distribution, and sale of aviation fuels. We strive to provide high quality services in the aviation sector, ensuring the quality and availability of fuel, and its efficient supply, to meet the needs of our customers in the region.

We operate under the corporate name of Terpel República Dominicana S.A.S.: the subsidiary responsible for selling and supplying aviation fuel and managing the operations.

In 2023, our total sales volume was 61.1 million gallons, with an EBITDA of COP\$31,020 million, and net earnings of COP\$16,425 million.

We create and distribute value

Value creation and distribution	2023 (Figures in COP millions) ⁷⁷
Economic value created (EVC)⁷⁸	1,000,001
Economic value distributed (EVD)⁷⁹	977,262
Operating costs ⁸⁰	67,355
Payments to suppliers ⁸¹	893,719
Employee salaries and benefits	9,854
Payments to governments ⁸²	6,316
Investment in the community	0
Economic value retained (EVR)	22,740

During 2023 we made purchases from 159 suppliers.

⁷⁶ Expressed in local currency: USD 6,529.

⁷⁷ Corresponds to the information reported in the financial statements (P&L).

⁷⁸ Corresponds to the company's income.

⁷⁹ Includes payments to suppliers, employee salaries and benefits, payments to the government, and community benefits.

⁸⁰ Includes fees, insurance, rent, services, marketing, maintenance, travel, depreciation, and amortization.

⁸¹ Corresponds to costs.

⁸² Corresponds to P&L tax expenses excluding deferred taxes.

Our business lines

Aviation Fuels
We operate five airports. We have 99 aviation customers. ⁸³
Market share 34.3% Sales Volume 61.1 million gallons Sales Growth of 2.1%

- We set an all-time record for sales and number of refuelings, with sales expected to total 61 million gallons from more than 35,800 wing refuelings.
- We achieved a record customer satisfaction score of 9/10 and exceeded both expected and previous results in the workplace environment survey.
- Thirty people graduated from the Terpel Aviation Fuels School, developing new knowledge and skills related to handling aviation fuels.

Terpel Team Dominican Republic

- Our team consists of 86 employees, of which 85% are men and 15% are women.
- More than 60% of our employees are between the ages of 30 and 40; 23% are under the age of 30; and the remaining 10% are between the ages of 51 and 70.
- Our voluntary turnover rate was 2.3%.
- We provided 2,112 hours of training.
- We invested COP\$202 million⁸⁴ in training.

The work environment

- We redesigned our induction plan for more effective onboarding and updated our human resources policy to comply with labor laws.
- We strengthened our plan for awards to further motivate our employees and recognize their outstanding achievements.
- We implemented assessments for supervisors to improve their performance and strengthened the implementation of programs such as Talent in Development and Job Assignments.
- The development of recreational and social activities further strengthened our work environment.

Environmental

- **Total energy consumption (GL):** 1,405,839
- **Waste generated:** 2,271.86

⁸³ Direct and active.

⁸⁴ Expressed in local currency: USD 46,701.

- Hazardous: 0.86
- Non-hazardous: 2,271
- **Water consumption:** 9,178.7 m³

Social

- We organized a volunteer day with 20 volunteers to improve environmental conditions in highly vulnerable areas.

PANAMA

Our operation in Panama focuses on 6 strategic businesses: Service Stations, Convenience Services, Lubricants, Industry Fuels, Aviation Fuels, and Marine Fuels. Each of these segments plays a vital role in our operations, in keeping with our commitment to excellence and helping us meet the mobility, fueling, and energy needs of all the areas in which we operate, from Darien to Chiriquí.

We have 5 subsidiaries and affiliates:⁸⁵

- **Petrolera Nacional S.A.:** Subsidiary responsible for the purchase, sale, and wholesale distribution of petroleum derivatives such as fuels, lubricants, and additives, as well as the development of commercial activities for the supply and provision of fuels and derivatives to the industrial, aviation, and marine sectors.
- **Transmarine Transportation & Barging S.A.:** Company dedicated to the supply and delivery of fuels and derivatives. At the end of 2011, it sold the barge used for this activity and has not been active since 2012.
- **Vonport Corp (Panamá):** No operations. Owner of 100% of the shares of Operaciones y Servicios de Combustible, S.A.S - Masser, S.A.S.
- **Orlyn S.A. (Panama):** Responsible for the purchase and retail sale of Terpel brand fuels and lubricants, and complementary businesses (retail sale of dry goods and food).
- **Energías Renovables S. A. (formerly Fuel Petroleum Service S.A.) (Panama):** subsidiary responsible for the generation of electricity for captive use and the sale of surpluses.

In 2023, our total sales volume was 288 million gallons, with an EBITDA of COP\$281,196 million, and net earnings of COP\$70,675 million.

We create and distribute value

Value creation and distribution	2023 (Figures in COP millions)
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⁸⁵ The ESG information reported corresponds to Orlyn and Petrolera Nacional.

Economic value created (EVC) ⁸⁶	4,546,000
Economic value distributed (EVD) ⁸⁷	4,451,041
Operating costs ⁸⁸	253,855
Payments to suppliers ⁸⁹	3,980,354
Employee salaries and benefits	115,552
Payments to governments ⁹⁰	44,331
Investment in the community	2,010
Economic value retained (EVR)	94,959

In 2023, we made purchases from a total of 1,996 suppliers, 93% of which were domestic.

Our business lines

	Convenience services	Service stations	Electro mobility	Aviation Fuels	Marine Fuels	Lubricants	Industry
Total points	62 stores ⁹¹ 5 Sbarro points of sale ⁹² 77 refreshment kiosks 6 Wash&go 2 Ziclos 147 Convenience services	175 ⁹³ Terpel-owned 135 Affiliated 40	7 Charging points	3 airports served, with the capacity to operate 5.	12 ports served	1,500 points of sale	115
Market share:	55%	35.6%	N/A	16%	0.3% ⁹⁴	8%	30.1%
Sales Volume:	COP\$204,826 million	196.7 ⁹⁵ million gallons	Not available	39.4 million gallons	7.8 million gallons	648 million gallons	43.6 million gallons
Sales growth:	8% ⁹⁶	1.5%	N/A	58.3%	-38.9% (fall)	9%	-3.1%

During 2023:

⁸⁶ Corresponds to the company's income.

⁸⁷ Includes payments to suppliers, employee salaries and benefits, payments to the government, and community benefits.

⁸⁸ Includes fees, insurance, rent, services, marketing, maintenance, travel, depreciation, and amortization.

⁸⁹ Corresponds to costs.

⁹⁰ Corresponds to P&L tax expenses excluding deferred taxes.

⁹¹ Stores in operation at the close of 2023.

⁹² Not counted separately. They are inside the stores.

⁹³ Service stations in operation at the close of 2023.

⁹⁴ Figure under review, based on data provided by the National Secretary of Energy.

⁹⁵ Includes volume of independent service stations.

⁹⁶ Corresponds to growth in COP. The growth in USD is 6%.

- Reaffirming our commitment to Panama's connectivity and mobility, we opened 6 new service stations in strategic areas of the country, for a total of 175 nationwide.
- Always aiming to provide the best service, we opened 8 new Va&Ven convenience stores, for a total of 62 nationwide, and 5 new Sbarro points of sale.
- **Our best reward is the well-being of our team:** for this reason, we officially inaugurated our **first Oasis** (located at the Panamericana Travel Center station - in West Panama). This modern and innovative space for rest will allow our stations and stores teams to take a break from their daily routine and recharge their batteries with the best energy.

Terpel Panama Team

The Terpel team not only represents the multiculturalism of Panama, but also promotes the complementarity of men and women in leadership at all levels of the company on a daily basis. That is why our team consists of 1,368 people, 60% of whom are women.

- Approximately 50% of our team is under the age of 30, while 7% is between the ages of 51 and 70.
- Our voluntary turnover rate was 17%.
- We provided 5,739.9 hours of training.
- We invested COP\$ 1,371 million in training.

The work environment

- We disseminated information about and implemented our Diversity, Inclusion, and Equal Opportunity Policy, which applies to our entire network of service stations, convenience stores, and corporate offices in Panama City and David (Chiriquí Province).
- Our Lactation Room has been certified by the Panamanian Ministry of Health as a space that meets all standards to ensure the well-being and privacy of our mothers.
- Closing the gender gap is not only a human rights issue; it's also an issue of efficiency and competitiveness. For that reason, we have taken the following actions:
 - Implementation of the Empowered Women program across the entire network.
 - Participation in the Gender Parity Initiative in Panama (promoted by the Inter-American Development Bank and the Ministry of Social Development), as the only company in the fuel sector to join this initiative.
 - In partnership with the Women and Energy Foundation and Panama Lidera, we organized the Women and Energy

Conference. This innovative space highlighted, for the first time in Panama, the important role of women in the energy sector.

Environmental

- To take steps to prevent and mitigate current or potential impacts on neighboring communities, we installed vapor recovery systems at the new service stations opened in Panama City.
 - We have eliminated the use of plastic packaging for products that our stores deliver to customers using our delivery service.
 - We designed a plan to increase our use of renewable energy sources, which we expect to implement by 2024.
 - We were able to reduce our carbon footprint by 9.08 tons through our environmental sustainability program, ReciclaT, implemented at our headquarters and three stations in our network.
 - We collected over 79 thousand gallons of waste oil from our industrial customers.
- **Total energy consumption (GJ):** 87,082.59
 - **Waste generated⁹⁷:** 143.42 tons (hazardous)
 - **Water consumption:** 331,000 m³
 - **Carbon footprint:** 11,517.78 tons CO₂e

Social

We implemented the following shared value initiatives in line with our sustainable development objectives and ESG criteria:

- In keeping with our commitment to improving the quality of education, through the Terpel Panama Foundation we have implemented the Design for Change, Adventure with Letters, and Interactive Classrooms programs, benefiting nearly 3,000 students in 4 of the country's 10 provinces.
- We participate in arenas and support key organizations that strengthen sustainable development in Panama, such as the CSR Week (promoted by Sumarse), the Open Doors Foundation, the Museum of Contemporary Art of Panama, the Soccer with Heart Foundation, the Man of La Mancha Foundation, the Hearing is Living Foundation, the Highway Education Foundation, and the Emprendamos Foundation.
- Thanks to the commitment and active participation of the service station, convenience store, and office teams, in 2023 we implemented the corporate volunteer programs ConectaT (providing emotional support), Dona x Dona Va&Ven, Bacurú, Vaito,⁹⁸ and Panamá es Nuestra, benefiting

⁹⁷ Panama does not currently track non-hazardous waste.

⁹⁸ Emberá word for tree, focusing on planting trees and protecting areas of strategic environmental importance.

close to 2,100 people in the Guna Yala region and in 4 provinces of the country.⁹⁹

Social investment: COP 2,010 million

Evolution of the business plan

Terpel Investment Plan 2024

Terpel develops investment plans for the upcoming year and management builds business cases for the next five years. Details of the consolidated investment plans by regional subsidiary are presented below.

Colombia

Investments for 2024 will be focused as follows:

For Terpel-owned liquid fuel stations, the projection is for 210 affiliate contract renewals, 10 new affiliates, 7 new Terpel-owned stations, and 20 branding changes. The CNG service station business plan is to open 4 service stations as part of the green corridors program, thus helping develop the country's energy network. It will also repower equipment, carry out conversions, and renew 22 contracts.

The strategy for Convenience Services continues to be to build the largest convenience store network in the country and the second largest in pizza shops. We plan to open 23 convenience stores and 30 Sbarro pizza shops in the country in order to be one of the leaders in the pizza market in the coming years.

The Lubricants business will continue developing and adapting the factory, and opening new portable MasterLub centers. With respect to our fuel facilities, we will continue to expand our storage capacity on a regional basis to meet regulatory requirements.

Aviation plans to make major and minor adjustments in infrastructure and tank maintenance, as well as improvements in airports. It will purchase and maintain refuellers.

New Energies and Electromobility plans to continue making the necessary investments to support the country's energy transition, which is why we will invest in 6 EV charging stations, 3 industrial charging hubs, and 5 fast charging points. We also have 9 self-generation projects and 1 distributed generation project.

Panama

Investments in Panama will focus on the growth of the affiliated service station segment with 9 new service stations and 3 new Terpel-owned service stations. Warehouse infrastructure will be upgraded to optimize operations, and investments will be made in operations with large industrial customers.

⁹⁹ Emberá word for water, focusing on beach cleanup and water conservation campaigns.

Peru

In Peru, investments will be made to remodel service stations and make necessary adaptations at the Lima airport. The focus of investment will be the Lubricants business with the development of the lubricants plant.

Ecuador

Investment in Ecuador will focus on service station renewals and affiliations and the installation of 4 LPG fueling stations at existing stations and 3 new convenience stores.

Dominican Republic

Investments in the Aviation business in the Dominican Republic will focus on improving and renovating facilities and operating equipment at its five airports. Investments will also be made in security: physical security, information security, and cybersecurity.

List of patents, trademarks, and others

Terpel complied in 2023 with the intellectual property laws in Colombian regulations. As a result, our trademarks are duly registered in accordance with the requirements of the law and our contracts meet the legal requirements in this area.

During this period, we registered the following trademarks:

- Terpel Aviation Fuel School (composite) in class 41, related to courses for education and training.
- Sorora Coffee (composite) within Classes 30 and 43 for coffee.
- Terpel Clean Industry Program (composite) in Class 41, related to courses for education and training.
- Patents registered: Sunex, backed by Terpel (composite) in classes 7, 9, 37, 39, 40, 42, identifying new energy services.

In addition, in accordance with Law 1676 of 2013, we state for the record that at no time has our company management impeded the free circulation of invoices issued by vendors or suppliers and, consequently, we have allowed their free negotiation and collection by their legitimate issuers. Lastly, in terms of industrial property, to date there are 18 industrial designs in force, and 324 registered trademarks in force as of their date of grant.

We have processes in place to manage compliance risks in this area. Each line of business is responsible for identifying the need to register trademarks or industrial property in general, at which point we undertake the appropriate procedures with the Superintendence of Industry and Commerce (SIC). We also monitor the gazettes of the Industrial Property Office of the SIC in order to file any formal complaints necessary. If such notices identify identical or similar trademarks that could cause confusion to consumers or in the marketplace, we promptly exercise all rights granted by the registration.

Litigation and judicial proceedings

(206-1; 417-2; 417-3; 418-1). Compliance with laws, regulations, and procedures for preventing violations

At Terpel, we have strict procedures in place to prevent any failure to comply with the law and to ensure that each business and each operation site is fully compliant with applicable regulations.

During 2023, there were no significant fines or penalties issued against us related to any impact of our products and services on the health and safety of our customers due to product labeling or marketing communications.

We have four ongoing investigations related to the rights of data subjects that, at the end of 2023, had not yet received a final decision. We also received an injunction related to product labeling, which was resolved. The investigation was closed and no sanctions were imposed on the company.

In the area of unfair competition, charges were brought against the company related to fuel distribution in Nariño, and the case is in the preliminary stage. The case has not generated any fines or sanctions against the company.

(2-27) Compliance with laws and regulations

There were no instances in 2023 of any failure to comply with laws and regulations, including environmental regulations, that might result in fines for the company.

There is no litigation or judicial or administrative proceeding to which the issuer is a party that could currently have a significant impact on its operations or financial situation, and/or cause changes in its financial situation that are likely to have an unfavorable outcome for Organización Terpel and its subsidiaries.

Nor did we report any violations of our procedures or codes of conduct that would lead to cases involving corruption and bribery, discrimination or harassment, loss of privacy of customers' personal information, conflicts of interest, or money laundering and terrorist financing.

The company considers as material to its operations, financial situation, and/or changes in its financial situation any litigation or judicial or administrative proceeding that exceeds 5% of its assets account.

Risk Management

Relevant or material risks to which the issuer and its subsidiaries are exposed and which may affect the development of its corporate purpose, strategy, financial position, and/or investment plan.

At Terpel, comprehensive risk management is a material issue. Ensuring operational excellence and creating long-term value at the environmental, social, economic, and governance levels all depend on effectively managing risk. We therefore update our corporate risk map every year, taking into account any

changes in the external and internal context of each subsidiary and each country in which we operate, in order to incorporate them into our Risk Management System and our competitive strategy.

Risk Management System

The Risk Management System encompasses all the policies, guidelines, procedures, frameworks, tools, and people that enable the company to address risks that may affect our strategic objectives and stakeholders.

It establishes a methodology with guidelines for activities to prevent threats from internal and external factors and to minimize any negative impact that could result from the materialization of the various types of risks to which the organization is exposed.

These guidelines are established by the Risk Management Department and provide the basis for the various businesses to identify, analyze, assess, and manage their risks. In addition, this methodology supports and promotes a risk management culture and is aligned with Terpel's business objectives and sustainability strategy, all with the purpose of creating value.

The Risk Management Policy is approved by the Audit and Risk Committee and is audited by an independent third-party expert. The most recent audit was in December 2023. This approach ensures effective risk management in the organization by providing a solid structure for identifying, assessing, and mitigating potential threats.

Risk management cycle

The Risk Management process includes the following phases:

1. **Define the context:** analyze and understand the internal and external context of the organization that may originate threats, opportunities, weaknesses, and strengths.
2. **Identify the risks:** Work with the business units to identify risks and opportunities that could impact business objectives.
3. **Analyze risks:** evaluate the causes and the impacts associated with the risks identified.
4. **Evaluate risks:** classify risks based on pre-defined impact and probability criteria, and on the risk appetite established by the Board of Directors.
5. **Risk treatment:** implement controls and mitigation strategies to address the risks identified.
6. **Monitoring:** Engage in continuous supervision through controls, action plans, and indicators to manage the evolution of risks, their treatment, and mitigation strategies.

The various types of risk, including operational, financial, labor, environmental (both physical and environmental transition risks), social, and human rights risks, are managed at both the strategic and operational levels in accordance with local and international regulations and frameworks.

Risk Management Governance

At Terpel, guidelines for a proper risk prevention and management process are set forth in our Comprehensive Risk Management Policy. This policy defines the organization's structure, roles, and responsibilities in the system, based on the three lines of defense model, as follows:



Risk governance	Name	Position	Reports to
The most senior person with dedicated responsibility for risk management at the operational level (non-CEO)	Paola Atuesta	Risk Director	Catalina Kekessy - Internal Audit & Risk Manager
The most senior person responsible for monitoring and reviewing risk management performance at the operational level (not the CEO)	Nicolás López	Director of Internal Audit	Catalina Kekessy - Internal Audit & Risk Manager
The most senior person responsible for monitoring and reviewing risk management performance at the operational level (not the CEO)	Catalina Kekessy	Internal Audit & Risk Manager	Óscar Bravo - President Terpel Board of Directors

Sensitivity analysis

Sensitivity analysis allows us to identify possible scenarios, anticipate risks and opportunities, and make informed decisions, in order to ensure the resilience of our organization to the various challenges we face in our business.

With regard to financial risks, the organization conducts a quarterly and annual analysis of the risks associated with the use of financial instruments, such as market risk (foreign exchange and interest rate risk), credit risk, and liquidity risk. These analyses include stress testing to assess the company's ability to withstand adverse situations and measure the overall exposure to these risks.

For non-financial risks, such as those related to cybersecurity, we use statistical tools provided by our insurance broker. These tools use frequency and severity models to quantify the maximum likely loss from an event. The model built evaluates the impact of the loss should an event occur, where each magnitude is associated with a probability.

In 2023, we conducted a comprehensive analysis to quantify and measure climate risks, both physical and transitional. We used Willis Tower Watson's (WTW) Climate Diagnostic tool, which integrates various time horizons out to 2100 and temperature rise scenarios, as follows:

RCP 2.6: Global temperature increase of less than 2°C [3.6°F] ~ SSP1-2.6.

RCP 4.5: Increase in global temperature limited to 2-3°C [3.6°F-5.4°F] ~ SSP2-4.5.

RCP 8.5: Represents a global temperature increase of +4°C [7.2°F] ~ SSP5-8.5.

The scenarios then allowed us to evaluate how Terpel's real estate portfolio could be affected by the physical risks associated with climate change.

This analysis yielded valuable information about the assets' exposure to various climate change risks, including drought, fire, thermal stress, precipitation, river flooding, sea level rise, and tropical cyclones.

To assess transition risks, WTW used the CTVar methodology, which represents the value-at-risk of climate transition. Using historical information on Terpel's revenues in the different business units, cash flows were projected to 2050 and discounted to present value. These discounted cash flows were used to determine the change in income under different climate scenarios.

Volume was calculated for two climate scenarios:

BAU (Business as usual): Scenario in which Terpel does nothing, no strategic actions are taken, and the company remains exposed to whatever happens in Colombia.

2DS: Scenario in which there is an orderly global transition that limits warming to below 2°C by 2100.

During this process, we also implemented a series of indicators to obtain a quantitative estimate of strategic risks such as the following:

- **Reputational damage:** fines and penalties, the value of Terpel's share price
- **Environmental damage:** number of spills and their impact
- **Climate change and energy transition:** carbon footprint (Scope 1 and 2)
- **Failure to maintain a culture of ethics and transparency:** number of incidents of corruption and bribery
- **Cyber-attacks, failures in our technological infrastructure or loss of confidential information:** number of cybersecurity threats, vulnerabilities, and incidents
- **Financial risk (market, credit, and liquidity):** GDP Index, TRM Dollar, US Inflation, COL Inflation, West Texas Intermediate (USD/Bbl), JET Fuel (USD/Gln)
- **Interruption of Business (Fuels):** % compliance with Ecopetrol fuel nomination, % compliance with Cenit fuel nomination, % compliance with biofuel nomination
- **Physical security and safety risks in our operations:** Total number of grade 1, 2, and 3 accidents
- **Increase in the price of raw materials (fuels):** TRM dollar, international forecast for price of regular gasoline, international forecast for price of diesel gasoline

Strategic Risks

Effective management of risks and opportunities at the strategic, tactical, and operational levels plays a critical role in the short, medium, and long-term sustainability of the business. Therefore, during the strategic risk identification process, we focus our analysis on a detailed assessment of the critical factors that could materially affect the achievement of our business objectives. During 2023, we managed our strategic risks in line with our updated corporate map and the risk appetite approved by the Audit and Risk Committee on behalf of the Board of Directors, as follows:

Risk	Description of the risk and possible impact	Risk mitigation plan
Social and political risk	Colombia in 2022 experienced a situation of political and economic uncertainty, given high inflation, the volatility of the dollar, and an increase in interest rates. During the second half of the year, the country's expectations focused on the new administration and its initial decisions on economic, social, and environmental public policy. The new measures are expected to impact the energy mining sector. It will have to adapt to regulatory changes that may be counter to its economic interests. It is also expected that the industry will have to reformulate its relations with outside stakeholders to make its operations viable.	<ol style="list-style-type: none"> 1. Definition and implementation of an engagement plan for the organization. 2. Regulatory monitoring and management. 3. Planning and development of stakeholder engagement and human rights due diligence. 4. Training plan for civil works contractors on best practices in contracting. 5. Identification of critical operations and definition of an action plan. 6. Strengthening of training processes for positions with greater exposure to socio-political risk in all regions. 7. Public Affairs Committee with regional offices to present current issues, events that have occurred, lessons

	<p>We could experience difficulties in executing our growth strategy, damage to our infrastructure, temporary business interruptions and disruptions, or complaints from our stakeholders. There could be alerts raised for extortion, kidnapping, or threats against OT employees and contractors.</p>	<p>learned, and plans for improvement to strengthen the process.</p> <p>8. Support for the Operations Supply Committee and Crisis Committee with contextual information to stay abreast of the country's political and social situation.</p>
<p>Climate change and energy transition</p>	<p>Climate change and the energy transition are on the global agenda. Continued political and social attention on climate change have led to international agreements such as the Paris Agreement, as well as national, regional, and local regulations to limit and mitigate greenhouse gas (GHG) emissions and their impacts on the environment.</p> <p>These agreements and measures could result in future laws and regulations that increase our compliance costs and produce greater restrictions on operations. Currently, regulatory bodies such as the Colombian Financial Superintendency and some customers already require compliance, reporting, and disclosure of information and evidence on our climate change management. Regulators could also seek to limit certain oil or gas projects or make it more difficult for us to obtain the permits required to operate.</p> <p>Climate and ESG regulation is expected to have a significant impact on the hydrocarbon industry, which would have a direct impact on our business model. Likewise, public policy decisions aimed at reducing the use of fossil fuels and promoting the energy transition may also have adverse effects on our sales volumes, revenues, and margins.</p>	<p>1. Development and publication of our Environmental Stance, which defines our goals and targets, as well as indicators for climate change, circular economy, waste management, and safe operations.</p> <p>2. Implementation of the climate change risk management model, taking into account the recommendations of the TCFD framework in the areas of governance, strategy, risk management, and metrics and targets.</p> <p>3. Definition of initiatives to reduce Scope 1 and Scope 2 GHG emissions from our operations and to transform our energy consumption matrix.</p> <p>4. Establishment of programs and initiatives in the Lubricants and Convenience Stores businesses, where we identified the greatest opportunities for implementing circular economy strategies.</p> <p>5. Our Terpel Voltex brand develops and provides electric charging services for electric and plug-in hybrid vehicles, both at Terpel stations and outside them, promoting the adoption of electric vehicles in the country.</p> <p>6. Implementation of projects and alliances with third parties to offer a comprehensive portfolio of new energies to existing and potential new customers, thereby helping the country transform its energy matrix.</p>
<p>Widespread cybercrime and cyber insecurity</p>	<p>Disruptions or breaches in our cybersecurity could affect or target the IT infrastructure that supports the business' core and support processes. Any cyber-attack could have a material impact on our business, affecting the continuity of our operations, our relationships with our business partners, and our reputation.</p> <p>Cyber risk has become a constantly evolving systemic risk for Organización Terpel. The drastic increase in remote work, greater reliance on the Internet, pressures related to the digital transformation, critical vulnerabilities in</p>	<p>1. Timely identification and management of vulnerabilities.</p> <p>2. Quarterly monitoring through the Strategic Cybersecurity Committee.</p> <p>3. Our cybersecurity culture and awareness plan includes educational campaigns and training.</p> <p>4. A disaster recovery plan in the event of an information system service failure.</p> <p>5. A cyber insurance policy that covers the costs/expenses of investigations, fines, and the general cost of recovering from an attack. Each year,</p>

	IT infrastructure, and increased state sponsorship of such attacks means our exposure to this risk is increasing.	we seek to improve the terms of this policy.
Increase in price of raw materials (fuels, CNG, lubricants)	<p>Increased raw material costs for the fuel, CNG, aviation, and lubricants businesses could have an impact on the company's margin if we are unable to pass on the price increase to our customers. This would be due primarily to an increase in international oil prices, exchange rate volatility, shortages due to supply chain disruptions, or other factors.</p> <p>In the case of fuels, we may be able to pass these increases on to the end customer, but it could impact demand, sales, and market share.</p> <p>In addition, the Colombian CNG business is exposed to supply and transportation costs denominated in U.S. dollars, and therefore business development and margins are affected by devaluation scenarios.</p> <p>In the case of lubricants, there is a high degree of uncertainty in the supply chain due to global shortages of basic components and additives, increases in the price of logistical freight, scarcity of ships, changes in shipping routes, shortage of containers, delays in customs clearance at ports, and other factors.</p>	<ol style="list-style-type: none"> 1. Weekly monitoring of the projection and structure of fuel prices (diesel and regular Gasoline). 2. Constant monitoring of market behavior and analysis of how macroeconomic changes and trends affect our customers and competitors. 3. Short- and long-term negotiations for CNG to ensure the efficient supply of gas to our service stations. 4. Ongoing review of economic variables such as the behavior of exchange rates and calculation of the gas price for the upcoming month. 5. Also, monitoring of indicators such as energy prices (this represents the third highest cost at service stations), maintenance costs, gasoline prices (price to the public), and sales to reduce idle capacity. 6. In the case of lubricants, an alliance with a global hydrocarbon supplier allows us to leverage the purchase of raw materials at competitive prices.
Reputational damage	<p>The reputation of Terpel and its brands is a valuable asset for the company. Our image with our different stakeholders (customers, partners, investors, employees, etc.) could be affected by circumstances such as product quality issues, fuel shortages, environmental damage, regulatory violations, internal fraud, or cyber-attacks.</p> <p>A negative impact on our reputation could, in turn, become an obstacle to successfully competing for new opportunities, obtaining necessary regulatory approvals, obtaining financing, or attracting talent, or it could reduce demand for our products.</p>	<ol style="list-style-type: none"> 1. Identification, description, and validation of crisis scenarios and their prioritization, taking impact and probability variables into account. 2. Definition and formalization of the management model, organization, roles, responsibilities, internal and external communication plan, and key crisis management issues through the development of a Crisis Manual. 3. Definition of the structure, objective, roles, and responsibilities of the Crisis Committee. 4. Training for key personnel on the Crisis Manual and online courses for the entire company on the basic concepts of managing and responding to a potential crisis. 5. Simulation exercises to recreate crisis scenarios in the various businesses to test correct application.
Failure to anticipate and	To maintain our competitive position, especially in light of the nature of our	<ol style="list-style-type: none"> 1. Virtual Network Strategy (100% of the network)

<p>adapt to an ever-changing technological environment</p>	<p>business and the need for continuous improvement in the efficiency and speed of our processes and operations, Organización Terpel must anticipate and be capable of adapting to a constantly changing technological environment. It must be poised to take advantage of the benefits of new and emerging technologies, such as: (IoT) Internet of Things, (AI) Artificial Intelligence, Machine Learning, (Metaverse) Virtual/ Augmented Reality, (RPA) Robotic Process Automation, and Blockchain.</p> <p>This requires not only tools and methodologies, but also the development of digital skills in the workforce to facilitate processes and adapt to changes, processes, and ways of working. It also requires the development of an organizational culture that is aligned with and committed to this transformation, that is open to change, and that facilitates the development and quick adoption of new technologies and innovations.</p>	<p>2. Digital Transformation Model that supports the competitive strategy of businesses with a focus on our customers and partners. This strategy consists of the following strategic initiatives:</p> <ul style="list-style-type: none"> • Terpel POS at the point of sale: service stations, Sckuba, and convenience services. • Partners' digital channel • Rumbo Digital Saturno • Terpel App • Fintech (payment means) • Implementation of Terpel's agile operating model (MOAT).
<p>Environmental damage</p>	<p>This is damage we could possibly cause to soil, air, ocean, or water sources in any region or town caused by spills, leaks, overfilling, or loss of containment of our products at any point in our value chain. These events could be caused by, among other things, poor practices by third parties at our facilities, failure by our employees to follow established procedures, lack of equipment maintenance, deficiencies in employee and third-party education and training, failures in the self-inspection culture in our operations, or infrastructure and/or fuel storage and transfer equipment failures.</p> <p>This could result in relevant consequences due to complaints or lawsuits filed by the communities where we operate, fines or sanctions, financial losses, or damage to Terpel's image.</p> <p>We could cause damage to ecosystems or communities and, as a result, be subject to complaints or lawsuits, fines or sanctions, reputational damage or economic loss.</p>	<ol style="list-style-type: none"> 1. An integrated management system based on the PDCA methodology to ensure the correct and timely identification and management of environmental, health, and safety risks. 2. System monitoring and verification using an online indicator dashboard and internal and external audits for each operation. 3. Third-party experts at the national level provide technical support in the event of a crisis. We develop our emergency response at a strategic level through our crisis management protocols. 4. ISO 14000, 45000 and 9000 certifications for our environmental, OHS, and quality management systems, respectively, in Aviation, Industry, and in the factory. 5. Development and publication of the organization's Environmental Stance, which defines our goals and indicators for climate change, circular economy, waste management, and safe operations.
<p>Financial risk (market, credit, and liquidity)</p>	<p>The economic, political, and regulatory uncertainty caused by the worldwide health crisis, along with the change in the presidential administration in</p>	<ol style="list-style-type: none"> 1. Monthly monitoring of business unit results, quantifying the impact on volume, P&L, and cash flow.

	<p>Colombia have had a significant impact on our economy. We are currently exposed to historic levels of inflation, greater volatility in interest rates and foreign exchange rates, and increases in the cost of our raw materials.</p> <p>In addition, an economic recession is possible, which would result in higher unemployment and a decrease in the purchasing power of individuals and businesses. There could be regulatory changes, fiscal or tax reforms, or government action regarding the pricing structure for regular and premium gasoline, all of which could reduce our revenues.</p> <p>We could experience a decrease in revenues, collection, portfolio, and liquidity risks, problems with strategic allies in the distribution of our products, difficulties in executing the company's growth plan, an increase in costs and expenses, or a reduction in the profitability margin.</p>	<ol style="list-style-type: none"> 2. Analysis of prices in order to adjust them according to changes in costs and expenses. Analysis of changes in demand and monitoring of market prices, primarily in the Lubricants and CNG businesses. 3. Emphasis on cost control and the pursuit of efficiencies in all CORE and support areas, with detailed monthly monitoring and control. 4. Monitoring of investment projects and adjustment of plans according to cash flow analysis, prioritizing strategic projects and watching over leverage ratios monitored by risk rating agencies. 5. Determination of portfolio recovery strategies for high-risk clients or those with older portfolios, in order to secure payment agreements and potential recoveries. 6. Negotiation with various suppliers to provide greater flexibility in free cash flow. 7. Strategies to improve debt profile and obtain resources at the best rates.
<p>Interruption of the business</p>	<p>Business continuity could be affected by, among other things, political and social unrest, cyber-attacks and technological failures, pandemics and epidemics, and supply chain disruptions, including supplier bankruptcies, port closures, and labor strikes.</p> <p>In our case, one of the most important issues is that several of our business units may be significantly dependent on certain suppliers for raw materials and critical inputs. We could experience shortages if strategic suppliers are unable to supply fuel, biofuels, pipeline deliveries, base oils, additives, and other lubricant inputs in the quantities and with the frequency we require.</p>	<ol style="list-style-type: none"> 1. Contingency and response plans in all business units for events that could affect the delivery of our value promise. 2. A crisis management manual and a senior management committee for crisis management. 3. DRP and Emergency Response Plan. 4. Drills and training for potential disruptions.
<p>Difficulties finding, developing, and retaining the best talent</p>	<p>Difficulties could be encountered finding specialized talent for strategic positions in the organization (e.g. digital transformation processes, data analytics, robotics, and fuels and lubricants), or key people could be lost if we fail to implement a talent loyalty strategy that correctly interprets the current needs of our employees. Other difficulties could be encountered in lacks related to a work-life balance, flexible work schedules, equitable assignment of workloads and functions, or a companywide culture of empowerment, leadership, and</p>	<ol style="list-style-type: none"> 1. To continue to be positioned as an employer brand in Colombia, an outreach plan with the different schools in the country to create opportunities and strengthen our presence. Programs to develop our talent internally through mentoring and training using the 70-20-10 methodology. 2. Knowing there are some critical positions in the organization that are difficult to replace, a succession plan for filling these positions. 3. Definition of our cultural ecosystem according to our goals and higher

	<p>innovation.</p> <p>Similarly, with generational changes, it is becoming increasingly important for people to feel that the corporate purpose is aligned with their personal purpose, strengthening their love for the brand and their sense of belonging in the organization.</p>	<p>purpose, highlighting our innovation, flexibility, diversity and inclusion, and leadership programs (strengthening the 10 characteristics of a Terpel leader).</p> <ol style="list-style-type: none"> Continued strengthening of our culture of feedback and recognition through training programs and performance reviews that provide formal and informal spaces to give and receive feedback and recognize employees when they excel and exemplify our values.
<p>Failures in the culture of ethics and transparency</p>	<p>A culture of ethics and transparency is extremely important because it reflects the commitment of senior management to accept and assume it as a priority responsibility under which all employees agree to do what is right and to pursue the objectives and values of Organización Terpel. Our ethics culture is the first topic covered in our Code of Conduct, which must be communicated and practiced in our decisions and daily actions.</p> <p>Consistency between what we say and what we do is the key to strengthening our culture of ethics. Our behaviors, actions and decisions must be guided by our values of integrity, respect, and reliability and communicated to the organization through the example of our leaders.</p> <p>Failure to foster this culture in the organization could expose us to fraud, corruption, and bribery, which could result in financial loss, fines or sanctions, and damage to our reputation.</p>	<ol style="list-style-type: none"> Development and dissemination of the organization's Code of Conduct, and training in the Code. It formally establishes the principles, values, and ethical standards by which the company is governed. A confidential reporting line provides channels for all employees, suppliers, contractors, shareholders, and other stakeholders to report any situation that runs counter to our values. The Ethics committee is led by the Company's Senior Management to promote the organization's ethical culture. A Labor relations committee has the purpose of improving the working conditions of the employees and to protect them from possible psychosocial risks that may affect their health in the course of their work. Our conflict of interest policy defines guidelines and procedures for preventing, managing, disclosing, and administering potential conflicts of interest. A system to prevent the risks of money laundering, terrorist financing, and corruption, based on our Know Your Customer policies.
<p>Regulatory compliance</p>	<p>We are exposed to an environment of greater regulatory change due to the political and/or economic instability we are experiencing and the legislative work of the new administration and its agencies. This could lead to changes in laws, rules, and regulations in the areas of fuel distribution, public utilities, or financial, accounting, labor, tax, environmental, or licensing laws, among others. These changes could adversely affect the way Terpel operates if it is not able to anticipate and respond in a timely manner to the most relevant changes related to key areas of its</p>	<ol style="list-style-type: none"> A Regulatory Change Policy defines the structure, governance, roles, and responsibilities across the organization for managing regulatory change. Continuous alignment with the Executive Committee to leverage and reinforce a culture of compliance. An annual work plan to raise awareness and educate the organization on managing regulatory change. Each year, updating of the lobbying and advocacy plan to reflect the political landscape. This helps ensure

	<p>business.</p> <p>We could also be exposed to regulatory compliance risks if the areas responsible for such compliance are not quick to adapt processes and comply with the most relevant or important regulations in the areas of ML/FT, personal data protection, free competition, and others. This could result in fines or financial, criminal, or civil penalties for us and our employees.</p>	<p>we remain viable in the areas where we operate, learn first-hand about regulatory changes, and influence public policy.</p> <p>5. Continuous tracking and monitoring of regulatory compliance and new regulations that may emerge and have a relevant impact on our business units.</p>
Physical security and safety risks in our operations	<p>This refers to the risk of accidents or illnesses caused by our operations to our employees or third parties. It also refers to possible insecurity in some of our operations (theft, robbery, or extortion) that could affect the well-being of our employees or third parties, cause damage to our physical infrastructure, or result in loss or damage to our products or inventory.</p> <p>Possible impacts could include closure of work centers, interruption of business, cost overruns, personal injury, property damage, third-party damage, reputational damage, legal non-compliance, possible non-compliance with customers and partners, fines or closures and lawsuits.</p>	<ol style="list-style-type: none"> 1. A comprehensive management system uses the PDCA methodology to ensure correct and timely identification and management of environmental risks, and provide training for operations and feedback on lessons learned from accident investigations. 2. System monitoring and verification using an online indicator dashboard and internal and external audits for each operation. 3. Dissemination of and training in the emergency response plan. 4. Personal and all-risk property insurance program. 5. Robust physical access control system.

Emerging risks

Managing emerging risks has become an essential component for organizations in a world characterized by rapid change and increasing complexity. At Terpel, we understand emerging risks as those unpredictable or unconventional threats or challenges that can arise unexpectedly and have a significant impact on the organization's operations and long-term viability. These risks can come from a variety of sources, such as disruptive technological advances, changes in the regulatory environment, extreme weather events, or health crises. Proactive management of these risks is essential to anticipate, assess, and mitigate potential adverse impacts, enabling us to adapt effectively to a dynamic business environment and be resilient in the face of emerging challenges.

We classify the following risks as emerging risks on our strategic risk map:

- Widespread cybercrime and cyber insecurity
- Climate change and energy transition

Learn more about the nature of mitigation actions and their impact, [here](#).

Quantification of probable impact

The following are quantitative estimates of the likely impact of the above prioritized strategic risks. These estimates were made after analyzing the economic dimension of the organization's financial impact matrix, which determined the ranges of impact on EBITDA, equity, and net income, considering the following as having a high and critical impact:

- Impact on EBITDA from 5% to 10% or more.
- Equity impact of 2.3% to 5% or more.
- Revenue impact of 2.3% to 5% or more.

Risk	Likelihood	Impact	Quantitative estimate of likely impacts
Climate change and energy transition	Likely	High	In 2023, we analyzed the value-at-risk of the climate transition using the CTVAR methodology. Based on our historical income information, we projected cash flows over time horizons to 2050. We then discounted these cash flows to present value. These discounted cash flows are used to determine the change in income under different climate scenarios. The analysis showed that Terpel could experience an impact of more than 5% of its revenue by 2050 due to reductions in fossil fuel sales.
Widespread cybercrime and cyber insecurity	Likely	High	To minimize the economic impact of these events, and with the assistance of our insurance broker, we run an annual statistical model through Cyber Q to quantify the maximum loss and determine the probability of an event occurring using frequency and severity models. According to the most recent exercise regarding the maximum likely loss from privacy risks, network disruptions, and risks to the rights of data subjects, we can determine with 95% confidence that the impact would not exceed 5% of the Company's EBITDA in any one year. According to Cyber Q, the probability of this risk occurring in 50 years is 1%.
Increase in price of raw materials / commodities	Likely	High	The company currently has a risk review model, using the VaR methodology, to regularly monitor variations in fuel and lubricant costs and their impact on the company's gross profit. According to the most recent exercise, the maximum value at risk due to variations in costs would not exceed 13% of the company's EBITDA in any one year, with a 95% confidence level.
Financial risk (market, credit, and liquidity)	Possible	High	See the note on financial risk in the financial statements.
Interruption of the business	Possible	High	Considering a total interruption of one day, and without considering contingency plans, we would estimate a loss of 5% of one month's EBITDA or less than 0.5% of one year's EBITDA - pending review by financial planning.
Reputational damage	Possible	Critical	Reputational risk may result in reduced demand or adversely affect the price of the company's securities traded on the stock exchange.

			<p>Looking at the stock's performance over the past 3 years, its behavior is mainly driven by market behavior and has little to do with the company's fundamentals. Daily price fluctuations have been less than 10% and are a reflection of the low liquidity of the stock when trading activities are within the normal range.</p> <p>In line with the above, a 1% change in annual demand has an approximate impact of 1.3% on EBITDA and a 1% change in share price has an approximate impact of 1% on the market value of equity.</p>
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Risk events materialized

The following risks materialized in 2023 and had an impact on our corporate purpose, reputation, strategy, operations, financial condition, or investment plan:

Risks materialized	Measures taken
<p>Increase in price of raw materials / commodities</p> <p>Aviation inventory adjustment</p>	<p>Although there was an inventory adjustment for jet fuel, it was largely offset by an inventory adjustment for gasoline.</p>
<p>Financial risk (market, credit, and liquidity)</p> <p>Viva Air Portfolio</p>	<p>We implemented a strategy to limit our exposure to airlines by reducing credit days and reviewing commercial terms at contract renewal, and turning down volume that did not meet these conditions. As a result, the business unit's profitability improved.</p>
<p>Social and political risk</p> <p>22 questions, complaints, or claims (PQRs) related to operational impacts</p> <p>32 blockages of operations with a total duration of 2,520 hours (1,440 hours were blockades in the Department of Norte de Santander related to public disturbances and social conflicts).</p> <p>6 incidents related to public order</p> <p>20 security incidents</p>	<p>Measures taken included analysis and response within the established timeframe, situational and contextual analysis, and definition and implementation of an action plan to manage the impact and restore operations.</p>
<p>Environmental damage</p> <p>Rionegro spill</p>	<p>For a detailed description of this risk and the measures taken, please see the chapter on "Our commitment to the planet."</p>
<p>Failures in the culture of ethics and transparency</p> <p>In the year 2023 there were 4 confirmed cases of corruption.</p>	<p>Of these 4 cases, the first resulted in the dismissal of 3 employees, the second resulted in the dismissal of 1 employee and 2 employees of a supplier, the third resulted in the dismissal of 3 employees,</p>

	and the fourth resulted in the resignation of an employee during the investigation.
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Strengthening a risk management culture

During the year, we launched our Corporate Risk Management Culture Plan, which aims at strengthening the day-to-day risk management skills of all our employees. These efforts will be reinforced with the launch of the virtual course on the principles of corporate risk management "Challenging the Myth and Overcoming Risks with Knowledge" on the Class T platform, which will be mandatory for all employees starting in January 2024.

As part of strengthening the risk management culture with the members of the Board of Directors and the Executive Committee, we conducted training sessions on environmental, social, and governance risk management in 2023. The training included specific sessions on climate risks and opportunities, managing regulation, standards such as the TCFD standards, and physical and transition risk analysis.

Read more about this process in the Risk Management annex to this report.

Part two. Stock market and financial performance

Behavior and performance of the securities in the trading systems in which they are listed.

Variable income: During 2023, Terpel's share price fluctuated between a high of COP 7,750 and a low of COP 6,370, a range of 21.6%. The share price at year-end showed a moderate variation of -3.49% compared to the closing price of 2022. This was relatively strong performance, however, compared to the -7.7% decline in the MSCI Colcap Index over the same period.

Trading performance of common stock

General Information

Name	Registration date	Shares outstanding	Market capitalization
TERPEL	15-08-2014	181,424,505	1,406,039.91

Prices

Name	Average daily price
TERPEL	7,353.08

Name	Date	Maximum price COP
TERPEL	09-03-2023	8,600
Name	Date	Minimum price COP
TERPEL	15-09-2023	6,370
Name	Date	Closing price COP
TERPEL	26-12-2023	7,750
Name	Annual price change	
TERPEL	-3.49%	

Trading volume

	Name	Volume
Volume	TERPEL	22,060
Average daily trading volume	TERPEL	91

Number of transactions

	Name	Number of transactions
Number of transactions	TERPEL	7,165
Average transactions per day	TERPEL	30

Fixed income: Fixed income securities recorded a decline in most references in 2023, driven by the constant decline in the cumulative CPI, especially in the second half of the year.

Behavior of Fixed Income Transactions by Trading Price

Nemo	Description	Issue date	Maturity date	Base rate	Trading session	Number of transactions	Maximum price	Minimum price	Closing price	Previous closing price
BTPL01139C18	18 years CPI	27-02-2013	27-02-2031	CPI + 3.38	TRD	3	19.28	19.27	19.28	

BTPL01159D15	15 years CPI	18-02-2015	18-02-2030	CPI + 4.06	TRD	13	19.24	17.09	17.34	15.70
BTPL1189C005	5 years CPI	07-06-2018	07-06-2023	CPI + 2.88	CVDP	2	12.00	12.00	12.00	7.45
BTPL1189C005	5 years CPI	07-06-2018	07-06-2023	CPI + 2.88	TRD	52	18.55	12.00	12.00	18.72
BTPL1189C010	10 years CPI	07-06-2018	07-06-2028	CPI + 3.60	TRD	11	21.91	17.06	17.11	21.07
BTPL1189C015	15 years CPI	07-06-2018	07-06-2033	CPI + 3.86	TRD	40	21.47	16.06	16.25	19.58
BTPL1189C025	25 years CPI	07-06-2018	07-06-2043	CPI + 4.02	TRD	12	21.47	16.32	16.33	21.11
BTPL2209C015	15 years CPI	26-02-2020	26-02-2035	CPI + 3.01	TRD	12	20.66	15.92	15.92	18.01
BTPL2209C025	25 years CPI	26-02-2020	26-02-2045	CPI + 3.40	TRD	6	19.58	16.32	16.33	21.10
BTPL3239C005	5 years CPI	27-07-2023	27-07-2028	CPI + 5.14	TRD	12	17.89	17.67	17.89	
BTPL3239C015	15 years CPI	27-07-2023	27-07-2038	CPI + 5.29	TRD	11	18.06	16.29	16.31	

Behavior of Fixed Income Transactions by Clean Price

Nemo	Description	Issue date	Maturity date	Base rate	Trading session	Number of transactions	Maximum price	Minimum price	Closing price	Volume (COP millions)
BTPL01139C18	18 years CPI	27-02-2013	27-02-2031	CPI + 3.38	TRD	3	92.70	92.66	92.66	14,828.64
BTPL01159D15	15 years CPI	18-02-2015	18-02-2030	CPI + 4.06	TRD	13	98.77	96.39	96.39	32,954.21
BTPL1189C005	5 years CPI	07-06-2018	07-06-2023	CPI + 2.88	CVDP	2	103.51	103.51	103.51	16,562.40
BTPL1189C005	5 years CPI	07-06-2018	07-06-2023	CPI + 2.88	TRD	52	103.77	101.02	103.77	283,270.06
BTPL1189C010	10 years CPI	07-06-2018	07-06-2028	CPI + 3.60	TRD	11	98.33	88.82	95.98	13,381.01
BTPL1189C015	15 years CPI	07-06-2018	07-06-2033	CPI + 3.86	TRD	40	97.54	88.42	97.02	103,190.20
BTPL1189C025	25 years CPI	07-06-2018	07-06-2043	CPI + 4.02	TRD	12	95.54	87.29	95.48	24,841.52
BTPL2209C015	15 years CPI	26-02-2020	26-02-2035	CPI + 3.01	TRD	12	91.08	83.76	88.75	23,656.60
BTPL2209C025	25 years CPI	26-02-2020	26-02-2045	CPI + 3.40	TRD	6	91.95	89.26	91.90	9,868.24
BTPL3239C005	5 years CPI	27-07-2023	27-07-2028	CPI + 5.14	TRD	12	100.71	100.05	100.18	935.35
BTPL3239C015	15 years CPI	27-07-2023	27-07-2038	CPI + 5.29	TRD	11	101.47	100.04	101.47	27,508.30

Information on the issuer's equity ownership and other material matters with respect to its ownership structure of capital and securities in issue.

INFORMATION ON [SHARE CAPITAL](#) AS AT DECEMBER 31, 2023 - ORGANIZACIÓN TERPEL, S.A.

Issuer's outstanding share classes	Number of shareholders	Percentage of share capital by class of shares
Common	7,834	100%

(ii) Information on effective beneficiary:

Information on the beneficial owners of Organización Terpel S.A. as at December 31, 2023

NAME/COMPANY NAME	SHARE CLASS	% OWNERSHIP	COMPANY NAME/ FIRST AND LAST NAMES OF SHAREHOLDER(S)
Organización Terpel S.A.	Common	56.18	Copec S.A.
Copec S.A.	Common	99.99	Empresas Copec
Empresas Copec S. A.	Common	60.82	Antar Chile S.A.
Antar Chile S.A.	Common	63.40	Inversiones Angelini y Compañía Limitada
Inversiones Angelini y Compañía Limitada	Common	19.43	Inversiones Golfo Blanco Limitada
Inversiones Angelini y Compañía Limitada	Common	16.99	Inversiones Arianuova Limitada
Inversiones Angelini y Compañía Limitada	Common	15.60	Inversiones Senda Blanca Limitada
Inversiones Angelini y Compañía Limitada	Common	13.69	Inversiones Rondine Limitada
Inversiones Arianuova Limitada	Common	99	Roberto Angelini Rossi
Inversiones Rondine Limitada	Common	99	Patricia Angelini Rossi
Inversiones Golfo Blanco Limitada	Common	24.99	Maurizio Angelini Amadori
Inversiones Golfo Blanco Limitada	Common	24.99	Daniela Angelini Amadori
Inversiones Golfo Blanco Limitada	Common	24.99	Claudio Angelini Amadori
Inversiones Golfo Blanco Limitada	Common	24.99	Mario Angelini Amadori
Inversiones Senda Blanca Limitada	Common	33.33	Franco Melafe Angelini

Inversiones Senda Blanca Limitada	Common	33.33	Maximiliano Valdés Angelini
Inversiones Senda Blanca Limitada	Common	33.33	Josefina Valdés Angelini

(iii) Dividend information:

Dividends approved by the General Shareholder's Assembly

As recorded in Minutes No. 48 of the General Shareholders' Meeting of Organización Terpel S.A. held on March 24, 2023, the shareholders approved a distribution of earnings in the form of a dividend payment in one installment on March 31, 2023:

Ordinary Shareholders Assembly	
Organización Terpel S.A., MARCH 24, 2023	
Proposed distribution of profits for the year ending December 31, 2022	
'The Board of Directors of ORGANIZACIÓN TERPEL, S.A. hereby submits the following proposal for the distribution of profits to be considered by the Ordinary Shareholders' Meeting of March 24, 2023:'	
Net Income (Loss) for the year, period: January to December 2022:	\$ 333,411,532,045
Untaxed earnings as of December 2016	\$ 21,428,825,042
Untaxed earnings as of December 2017 and thereafter	\$ 902,925,684,188
Reserve for tax provisions constitutes INCRNGO R.T.290 (a)	\$ 1,596,589,098
Profit and reserve at the disposal of the Assembly:	\$ 1,259,362,630,373
Distribution is proposed of the accumulated untaxed earnings:	\$ 166,705,766,023
Untaxed earnings accrued as of December 2016	\$ 23,025,414,140
Untaxed earnings generated since December 2017	\$ 143,680,351,882
For an ordinary UNTAXED Dividend on 181,424,505 outstanding shares, at a rate of \$918.87127388 per share, to be paid in the month of March 2023 in cash in one installment on March 31, 2023.	

Untaxed earnings accrued as of December 2016 for future disposition by shareholders: (**)	
Untaxed Earnings generated since 2017 for future Shareholder disposition: (***)	\$ 1,092,656,864,351
EQUAL AMOUNTS	\$ 1,259,362,630,373
<p>NOTES ON THE DISTRIBUTION OF EARNINGS:</p> <p>(*) Application is proposed of the policy establishing dividends of 50% of earnings for the year 2022.</p> <p>For the 2022 dividend, the General Shareholder's Assembly approved an increase in the payout capacity to 55.08%, calculated on 2021 earnings. This decision was made with a view to excluding the negative impact of USD 8,168 million due to the restatement of deferred taxes.</p> <p>(**) Earnings for 2016 and prior years are not subject to withholding.</p> <p>(**) Earnings for 2017 and subsequent years are subject to withholding.</p>	

Organización Terpel S.A. complies with the ex-dividend date established in Decree 4766 of 2011 and in the General Regulations of the Stock Exchange. As a result, share trades made between the first business day of the dividend payment and the four trading days immediately preceding such date will not be entitled to dividends.

Financial information for the reporting period in comparison with the immediately preceding period

Organización Terpel S.A. and Subsidiaries (Preliminary - subject to review by KPMG)

Consolidated Classified Statement of Financial Situation As at December 31, 2023 and 2022

	Notes	December 31, 2023 COP millions	December 31, 2022 COP millions
Liabilities and shareholders' equity			
Current Liabilities:			
Other Current Liabilities	7 and 22	1,088,524,143	1,464,453,680
Trade and Other Payables	7 and 23	1,630,200,066	1,898,960,453
Related Entities Payable	10b	167,151	775,015
Current Tax Liabilities	12	272,580,462	251,879,822
Employee Benefits Provisions	24	20,262	17,912
Total current liabilities		2,991,492,084	3,616,086,882
Non-Current liabilities:			
Other Non-Current Liabilities	7 and 22	3,171,446,289	3,117,226,522

Trade and other payables	7 and 23	5,117,356	-
Other Long-term Provisions	25	19,033,266	8,585,625
Deferred tax liability	21	387,225,917	474,933,660
Non-Current Employee Benefits Provisions	24	12,031,292	13,435,150
Total Non-Current Liabilities		3,594,854,120	3,614,180,957
Total Liabilities		6,586,346,204	7,230,267,839
Equity	26		
Issued Capital		195,999,466	195,999,466
Issued premium		219,365,731	219,365,731
Other shares in Equity		414,100,082	789,689,617
Other reserves		125,227,431	126,824,020
Gains and losses recorded		1,796,351,817	1,676,396,711
Equity Attributable to Owners		2,751,044,527	3,008,275,545
Non-Controlling Interests		325,677	406,131
Total Equity		2,751,370,204	3,008,681,676
Total Equity and Liabilities		9,337,716,408	10,238,949,515

The accompanying notes are an integral part of these consolidated financial statements.

	Notes	December 31, 2023 COP millions	December 31, 2022 COP millions
Assets			
Current assets:			
Cash and cash equivalents	6, 7	916,490,753	582,936,679
Other Current Non-Financial Assets	8	145,732,929	140,138,812
Trade debtors and other current receivables	7, 9	1,394,911,842	1,548,255,623
Current Related Entities Receivables	10a	424,882	3,484,421
Inventories	11	1,378,066,227	1,764,718,797
Current Tax Assets	12	132,512,387	391,850,867
Non-current assets or groups of assets for disposal classified as held for sale	14	367,450	394,960
Short Term Contract assets	15	67,277,342	87,416,604
Total Current Assets		4,035,783,812	4,519,196,763
Non-Current Assets			
Other Non-Current Financial Assets	7	2,042,363	2,042,921
Other Non-Current Non-Financial Assets	8	3,156,137	3,752,805
Trade debtors and other non-current receivables	7, 9	15,018,742	24,637,261
Investments accounted for using the equity method	13	16,958,730	14,623,785
Intangible assets different to capital gain	16	642,896,484	821,846,155
Capital Gain	17	328,051,883	362,704,492
Property, Plant, & Equipment	18	3,939,357,242	4,158,389,576
Investment Properties	19	11,855,911	3,171,767
Current tax assets	21	48,987,771	60,583,152
Long Term Contract Assets	15	293,607,333	268,000,838
Total Non-Current Assets		5,301,932,596	5,719,752,752
Total Assets		9,337,716,408	10,238,949,515

The accompanying notes are an integral part of these consolidated financial statements

	Notes	As of December 31, 2023 COP millions	As of December 31, 2022 COP millions
Income from operating activities	28	36,225,805,180	35,455,548,572
Cost of Sales	29	(33,021,967,604)	(32,549,846,748)
Gross Profit		3,203,837,876	2,905,701,824
Distribution Expenses	31 (b)	(1,622,959,368)	(1,507,437,191)
Administrative Expenses	31 (a)	(468,137,575)	(418,125,758)

Operating income before other income and expenses by function		1,112,740,933	980,138,875
Other income, by function	32 (a)	26,914,146	60,537,417
Other Expenses, by function	32 (b)	(139,818,718)	(132,493,667)
Operating Profits		999,836,361	908,482,625
Financial Income	33 (a)	24,956,334	8,720,407
Financial Expenses	33 (a)	(569,396,070)	(391,863,745)
Share of profit (losses) of association and joint ventures accounted for using the equity method	13	3,181,632	2,657,191
Foreign Exchange Balance	33 (b)	6,149,230	18,506,415
Profit before taxes		464,727,487	546,502,893
Income tax	34	(179,441,946)	(213,090,508)
Net profit		285,285,541	333,412,385
Profit Attributable to:			
Profit, Attributable to owners		285,273,513	333,411,532
Profit, Attributable to non-controlling interests	26 (f)	12,028	853
Net profit		285,285,541	333,412,385
Basic earnings per share (*)	27	1,572.48	1,837.75

The accompanying notes are an integral part of these consolidated financial statements
(*) Expressed in Colombian pesos

Management's discussion and analysis of the issuer's results of operations and financial condition on an individual, separate, and/or consolidated basis

(i) Material changes in results of operations

Cash and cash equivalents

Cash and cash equivalents increased 109%, mainly in short-term deposits due to placements with Credicorp Capital S.A., Corredores Davivienda S.A. and Títulos de Devolución de Impuestos (TIDIS). See note 6 to the Separate Financial Statements.

Current tax assets

Current tax assets decreased by 80%, mainly due to the excess in the company's VAT calculation (VAT surplus). See note 12 to the Separate Financial Statements.

Investment property

An increase was recorded in investment properties of 274%, corresponding mainly to the lease of the 4th and 8th floors of the company's main building. See note 19 to the Separate Financial Statements.

Other current financial liabilities

The 44% increase in loans from banks was due to loans from Bancolombia S.A. and BBVA Colombia S.A., mainly for refinancing. See note 22 to the Separate Financial Statements.

The 95% decrease in bonds is due to the maturity of the 10-year notes (February 2023) and the 5-year notes (June 2023). See note 22 to the Separate Financial Statements.

Income from ordinary activities

A decrease of 4.1% was observed in the total volumes of fuels and lubricants sold in 2023 compared to the same period in 2022. This result is mainly due to the performance of the industrial channel in fuels (including sales to Industry, Aviation, and Marine customers), which fell by 13.5% over the previous year.

This behavior is mainly due to the Aviation business, given the strategy of reducing risk and increasing the profitability of the channel, in addition to the impact of the cessation of operations of airlines with financial problems (Viva Colombia and Ultra). As a result, Aviation's volume declined 17.7%; worth noting, however, is an improvement in margins.

In the Service Station segment, sales were slightly lower than in the prior year due to a decline in demand associated with the economic slowdown and the impact of higher fuel prices, as well as the effects of road closures during the period.

The contribution of the loyalty program deserves special mention.

In terms of sales at Altoque stores, they grew 44% with respect to the previous year, due to an increase in the number of transactions and in the average sale, and also due to the maturation of new projects.

Expenses by nature

Administrative and selling expenses increased in general as a result of the 16% salary increase for 2023 and the deterioration in the portfolio of our client Fast Colombia S.A.S. (Aerolínea Viva Colombia S.A.S.) as it entered into liquidation. See note 29 to the Separate Financial Statements.

Other income, by function

There is a 95% reduction in insurance intermediation based on the recovery of claims in 2022 for service stations vandalized during the National Strike in 2021. See note 30(b) to the Separate Financial Statements.

Financial income and expenses

Financial income increased by 221%, mainly due to an increase in interest rates at the financial companies Credicorp Capital S.A. and Corredores Davivienda S.A.

Financial expenses increased by 47%, mainly due to new loans acquired in 2023. See note 31(a) to the Separate Financial Statements.

(ii) Material changes in liquidity and solvency position

There were no material changes in the organization's liquidity and solvency situation.

(iii) Trends, events, or uncertainties that could materially impact the company's operations, financial position or changes in its financial position.

We are currently operating in a context of high uncertainty in a constantly changing environment. Global risks for 2024 focus on the security of artificial intelligence (AI), war in Ukraine and Gaza, and climate events affecting the entire world.

At the macroeconomic level, global price growth is expected to slow and interest rates are expected to decline in the world's largest economies, including the United States, China, Spain, Germany, and France.

Changes in Latin American governments create uncertainty regarding public policy decisions on economic, social, and environmental issues affecting the energy and mining sector. In our country, our industry will need to adapt to regulatory changes that could affect our economic interests and business model.

Climate change and the energy transition are on the global agenda. Continued political and public attention to climate change issues has led to international agreements and growing regulatory requirements to limit and mitigate greenhouse gas (GHG) emissions and their impact on the environment.

Off-balance sheet transactions that could materially affect the company's operations, financial position, or changes in financial position

There have been no significant subsequent events between December 31, 2023 and the date of these separate financial statements that could have an impact on them.¹⁰⁰

Quantitative and qualitative market risk analysis:

The company does not hold any instruments for trading purposes. Therefore, the description of the qualitative and quantitative market risk associated with its non-trading instruments focuses on foreign exchange risk, interest rate risk, liquidity risk, and credit risk, as described below.

Market risk

Risk Management analyzes each exposure identified on an individual basis. This analysis determines whether financial hedges are employed, whether natural hedging mechanisms exist, or whether the associated risk is simply assumed because it is not considered critical to the business or operations.

a) Foreign exchange risk

As of December 31, 2023, the average foreign currency transactions in trade and other payables in Colombia (USD 23,638 million) exceeded by 60% the transactions in trade and other receivables (USD 9,478 million). In other words, 40% of these transactions were hedged against each other. As a risk mitigation strategy, the company monitors the market on a daily basis and purchases foreign currency at the best conditions in order to meet its obligations. To mitigate foreign exchange risk, 100% of foreign currency collections are used to pay suppliers and/or third parties who invoice in dollars

¹⁰⁰ Corresponds to note 36 to the consolidated financial statements included in the annexes to this report.

and require payment in that currency.

In Colombia, the need for foreign currency is not the same every month. When there are surpluses, reserves are set aside for future payments and/or foreign exchange is sold when the exchange rate is favorable; otherwise, the administration buys foreign exchange at the best market conditions to carry out foreign exchange transactions.

Financial debt is denominated in the local currency of each country to avoid exposure to foreign exchange risk. The company's finance departments in the various countries cover 100% of their activities locally.

The foreign exchange market continues to be affected by the uncertainty that has prevailed in recent months due to the generalized control of inflation by the world's central banks, the increase in risk premiums due to the possible economic slowdown in the world's major economies, and the political landscapes in South American countries. This has resulted in high volatility of world currencies. At December 31, 2002, exchange rates in the regions where the company operates had been affected, resulting in a highly variable effect in currencies against the US dollar. We have not identified, however, any new foreign exchange risks that could affect the results of the various operations. The following is the impact of the foreign exchange sensitivity analysis on the reported difference between accounts payable and accounts receivable (USD 14,160 million):

Impact on income before		
taxes - equity		
	Exchange rate Sep-23 \$ 4,054 COP millions	Exchange rate Dec-22 \$ 3,822 COP millions
December 31, 2023		
Trade debtors	(57,401.36)	(54,120.34)
	(57,401.36)	(54,120.34)

b) Interest rate risk

At December 31, 2023, the Group's debt amounted to COP 3,352,509 million, of which 3% was fixed rate and 97% variable rate. Of the latter, 58% is indexed to the CPI, 15% to the SOFR, and 24% to the IBR.

Loans with financial institutions are negotiated with a penalty-free prepayment option that allows the debt to be restructured at any time if market conditions change. Cash surpluses are primarily invested in savings accounts and/or pooled demand portfolios; the interest earned is in line with market rates.

Debt raised through the issuance of bonds represents 61% of the company's total debt. Ninety-five percent of this debt bears interest at a rate indexed to the Consumer Price Index, which increases or decreases the cost of the debt.

As of December 31, 2023 in Colombia, the leases for the year 2022 had been cancelled and no new leases had been acquired.

The interest rate position of the company's interest-bearing financial instruments at the end of the reporting period was as follows:

	2023 COP millions
Fixed-income securities:	
Financial liabilities	(100,000,000)
Total	(100,000,000)
Variable-income securities:	
Financial assets	384,847,648
Financial liabilities	<u>(3,252,509,327)</u>
Total	<u>(2,867,661,679)</u>

Sensitivity analysis for fixed-rate instruments

Fixed rate financial liabilities are not recorded at fair value with value changes recognized in profit or loss. Therefore, the Group was not exposed to any interest rate risk on these instruments at the end of the reporting period.

At December 31, fixed-rate debt represented 3% of total debt and consisted 100% of a series of fixed-rate bonds for COP 100,000 million, an obligation subscribed in Colombia.

Sensitivity analysis of cash flow for variable rate instruments

Variable rate debt in Colombia consists of bonds, which represent 60%, and treasury loans, which represent 25% of the Group's total variable rate debt. The debt related to the issuance of variable rate bonds in Colombia is indexed to the 12-month CPI and amounts to COP 1,952,926 million as of December 31, 2023. A variation of 50 basis points in this indicator at the end of the reporting period is considered reasonably possible based on the performance of the index during the year.

The following are the effects associated with the sensitivity analysis of the bonds:

Impact on income before taxes -

	Equity	
	Increase 50 BP	Decrease 50 PB
	COP millions	COP millions
December 31, 2023		
Variable-income securities:		
Financial liabilities	2,337,469	(2,288,970)
	<u>2,337,469</u>	<u>(2,288,970)</u>

In 2023, Colombia began to adjust inflation, reducing the interest calculated for bondholders.

This is in line with market expectations of a period of declining CPI starting in the second half of the year, given the measures taken by the Bank of the Republic to stabilize the indicator.

As of December 31, 2023, 28% of the variable-rate debt in Colombia consisted of treasury loans indexed to the IBR 3M, for a total of COP 810,725 million. A variation of 5 basis points in this indicator at the end of the reporting period is considered reasonably possible based on the performance of the index during the year.

The following are the effects associated with the sensitivity analysis of the treasury loans:

	Impact on Income before taxes - Equity	
	Increase 5 BP	Decrease 5 BP
	COP millions	COP millions
December 31, 2023		
Variable-income securities:		
Financial liabilities	102,174	(102,174)
	<u>102,174</u>	<u>(102,174)</u>

The debt incurred in Panama and Ecuador is indexed to SOFR 3/6M and is equivalent to COP 488,858 million. A variation of 5 basis points in the SOFR rate, based on the variation and behavior of the rate in the market, would, according to information from the Bank of the Republic in Colombia, result in the following interest rate variation:

	Effect on profit before taxes	
	Increase 5 BP	Decrease 5 BP
	COP millions	COP millions
December 31, 2023		
Variable-income securities:		
Financial liabilities	61,764	(61,764)
	<u>61,764</u>	<u>(61,764)</u>

The subsidiary Terpel Comercial Ecuador renewed two loans maturing in the fourth quarter for 6 months at an interest rate indexed to the SOFR, for a total of COP 44,335 million, and continued to service loans of COP 32,105 million.

On December 1, 2023, Terpel Comercial Ecuador assigned a debt of COP 97,767 million to Terpel Lubricantes Ecuador, corresponding to a loan contracted in COP and a cross currency swap (CCS) that exchanges flows in two ways, both the COP-USD exchange rate and the fixed rate-variable rate interest rate. With the derivative, the subsidiary has no exposure to the exchange rate, since the principal and interest payments are fixed in COP, and has no exposure to the interest rate, since the interest is paid at a fixed rate.

The amounts and rates contracted and the valuation and effectiveness of the hedge as of December 31, 2022 are detailed below:

Amount COP	Amount USD	Fixed rate	Variable rate	Valuation Dec. 31	Hedging Efficiency
97,767,061,000	25,900,000	7.29%	SOFR 3M + 0.54%	(USD 653,991)	101%

The adjustment in the valuation, and therefore in the effectiveness of the hedge, corresponds to the decrease in the exchange rate and interest rates affecting the swap curve, which is the main source of the derivative's valuation. However, it is important to note that the contracts established and fixed the exchange rate at which the obligations will be paid at maturity, meaning that exchange rate fluctuations do not increase debt payments.

In the third quarter of 2023, Terpel in Colombia issued bonds on the stock market for COP 418,723,000 million and contracted a Treasury loan for COP 229,277,000 million, both for debt restructuring.

As of December 31, 2023, Terpel Comercial Perú had paid 100% of its debts to banks.

Part three: Sustainability and responsible investment practices

Strategies, policies, and practices

Consistent with our goal of corporate excellence, we are committed to environmental, social, and governance (ESG) best practices. Throughout our value chain, we comprehensively manage our impacts on society and the environment. This commitment is reflected in our ESG Action Framework, which is supported by internal policies such as the Ethics and Compliance Policy, the Human Rights (HR) Policy, the Good Neighbor Policy, and the Corporate Affairs Policy. In addition, to incorporate and regulate the main changes in our work

processes, we updated our telework policy and created a policy to prevent sexual harassment in the workplace.

Aligned with international standards from the OECD, ILO, UN Guiding Principles on Business and Human Rights, and the SDGs, these policies include mechanisms for due diligence and application of the precautionary principle. Their scope includes all of our stakeholders, subsidiaries, franchises, and allies, and all of the geographies in which we operate. Each of our businesses monitors the targets and indicators associated with these policies to ensure that they are properly implemented and that we are addressing issues that are fundamental to the well-being and protection of our stakeholders.

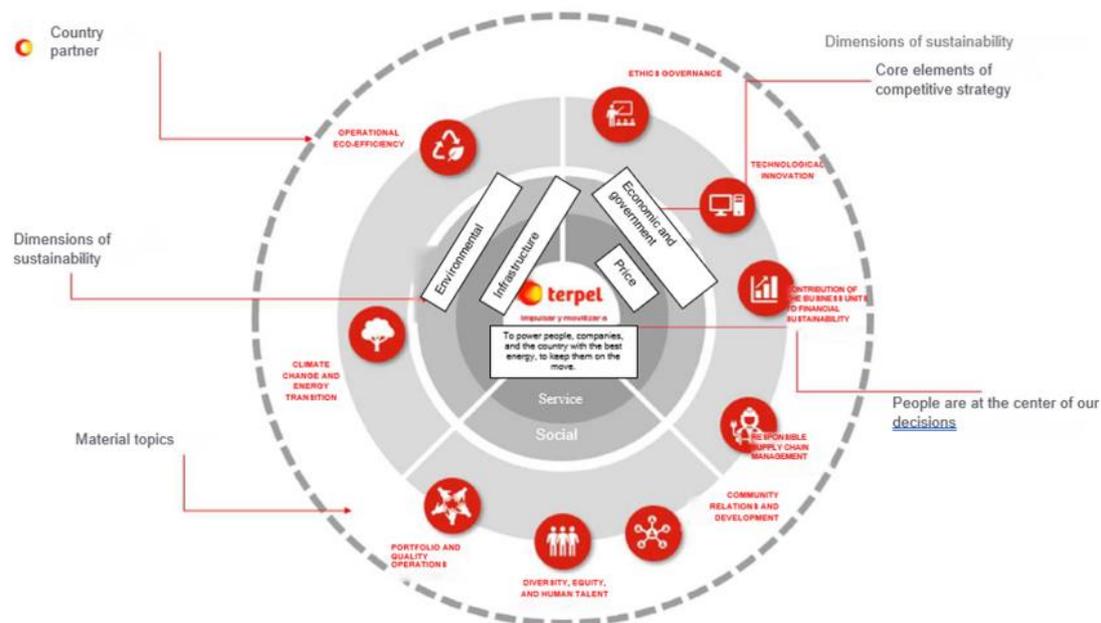
As part of our commitment to ethical, responsible, and sustainable business practices, we participate in the Responsible Business Conduct Program at the Bogotá Chamber of Commerce. It is an arena for meeting and collaborating with companies committed to sustainability and business ethics. Through these interactions, we share best practices, access educational resources, and build networks that foster the exchange of ideas and collaboration on responsible initiatives.

Our ESG action framework

When a company, and especially its top management, is committed to making decisions based on ESG criteria, this tells the market, consumers, and other stakeholders that the company takes its non-financial risks seriously; it identifies, evaluates, manages, mitigates, and communicates them. Reporting those non-financial risks also generates transparency and builds trust with stakeholders.

At Terpel, we put people at the heart of our strategy. Integrating ESG management into our business has been a process that lines up with our purpose and vision of doing business responsibly.

Thanks to Terpel's organizational maturity and alignment with key global trends, we have been able to integrate ESG management into all areas of our business. Our sustainability model places people at the strategic center. This focus is surrounded by the key elements of our competitive strategy, the three dimensions of ESG, and the nine material issues of the organization that reflect our commitment to all of our stakeholders and the environments in which we operate.



(3-1). Process to determine material topics

Materiality Analysis

In 2023, we carried out a double materiality exercise. This analysis allowed us to identify the risks and opportunities that ESG issues create for the financial stability of the company, as well as the significant impact that Terpel's operations have on society and the environment.

This exercise was in line with the requirements of the Colombian Superintendency of Finance, in accordance with Circulars 031 of 2021 and 012 of 2022, as well as the new GRI Standards (December 2021 version), the provisions of the new IFRS S1 and S2, the SASB and TCFD guidelines on materiality, and the provisions of Circular 100-000010 of 2023 of the Superintendency of Corporations on sustainability reporting.

Double materiality analysis is the strategic foundation for identifying issues that affect the creation of economic, social, and environmental value, addressing stakeholder expectations and effectively managing ESG risks and impacts that could affect the financial continuity of the business.

Financial materiality: (outside-in perspective)

Also called the materiality of risks. Identifies ESG issues that may have a material impact on the financial condition, operating performance, or compliance with corporate strategy.

Environmental and Social Materiality: inside-out perspective.

Refers to the company's actual or potential, positive or negative, material impacts on people or the environment in the short, medium, and long term. These impacts range from those directly caused by the company to those

associated with its operations, products, or services, considering the entire value chain.

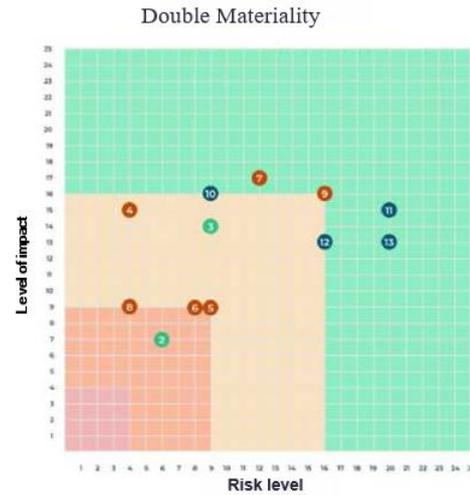
Stages in the double materiality process:

1. We conducted an exhaustive mega-trend analysis of strategic ESG issues for the different business lines, based on a documentary review of standards, rankings, ratings, consumer studies and emerging trends, peer reviews, risk ratings, parent company ESG issues, and ESG coalition guidelines.
2. For each identified issue, a diagnosis of Terpel's current and potential positive and negative impacts was made and a rating was given according to the magnitude and likelihood of the impact.
3. Subsequently, we consulted internal and external stakeholders to learn about their perception of Terpel's impacts and of the magnitude and likelihood for each of the identified ESG issues.
4. Based on the results of the diagnosis and the stakeholders' assessment, we averaged the scores for each issue and prioritized the impacts with high scores to determine the materiality of the organization's impacts.
5. In parallel, based on the issues identified in the megatrend analysis, we analyzed and rated the impact and likelihood of the ESG risks of each of the initially identified issues, with the participation of senior management and the Board of Directors of Organización Terpel.
6. Next, based on the risk analysis according to the international standard ISO 31000, we designed a risk heat map and prioritized the strategic risks to determine their financial materiality.
7. **Definition of double materiality:** based on the concept of double materiality of the European Financial Reporting Advisory Group (EFRAG), "a sustainability issue meets the criterion of double materiality if it is significant from both an impact and financial perspective, or both." As a result of this exercise, we gave priority to 9 double material issues that will guide Terpel's sustainability strategy and management in the coming years. Each of these 9 issues was associated with an exercise to prioritize risks.

No.	Dimension	Issue	Category	Materiality of Impact	Financial
1	Environmental	Climate change and energy transition	Highly material	15	9
2	Environmental	Water resource management	Monitor	7	6
3	Environmental	Operational eco-efficiency	Material Impact	14	6
4	Social	Diversity, equity, and human talent	Material Impact	15	2
5	Social	Education and training in skills for the future	Monitor	5	2
6	Social	Comprehensive protection of human rights	Monitor	5	5
7	Social	Community relations and development	Highly material	17	12
8	Social	Products with a social impact	Monitor	5	4
9	Social	Portfolio and quality operations	Highly material	16	12
10	Governance	Ethics governance	Material Impact	16	6
11	Governance	Contribution of the business units to financial sustainability	Highly material	15	20
12	Governance	Responsible supply chain management	Highly material	13	16
13	Governance	Technological Innovation	Highly material	13	20

Very high	17-25
High	10-16
Medium	5-9
Low	0-4

Threshold of materiality: 10



Double materiality at Terpel

Terpel's new material issues are divided into 2 environmental, 3 social, and 4 governance issues. Each of these, in turn, contains a number of critical sub-issues. Their impacts, risks, and management are described in detail in the corresponding chapters of this report.

For future reporting periods, material changes or adjustments to material issues that have an internal or external impact on the current reporting period and the company's current ability to manage against ESG results will be considered material change updates. These will include new regulations, businesses, markets, and external factors related to risks and opportunities relevant to Terpel.



Strategic alignment of materiality

At Terpel, we consider materiality analysis to be the basis of our sustainable management model, the effect of which is responsible management. Each of our pillars and strategic objectives, KPIs, projects, and actions are linked to the

material aspects and integrated with the Balanced Scorecard to form an integrated system for sustainable business management in all areas and for the proper identification and management of corporate risks associated with ESG.

We recognize and define ourselves as a "Country Partner," and frame our sustainability model within this higher purpose that transcends our business. This is reflected in our enduring commitment to people, the planet, and the countries in which we operate, creating high-quality jobs, efficient operations, and progress and prosperity for the communities where we operate, as well as economic and social development for the regions.

Our Stakeholders

(2-29). At Terpel, we assess how our organization impacts our stakeholders and how stakeholders impact our organization through a detailed analysis based on the AA1000 SES standard. As a result of this assessment, we have prioritized nine major groups, which in turn are divided into 32 subgroups.

This detailed classification provides us with accurate information about their interests and the influence they can exert, enabling us to continuously improve our relationships in the short, medium, and long term. The goal of our engagement is to build trust and have a positive impact on these groups. We have a variety of mechanisms and roles within the organization to address their needs, resolve concerns, and maintain ongoing communication with our stakeholders.

Our stakeholders and their needs:

1. **Shareholders/ Investors:**
 - Transparency in the presentation of financial and operational information
 - Clear strategies for growth and return on investment
 - Ongoing communication about company performance and plans

2. **Customers and consumers:**
 - Continuous improvement in the quality of products and services
 - Efficient and personalized customer service
 - Loyalty initiatives and rewards programs

3. **Operation partners (partners and distributors):**
 - Close collaboration and mutual support on projects and operations
 - Clear and mutually beneficial agreements
 - Development of joint solutions that drive operational efficiency

4. **Suppliers:**
 - Business relationships based on trust and transparency
 - Timely payments and fair terms
 - Collaboration to improve the supply chain and sustainability

5. **Employees:**
 - Wellness and professional development programs
 - Strong organizational culture and effective communication
 - Participation in decision-making and appreciation of work
 - Timely payments and fair terms

6. **Institutions:**
 - Regulatory compliance and participation in public policy
 - Ongoing dialogue and collaboration on regulatory issues
 - Support for initiatives that promote sustainable development

7. **Industry associations:**
 - Participation in industry associations
 - Collaboration in social and environmental responsibility projects
 - Open discussion to address shared challenges

8. **Communities:**
 - Social investment and community development projects
 - Active listening and participation in local issues
 - Educational and training programs

9. **Civil society:**
 - Social investment and support for social and environmental initiatives
 - Participation in solving social problems

(2-28). Membership in associations

We maximize our positive impact through relationships with other stakeholders in society who share our values and interests:

Partnerships:

- Agency for Reincorporation and Normalization (ARN)
- Victims Unit
- Casa Libertad
- Corporación Mundial de la Mujer - CMMC
- Corporación Matamoros
- Acción Internal Foundation
- Arcángeles Foundation
- Office of the District Secretary of Women
- Soy Oportunidad Foundation
- Gender Parity Initiative at the Ministry of Labor
- Best Buddies Foundation

In addition, we are committed to the following initiatives:

- United Nations Global Compact
- Global Compact Network, Colombia
- Colombian Network Against Child Labor
- LGTB Business Chamber
- UN Women
- Women's Empowerment Principles
- Colombian Institute of Corporate Governance, ICGC
- Office of the Secretary of Transparency
- Colombian Route to Integrity
- Responsible Business Conduct (RBC) Community
- Drive at 50 live to 100 (Universidad de los Andes)
- "United for fresh air" compact, District Secretary of the Environment, Office of the Mayor of Bogotá
- IBIA
- IATA
- ALTA
- ICONTEC technical committee
- AFE: Association of Corporate Foundations
- RedAmérica: Association of Corporate Foundations of Latin America
- Business Owners for Education

And we work with other companies in the industry in favor of development of the industry through:

- Colombian Petroleum and Gas Association (ACP)
- National Business Association of Colombia (ANDI)
- Colombian Association of Natural Gas in Colombia (NATURGAS)
- Hydrogen Chamber (Andi - Naturgas)

Our contribution to these industry associations in 2023 was:

Industry association	Amount contributed (COP millions)	Purpose of involvement
ACP	518.7	To have an influence on public policies, regulatory issues, and the operating environment.
ANDI	107.3	
NATURGAS	110.9	

WE MEASURE OURSELVES AGAINST THE WORLD'S HIGHEST SUSTAINABILITY STANDARDS

Terpel in the Dow Jones Sustainability Index (DJSI)

For the eighth consecutive year, we conducted the Corporate Sustainability Assessment (CSA), a process that challenges us to evaluate our ESG practices and continuously improve our performance. It also allows us to compare our environmental, social, and economic performance against the highest standards in the global retail industry, the sector in which we are measured.

This year, we achieved a historic score of 63, representing a 6-point increase over 2022. This is the result of the coordination and commitment to sustainable development of the different parts of the organization.

In the economic dimension, our best scores were for transparency and reporting, product management and returns, business ethics, and cybersecurity, all with scores above 70/100.

In the environmental dimension, the highest scores were for greenhouse gas emissions, environmental policy and management, water, circularity and waste management, and food waste. (All also above 70/100). The largest increase was in the score for managing the reduction of food waste through the Convenience Services business' initiative with our partner EatCloud.

Finally, in the social dimension, the most outstanding results were seen in human talent development, sustainable marketing and brand perception, occupational health and safety, and human rights. All of these scores were above 80/100. This is also the dimension that showed the most significant growth, with a 13-point increase over the previous year.

We are very proud of these results, and they encourage us to continue improving our practices in order to further enhance the positive impact we have on society and our stakeholders.

Our commitment to the 2030 agenda

As a signatory to the United Nations Global Compact, which we joined in 2011, we see sustainable development, socioeconomic progress, and environmental balance as opportunities for corporate responsibility and innovation. Demonstrating our commitment to ethics and improving social and environmental well-being, while being consistent in our discourse, ultimately prepares us as a company to meet challenges.

Our contribution to achieving the 2030 Agenda and the SDGs is evident in our business and in the actions we take voluntarily as a Country Partner. With this in mind, we prioritize the following lines of contribution:



Contribution to the SDG's from our business:

- SDG 5 and 8, through our "No Labels" campaign, which develops practices and activities that make Terpel more inclusive.

- SDG7. Targets 7.2 and 7b through the new electric mobility services with charging points at Terpel Voltex and the installation of CNG fueling stations along green corridors on Colombia's strategic routes.
- SDG 8: company-wide through the creation of quality jobs. Target 8.3 in particular with the Restoring Dreams program that supports productive activities, entrepreneurialism, and job creation. And target 8.5 through promoting jobs for disabled people through the "No Labels" program, in partnership with the Best Buddies Foundation.
- SDG 13, with two targets: 13.1 through the installation of solar panels at work centers, and 13.3 through the Reliable Service Station program that improves environmental education and raises awareness of environmental issues, including the impacts and effects of climate change.
- SDG 17, through partnerships with institutions such as the Agency for Reincorporation and Normalization and the World Corporation of Women Colombia, the Victims Unit, the Accion Interna Foundation, and Corporacion Matamoros, which also generated opportunities to make a contribution to SDG 10 in the areas of reconciliation and peace building. We also contribute to SDG 17 as part of G12, the group of companies that works in favor of sustainable development in Colombia.

Contribution to the SDGs through voluntary actions in the framework of our commitment as a Country Partner:

Donations of fuel:

- SDG 2 - target 2.1: to the Food Bank.
- SDG 3 - targets 3.7 and 3.8: to the Colombian Civil Air Patrol and the Colombian Red Cross to facilitate medical and surgical campaigns, deliver medicine, and care for patients.

Monetary donations:

- SDG 3 - target 3.8: Funds donated to foundations that work to provide access to quality basic healthcare for vulnerable population groups, including surgery, medication, and general healthcare services.
- SDG 10 - target 10.2: support for organizations that promote social inclusion.

Improving education:

- SDG 4: (4.1) promoting quality education through high-impact programs implemented by the Terpel Foundation; target 4.a., through the new interactive classrooms; and target 4.c. through teacher training.

Our commitment to the Paris Agreement and global climate action

As a company committed to environmental sustainability, we openly share our goals and strategies for achieving carbon neutrality by 2050, in line with the climate goals of the Paris Agreement. We intend to achieve 50% of this goal by 2030 through concrete actions such as reducing greenhouse gas emissions

from our operations and transitioning to renewable energy sources such as solar PV.

At Terpel, we recognize the importance of balancing economic, environmental, and social aspects, which is why we have decided to take concrete actions to strengthen the planet's resilience to climate change. Our environmentally responsible approach provides consumers with high quality products in line with their expectations, while taking care of our surroundings. Learn more about our [environmental stance](#) and the goals we have set for ourselves.

Disclosure of climate-related risks and opportunities

The Colombian Superintendent of Finance issued Circulars 012 of 2022 and 031 of 2021 with instructions on the disclosure of periodic information by issuers. The information must include the performance and management of financially material ESG risks in the Colombian securities market, in accordance with the TCFD (Task Force on Climate-related Financial Disclosures) and the SASB (Sustainability Accounting Standards Board) standards.

At Terpel we are committed to transparency and the inclusion and disclosure of climate-related risks and the opportunities and financial implications of climate change on our business. In 2023 we published our first report. Click here for full details on the TCFD report on Terpel's website.

Ethics governance

Analysis of corporate governance

Our organization has established high standards for governance, ethics, and transparency that provide a strategic framework for our business decisions and actions.

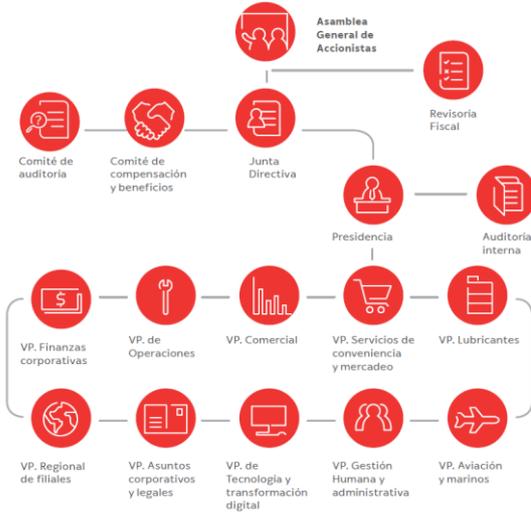
At Terpel, we foster transparent, equitable, and responsible relationships and behaviors to earn the continued trust of our stakeholders and ensure the sustainability of our business. We are committed to complying with applicable regulations, international standards, corporate policies, and industry best practices.

Practicing and promoting ethical principles such as respect, transparency, integrity, trust, fair treatment, and accountability are essential in all our relationships with our stakeholders. We engage in transparent, timely, and reliable conversations with them, creating an environment of trust that fosters long-term investment, financial stability, business integrity, and positive environmental, social, and economic impact.

(2-9) Structure and composition of the highest governance body:

Terpel's Corporate Governance Structure

Our corporate governance structure is shown below. It demonstrates our professionalism and diligence in ensuring that all our activities are conducted to the highest standards of excellence.



The Board of Directors is the highest administrative body and is responsible for ensuring that the company operates in a sustainable manner.

Item	Board member 1 President	Board member 2	Board member 3	Board member 4	Board member 5	Board member 6	Board member 7
Name of the board member	Lorenzo Gazmuri Scheleyer	Jorge Andueza Fouque	Arturo Natho Gamboa	Sylvia Escovar Gomez	Jorge Alberto Bunster Betteley	Jose Oscar Jaramillo Botero	Bernardo Dyner Rezonow
Principal or alternate?	Principal	Principal	Principal	Principal	Principal	Principal	Principal
Independent or shareholder-appointed?	Non-executive - shareholder-appointed	Non-executive - shareholder-appointed	Non-executive - shareholder-appointed	Non-executive - shareholder-appointed	Non-executive - shareholder-appointed	Independent	Independent
Date joined the company's Board of Directors/ tenure on the Board of Directors	14 years	14 years	8 years	2 years	9 years	More than 12 years	More than 12 years
Date of last reappointment or appointment	Shareholders' Assembly on March 18, 2022						
Professional profile: formal education	Civil electrical engineer, Universidad de Chile, currently serves as executive vice president of Compañía de Petróleos de Chile Copec. With a career spanning more than 20 years, he has held the positions of assistant manager of commercial planning and sales manager of the same company. In addition, he has been and	Civil engineer, Universidad de Chile, associated with the Angelini Group for 30 years. He is currently the general manager of Antar Chile S.A., vice president of Copec S.A., and vice president of Empresas Copec S.A. He also has been and continues to be a member of several companies in the energy, forestry, fishing, and financial sectors, including Empresas Copec S.A., Copec S.A., Arauco, Pesquera Orizon, Corpesca, and Cruz del Sur.	Civil industrial engineer, Universidad Católica de Chile, he currently serves as General Manager of Copec S.A. and is also a director of companies in the food, trading, metal mechanics, and architecture sectors, notably Selecta (Brazil), Kabsa, Astilleros Arica, and Elemental. He served on the Board of Directors of Terpel from May 2010 to March 2014.	Economist from Universidad de los Andes. After a distinguished career in both the public and private sectors, she served as the President of Organización Terpel S.A. for 8 years. Some of the highlights of her professional career have been her positions of leadership in Colombian and international government institutions such as the Colombian National Planning Department, the Colombian Bank of the Republic, the	Economist, Universidad Católica de Chile, MBA from IESE, Universidad de Navarra, Spain, former Minister of Energy and former Vice Minister of Foreign Trade of Chile. He was general manager of Copec for 19 years, deputy general manager of Compañía de Seguros Generales Cruz del Sur S.A., general manager of Bresler Alimentos S.A. and prior to that general manager of AFP Alameda S.A. He has been and continues to be a director of	Agricultural technologist from the Politécnico Colombiano in Medellín with a degree in food engineering from the University of California in the United States. Starting in 2006 and to date, he has worked as a managing partner of Gomar y Cia. He has had an impressive managerial career in Colombia working for Vehicaldas S.A., Industrias Normandy S.A., and Mercaldas S.A.	Marketing technologist, Escuela Superior de Mercadotecnia ESUMER, San Jose, Costa Rica. He has held various administrative and managerial positions in companies such as Industrias Kent y Sorrento, Aguirre Pelaez Ltda., and has also been a promoter and sponsor of the Moises and Katie M. School of the Las Golondrinas Foundation in Medellín, Antioquia, and the Natasha and
Professional profile: current role or position							
Professional profile: experience in the industry (years and positions held in the oil and gas sector)							

	continues to be a member of the Board of Directors of companies in the fuel, shipping, transportation and retail sectors, such as Abastible, Metrogas, Sonacol, Sonamar, Transcom, and Arco Prime.			Secretaries of Education and Finance with the Office of the Mayor of Bogota, and the World Bank.	companies in the fuel, forestry, fishing, retail, insurance, and energy sectors, such as Abastible, Metrogas, Sonacol, Sonamar, Celulosa Arauco, Pesquera Orizon, Eperva, Empresa Eléctrica Guacolda S.A., Seguros Cruz del Sur, and Arco Prime.		Michael School of the Granito de Arena Foundation in Bello Antioquia.
Committees of the Board of Directors	N/A	N/A	N/A	N/A	N/A	Compensation and Benefits and Audit Committees	N/A
Other board memberships	<ul style="list-style-type: none"> • ICARE • Educación 2020 Foundation • Sumate Foundation • Vinculación SPA • COPEC S.A 	In accordance with the Regulations of the Board of Directors, Directors may not be members of more than five (5) Boards of Directors of joint stock companies at the same time, unless they are members of the Board of Directors of Simplified Joint Stock Companies-S.A.S. or they certify and guarantee the immediate correction of such situation.	In accordance with the Regulations of the Board of Directors, Directors may not be members of more than five (5) Boards of Directors of joint stock companies at the same time, unless they are members of the Board of Directors of Simplified Joint Stock Companies-S.A.S. or they certify and guarantee the immediate	<ul style="list-style-type: none"> • Organización Corona • Empresa de Telecomunicaciones de Bogotá • GeoPark • EPS Sanitas 	<ul style="list-style-type: none"> • COPEC S.A • Celulosa Arauco y Construcción S.A • Nutrisco S.A • Blue Express S.A. • Belltech S.A. 	In accordance with the Regulations of the Board of Directors, Directors may not be members of more than five (5) Boards of Directors of joint stock companies at the same time, unless they are members of the Board of Directors of Simplified Joint Stock Companies-S.A.S. or they certify and guarantee the immediate correction of such situation.	In accordance with the Regulations of the Board of Directors, Directors may not be members of more than five (5) Boards of Directors of joint stock companies at the same time, unless they are members of the Board of Directors of Simplified Joint Stock Companies-S.A.S. or they certify and guarantee the immediate correction of such situation.

			correction of such situation.				
Percentage of Board meetings attended during the year	92%	83%	92%	83%	100%	100%	100%
Item	Board member 8	Board member 9	Board member 10	Board member 11	Board member 12	Board member 13	Board member 14
Name of the board member	Juan Diuana Yunis	Vacant	Jorge Andres Garcés Jordán	Rodolfo Castillo Garcia	Leonardo Ljuretic Garib	Gabriel Jaramillo	Tulio Rabinovich Manevich
Principal or alternate?	Alternate	Alternate	Alternate	Alternate	Alternate	Alternate	Alternate
Independent or shareholder-appointed?	Non-executive - shareholder-appointed		Non-executive - shareholder-appointed	Non-executive - shareholder-appointed	Non-executive - shareholder-appointed	Independent	Independent
Date joined the company's Board of Directors/ tenure on the Board of Directors	5 years	N/A	More than 12 years	9 years	10 years	8 years	More than 12 years
Date of last reappointment or appointment	Shareholders' Assembly on March 18, 2022						

Professional profile: formal education	Civil and industrial electrical engineer, Universidad Católica de Chile, currently serves as			A business administrator, for more than 28 years he has been associated with the company Icoharinas SAS, of which he is president and founding partner. He has been and is currently a member of the Board of Directors of several companies in the agribusiness, finance, health, communications, and construction sectors, including Agrotropical, Nutra & Foods, Promisión, Promitec Sumas Construcciones, and Vanguardia. In the area of business associations, he has served several times on the Board of Directors of ANDI and the Bucaramanga Chamber of Commerce.	Industrial civil engineer from Pontificia Universidad Católica de Valparaíso, MBA from Universidad Adolfo Ibáñez, with post-graduate studies in the United States. He has extensive experience in the retail, fuel, and food sectors. He currently holds the position of corporate manager of development and management at Copec S.A. He is and has been a member of the Board of Directors of several companies, including Abastible, Metrogas, ArcoPrime, and Arco Alimentos. He also participates and has participated in the past in a number of non-profit organizations such as the Copec-UC Foundation, the Council of the School of Industrial Engineering of the PUCV, the Retail Center at the University of Chile and the International Committee of NACS (The Association for Convenience & Fuel Retailing) in the United States.	Business administration and a Master's in multinational business, more than 15 years of experience in commercial and strategic management in different sectors of the economy, both in Colombia and abroad. He has served on the Board of Directors of companies in the automotive, food, and hydrocarbon sectors - both gas and liquid fuel distribution - such as Organización Terpel S.A., Hidrocarburos de Casanare S.A., Transgas de Occidente S.A., Súper de Alimentos, S.A., Ayura Motor S.A., and others.	Electrical engineer from Universidad Pontificia Bolivariana de Medellín. He is currently president and partner of Celsa SAS and partner of Saturde SAS. He was previously a manager at Productora Electroindustrial. He is the founder of the Museo de Arte Moderno de Medellín and was its director for 10 years.
Professional profile: current role or position	administrative and financial director of Compañía de Petróleos de Chile Copec and is a member of the board of directors of	N/A	Psychologist, Universidad Católica de Chile, has worked for the last 20 years as human resources manager for Compañía de Petróleos de Chile S.A.				
Professional profile: experience in the industry (years and positions held in the oil and gas sector)	Transcom, Sonam and Via Limpia. With a career of more than 20 years in administration and finance positions before joining the Copec group, he was corporate finance manager of Ripley Corp. S.A., Corporate Manager of Finance at Masisa S.A., and a member of the board of directors at Banco Ripley, Mall Concepción, and Mall Marina Arauco.	N/A					
Committees of the Board of Directors	Audit and Risk Committee	N/A	Compensation & Benefits Committee	N/A	Audit and Risk Committee	Audit and Risk Committee	Audit and Risk Committee

Other board memberships	In accordance with the Regulations of the Board of Directors, Directors may not be members of more than five (5) Boards of Directors of joint stock companies at the same time, unless they are members of the Board of Directors of Simplified Joint Stock Companies-S.A.S. or they certify and guarantee the immediate correction of such situation.	N/A	<ul style="list-style-type: none"> • Belen Educa Foundation • Juan Pablo II Foundation • TRANSCOM • CSI (Compañía de Servicios Industriales) • Terpel Foundation Colombia • Terpel Foundation Panama 	<ul style="list-style-type: none"> • ANDI Nacional • ANDI Santander • Universidad Autónoma de Bucaramanga (UNAD) • Promisión S.A. • PROSANTANDER • Terpel Foundation Colombia 	In accordance with the Regulations of the Board of Directors, Directors may not be members of more than five (5) Boards of Directors of joint stock companies at the same time, unless they are members of the Board of Directors of Simplified Joint Stock Companies-S.A.S. or they certify and guarantee the immediate correction of such situation.	In accordance with the Regulations of the Board of Directors, Directors may not be members of more than five (5) Boards of Directors of joint stock companies at the same time, unless they are members of the Board of Directors of Simplified Joint Stock Companies-S.A.S. or they certify and guarantee the immediate correction of such situation.	In accordance with the Regulations of the Board of Directors, Directors may not be members of more than five (5) Boards of Directors of joint stock companies at the same time, unless they are members of the Board of Directors of Simplified Joint Stock Companies-S.A.S. or they certify and guarantee the immediate correction of such situation.
Percentage of Board meetings attended during the year	100%	N/A	100%	100%	100%	100%	100%

General Shareholders' Assembly

The General Shareholders' Assembly is our highest governing body and is held each year during the first quarter. In 2023, we held the shareholders' meeting in person, with real-time streaming for those shareholders who could not attend in person.

The meeting had a sufficient quorum to ensure the ability to deliberate and make decisions, thus guaranteeing the transparency of each decision. Attendance at the meeting was 80.08% of outstanding shares.

Board of Directors

The Board of Directors is the highest governing body of the company. In accordance with the bylaws and the delegation of authority, it is the responsibility of the assembly to elect the board. Our Board of Directors was elected to serve for the period from April 2022 to April 2025 and consists of seven directors (principals and alternates), none of whom is an executive officer of the company. In accordance with the legal requirements for issuers of securities, 25% of the members of the Board of Directors are independent.

(2-11) The Chairman of the Board of Directors is elected by a favorable vote from all members and exercises the functions and powers attributed by law, the bylaws, the board's regulations, and the Code of Good Corporate Governance.

The Board of Directors is the company's decision-making body and exercises its duties independently of the company's other management bodies.

(2-9) Committees of the Board of Directors

Our Board of Directors has two formal committees: the Compensation and Benefits Committee, which consists of two directors and three senior managers, and the Audit Committee, which consists of its independent members and whose secretary is the internal audit manager or his or her designee, who may be an employee of the company.

In addition, the Statutory Auditor shall attend the committee with the right to speak, but not vote, and the president, vice president of corporate finance, vice president of corporate and legal affairs, and/or any other member of the administration may attend as guests, when deemed convenient. These committees performed their duties diligently and presented their reports and recommendations to the Board of Directors during the year.

Compensation and Benefits Committee: The main objective of this committee is to ensure that Terpel and its affiliated companies manage human resources in accordance with the company's policies and best practices in favor of the welfare and integral development of employees. The Committee is also charged with maintaining an equitable and competitive compensation system that facilitates attracting and retaining the talent necessary to fulfill the company's mission and strategic goals.

Composition for the period from April 2022 to April 2025:

- José Oscar Jaramillo (independent member of the Board of Directors)
- Jorge Andrés Garcés (member of the Board of Directors)
- Oscar Bravo Restrepo (president of Organización Terpel S.A.)
- María Mercedes Carrasquilla, (vice president of human resources and administration)
- María José García (administrative and human resources manager)¹⁰¹

Work of the Committee: At the first regular meeting of the Compensation and Benefits Committee in 2023, an analysis of the tax reform that was passed in December 2022 and its impact on employees was presented. It described in detail the impact on the personal income tax of wage earners of the reduction of the exemptions and the establishment of limits on deductions and on tax exempt income. The Committee was also presented with the actions taken within the company, which included the organization of a webinar to explain the reform and its impact, as well as individual counseling for employees. These actions were approved by the committee. Mirta Arévalo Antonio, director of compensation and personnel administration, was in attendance as a special guest.

During the second regular meeting of the Compensation and Benefits Committee in 2023, the labor reform projects currently underway in the Congress of the Republic were reviewed, as well as their main impact on the organization from an individual and group perspective. The committee also approved the negotiation of the collective bargaining agreement for an additional 4-year period, considering its expiration in December 2023. Felipe Álvarez, the company's external labor law advisor, attended as a special guest.

Quorum and attendance: A sufficient number of Committee members was present at the meeting to conduct deliberations and make decisions.

Audit Committee: The primary function of the Audit and Risk Committee is to advise the company's Board of Directors in the discharge of its oversight responsibilities. It does this by evaluating accounting practices, managing the relationship with the statutory auditor, and comprehensively reviewing the company's control architecture. It also includes auditing the risk management system and verifying compliance with the principles of good corporate governance established by law, the competent authorities, and the company itself.

Composition for the period from April 2022 to April 2025:

Regular members

- Bernardo Dyner Rezonzew (independent)

¹⁰¹ At its October 2023 meeting, the Board of Directors approved the replacement of María Cristina Romero with María José García on the Compensation and Benefits Committee. She assumed the position of administration and human resources manager as of January 1, 2024.

- José Óscar Jaramillo Botero (independent)
- Juan Diuana Yunis

Alternate members

- Tulio Rabinovich Manevich (independent)
- Gabriel Jaramillo (independent)
- Leonardo Ljubetic

Work of the committee: The Audit and Risk Committee, in the performance of its duties and in accordance with the provisions of its charter, carried out the following activities during the year 2023:

- (i) It reviewed the company's financial statements and monitored compliance with the generally accepted accounting practices. In that process, 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) It served as a communication channel between the Board of Directors and the external auditor, supervising the services of the latter.
- (iii) It confirmed the effectiveness of the company's control, risk management, and disclosure systems.
- (iv) It monitored compliance with the annual internal audit program and follow-up on action plans evaluating the company's various processes, as well as the company's risk management system.
- (v) It verified that the Board of Directors fulfilled its duties and functions.
- (vi) It complied with the legal and regulatory requirements that are applicable to it. It also verified that the transactions between Organización Terpel S.A. and its related parties took place under market conditions and did not violate the equality of treatment of shareholders.
- (vii) It highlighted the importance of continuing to strengthen the internal control and risk management systems of Organización Terpel and of its related companies. During 2023, the Audit Committee met four times, as recorded in the minutes.

Quorum and attendance: In 2023, 100% of the regular committee members were in attendance, providing a sufficient quorum to deliberate and make decisions.

Evaluation of support committees: Each year, the Board evaluates the support committees by means of a self-assessment questionnaire that is completed by the members of the committees. This evaluation assesses the performance of each committee based on the support it provides to the Board during the period.

Additional auxiliary committees¹⁰²:

¹⁰²Auxiliary committees support the Board of Directors, and the standing auxiliary committees are the Compensation and Benefits Committee and the Audit and Risks Committee.

Sustainability committee: This is the highest governance body responsible for overseeing sustainability management, particularly ESG issues. Its responsibilities include the review and approval of all activities that are carried out within the framework of materiality. The committee meets two or three times a year to assess progress, challenges, and next steps on key issues related to the company's sustainability model and the implementation of concrete initiatives.

This committee is chaired by the president and includes the vice presidents of corporate and legal affairs, human resources and administration, operations, corporate finance, sales, convenience services and marketing, the director of corporate affairs, the director of the Terpel Foundation and the head of corporate responsibility. The internal audit manager and the director of risk management also participated as guests. Throughout the year, the Committee shares relevant information as needed for decision making.

Audit and Risk Management regularly attend the Committee meetings, as well as key guests depending on the issues to be discussed. The president of Terpel delegates the functions of planning, management, and communication of the organization's sustainability issues to the vice president of corporate and legal affairs and the director of corporate affairs. The director presents the organization's sustainability performance to the committee and provides minutes to the board so that the board is kept abreast of the issues discussed.

Communications Committee: This committee is led by the president with the participation of one representative of the Board of Directors and the vice presidents of Corporate and Legal Affairs, Convenience Services and Marketing, Sales, and Human Resources and Administration. This committee is the highest decision-making body responsible for defining, evaluating, and monitoring the reputation management strategy, viewing reputation as a critical intangible asset of the organization. All members of the Board of Directors who belong to this committee attended all the meetings scheduled during the year in their capacity as regular members.

Ethics committee: the vice presidents of Human and Administrative Management, Corporate Affairs, and Legal Affairs, as well as the audit manager, lead the Ethics Committee. The compliance officer, the administrative manager, and the head of labor relations also sit on the committee. This committee is responsible for identifying, handling, and resolving potential conflicts of interest disclosed by employees or third parties, or otherwise brought to the company's attention. Such conflicts must not violate the guidelines set forth in the Code of Conduct and other company rules and policies.

The committees connected with the highest management body (the Board of Directors) that are responsible for making decisions and overseeing the management of the organization's economic, social, and environmental impacts are the Compensation and Benefits Committee, the Audit Committee, the Sustainability Committee, the Communications Committee, and the Compliance and Ethics Committee.

(2-16) Communicating Critical Concerns

The shareholders' meeting identifies the critical issues that require review and approval as set forth in the bylaws. In addition to the above-mentioned decisions, the highest governance body addresses market-relevant shareholder concerns or questions raised through the right of inspection. Responses to these inquiries will be provided in the same manner they are made and will be posted on the company's website.

(2-10) Nomination and selection of the highest management body

The members of the Board of Directors are elected for a term of three years by means of the electoral quotient mechanism. Prior to their election, the candidates' experience and background are presented to the shareholders. Directors are required to be experienced both in the sector and in their respective roles. The Board of Directors currently consists of fourteen (14) members. The person holding the position of Second Alternate resigned for purely personal reasons, effective as of May 31, 2023, all duly recorded, and the position is currently vacant.

The Audit Committee members shall have the same term of office as the Board, and shall be elected by the Board by a simple majority. The Compensation Committee shall consist of five (5) members who shall be elected as follows: (i) two (2) members of the Board of Directors; (ii) the president; (iii) the vice president of human and administrative management; and (iv) the administrative and human management manager of the company. The Board of Directors may appoint other members in addition to those referred to in the preceding paragraph. These may include people who are not members of the Board of Directors, but who must have a broad knowledge of human and organizational management. The members of the Board of Directors and the additional members referred to in (ii), (iii) and (iv) above shall be elected unanimously for a term of three (3) years and may be re-elected indefinitely. In any event, until new members are appointed, the composition of the Committee shall remain the same.

Independence criteria for the appointment of members of the Board of Directors and its supporting committees: In accordance with the legal requirements for securities issuers and as described in section 2.2.3 of the Code of Good Corporate Governance, 25% of the members of the Board of Directors (two sets of regular and alternate members) must be independent. For more information, see our [Corporate Governance Code](#).

Compensation of the Board of Directors

Topic	2023
Salaries for board members	8 current legal minimum salaries for each session attended

The members of the Board of Directors meet monthly to analyze the organization's performance and, when appropriate, to discuss the organization's economic, social, and environmental impacts, risks, and opportunities. A total of 12 meetings were held in 2023, including in-person and virtual meetings.

(2-12) Functions of the Board of Directors

The Board of Directors is the body in charge of directing and supervising the company and making strategic decisions regarding its management. The Board's primary responsibilities include:

- Appointing the president of the company and the officers of any subsidiary, affiliate, or branch of the company.
- Carrying out the sale of shares owned by the company.
- Developing, approving, and updating the organization's purpose, either directly or by delegation to its committees or senior management.
- Entering into partnerships or strategic agreements with third parties.
- Deciding on the alienation, in any form, of its assets and investments.
- Making investments in other companies.
- Issuing guarantees with respect to the obligations of the company, its affiliates, or subsidiaries.
- Establishing its own bylaws and the company's internal regulations.
- Electing each year the president of the company and his deputy, as well as the legal representative and his deputy.
- Authorizing the most significant transactions and investments of the company.
- Evaluating and managing the company's strategic, financial, and operational risks.
- Defining the values or mission of the organization, either directly or by delegation to its committees or senior management.
- Enforcing compliance with the laws, rules, and regulations applicable to the company.
- Auditing, directly or through a committee, the company's books, accounts, documents, and cash, at its discretion.
- Supervising the organization's due diligence processes, either directly or by delegation to its committees or senior management.
- Overseeing, either directly or by delegation to its committees or senior management, the management of sustainability (ESG) issues, including, therefore, the discussion and approval of all sustainability activities developed to address the environmental, social, and economic impacts of the company.
- Appointing the members of the Audit and the Compensation and Benefits committees.
- Submitting to the General Shareholders' Meeting, with the president of the company, the balance sheet for each financial year and the other annexes and reports referred to in Article 446 of the Code of Commerce, after having been examined by the Audit Committee, and, if deemed appropriate, proposing to the General Shareholders' Assembly any amendments to the corporate bylaws that it deems appropriate.
- Ensuring strict compliance with all provisions set forth in these by-laws and such as may be adopted for the proper operation of the company,

and making such decisions as may be necessary to enable the company to fulfill its purposes.

With respect to risk management, its responsibilities include addressing issues related to risk management at each of the monthly meetings of the Board of Directors, with the possibility of inviting Internal Audit as appropriate. In addition, the Audit Committee, as a subcommittee of the Board of Directors, meets on a quarterly basis, with the participation of the president, senior executives, and internal and external audit, to discuss issues related to risk appetite and the progress of audits, including environmental, social, and corporate governance aspects.

(2-12; 2-13) Role in overseeing the management of impacts and delegation of responsibility

Juan Diuana Yunis, a member of the Board of Directors, has been appointed as the person responsible for overseeing ESG issues and impacts within the highest governance body. Senior management in turn delegates this responsibility to the vice president of corporate and legal affairs, who has a dedicated department to manage ESG risks and impacts. The director of sustainability, who reports directly to the director of corporate affairs, is responsible for the company's sustainability management.

This team reports to two additional instances:

1. The Sustainability Committee - the highest committee where decisions are discussed and made in this area.
2. The member of the Board of Directors designated for this purpose, through the vice president of corporate and legal affairs.

(2-15) Conflicts of interest

Terpel has implemented various mechanisms for identifying and managing conflicts of interest in accordance with Colombian law, particularly Article 23 of Law 222 of 1995 and other applicable regulations that establish the obligation to report such conflicts. Members of the Board of Directors make a declaration of compliance at the beginning of each term of office, disclosing any financial, personal, professional, or other relationships in order to manage potential conflicts of interest.

In addition, all employees complete an annual conflict of interest form to identify situations of a financial, personal, professional, or other nature that could give rise to a conflict of interest. The company maintains the form continually active on an internal platform (GenTe) so that employees can report conflicts as they arise. The Compliance Committee evaluates this information and forwards it to direct supervisors, who manage conflicts in accordance with the Committee's guidelines. And our suppliers and customers, by means of a declaration on the

forms used to update their information, indicate any situation that they believe could affect their contractual relationship with the company.

(2-17) Collective knowledge of the highest governance body

Throughout the year, the Corporate Affairs team provides monthly sessions for training in and raising awareness of ESG-related information. During 2023, information was shared on environmental, social, and governance risks, ESG regulations and trends in sustainability technology, the reporting ecosystem, and challenges. Training was also provided on climate change, in particular on the TCFD framework and its relevance to the organization. These initiatives are ongoing and involve the Board member responsible for these issues, thus ensuring that person's informed participation in the most important processes in this area.

(2-18) Evaluation of the performance of the highest governance body

Each year, the company evaluates the Board of Directors using a self-assessment tool that measures knowledge, skills, and experience, and identifies opportunities for improving the Board's work. The questionnaire addresses issues related to managing the organization's impact on the economy, the environment, and people, and the results obtained are used to schedule specific training programs for directors in accordance with their individual needs. To date, the identified opportunities for improvement have not required changes in the composition of the governing bodies.

Mechanisms in place for related party transactions

Notwithstanding the independence of each company in the conglomerate and the responsibilities of its governing bodies, the business group has a defined organizational structure for the three levels of governance: Shareholders' Assembly, Board of Directors, and senior management. The structure identifies the key bodies and positions and the relationships between them. This structure is transparent, clear, and public.

In the year 2023, 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 to greater transparency, the vice president of corporate and legal affairs submitted a report each month to the Board of Directors on Related Party Transactions 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, "The administrators include 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 if one of them participates directly or indirectly in the management, control, or capital of the other. A related party may also be a natural person who exercises control or significant influence over the reporting entity by virtue of their position or who is a member of the reporting entity's key management personnel.

It should be noted that as of December 31, 2023, none of Terpel's related parties has any legal restrictions on the development of its corporate purpose, nor have there been any legal convictions that could substantially affect their financial results at the close of 2023.

In addition, due to our strict compliance with the laws and regulations governing our activities, our adherence to free market principles, and our continuous respect for consumer rights, there have been no judicial convictions imposing fines or significant sanctions against any of the group's companies.

There were no material transactions outside the ordinary course of business between the controlling company or its subsidiaries or affiliates and the respective controlled company within the Group during the respective fiscal year. Notwithstanding the foregoing, the controlling company and its subsidiaries have entered into transactions in the ordinary course of business, the most significant of which are described in Note 10 to the financial statements. Similarly, there were no significant transactions between the controlled companies and other entities under the influence or in the interest of the controlling company. Nor were there 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. Furthermore, there were no important decisions made or not made by the controlling company in the interest of the controlled companies.

Fees paid to the statutory auditor or external auditor for the services of statutory audits, audits, and other services contracted for the corresponding period, and approved by the General Shareholders' Assembly.

For the 2023 period, the Assembly approved the amount of COP 1,121 million (excluding VAT) for the services of the statutory auditors.

Functioning of the internal control system, including a description of internal audit mechanisms and committees

The Internal Audit Department is responsible for safeguarding the internal control system of Terpel and its subsidiaries. It accomplishes this by reviewing internal processes and controls as part of the annual audit plan previously approved by the Audit Committee. The preparation of this plan is based on risk analysis and follows a clearly defined methodology.

Internal Audit also works closely with the various business units to follow up on action plans derived from the audit work. These plans are defined by the process owners, who manage their risks and are therefore responsible for implementing the action plans. The internal audit team is taking a focused approach to continuous auditing and is implementing automated testing with ACL Robotics

to process 100% of the data and monitor key business processes more frequently.

Governance structure to ensure equitable treatment of investors and encourage their participation.

Paragraph 1.3 of the Code of Good Governance establishes the "Shareholders' Right to Equality," which states that "The management and administration of the businesses of Organización Terpel S.A. by the Board of Directors and the company's legal representative shall at all times guarantee the recognition and effective respect of the right to equality of all the company's shareholders. The members of the Board of Directors and the legal representative of the company must constantly strive to ensure that the equal rights of the shareholders are safeguarded in the decisions made by the company's various governing bodies."

Similarly, Article 47 (paragraph 23) of the company's bylaws states that it is the duty of the Board of Directors "to consider and respond in writing to any proposal submitted and duly substantiated by any shareholder or group of shareholders." The Board of Directors, through the legal representative, shall provide a response within sixty (60) calendar days from the date of the request."

In addition, there are a number of channels for communicating with shareholders, as described in the Code of Good Governance:

Paragraph 3.4 - Means of information: The information to be provided by the company to its shareholders and investors will be available at the main offices of Organización Terpel S.A. in the city of Bogotá.

Paragraph 5.6 - Shareholder / Investor Services Office: The purpose of the Shareholder / Investor Services Office is to create a preference for investing in Terpel, through knowledge of the company, the provision of quality information that is transparent and symmetric, proper disclosure of its activities, and regular contact with the community of shareholders, investors, and local and international analysts.

In addition, it serves as a liaison between the company's governing bodies and shareholders and investors, and is generally concerned with learning about their needs, requirements, and suggestions. If an investor believes that there has been a violation of these rules, they should send a written communication to the vice president of corporate and legal affairs, Investor Services Office, located at Carrera 7 No. 75-51 Office 1301, in the city of Bogotá D.C., or to the e-mail address: accionistas@terpel.com. This office will notify the Board of Directors at its next scheduled meeting, at which time the relevant decisions will be made and communicated to the petitioning shareholder.

Paragraph 5.7 Website: The website for Organización Terpel S.A. (www.terpel.com) is available to its different audiences, presenting information of interest to its shareholders and investors, as well as to other people interested in its operations (customers, analysts, the community, journalists, suppliers, etc.). The Code of Good Governance and the company's financial statements are published on the referenced website.

This procedure is also described in the "Investor Services Manual," published in both English and Spanish, in which the Company explains to shareholders the channels they can use to submit their requests, claims, and proposals, further facilitating fluid communication, using the following link: <https://www.terpel.com/en/shareholders-investors/services/investor-services>

Executive committee

Our Executive Committee is a group of senior executives who are committed to pursuing and achieving the company's goals and commitments:

NAME	POSITION
Oscar Bravo Restrepo	President
José Carlos Barreto Barrios	Vice president of operations
Daniel Perea Villa	Vice president of corporate and legal affairs
Alonso Botero Pardo	Vice president of corporate finance
Johand Patiño Vega	Vice president of sales
Maria 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 convenience services and marketing
Rodrigo Marcelo Ferreira	Vice president of lubricants
Kenneth Alexander Siefken	Regional vice president of subsidiaries

Structure effective as of December 31, 2023

Senior management profiles

Óscar Bravo Restrepo, *president*

A native of Medellín, Mr. Bravo graduated from the Pontificia Universidad Javeriana with a degree in industrial engineering and went on to earn a master's degree in international management from the University of St. Thomas. He also holds degrees from Harvard University, the University of Pennsylvania, and Thunderbird University. For more than 15 years he served as the vice president of corporate finance at Terpel. Prior to that he held various management positions at Rohm and Haas, most recently as worldwide manager of financial planning and analysis.

Main responsibilities: To lead the organization's strategic processes and guide the business units toward the achievement of their objectives, in accordance with the policies established by the Board of Directors, in order to obtain the desired results and generate value for all stakeholders.

José Carlos Barreto, *Operations & logistics*

Born in Corozal, Sucre, Mr. Barreto holds a degree in civil engineering from the Universidad de los Andes, a diploma in project management from UIS, and an MBA from Universidad de los Andes. He has served as project manager at Cementos del Caribe, mine manager at Carbones del Caribe, and exploration manager at RTZ. He was also the production manager for Carbones del Cerrejón.

Main responsibilities: To establish and regulate the fuel supply chain, construction projects for new service stations and convenience stores, and new infrastructure for plants and for health, safety, environment, and quality, in accordance with corporate policies and current regulations, in order to ensure operational and logistical compliance with the value propositions, and seeking the most cost-effective solution.

Daniel Perea Villa, *Corporate & legal affairs*

Mr. Perea was born in Bogotá and studied law at the Pontificia Universidad Javeriana. He has more than 25 years of experience in managing legal and corporate affairs in national and multinational companies. He holds a master's degree in business administration and leadership from the EADA Business School in Barcelona, Spain. A specialist in commercial and administrative law, Perea has also served as legal affairs manager at GlaxoSmithKline and as legal compliance officer at Glass Technology Investments.

Main responsibilities: To define the reputation strategy and the direction of the company's ESG strategy and to integrate those strategies into the business in accordance with regulatory requirements and environmental trends.

To lead the Foundation's programs and the company's social impact initiatives, and to manage the organization's intangible assets, including, but not limited to, the strategy for communications, outreach, and interaction with groups outside the organization

To determine the company's legal strategy in accordance with the legal framework, the company's policies, and other applicable regulations or contracts, in order to ensure legal certainty.

Alonso Botero Pardo, *Corporate finances*

Mr. Botero holds a degree in economics from the Universidad de los Andes and an MBA from the MIT Sloan School of Management. He has more than 25 years of experience in finance, strategy, and new business development, pursuing his career in local companies and multinationals in the consumer and pharmaceutical sectors. He worked for Tecnoquímicas for 17 years, where he began as the financial planning manager, was promoted to vice president of corporate planning, and was later named vice president of finance and IT.

Main responsibilities: To establish and regulate the financial strategy and the organization's system for purchasing and contracting goods and services in accordance with the applicable legal and regulatory framework. To establish guidelines, directives, policies, and procedures to ensure the company's

sustainability and operation in the short, medium, and long-term, in accordance with the requirements and needs of the business.

Johand Patiño, *Fuel sales*

Born in Bucaramanga, Mr. Patiño holds a degree in marketing engineering from the Universidad Autónoma de Bucaramanga, and an MBA from the Inalde Business School. With more than 25 years of experience in business, strategy, and marketing, he has been working with Terpel for the last 20 years. His career with Terpel began in 2002 in Terpel Bucaramanga as a sales consultant, and he later joined the team responsible for the integration of the seven Terpels into Organización Terpel.

Main responsibilities: To manage sales at the national level (service stations and demand for natural gas, electricity, and industry fuels), within the framework of the corporate and competitive strategy, in order to meet targets for sales, coverage, service, and safety, as well as market share and expected profitability.

María Mercedes Carrasquilla, *Human resources and administration*

Born in Bogota, Ms. Carrasquilla holds diplomas in high-level management and in high government from the Universidad de los Andes. With more than 30 years of experience, she has held the positions of administrative and financial director of the coffee-growers census of 1990 by the National Federation of Coffee Growers of Colombia, and was twice secretary general of Fedesarrollo, for more than 10 years of her career. She has been director of the donations program at the Universidad de los Andes, regional director of the FES Leadership Institute in Bogotá, manager of government affairs, communications, and regulation at Coltabaco, director of corporate affairs at El Tiempo Casa Editorial and the Consul General of Colombia in Rome, Greece, and Malta.

Main responsibilities: To determine the strategy and provide guidance on human resources, administration, wellness, onboarding, training, performance evaluations, leadership, diversity, culture, internal communications, and innovation, to ensure alignment of the company's strategic framework at the national level. To establish the company as a benchmark of practices for countries in order to create value for employees and for the company

Liliana Tovar Silva, *Aviation & marine fuels*

Born in California, in the United States, Ms. Tovar earned a degree in industrial engineering from the Universidad Javeriana and has an MBA and a master's degree in leadership from the EADA Business School. She has more than 25 years of experience with Terpel and has witnessed the changes in the company over time, starting when it was made up of regional companies. She was a member of the team that developed the competitive strategy of the business units.

Main responsibilities: To establish and direct the competitive strategy for the Aviation and Marine Fuel businesses, in accordance with the organization's strategic guidelines, ensuring results in terms of sales, profitability, market share, brand recognition, and service in the segments in which it operates, guaranteeing sustainability and growth for the business.

Nelson Yobany Pabón Caviativa, *Technology & digital transformation*

Mr. Pabon holds a degree in systems engineering from the Escuela Colombiana de Ingeniería and a specialization in project management from the Universidad Piloto de Colombia. He has more than 18 years of experience in technology in financial sector companies such as Grupo Aval, A Toda Hora, Banco AV Villas, Unisys, and Compañía Latinoamericana de Software. During his career he has served in positions such as technology services manager, digital services manager, and project director.

Main responsibilities: To lead, advise, regulate, and execute the technological and digital transformation strategy and ensure the standardization of the company's applications, communication systems, and technological infrastructure in accordance with the applicable legal and regulatory framework, establishing guidelines, directives, policies, and procedures for ensuring their proper functioning, proper use of the allocated budget, and the impact on the strategy and needs of Terpel.

Alejandra Londoño Carulla, *Convenience services & marketing*

Ms. Londoño holds a degree in industrial engineering from the Universidad Javeriana and a diploma in marketing from University of Chicago. She has more than 20 years of experience in companies such as Unilever in positions such as brand and innovation manager and trade marketing manager for the Colombian and North American markets. At Juan Valdez she served as vice president of marketing and vice president of international sales, developing the brand and operations in different countries.

Main responsibilities: To coordinate the sales and operations of convenience services with Terpel's value proposition in order to guarantee the expected market share and profitability by meeting targets for sales, coverage, and service established in the organization's strategy.

To establish and oversee Terpel's brand strategy, leading its communications and 360 activities for all Organización Terpel businesses. To lead the company's loyalty and data strategies.

Rodrigo Marcelo Ferreira, *Lubricants*

A native of the Valparaiso region in Chile, Mr. Ferreira holds a degree in business administration from the Instituto Profesional de Ciencias y Artes INCA CEA. He studied auditing at Universidad de Viña del Mar. He has worked in the financial

sector, holding positions at the National Bank and in the Chilean Navy's finance department, Directemar. He served in the lubricants sales area for more than 20 years at Petróleos de Chile, Copec S.A., and joined the Terpel team in 2017.

Main responsibilities: To manage the process of manufacturing, marketing, and distribution of lubricants at the national level in accordance with established standards, within the framework of the competitive strategy, in order to achieve targets for sales, market share, expected profitability, and brand value.

Kenneth Alexander Siefken, *Regional subsidiaries*

A native of Medellín, Mr. Siefken is an industrial engineer from Barranquilla with a specialization in business administration from the Universidad del Norte, another in marketing from the Universidad Javeriana de Cali, and an MBA from the Universidad de los Andes. He is also a certified coach and has taken several classes on leadership in recent years. During his 28-year career, he has worked in a variety of sectors, including the financial sector and public utilities, in companies such as Banco de Bogotá, Gases del Caribe S.A. E.S.P., and Triple A S.A. E.S.P.

Main responsibilities: To direct operations in countries outside of Colombia by overseeing the management of the business and establishing objectives in line with the organization's expectations. To transfer best practices from the parent company to subsidiaries to ensure competitive alignment, with market and business-specific adjustments, to meet expectations for sales, financial results, and customer experience.

The Executive Committee is evaluated each year, at the same time as the rest of the company. This information is presented in greater detail in the section "Our commitment to people" in this same report.

The compensation and incentive system for members of senior management is defined and approved by the president of the company and the chairman of the board of directors. Terpel commissions a salary study by an expert compensation consulting firm.

OUR COMMITMENT TO CORPORATE GOVERNANCE

Listing on the Colombian Stock Exchange (BVC)

We have been listed on the Colombian Stock Exchange (BVC) since 2014. In 2023, we received the Investor Relations (IR) Award for issuers for the tenth consecutive year, highlighting our performance and commitment to the disclosure of transparent and reliable information. As part of our commitment to transparency and best practices in corporate governance, we are an active member of the Colombian Institute of Corporate Governance (ICGC). We participate in its Board of Directors and share our performance through the Corporate Best Practices Report "Country Code Survey," which is available to the public on our website and as an annex to this report.

Good Governance Code

The purpose of our Good Governance Code is to monitor the proper functioning of our governance and management bodies. It ensures optimal levels of trust and transparency, strengthens internal controls and corporate responsibility, and ensures that the rights of our shareholders are respected and protected. During 2023, we maintained a centralized approach from Colombia to monitor and manage high-impact processes such as the prevention of money laundering and the fight against corruption for subsidiaries in Peru, Ecuador, the Dominican Republic, and Panama.

To address all aspects of corporate governance in more detail, we have included the Integrated Legal and Financial Report in the last chapter of this document. The report clearly communicates the importance we place on maintaining high standards of corporate governance throughout the company.

Learn more about our [Good Governance Code, here](#).

Ethical Conduct

(3-3). At Terpel, ethical behavior is one of the pillars of who we are. This approach establishes a framework of values and principles that guide all our actions and decisions. We believe that strong business ethics build trust and credibility with our various stakeholders, which contributes directly to our reputation and is reflected in customer loyalty, talent retention, operational readiness, and access to financing, among other things.

By adopting the highest ethical standards and transparent practices, we meet our legal obligations while fostering an environment of respect, fairness, and social responsibility. This approach benefits our organization and has a positive impact on its responsible and sustainable growth, thereby creating long-term value for our company and for society as a whole.

We have a number of mechanisms for managing this area:

- **Ethics Management System**

(2-24). Terpel has implemented an Ethical Management System to ensure transparency and integrity in our business conduct in all operations and processes. We have an Ethics Committee, made up of the vice president of human resources and administration, the vice president of corporate and legal affairs, the audit manager, the administrative manager, the corporate legal director, and the head of labor relations. This committee meets regularly at the request of its members or when a special case requires, to evaluate and ensure compliance with the ethical principles established in our organization. The Committee's main function is to promote a values-based corporate culture in which transparency, integrity, and ethics are basic pillars.

Our Compliance and Ethics Management System is regularly audited by Terpel's Internal Audit Department.

- **Code of Conduct**

(2-23). Terpel has a Code of Conduct that is the official statement of the principles, values, and ethical standards that guide the operation of our organization. This Code describes the behavior expected of our employees and provides guidelines and possible consequences for any failure to comply. Click here to consult our Code of Conduct: [Terpel Code of Conduct](#).

Our Code of Conduct applies to all employees in the countries where we operate. The Code is adapted to local laws, while maintaining the corporate commitments defined in Colombia. All employees sign a written agreement and participate in annual training on these established policies and guidelines.

(415-1) As a matter of corporate policy, Organización Terpel does not make financial contributions or express direct support for election campaigns, political organizations, or candidates with the intent of influencing public policy.

Our Code of Conduct covers the following topics:

- Corruption and bribery
- Discrimination
- Confidentiality of information
- Conflicts of interest
- Antitrust / anti-competitive practices
- Money laundering and/or insider-trading
- Environment, health, and safety
- Whistleblowing

(2-25). When conduct that violates our Code of Conduct is identified, we conduct an internal investigation to determine the facts. If a violation is established, disciplinary action will be taken. In this process, the employee is notified of the alleged facts and misconduct and is invited to a hearing to present his or her side of the story. Appropriate actions or sanctions will then be taken based on the severity of the violation. These can range from feedback on the event and appropriate behavior to termination of the contract.

- **Employee training on ethics and compliance**

In 2023, we developed the course "At Terpel, we take care on the way," which addresses fundamental issues such as the right to free competition, prevention of money laundering and terrorist financing, socio-political risks, and human rights. We also organized an online seminar on "Free Competition" with the participation of the SIC. The seminar highlighted how important it is to have free competition in markets to promote business efficiency and provide the best products and services. By acting with respect and integrity, and inspiring confidence at all times, we as an organization will continue to be relevant in the marketplace, to distinguish ourselves from others, and to provide our customers with a fair and high-quality value proposition.

2023	
Number of employees covered by the Code of Conduct *Does not include Masser, a subsidiary with its own code.	1,555
Percentage of employees covered by the Code of Conduct	100%
Total number of Code of Conduct training sessions provided to employees in the last three years 2021: 2 2022: 2 2023: 3	7
Percentage of affiliates covered by the Code of Conduct	100%

Employees trained in the Code of Conduct in the last three years (Organización Terpel Colombia)

	Number of Employees trained
2021	1,439
2022	1,144 ¹⁰³
2023	503 ¹⁰⁴
Number of subsidiaries / countries that signed written agreement regarding the Code of Conduct	No written consent is signed
Number of Code of Conduct training sessions in the last three years for subsidiaries / countries	No training on the Code of Conduct was provided to subsidiaries by the parent company.
Number of violations of the Code of Conduct	21

¹⁰³ Employees trained during annual corporate induction and re-induction

¹⁰⁴ The decrease from one year to the next is due to the fact that there was no corporate induction in 2023. Only new employees and existing employees who did not go through the induction in 2022 received this type of training.

Communication Channels

(2-26). Our ethics management system includes whistleblower mechanisms and confidential communication channels that allow employees and other stakeholders to safely and anonymously report potential ethical violations. This initiative is designed to foster an environment of trust and openness in which all members of the organization feel a commitment to the highest ethical standards.

The following confidential means are available for informing, reporting, and denouncing any situation that violates the Code of Conduct or our corporate policies:

E-mail: reporteconfdencial.terpel@resguarda.com

Confidential reporting line:

<https://www.terpel.com/en/confidential-reporting>

Toll-free line: 01-800-752-2222

External providers receive and evaluate complaints, ensuring international quality standards in their handling, and maintaining the confidentiality of the complainant. The complaints are then forwarded to the vice presidents of Human and Administrative Management and Corporate and Legal Affairs, and to the Audit Department, which directs them to the appropriate department for a response. Reports of violations of the Code of Conduct are referred to the Ethics Committee. The Committee then initiates investigations and develops action plans as appropriate.

Policy for the Prevention of Sexual Harassment in the Workplace

In terms of work practices, both the Internal Work Regulations and the Code of Ethics contain chapters that establish the framework of behavior expected of our employees to prevent harassment in the workplace. To keep them informed, we regularly send out internal communications about the existence of the Labor Relations Committee as a channel for reporting possible cases of harassment in the workplace.

We also have a Policy on Preventing Sexual Harassment in the Workplace, which sets forth guidelines for investigating, correcting, and sanctioning alleged instances of sexual harassment, and establishes the process for addressing and resolving complaints in this area. At Terpel, we reject workplace harassment in all its forms and modes, regardless of who the victim or perpetrator is and regardless of his or her rank in the company hierarchy.

We also have a **Labor Relations Committee**. This is a safe space where work can be done to prevent workplace harassment, maintain a good environment between managers and subordinates, and protect our employees.

The cases that can be reported to this committee are:

- Mistreatment

- Workplace harassment
- Workplace discrimination
- Workplace disruption
- Workplace inequality
- Workplace insecurity

Any violation of this policy or harassment may be reported to the following email address: comite.convivencia@terpel.com.

The confidential reporting line:

<https://www.terpel.com/en/confidential-reporting/>

Toll-free line: 01-800-752-2222

There were no sexual harassment complaints in 2023.

We received 7 complaints of workplace harassment against employees of the organization, which were referred to the Labor Relations Committee for proper investigation, processing, and closure.

Anti-corruption

(2-24). At Terpel, we have a series of manuals that frame permitted behaviors, actions, and decisions for all employees and third parties associated with the organization, such as the [Business Ethics Program](#) and the [MLFT Prevention and Control Policy Manual](#). These documents reflect high standards for the prevention of money laundering and terrorist financing, and include policies to prevent any form of bribery. They also include guidelines and references for preventing direct and indirect political contributions, which are also defined in the Corporate Affairs Policy.

Our System for Managing the Risk of Money Laundering and Financing of Terrorism - SARLAFT - implements rigorous due diligence across the company, including strict know-your-customer policies (beneficial owners, managers, shareholders, etc.) and the screening of sanctions lists.

We have also implemented the following processes to strengthen our mechanisms for fighting against corruption:

(205-1). Operations assessed for corruption risk.

The company conducts anti-corruption risk management for 100% of its operations and activities, including the seven regional offices in Colombia and subsidiaries in four countries: Ecuador, Peru, the Dominican Republic, and Panama.

The procedures include an assessment of practices related to bribery, facilitation payments, fraud, extortion, collusion, money laundering, and offering or receiving gifts, loans, fees, compensation, or other advantages that could induce an action that is dishonest, illegal, or an abuse of trust.

(205-2). Communication and training about anti-corruption policies and procedures

All members of our Board of Directors, our employees, and our business partners (suppliers) have received a communication on our anti-corruption policies and procedures. Similarly, 100% of our employees have received training on the subject.

(205-3). In 2023, there were four cases of corruption. Of these cases, the first resulted in the dismissal of 3 employees, the second resulted in the dismissal of 1 of our employees and 2 employees of a supplier, the third resulted in the dismissal of 3 employees, and the fourth resulted in the resignation of an employee during the investigation.

Training in free competition

Topic	2023
Employees participating in courses on free competition	Trained: 956 men 485 women Total: 1,414

Regulatory compliance

Ensuring that we comply with applicable laws, regulations, and agreements, both locally and internationally, protects us from potential legal and financial contingencies and sanctions, and builds stakeholder confidence. Meeting these requirements promotes our company's transparency, stability, and credibility in the marketplace and supports our integrity and ethics. Proper compliance can open up new business opportunities, strengthen business relationships, and cultivate an environment conducive to the sustainable growth of our organization.

(2-27). There were no material non-compliance events in 2023.

Human Rights

Terpel is committed to respecting and promoting Human Rights (HR) in all our actions and decisions, those of our stakeholders and our subsidiaries abroad, and at all stages of our value chain.

The scope of our commitments is outlined in the [Human Rights Policy](#). Its purpose is to establish guidelines for respecting and promoting human rights and to encourage actions to promote their enjoyment inside the company and in relations with stakeholders.

To ensure and promote respect for human rights, we adhere to the following standards and principles:

- Universal Declaration of Human Rights
- Recommendations of the United Nations Guiding Principles on Business and Human Rights to "protect, respect, and remedy."
- Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.
- International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.
- Principles of the United Nations Global Compact

Acquired commitments to uphold human rights standards and principles:

Through the policy we make a commitment to:

- Ensure that all stakeholders in the countries where Terpel operates follow the guidelines described in this Human Rights Policy and incorporate them in their work.
- Respect, promote, and value diversity, inclusion, and equal opportunities. At Terpel, we recognize the competitive advantage and opportunities of learning from differences. That's why we promote the inclusion of people from diverse nationalities, ethnic groups, beliefs, gender identities and expressions, and sexual orientations in our team of employees and in the highest governing body.
- Evaluate the actual and potential human rights impacts of our operation and establish mechanisms for preventing, mitigating, and remediating any possible impacts.
- Safeguard freedom of association and recognize the right to collective bargaining.
- Prohibit and reject forced labor, child labor, and discrimination throughout our supply chain.
- Establish safe working environments for the well-being of our employees and contractors.
- Respect the culture and customs of communities near our operations.
- Develop plans that contribute to a safe and healthy environment for society.

Human rights monitoring bodies

In recognition of the importance of respecting and promoting human rights, we monitor, track, and control the organization's work in this area and potential risks throughout our value chain. We have therefore defined the following internal bodies and mechanisms for monitoring human rights:

Bodies:

- Ethics Committee
- Confidential reporting line

Mechanisms:

- **Communication:** The company's human rights policy is shared with all stakeholders involved in the operation and is available on our website for consultation by any interested party. The relevant departments, such as Corporate Affairs, Human Resources, Internal Communications, Suppliers and Internal Control, are responsible for reporting on progress and on any changes or new commitments Terpel makes in this area. This information is then disseminated through channels such as the website, quarterly reports to shareholders and/or the Board of Directors, regular meetings of the Sustainability Committee, and this report.
- **Evaluation:** The results of human rights management are the subject of an annual evaluation by the Sustainability Committee.

This is complemented by our risk management system, which implements measures to prevent, identify, address, and manage compliance and integrity risks, including human rights risks arising from the organization's direct activities and business relationships with suppliers, allies, and franchise owners.

(411-1) In 2023, no cases of violations of indigenous peoples' rights were identified in the areas where we operate.

Nor were there cases of violations of human rights.

Human rights mitigation and remediation measures

Terpel manages human rights and socio-political risks to prevent their materialization in our areas of operation and value chain. We establish control plans to mitigate any impact on our business relationships and reputation.

We have taken the following steps to avoid any potential impact on the basic rights of our stakeholders:

1. Adherence to the Good Neighbor Policy
2. Compliance with the Community Relations Protocol
3. Development of Public Affairs committees
4. Implementation of the engagement strategy in complex operating environments
5. Preparation of the human rights due diligence process

Tax management and control and tax risk management

(207-1). Our tax strategy is aligned with the tax management policies of each country in which we operate. These policies define the tax principles and framework for our company, as well as our tax planning behavior, risk appetite, and relationship with tax authorities. Consult our [Tax Management Policy](#) here.

Meeting our tax obligations is our primary objective, and we are committed to complying each year with national and local regulations in each of the countries in which we operate. We take a comprehensive approach to tax management at Terpel, ensuring that our projects, programs, and initiatives consider tax issues from the outset.

(207-2). Our Board of Directors is the highest authority responsible for approving our tax policies and for reviewing and approving the Tax Management Policy and any amendments to it on an annual basis. This body delegates responsibility for ensuring compliance with our tax policies to the Finance, Accounting and Tax Management, and Tax Departments.

We have integrated tax risk control and management systems that include approval levels for penalties and interest that are authorized by senior managers only, or higher. Each year, the tax management process is reviewed by the Audit area and its team of tax professionals, in collaboration with independent third parties, to ensure compliance with the applicable regulatory framework. The results for the period are reported to the vice president of finance and the corresponding financial statements are prepared.

At Terpel, we have specific approval levels for managing tax risks. As part of this process, we analyze and coordinate tax actions and decisions with the leadership of each business unit and with the assistance of tax counsel. This approach allows us to manage tax risks efficiently and to respond appropriately to threats in this area.

(207-3). We interact with our stakeholders on tax matters through our participation in associations such as the Colombian Association of Petroleum Companies (ACP) and ANDI. These organizations keep a close eye on current legislation, giving the company insight into possible future regulatory changes. This approach allows us to proactively manage the associated risks and impacts. Terpel also responds to requests and actively cooperates with municipalities and organizations that issue requirements related to tax compliance issues.

The Tax Policy includes the following:

- A commitment to comply with both the spirit and the letter of tax laws and regulations in the countries in which Terpel operates.
- A commitment not to shift value created to low-tax jurisdictions.
- Guidelines for avoiding the use of tax structures that are designed to evade the payment of taxes.
- The company's approach to transfer pricing.

- Guidelines for avoiding the use of secrecy jurisdictions or so-called "tax havens."

Responsible marketing

We are committed to total transparency in all of our marketing and communications with the public. In 2023, we established an ethical advertising and marketing policy, accessible to all our stakeholders, that guides our actions and is based on honesty and consideration of social and environmental impact. For more details, click [here](#).

Responsible supply chain management

(3-3). Our supply chain enables us to deliver on our value promise through the products, services, and experiences we provide to customers and consumers. Excellence in supply chain management is fundamental to ensuring the quality of our work and positioning us as a preferred option in the marketplace.

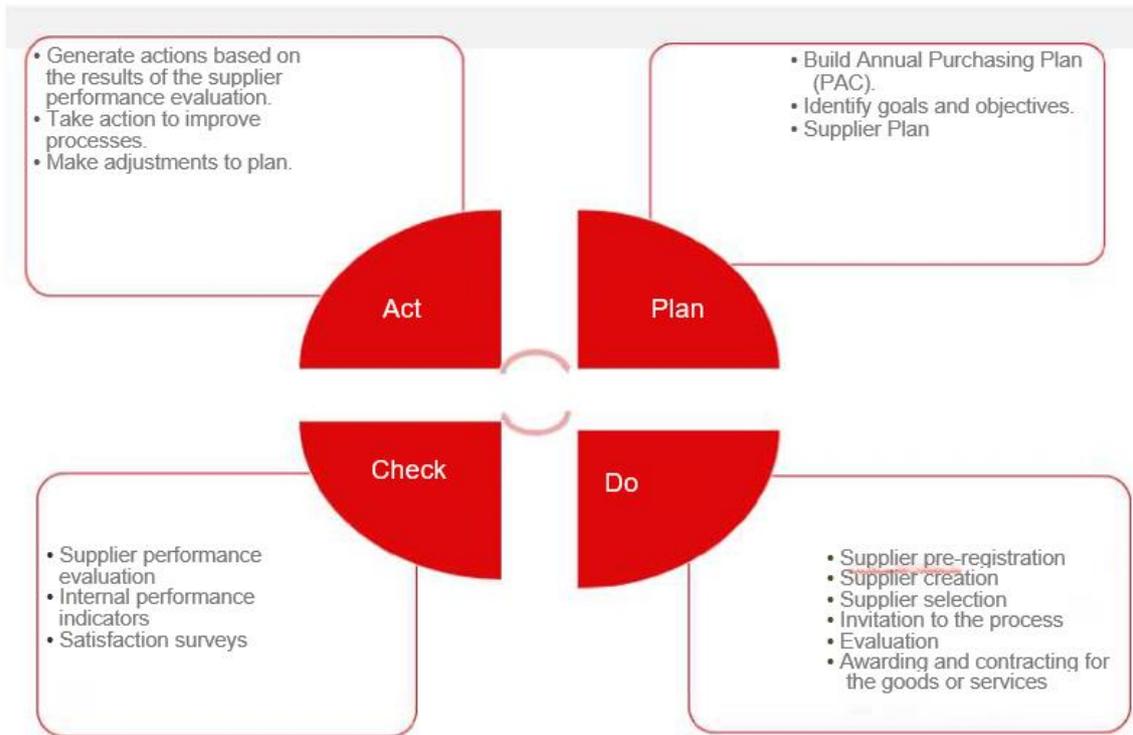
Aligning suppliers with our policies and organizational vision influences the way we do business, how we are perceived in different environments, and the impact we have on our stakeholders. For this reason, we strive to ensure that each link in our chain is sustainable and meets minimum standards in terms of legal, quality, environmental, safety, and other aspects. We work to make sure that each process is efficient and contributes to well-being in our surroundings and in the communities where we operate, and that it includes actions to care for the planet and mitigate any impacts the supply chain may have. At Terpel, we know that a sustainable supply chain is the key to building a strong and responsible business for the future.

Diligently managing our supply chain allows us to leverage it as a competitive and sustainable advantage, mitigating risks and impacts on our operations. So, we evaluate and identify opportunities for improvement and implement actions to develop our chain through assessments and collaboration programs to ensure the progressive integration of environmental, social, and governance (ESG) issues into our operations. Plus, the promotion of local sourcing strengthens local economies and also reduces the environmental footprint associated with transportation.

(2-6). Our supply chain

A supplier is a natural person, legal entity, or any type of association that provides a specific good or service to satisfy the company's contractual needs. A contractor, according to Article 34 of the Labor Code, is any employer, natural person, or legal entity that contracts the performance of one or more works or the provision of services for the benefit of third parties, for a determined price, assuming all risks. The Contractor is the natural or legal person who, by virtue of the contract resulting from the tender or direct award, undertakes the obligation to execute the physical works that are the subject of the contract and assumes the responsibilities imposed by that contract.

The PDCA (Plan, Do, Check and Act) cycle is a fundamental tool for managing suppliers at Terpel. We use this cycle to carefully plan our supplier relationships, implement agreed-upon strategies, monitor performance, and act to continuously improve. This cycle allows us to maintain high standards of quality, efficiency, and sustainability in our operations. It also facilitates rapid adaptation to market changes and promotes solid and sustainable cooperation with our business partners.



At Terpel, we recognize that the PDCA cycle is not only a methodology, but an essential pillar driving excellence in our supply chain and building strong and lasting relationships with our suppliers.

Composition of the supply chain

Type of supplier

The total number of active suppliers in 2023 was 1,353. This figure corresponds to the purchase of goods/services, fuel supply, transportation of fuel and lubricants, consumables, additive bases, gas, and payments made by Terpel.

Domestic suppliers	1,264	93%
International suppliers	89	7%
Total Suppliers	1,353	

Criticality analysis

At Terpel, we conduct a criticality analysis to identify our key suppliers. It classifies products, goods, services, and suppliers into categories of high, medium, or low criticality, allowing us to understand the impact they have on the organization. This approach helps us allocate resources efficiently and prioritize the management and detailed follow-up of those suppliers that have the greatest impact on our operations.

Suppliers to whom we pay more than COP1,000 million and/or who have a high impact through the service or good they provide are classified as Highly Critical.

In 2023, total spend on highly critical suppliers accounted for 98% of the total spent that year.

Criticality of Suppliers	2021		2022		2023	
	# of Suppliers	%	# of Suppliers	%	# of Suppliers	%
High Criticality	140	9%	157	10.6%	169	12%
Medium Criticality	803	58.8%	744	50.2%	672	50%
Low Criticality	471	33.3%	579	39.1%	512	38%
Total	1,414	100%	1,480	100%	1,353	100%

(204-1). Local suppliers

We are firmly committed to strengthening and developing the communities in which we operate. We give priority to hiring local suppliers and workers¹⁰⁵ and actively encourage our contractors to do the same. In doing so, we seek to have a positive impact on the economic and social fabric of each region, contributing to the sustainable growth and well-being of the communities in which we operate.

We have 1,264 domestic suppliers in our supplier database, equivalent to 93% of all suppliers. The total expenditure on those domestic suppliers in the year 2023 was COP\$ 19,599 million.

Purchases from suppliers by type					
Type of supplier	Total suppliers	% of all suppliers	Value purchases (MM COP)	of (MM)	Percentage of total purchases
Domestic suppliers	1,264	93%	19,599.40		95%
International suppliers	89	7%	924.30		5%

¹⁰⁵ For Terpel, a local supplier is any domestic supplier who is from the country where the service is provided. For example, Colombia.

Total	1,353	100%	20,523.80	100%
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Value of domestic purchases by type of service

Amount in MM COP	Type of goods or services
523.90	Supplies and services: Purchases of goods and services, domestic suppliers
31.30	Civil works: Works, domestic suppliers
19,044.20	Others: Fuel supply, fuel transportation, transportation of lubricants, inputs, base oils, additives, and natural gas. ¹⁰⁶
Total: 19,599.40	

Transportation providers

Transporting fuel by tanker is very important and has a high impact on our operations, as it ensures business continuity and timeliness of service to our customers. We supply our service station, industrial, aviation, and marine customers entirely by tank truck. The same is true for our supply to our plants that are not interconnected. We also transport the products coming from our biodiesel and additive suppliers via tank truck.

To guarantee these supply operations and customer service, in 2023 we worked with 39 transportation companies to move 1,470 million gallons of fuel across the country.

As part of our commitment to the safety and¹⁰⁷ well-being of our drivers on the road, we are working to implement a fatigue management project that includes the installation of an internal camera called Gauss Alert to monitor driver behavior and health and well-being. We also run a test called Cognus at the beginning of the workday, which confirms that our drivers are in optimal condition to start their workday. Cognus has already been implemented at our Baranoa, Mansilla, and Apiay plants for delivery to end customers, and Gauss Alert has been implemented in one vehicle at Baranoa and one at the Mansilla plant.

¹⁰⁶ In 2023, supplies amounting to COP 2,221 million were purchased through the subsidiary Terpel Exportaciones. In previous years, these purchases were made by Organización Terpel. This is the explanation for the variation in total purchases in relation to supply.

Supplier selection

At Terpel we implement a rigorous supplier selection process based on the principles of transparency, competitiveness, and equality. Our procurement policy establishes the requirements for becoming a Terpel supplier.

The [Suppliers and Contractors Manual](#) defines the guidelines for safety, occupational health, quality, and environmental management and specifies the legal, technical, and regulatory requirements to be met by Terpel's contractors, subcontractors of goods and services, independent workers, and suppliers.

The manual applies to domestic suppliers and defines the obligations that suppliers or contractors must fulfill when they are contracted by Terpel. At the beginning of the business relationship, all suppliers must confirm in writing that they accept and agree to comply with the provisions of this document.

The selection process includes criteria such as a detailed review of sanctions lists to ensure anti-corruption and LAFT compliance, an assessment of environmental practices, and an evaluation of service or product quality criteria, delivery times, after-sales service, and aspects related to health, safety, environment, and quality (HSEQ). These criteria are validated by formal certifications submitted by the prospective company during the evaluation process.

At Terpel we have 3 different assessments depending on the category of purchase: goods, services, or transportation. The percentage weight of ESG factors in the scores for each category is as follows:

- Goods: 60%
- Services: 50%
- Transportation: 31%

(308-1) (414-1) We hired 187 new suppliers in 2023, representing 14% of the total, who passed the selection filters, including the environmental and social requirements described in our manual.

Supplier assessment and supply chain risk identification

As part of our supplier creation and update process, we validate the risks associated with money laundering and terrorist financing in our supply chain, at the same time we re-assess the criteria already used in the selection process.

To this end, we require our suppliers to provide the documentation necessary to validate compliance with occupational health and safety (OHS) regulations.

100% of the critical suppliers in our supply chain for goods and services are evaluated on an annual basis.

This evaluation helps us diagnose and identify opportunities for improvement, design action plans, monitor supplier operations, and recognize achievements in our supply chain. Contract managers - the people who receive the service directly from the supplier - must evaluate their suppliers every year using the

previously mentioned criteria. When the evaluation score is less than 70%, the contract administrator will establish an improvement and gap closure plan. The plan is later evaluated by the contract administrator to determine the progress made since the initial evaluation.

Failure to properly manage the supply chain can result in legal ramifications, reputational damage, and operational disruptions that directly impact cash flow and business continuity. We are therefore mindful of the risks, impacts, and effects we may have throughout our value chain so that we can develop action and mitigation plans where necessary.

The main types of impacts we identified in our supply chain in 2023 were:

1. **Social impacts:** Events related to the opening of a new facility by a supplier that may trigger community protests with blockades of the facility based on demands to hire local labor.
2. **Environmental impacts:** fuel spills by transportation suppliers.

(308-2) As a result of the assessments, we have identified 8 critical suppliers with negative environmental impacts related to spills from vehicle rollovers that have impacted soil and water sources. Measures taken as a result of the identification of these impacts include:

1. Revision and disclosure of the risk matrix.
2. Dissemination of the lessons learned to the drivers of the operation.
3. Training on the process of loading, transporting, and unloading fuels.
4. Analysis of the speeds driven in the sector known as La Línea.
5. Raising of the tank truck operator's awareness of driving on rough or uneven roads.
6. Dissemination of the strategic highway safety plan.
7. Contingency plan training for the operations coordinator and plant coordinators.
8. Random OHS inspections to verify that the forms are completed correctly by the operators.

(412-2) We also identified an event with a supplier that had a social impact on its relationship with local communities. Mitigation measures implemented included:

1. Meetings with the community to reach agreements.
2. Training in social management and community relations.
3. A report of the situation to the police and governmental authorities so that appropriate measures could be taken to manage the event.

Suppliers audited	71
Percentage of suppliers audited out of total suppliers	5%
Percentage of critical suppliers that represent a high risk to the company.	31% of audited suppliers are critical
Percentage of critical suppliers evaluated and/or audited that have an action plan.	100% of the suppliers audited have an action plan.
Percentage of suppliers who improved performance as a result of an action plan	100%

(407-1) (408-1) (409-1) In 2023, there were no suppliers in our supply chain that posed a risk to freedom of association and collective bargaining, had instances of child labor, or had instances of forced labor. To prevent these things from happening, however, we have included specific clauses in the Contractors' Manual that provide guidelines on the behavior expected by Organización Terpel from its contractors.

Exposure to supply chain risk	
Total number of Tier 1 suppliers (both critical and non-critical) identified as having a high level of sustainability risk.	169 (12%)
Total non-Tier 1 suppliers for which a high level of sustainability risk has been identified	0
Total suppliers	1,353
Percentage of Tier one suppliers with high risk	12%
Percentage of non-Tier one suppliers with high risk	12% of Terpel's Tier 1 suppliers are in the high-risk category.

In 2023, we conducted on-site audits of 71 selected suppliers to verify compliance with occupational health and safety standards and other legal requirements applicable to the service.

Supplier development on ESG issues

We made great strides in updating our sustainable management strategy for suppliers in 2023, focusing mainly on two fronts:

1. Gathering information to determine the level of maturity of our suppliers in terms of ESG.
2. Raising awareness and engaging suppliers in ESG initiatives and programs for a long-term relationship. To do that, we took the following actions:
 - Creating incentives for collaborative learning spaces in the supply chain
 - Disseminating the best practices of Organización Terpel and external organizations to open channels of communication with suppliers for continuous improvement.

We support our suppliers in improving their practices, thereby reducing risks to our supply chain and contributing to business development:

- We launched the ***Companies in a Mega Trajectory*** program in collaboration with the Bogota Chamber of Commerce.
 - We successfully completed Module 1: Strategy, environment, and competitive advantage, with the participation of 38 companies out of 42 registered, of a total of 5 modules programmed. We also involved 7 Terpel volunteers who took on the role of program mentors, sharing their experience and knowledge with our participating suppliers. In 2024, we will continue with the next modules and open the program to a new group of companies.
- In partnership with the Universidad Externado de Colombia, we conducted 2 cycles of the **First Steps in CSR 2023** program, mentoring 8 suppliers to help them improve their competitiveness and contribute to social and environmental development.
- Together with Deloitte and the Universidad Javeriana, we implemented the **Best Colombian Companies - MEC** program, which focuses on three phases for improving business performance. We had 6 suppliers participate, with 4 advancing to Phase II and one company completing the program.

Forty-seven suppliers received a total of 22 hours of training in the three programs.

Our commitment to the planet

At Terpel, we recognize the importance of strategically managing the environmental impacts associated with our operations. Our commitment to sustainability is expressed in our need to understand and address the impacts, both positive and negative, that our activities can have on the environment and people.

Managing the environment requires a deep understanding of the context in which we operate and its risks, anticipation of situations that may impact regulatory compliance, and shared responsibility to and with stakeholders.

We also recognize the importance of constantly monitoring emerging regulatory requirements and global issues that may affect the viability of our

business, and developing policies that enable us to be proactive, timely, and strategic.

Our corporate structure includes an environmental compliance program, an integrated waste management program, a spill and leak control program, a discharge control program, energy and water conservation and efficiency programs, and environmental communications. In parallel, we conduct regular inspections to assess strict compliance with established policies and engage in detailed investigations, followed by action plans, to address any deviations detected in our system.

Policy for Occupational Health, Safety, Environment, and Quality (HSEQ)

Terpel's Health, Safety, Environment, and Quality (HSEQ) Policy is the framework that guides our operations to identify, mitigate, and compensate for any negative impacts that may result from our activities.

The policy covers a number of important aspects that reflect our key commitments in the following areas

- **Health and Safety:** we prioritize the safety and well-being of our team, contractors, and communities by implementing practices that ensure a safe and healthy environment.
- **The environment:** We recognize the importance of preserving and protecting the environment. Our operations are guided by sustainable practices that minimize our impact on the environment and promote conservation.
- **Quality:** we offer products and services of the highest quality. We set high standards to ensure excellence in every aspect of our operations, throughout our value chain.

Our policy¹⁰⁸ establishes minimum guidelines and commitments that include:

- Ensuring strict compliance with relevant environmental laws and regulations.
- Proactively identifying, assessing, and controlling environmental risks for safe and sustainable operations.
- Responding in a timely manner in the event of environmental emergencies during the development of our operations.
- Following through with the roles and responsibilities established in our management system.
- Collaborating on programs for our partners that share standards of operational excellence and promote cleaner operations and environmental stewardship.
- Responsibly managing waste generated, minimizing its environmental impact.

¹⁰⁸For further information on the HSEQ Policy, see the information in the lower part of this link: <https://www.terpel.com/quienes-somos>

- Conducting our business with the goal of protecting biodiversity in the environments in which we operate.
- Promoting sustainability through actions to offset our footprint, operate safely, and adopt circular economy practices.
- Maintaining a commitment to continuous improvement of our environmental performance by continually evaluating our practices in order to optimize processes and results.

Commitments and strategic actions to further develop our environmental management

The energy transition has become a key facet of the global landscape, and of the fuel industry in particular, due to the challenges and opportunities it implies for the medium and long term. Terpel recognizes the importance of adapting and leading this shift to more sustainable and cleaner energy sources. Although this transition is in response to growing expectations relative to sustainability, at the same time it opens up opportunities for innovation and the development of more efficient and environmentally friendly energy solutions. So we are committed to this transition, exploring new technologies and ways to deliver products and services that contribute to a more sustainable and resilient future.

As a result, in 2021, we defined an [environmental stance](#) that allowed us to establish the commitments, targets, and indicators we want to achieve as an organization in environmental matters. We defined three action fronts based on the identification of our key impacts:

- Climate change and energy efficiency
- Circular economy and waste management
- Safe operations

For each of these fronts, we set short-, medium-, and long-term commitments, which then led us to analyze our performance, the challenges we face, and the future actions we need to take to get where we want to be.

In 2023, we focused on reviewing the first two years after the establishment of our stance, with the understanding that this is a living document that should be updated periodically in accordance with the dynamic context in which we find ourselves, the demands of the environment, and the capabilities of our businesses to achieve the goals we have set. We reviewed our progress against our targets and recalibrated some of the indicators we use for annual monitoring and follow-up. We also defined new goals to give the position a broader reach and expanded the scope of previously established goals

Our senior managers and board members were involved in this exercise through reviews and strategic discussions. This provided sufficient corporate support for the environmental stance to ensure that all those directly responsible for the work were pulling in the same direction.

Environmental initiatives:

- In 2023, we updated our HSEQ policy to include new commitments in the environmental component. These include conducting environmental risk

assessments prior to acquisitions or affiliations, working to preserve the biodiversity around each work center, preserving existing vegetation at work centers, and compensating for the use of forest products as required by environmental authorities. In addition, we are committed to adhering to the roles and responsibilities defined in our management system.

- We implemented changes in how we consolidate energy consumption indicators in the supply plants for a more detailed and effective control, facilitating the identification of the largest sources of consumption and the implementation of intervention strategies.
- As part of the discharge control program, we installed new treatment facilities at service stations to ensure proper wastewater management.
- We strengthened the Reliable Service Stations program, which shares operational best practices in safety, environment, and quality, focusing on the 5 key elements of operational control:
 - Risk identification
 - Education and training
 - Emergency response
 - Event investigation, and
 - Leadership
- We also launched the second Reliable Service Stations Training Camp in the northern part of the country, ensuring the competency of our operators through classroom and hands-on training.

As part of our work to implement the TCFD methodology, we conducted a strategic exercise that allowed us to diagnose climate change risks by identifying the most vulnerable areas and work centers in terms of physical, transition, and financial risks.

The total environmental investments in 2023 amounted to COP 18,705.10 million and were distributed as follows:

- Repair of pavements and dikes at plants and airports, COP 562.4 million
- Improvement of waste management warehouses, COP 40.5 million
- Improvements to pavement, trench drains, water treatment systems, and tank linings at service stations, COP 11,575.20 million.
- Construction of a Reliable Service Stations training camp, COP 265.20 million
- Improvements to wastewater and effluent treatment facilities at factories and airports, COP 403.90 million.
- Environmental expenses to ensure compliance with environmental legislation (includes environmental studies, characterization,

consulting, forestry, remediation, waste disposal, and preventive maintenance of wastewater treatment systems), COP5,857.6 million.

Climate change and energy transition

(3-3). At Terpel, we recognize that climate change is the most significant challenge for our generation and we are committed to mitigating and adapting to its effects. Our climate risk management focuses on addressing the environmental impacts of our operations, as well as identifying climate risks and opportunities for the business.

We recognize that extreme weather events can cause damage to facilities and equipment, affecting both our operations and the distribution of our products.

Both the transition to sustainable energy sources and climate change expose us to regulations that could increase operating costs and affect the hydrocarbon industry, including Terpel. High emissions could lead to additional financial costs, such as carbon taxes.

In this context, we have set clear goals, including the pursuit of carbon neutrality by 2050 and a 50% reduction in emissions by 2030, as well as establishing a roadmap to achieve those reductions. At Terpel we are proactive and regularly monitor our carbon footprint and promote electric mobility, the use of cleaner fuels, investments in green initiatives, solar energy, and energy efficiency projects.

We are determined to take decisive action toward a more sustainable future and to actively contribute to mitigating the effects of climate change.

Our Scope 1 and 2 carbon neutrality goals.

Reduce GHG emissions by 50% by 2030.

Achieve zero emissions by 2050.

To meet this commitment, we develop mitigation initiatives focused primarily on transforming our energy consumption matrix, through the following actions:

- Developing energy efficiency projects in our operations to rationalize and optimize energy consumption.
- Migrating our energy consumption toward non-conventional renewable energy sources through projects to install solar panels for self-consumption.
- Participating directly or indirectly in projects that generate carbon credits.
- Supporting sustainable mobility projects, including the use of fuels such as CNG, LPG, and hydrogen.

New mobility

At Terpel, we are committed to powering people, businesses, and the country with the best energy, keeping them on the move by offering robust and reliable

mobility solutions. That's why we launched Terpel Voltex in 2019 to support electromobility.

Since then, we have been implementing a strategy to build electric charging stations for electric cars, buses, and trucks in the country's major cities and along its highways.

We also installed charging hubs for heavy electric vehicles. In this way, we support the industry's transition to new mobility models.

Learn more about Terpel Voltex [here](#).

Managing climate risks and opportunities

We are fully committed to the proactive management of climate risks and opportunities. We recognize the growing importance of addressing climate challenges and opportunities in the business context and, consequently, we have developed a comprehensive process to identify climate risks and opportunities in each of our business lines. The aim is to integrate them into our strategy and organizational risk matrix.

The exercise gave us an updated and specific climate vision for Terpel. We identified diverse risks associated with climate change, ranging from the physical and operational impacts of extreme weather events, such as storms, hurricanes, and floods, to reputational risks associated with deficiencies in ESG management. We also identified risks related to business continuity, infrastructure adaptation costs in the face of unavoidable impacts, market loss due to the energy transition, conflict with communities, and failure to meet stakeholder expectations.

The significance of these findings led us to prioritize the integration and disclosure of climate risks and opportunities, as well as the financial implications of climate change. Detailed information is provided in the annex to this report on the Task Force on Climate-related Financial Disclosures (TCFD). As part of this work, we also participated in the Carbon Disclosure Project (CDP) assessment to measure our climate change performance, and we incorporated the results into our climate strategy.

This active engagement in the management of the risks and opportunities associated with climate change is an important step forward in terms of strategy and resilience. When we understand and mitigate climate risks, we safeguard the sustainability of our operations, open the door to new opportunities, and strengthen our contribution to a sustainable business future. At Terpel, we see this initiative as both a responsibility and a driver for innovation, continuity, and long-term growth.

Our work in emissions (305-1). Direct (Scope 1) GHG emissions

Scope 1 corresponds to emissions generated by the direct operations of the organization and includes emissions from the use of fuel for the organization's

own vehicles, the use of fuel to transport products from plant to plant, and the use of the fire-fighting network and electrical generators.

In metric tons of CO₂ equivalent

	2022	2023
Direct CO ₂ e emissions (tons)	3,089.1	55,610.9

This year we saw an increase in Scope 1 emissions due to the inclusion of the fuel consumption of the fleet contracted for plant-to-plant fuel transfers. It is important to note that in previous years, this consumption was included in Scope 3.

(305-2). Energy indirect (Scope 2) GHG emissions from power generation

Scope 2 corresponds to emissions that are indirectly generated by the consumption of electricity for our own operations and over which we have control.

In metric tons of CO₂ equivalent

	2022	2023
Indirect CO ₂ emissions	9,760.33	7,985.8

Self-Generation of Energy

Over the course of 2023, we began operating 11 new solar plants for self-generation of electricity for various work centers. With this achievement, a total of 25 work centers are now powered by non-conventional renewable energy. With an installed capacity of 923.2 kW peak, our new facilities contribute to a total capacity of 2,273 kW peak.

(305-3). Other indirect (Scope 3) GHG emissions

Scope 3 emissions are those that occur outside of the organization's premises and include the transportation of product to end users, the energy consumption of the network of affiliates, and the transportation of people for business travel.

In metric tons of CO₂ equivalent

Other indirect (Scope 3) GHG emissions	2022	2023
CO ₂ e emissions	93,610.64	29,007.4

Total carbon footprint:

Year	tons of CO ₂ e
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2021	174,318.31
2022	106,460.16
2023	92,604.2

Emission factors:	
Scope 1 and Scope 3: Fuel	<ul style="list-style-type: none"> • Diesel: 10,133 Kg CO₂/gal • Gasoline: 9 Kg CO₂/gal • JET: 9,867 Kg CO₂/gal • CNG: 6,110 Kg CO₂/gal
Energy Scope 2 and 3	<ul style="list-style-type: none"> • 0.112TonCO₂e/MWh.

The most significant sources of our emissions are:

Scope	Source	Explanation of relevance	tons of CO ₂ e
Scope 1	Direct transportation	Fuel consumption for plant-to-plant transportation and fuel consumption of the organization's own vehicles.	55,032.1
	Use of stationary equipment	Fuel consumption for use of fire suppression systems and electrical generators.	578.8
Scope 2	Self-generated energy	Power consumption from own operation.	7,985.8
Scope 3	Transportation and distribution downstream	1) Fuel consumption of our fleet under contract for the transportation of fuel to end users, both liquid fuels and lubricants.	20,927.6
	Use of energy	2) Emissions from the energy consumption of the network of affiliated service stations.	7,723.7
	Business trips	3) Emissions caused by business trips of Terpel employees	355.9

(305-4) Emissions intensity	2022	2023
Expressed as tons of CO2/million gallons sold	58.4	51.9

**Our energy management
(302-1). Energy consumption within the organization**

Total energy consumption 2023 (GJ)	2022	2023
Total consumption of renewable energy:	3,825.79	8,436.28
Renewable energy generated	14.98	5.16
Total renewable energy purchased	3,810.62	8,431.11
Consumption of energy purchased from the grid	278,866.6	248,251
Total consumption of fuels from nonrenewable sources	44,974.71	804,849.8
Diesel	19,155.5	784,248
Gasoline	12,260.5	13,291
Jet A1	9,067.45	3,184.18
CNG	4,491.26	4,126.32
	3,825.9	1,061,537.08

In recent years we have increased our operation's consumption of renewable energy:

2020	2021	2022	2023
599.15 GJ	39,765.96 GJ	3,835.7 GJ	8,436.28 GJ

(302-1) Our energy consumption corresponds to the fuel consumption of Terpel's own fleet of vehicles, which includes refueling trucks at aviation service

stations, power generators, and firefighting systems. In 2023, for the first time, we included the fuel consumption of the contracted fleet for plant-to-plant fuel transfers in the category of our own consumption. In previous years it was included in consumption by third parties.

The amount of electricity consumed is derived from the consumption records of the work centers and from Terpel and Masser's financial data. In the specific case of photovoltaic energy, Terpel Energía is the entity that provides the data related to generation and consumption.

(302-2). Energy consumption outside of the organization¹⁰⁹

Source	GJ
Energy consumption at affiliated service stations	248,264.7 GJ
Fuel consumption for last-mile transportation and lubricant distribution.	302,716 GJ

(302-3). Energy Intensity

	2022	2023
Expressed as GJ of energy consumed per million gallons sold:	179.95 GJ/ millions of gallons	595.9 GJ/ millions of gallons
Types of energy included in the intensity ratio: fuel, grid electricity, and renewable energy.		

Energy intensity increased compared to the intensity reported in 2022, because this year the fuel consumed by the contracted fleet for transportation between Terpel's plants was included in the calculation.

(304-2). Reduction of energy consumption

Reduction of energy consumption achieved as a direct result of conservation and efficiency initiatives	8,436.28 GJ
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In 2023, we replaced 8,436.28 Giga Joules of electricity that Terpel consumed from the grid with our own solar energy production.

¹⁰⁹ The consumption data for contracted fuel was provided by the transportation area and the Lubricants Plant. The energy consumption data for affiliated service stations is calculated by projecting the average consumption for four categories of service stations based on their sales volume. The average consumption is multiplied by the number of stations and by the 12 months of the year.

Costs of energy consumption¹¹⁰

Total cost of energy consumption 2021 (COP millions)	74,435
Total cost of energy consumption 2022 (COP millions)	101,279
Total cost of energy consumption 2023 (COP millions)	57,801 ¹¹¹
Specific parameters (denominator) selected to calculate the ratio. Example: GJ / tons of product	The data is calculated by multiplying the energy consumption in KWh by the average KWh value.
Types of energy included in the intensity ratio (fuel, electricity, heat, cooling, steam, or all).	Electricity and fuel (energy purchased for consumption from the grid + solar panels + fuel)

Emissions offset with carbon credits

Terpel is committed to reducing our customers' emissions by purchasing carbon credits from projects that combat and reduce the impact of activities that lead to deforestation, such as logging, mining, and related illegal practices.

Notable examples of these projects include

- [Crima Predio Putumayo y Andoque de Aduche](#), which has achieved an overall reduction of 8,146,378 tons of CO₂e and has benefited more than 1,000 people in 14 communities.
- The Doña Juana Sanitary Landfill in Bogotá, the largest sanitary landfill in Colombia and one of the most important of the United Nations Clean Development Mechanism (CDM) projects in South America. The operation of this plant prevents the emission of 800 thousand tons of carbon dioxide into the atmosphere every year. The project's CO₂ sequestration is equivalent to the sequestration of a forest of 160 million mature trees per year.¹¹²

These projects include actions such as landfill gas capture, flare treatment, and thermal energy generation. These initiatives not only help mitigate the effects of climate change, but also promote the conservation of large tracts of forest and native species.

¹¹⁰ The data on the cost of energy consumption reported for 2021 and 2022 represent the cost of energy for the company's own operations plus the estimated cost of operating affiliated service stations.

¹¹¹ The data included in energy consumption costs correspond to the company's own operations.

¹¹² <https://www.biogas.com.co/index.php/biogas/>

In 2023, we purchased a total of 2,091,719 metric tons of CO₂e, demonstrating our firm commitment to effectively reducing our customers' emissions and promoting sustainable practices in line with global climate goals.

Operational eco-efficiency

(3-3). **Terpel's operational eco-efficiency reflects its fundamental commitment to responsible and sustainable management of our day-to-day operations. It encourages the adoption of practices that ensure responsible management to protect biodiversity and ecosystems, as well as the implementation of circular economy principles with efficient waste and materials management.**

This approach is an ethical imperative for us and reflects our awareness that business excellence must go hand in hand with environmental stewardship. In a global context where the urgency of addressing environmental challenges is becoming increasingly apparent, we at Terpel recognize the need to take decisive action. These are a few concrete examples of our eco-efficiency in 2023:

- We implemented effective strategies to **reduce the use of plastics** in containers and packaging, helping to reduce plastic waste and its impact on the environment.
- We **significantly reduced our water consumption** through more efficient practices and sustainable technologies in our operations.
- **We implemented strategies to reduce the use of non-renewable materials**, to promote resource conservation, and to minimize our impact on ecosystems.

These efforts reflect our ongoing commitment to eco-efficiency as a way to comprehensively manage our impacts and promote practices that deliver tangible benefits to both our business and the environment.

Below, we share our impacts, achievements, performance, and strategies related to implementing circular economy principles and protecting biodiversity and ecosystems.

Circular economy

At Terpel, we are committed to the principles of the circular economy, recognizing that properly managing waste and maximizing the life cycle of materials are essential to achieving our environmental goals.

(306-2). Guided by this vision, we developed the following initiatives in 2023, reflecting our commitment to continuous improvement and innovation in the circular economy.

- **Green Pass Program:**
As part of our extended responsibility as a manufacturer and our commitment to sustainability, we have implemented a container and packaging collection program in our Lubricants business. The focus of this program is on the maximization of material recovery and the re-introduction of those materials into new production cycles.

The GREEN PASS program closes the life cycle of these materials in an efficient and sustainable manner through **three key initiatives**:

1. **Collection, recycling, and transformation of containers:** We collect post-consumer lubricant containers at participating POS. The collected containers are washed and transformed, allowing the material to be reused in various applications.
By the end of the year, we were able to collect 26.2 tons of containers, broken down as follows: Bogota and Savanna 19.7 tons, Medellin 2.9 tons, Monteria 2.5 tons, and Villavicencio 1.1 tons. We then transform the collected containers into objects used in the lubrication centers, such as roller seats, mechanics' creepers, and cleaning tools.
2. **POS certification.** This certification recognizes excellence in implementing best practices in lubricant management, providing exceptional customer service, and properly managing recyclable and hazardous waste. We currently have 258 POS certified.
3. **Bulk sales:** We implemented an innovative strategy to sell lubricant in a 150g tank at the point of sale. This ensures product integrity and excellent service, while reducing environmental impact by eliminating the use of plastic containers.

Learn more about Greenpass [here](#)

- **Metal Drum Return:** Recognizing the importance of minimizing hazardous waste and contributing to responsible materials management, we have implemented a metal drum return program at our lubricants plant. These drums are recycled, which significantly reduces the amount of hazardous waste generated, helps conserve resources, and reduces the environmental footprint associated with manufacturing new drums.
- **Pallet repair and reuse:** We implemented an innovative pallet repair and reuse program at the Lubricants plant. In addition to reducing waste, this initiative prevents deforestation by encouraging the reuse of pallets instead of using wood to make new ones.
- **Waste oil recovery:** We actively participate in the recovery of used oil as part of the Used Oil Fund (FAU) at the ACP (Colombian Petroleum Association), working with other lubricant manufacturing companies to promote the proper handling, use, and disposal of waste oil in Colombia, and with environmental authorities to raise awareness and share best practices.

By the end of 2023, the amount of used lubricating oil collected and recovered by UAF-supported operators was 17.1 million gallons, representing 65% of the estimated total ULO generated in the country. It

was then evaluated for delivery to a UAF-approved waste oil processor. Certification is in the form of a seal of excellence approved by Icontec.¹¹³

- **Separation at the source:** We promote separation at the source in the POS and work areas of lubricant stores, service stations, and Altoque convenience stores by installing collection points and complying with existing regulations.

- **Ambitious reduction of plastic use in Altoque stores:**
Reduction in the use of plastic in food packaging materials

We set an ambitious goal to reduce the amount of plastic used in food packaging in our Altoque stores: 95% by 2025. In addition, our goal is to completely eliminate the use of plastic in these packages by 2030, using innovative and environmentally friendly solutions that will set the standard for the convenience store industry.

Altoque Agua Madre bottles with recycled raw materials: In line with our commitment to the circular economy, we have set specific goals for producing the bottles for Altoque Agua Madre, our own line of bottled water, using recycled raw materials. Our goal is to reach 50% recycled content in these bottles by 2025. This initiative reduces the demand for virgin resources and the amount of plastic waste, contributing to the development of a more sustainable and responsible business model. Looking ahead, we have set an even more ambitious goal: to achieve 90% recycled content in these bottles by 2030, demonstrating our ongoing commitment to innovation and sustainable practices.

- **Reduction of food loss in Altoque stores:**

At Terpel, we recognize the negative impact that food loss and waste can have on the fight against hunger, food security, land use, and waste management. As a result, we are committed to minimizing food loss, particularly in our Altoque convenience stores, with the goal of keeping it below 1.5% of total net sales. In addition, we are committed to donating 80% of food waste by 2027 and 100% by 2029, ensuring sustainable practices that have a positive social and environmental impact.

In 2023, we continued our partnership with the company EatCloud, solidifying our commitment to reducing the amount of food waste or shrinkage previously disposed of in sanitary landfills. By closely monitoring inventory in our Altoque stores, we are able to accurately identify and quantify shrinkage. Then, using EatCloud's technology, we can connect directly with local foundations and social service organizations that receive this food.

Having this direct connection makes it possible to channel our food surpluses to these organizations quickly, while the food is still in good condition and safe for human consumption. In this way, we not only reduce shrinkage, but also help combat food insecurity and have a positive social impact on our communities.

¹¹³ The Colombian Oil and Gas Association's Waste Oil Fund, FAU, is a voluntary initiative of major lubricant companies to promote and encourage organized systems with high environmental standards for corporate self-management of proper handling, recovery, and disposal of used oil.

Main results:

We have implemented this initiative in 35 stores in the Savanna, North, South, and Antioquia regions, covering key geographic areas for our operations and reaching diverse communities.

Our donations have positively impacted a wide variety of beneficiaries, including the homeless, seniors, low-income families, and 18 different foundations.

In 2023, we were able to collect the equivalent of 4,423 plates of food to feed the most vulnerable.

We rose to the challenge in 2023 of managing a total of 10,557 kilograms of food waste generated by all Altoque stores, and were able to donate 1,252 kilograms, or 12% of the total.

- **Training**

At Terpel, we understand the importance of waste management training for our employees and other stakeholders. We have a comprehensive approach that addresses various aspects to ensure effective compliance and promote sustainable practices under the "Zero Waste" principle. As part of this, we conducted training workshops on local and international regulatory compliance related to waste management. We also addressed issues such as identification, waste classification, waste reduction and reuse, and promoted the 5Rs: Refuse, Reduce, Reuse, Repurpose, and Recycle.

These initiatives are just the beginning of our journey toward a more complete and efficient circular economy. We will continue to identify and capitalize on opportunities in our lubricants and convenience store businesses to extend the life cycle of our materials.

In 2023, we collected and recovered 16,082 tons of lubricant containers, 2.8 tons of recyclable waste (cardboard and plastic), and 1.2 tons of food waste for use elsewhere.

Key figures of our management

(306-1) Potential environmental impacts associated with waste, if that waste is not properly managed, include soil contamination, water contamination, and landscape disturbance. We implemented a waste management program at all of our work centers that specifically describes the actions necessary to properly manage waste, prevent environmental impact, and ensure proper disposal. We provide regular training to our employees on current regulations and guidelines for the implementation of the integrated waste management plan. We also conduct regular inspections at the work centers to ensure compliance with the defined activities.

(301-1) Materials used	Metric tons
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Renewable materials	Wood (pallets)	865.8
	Stretch Plastic	31.35
	PP 5 (Polypropylene designation 5)	20.18
Non-renewable materials	Plastics for packaging	2,707.51
	Metal for packaging	1,678.25
	Cardboard for packaging	915.81
	Base oils	71,319
	Additives	8,446

(306-3) Total weight of waste generated	Tons
Total weight of hazardous waste	11,800.8
Total weight of non-hazardous waste	595,511
TOTAL WASTE GENERATED	12,396.31

(306-5) Waste directed to disposal (tons)		
Destination	Hazardous Waste	Non-hazardous Waste
Incineration (without energy recovery)	71.88	0
Transportation to a landfill	83.23	583.95
Other disposal options	10,790.12	0
Stored by third parties for disposal	766.78	0
TOTAL	11,712	583.9

(306-4) Waste not for disposal (tons)		
(SASB EM-RM-150a.1) Quantity of hazardous waste generated, percentage recycled		
Recovery operations	Hazardous Waste	Non-hazardous Waste
Reuse	0	0

Recycling	88.81	11.56
Other recovery operations	0	0
TOTAL	88.8	11.56
TOTAL WASTE	11,800	595.51

(306-1) The activities that generate the greatest amount of these wastes and their associated potential impacts are as follows

1. Lubricant production, sales, and distribution
2. Maintenance activities such as washing tanks, grease traps, and API/ CPI
3. Operation of convenience stores and Ziclos (car wash)
4. Fuel handling

Indicator	Results 2023	Goal
Total weight (tons) of all plastic containers.	2,707.5	ND
Percentage of plastic packaging that can be recycled (as % of total weight of all plastic packaging)	100%	100%
Percentage of plastic packaging compostable (as % of total weight of all plastic packaging)	0%	0%
Percentage of recycled content in plastic packaging (as a % of the total weight of all plastic packaging)	0%	0.37%
The plastic used corresponds to liter, pint, gallon, and bucket size containers.		

Total tons of waste generated at service stations	2022	2023
Contaminated sand	103.21	54.63
Contaminated filters	8.84	7.45
Oil in water	1,737.3	1,383.62
Other liquid hazardous waste products (including fuel)	44.68	68.6
Plastic containers	16.93	20.76
Used cloths	1.81	4.88
Used oil	83.47	75.31

Biodiversity and ecosystem protection

At Terpel, we recognize the critical importance of managing significant impacts on biodiversity resulting from our operations; therefore, we are committed to implementing preventive measures, safety protocols, and specific tools to minimize the impacts generated in our operations, especially spills that could affect the soil and bodies of water, and operational activities that could disturb natural habitats. Such events threaten the integrity of local ecosystems and pose significant risks ranging from fines, economic damage, and damage to our corporate reputation and stakeholder confidence.

Terpel's commitment to protecting biodiversity can be seen in all our lines of business. The practices we have adopted prevent negative impacts and contribute to the conservation and restoration of biodiversity in the areas where we operate.

Main initiatives:

HSEQ policy expansion

In 2023, we expanded our HSEQ policy to give an expanded scope to our commitment. We declared that we at Terpel will always pursue the protection of biodiversity in the surroundings of each work center, and our entire value chain will diligently identify areas of high biodiversity value. We can thus avoid generating impacts in these areas, in accordance with national and international guidelines for their protection. We also made the commitment that, when we do identify areas of potential biodiversity impact, we will apply the mitigation hierarchy to determine how to avoid, reduce, and/or compensate any unavoidable impacts.

Plant conservation and forest compensation

Terpel is also committed to preserving the plant life at our operating centers. In operations where intervention is necessary, we are committed to compensation through forest product use agreements that follow the guidelines of environmental authorities.

Commitment to biodiversity and the transition to TNFD

In line with our commitment to responsible management of our impact on biodiversity, we are committed to moving even further in this direction, ahead of more demanding standards. In this regard, we are working to identify and learn more about new methodologies, frameworks, and emerging standards, such as the principles of the Task Force on Nature-related Financial Disclosures (TNFD).

Like its climate change-focused counterpart (TCFD), the TNFD seeks to provide a global framework for disclosing and assessing nature-related risks and opportunities. The framework's structured approach will facilitate assessment and transparent communication of how we manage the risks associated with biodiversity loss in our operations.

Spill prevention

We have a strong commitment to the prevention of spills. Four key complementary strategies underpin our integrated approach:

1. **Training:** We implement targeted training programs for our employees to increase their awareness and prepare them to prevent spills. These sessions cover topics such as safe substance handling, identifying potential hazards in a variety of operations, and best practices for preventing spills.
2. **Updating operating procedures:** We keep our operating procedures for handling hazardous substances and preventing spills up to date and review them regularly. This constant updating ensures that our teams stay current on protocols and best practices in all critical areas.
3. **Simulations and response capabilities:** We conduct regular simulations of a variety of spill scenarios to evaluate and improve our ability to respond to emergency situations. Our teams practice operational procedures to improve their coordination in real time. In addition, we have specially trained spill response brigades that receive in-depth training in spill control techniques, coordination with other emergency services, and the use of containment equipment.
4. **Continuous risk assessment and preventive measures:** Continuous risk assessment is an integral part of our approach. We conduct regular assessments to identify potential hotspots and, based on the results of these assessments, implement preventive measures such as improving storage infrastructure and installing containment barriers.

In doing so, we ensure that our operations are safe for both people and the environment. Our ongoing commitment to continuous improvement in incident preparedness and response is a reflection of our proactive approach to minimizing the impact and risk of incidents and maintaining the safety of our operations.

Spills

In 2023, we had 47 spill events. Twenty-seven were classified as negligible or very low impact, 13 as low impact, 6 as moderate, and 1 as critical. The critical event resulted in significant environmental impacts due to soil and water contamination.

The main measures taken were the following:

- Groundwater and soil remediation
- Elimination of the section of buried pipe in the work center
- Strengthening of controls and procedures for inventory control, indicators, and alarms when limits and tolerances are exceeded
- Dissemination of lessons learned bulletin

The materials spilled in the events were: gasoline, diesel, lubricants, Jet A1, alcohol, and additives. The locations of the spills were:

- 11 at plants
- 6 at airports
- 11 during transportation
- 1 in industry
- 5 at the Lubricants Factory
- 12 at service stations

The total volume spilled was 211.21 m³, or 55,730 gallons.

Water resource management

At Terpel, we implement comprehensive measures to ensure the efficient use and conservation of water resources at all our operations. Our commitment is reflected in the establishment of conservation goals directly related to water consumption, the collection and use of rainwater, and the reuse of wastewater.

To optimize the use of this natural resource, we have developed a program that ranges from the identification of consumption points to the implementation of practices for the efficient use of water. The program includes monthly inspections to detect and correct leaks or losses, ensuring efficient water management in every phase of our operations.

(303-1) The water used in our operations comes from a variety of sources, including groundwater, surface water, water mains, purchases from third parties, and rainwater. These sources are used for domestic consumption, including activities such as bathing, washing, and cleaning. The resulting discharges are directed to municipal sewers, the soil, and/or surface water bodies, depending on the specific case.

(303-2) We ensure that each discharge meets the standards set by the appropriate environmental agency prior to discharge. We also ensure that our facilities have the necessary permits to undertake such discharges. We're committed to strict compliance with environmental regulations, and we have specific procedures established in our Environmental Management Manual. These policies provide clear guidance on the control and treatment of discharges, ensuring transparency and sustainability in all our practices related to water resources.

(303-3) Water withdrawal by source (MI)	2021	2022	2023
Fresh surface water	99.04	7.63	19.74
Fresh groundwater	46	38.7	34.36
From municipal supplies (or other water utilities)	445.43	513.63	408.29

(303-5) In 2023, our total water consumption was 462.4 MI.

Our commitment to people

Diversity, equity, and human talent

At Terpel, people play a fundamental role in our strategy and decisions. We strive to create working conditions that support our teams' well-being and holistic development in an engaged and inclusive environment.

Human talent

At Terpel, people are always at the center of our decisions. We cultivate a culture of respect for diversity, practice inclusion, and encourage the development of talent. This commitment translates into a comprehensive approach to the well-being of our more than 6,500¹¹⁴ employees at Terpel and its affiliates and subsidiaries, creating a safe, healthy, equitable, diverse, and productive work environment. We believe such a culture not only benefits our team, but also creates a broader positive impact that contributes to society at large and aligns with our long-term strategic goals.

Our work in 2023

The year 2023 was a year of transformation, learning, and adaptation. We developed several initiatives that addressed crucial aspects of training, benefits, workplace dynamics, diversity, and equity, as well as leadership and performance. During this time, we launched innovative programs and implemented cutting-edge technology enhancements to provide a memorable experience in accessing key information about our team and its processes. We also redesigned our physical space to accommodate new work formats in our administrative offices and improved our operational spaces.

These actions have been instrumental in cultivating a more dynamic, collaborative, and wellness-focused work environment, reflecting our continued commitment to strengthening the work experience and empowering our talent at Terpel

A great place to work

As part of our goal to position ourselves as a great place to work, we reach out to young people who want to rank among the best. We actively participated in 13 university fairs and 7 national forums. In this way, we strengthened our presence in the academic environment, presented the main milestones of our work, and communicated our pride, sense of ownership, and varied opportunities for growth.

¹¹⁴Includes Organización Terpel, Terpel Exportaciones, Terpel Energía, the Terpel Foundation, Masser, and countries.

As part of this commitment, our corporate office hosted 5 visits by high school and college students who spent a day on the job with supervisors, directors, managers, and vice presidents to experience firsthand the dynamics of the day-to-day work environment.

We continued our in-house "Young Talent" program, which develops the talents of college students nearing graduation by offering them not only an internship but also a full-time employment contract for up to two years. As they carry out their assigned processes and functions, they grow and learn more about the organization. The program fosters productivity, decision making skills, and leadership from the earliest stages of their work experience.

We were ranked as a LinkedIn Top Company 2023. This positions us as one of the top 25 companies in Colombia for experiencing career growth and development.

Digital transformation at the service of people

Inspired by the productivity benefits of digital transformation, we successfully launched the new corporate intranet across all our subsidiaries. By the end of the year, it was positioned as the central point of access to work tools and information, significantly improving internal communication and access to business resources. By December 2023, we had more than 100,000 visits. All employees use it at least once a year, and our team is increasingly adopting it as a tool for daily use.

We also developed dashboards to optimize strategic processes in human resources, covering key areas such as onboarding, learning, leave management, headcount, personnel expenses, gender, and SuperT. These dashboards provide efficient and centralized data visualization to facilitate informed and streamlined human resources decision making.

We are transforming ourselves and getting better

To improve the quality of life for our employees, we redesigned the cafeterias, bathrooms, and locker rooms at several of our work centers across the country.

We also completed three remodeling projects in strategic locations, including the Cartagena Lubricants plant, the Mansilla plant and the cafeteria at the main office. We are always looking to create more comfortable and modern work environments to contribute to the overall well-being of our teams.

Organizational culture

At Terpel, we believe that a strong organizational culture contributes to the well-being and satisfaction of our employees. It also has a direct impact on the company's performance, innovation, and ability to adapt to the changing challenges around us.

To achieve this goal, in 2023 we took several actions aimed at developing leadership skills for strategic positions, strengthening the relationship between different levels of the organization, and fostering sensitivity to diverse environments.

Main actions:

- Through our Leadership School, we organized two group coaching sessions, eight virtual sessions, and one face-to-face session with forty-five people from different countries, divisions, levels, and areas. The school empowered leaders with new tools to share with their teams, peers, and supervisors, actively living out the characteristics of a Terpel leader.
- We conducted 22 mentoring sessions for vice presidents, managers, and directors, reinforcing previously learned traits, strengths, and opportunities for improvement, and developing an action plan to close identified gaps and enhance existing skills.
- We understand the importance of creating opportunities to get to know leaders better and build stronger relationships with them. As a result, we launched "Coffee with our Executive Committee," organizing six coffee meetings with our president and 25 coffee meetings with the vice presidents. The purpose is to encourage informal and intimate conversations to get to know the executive committee and to develop a friendlier atmosphere at all levels of the company.
- As part of our commitment to a diverse and inclusive culture, we conduct monthly training sessions on diversity, equity, inclusion, and unconscious bias called *Let's Talk Without Labels*. We ended the year having run a total of 32 such training sessions.
- We advised the Executive Committee, the vice presidents, and the countries on the formulation and implementation of action plans based on the results of the measurement of the work environment in 2022. Over the course of 2023, we implemented 50 action plans in Colombia, covering all business areas. In addition, we provided support to 8 departments and 5 offices identified as priorities, ensuring a strategic and proactive approach to continuous improvement of the work environment.
- We conducted training sessions to discuss and strengthen our team's leadership skills, including:
 - 14 sessions of the Leading Effectively program to develop the organization's leaders. The fundamental purpose of this initiative was to support leaders as they took on new responsibilities. We know that people are our most valuable resource when it comes to assessing team dynamics and understanding leadership styles.
 - 15 leadership sessions with outside experts to align the team, working on skills such as assertive communication, teamwork, results orientation, and public speaking.
 - 70 one-on-one leadership coaching sessions with people from different areas.

Conversations with employees

As we do every year, the vice president of human resources and administration visited the various work centers around the country. These now traditional

outings facilitate direct interaction between the office of the vice president and our employees. The activities reinforce the importance of key concepts of the work and strengthen the connection between top management and the team.

During this initiative, we visited 25 work centers in Colombia and spoke with more than 1,000 employees. The meetings emphasized the importance of leadership accountability and how this attribute should be an integral part of Terpel's culture.

(2-7). Terpel Talent in numbers - Organización Terpel Colombia

Employees Organización Terpel Colombia¹¹⁵

Permanent employees	2023
North ¹¹⁶	285
South	53
Center	62
West	123
Savanna	198
Antioquia	137
Bucaramanga	143
Main office	554
Total	1,555

Adaptability and employment modes	Men	Women
Total direct employees	1,026	529
Temporary employees	12	7
Non-guaranteed hourly employees	0	0

Full-time workers	1,026	528
Part-time workers	0	1

Work schedule	2023
Regular work week	1,554
Part-time work week	1

¹¹⁵ Does not include countries, subsidiaries, Masser, the Terpel Foundation, or temporary employees.

¹¹⁶ Includes Lubricants Factory personnel.

98.4% of our managers are members of the local community.

Employees by age and gender

(405-1) Diversity of governance bodies and employees	Men	Women
Younger than 30	129	71
From 30 to 40 years	423	228
From 41 to 50 years	309	173
From 51 to 60 years	153	56
From 61 to 70 years	12	1
TOTAL	1,555	

2-8. Workers who are not employees

We have 19 temporary employees on fixed-term contracts of less than one year or works contracts. Their employment relationship is with a third party and they do 100% of their work at Terpel.

Employees of subsidiaries controlled by Organización Terpel S.A.

Terpel Foundation: 6

Terpel Energía: 8

Terpel Exportaciones: 3

Masser 2,495

Talent attraction and retention

We recognize that in a dynamic and competitive business environment, having highly trained and committed professionals drives productivity and strengthens our ability to innovate and adapt to evolving challenges.

That is why at Terpel we focus on:

1. Attracting and selecting the right talent to strengthen our organization.
2. Positioning Terpel as an Employer Brand by means of a robust internal and external communication strategy, with special attention given to digital channels.
3. Establishing solid relationships with universities and key institutions nationwide, creating agreements and productive spaces to attract and select the best young talent.
4. Ensuring that our selection processes are inclusive and that we strive for diversity.

Seniority

At Terpel, we are proud to say that stability and commitment are fundamental elements of our corporate culture. On average, our employees have been with the company for 8 years, reflecting not only the strength of our labor relations, but also the commitment of our team.

This permanence in the organization is also evidence of the mutual trust between the company and its employees, and the value we place on the professional and personal development of each individual.

Number of employees by seniority	2023		
	Men	Women	Total
Less than 3 years	291	137	428
From 3 to 6 years	237	122	359
From 6 to 9 years	93	47	140
From 9 to 12 years	124	64	188
More than 12 years	281	159	440
TOTAL	1,026	529	1,555

We believe in the skills and professionalism of our people. Therefore, we make it a priority to fill vacancies at all levels of the company with members of the Terpel team. There were 404 vacancies in 2023, of which 117 were filled by internal candidates, 77 men and 40 women. This approach reflects our commitment to the development and growth of our internal talent.

(401-1). Total new hires

New hires by age and gender

	2023
Total new hires	162
Total new hires - men	116
Total new hires - women	46

	TOTAL
Younger than 30	62

From 31 to 60 years	98
Older than 50	2
Total	162

New hires by region

North	24
Antioquia	15
Center	6
West	9
Savanna	23
South	8
Bucaramanga	17
Main Office	60
TOTAL	162

In 2023, we invested COP 455.9 million in recruitment and selection. This amount includes expenses related to recruitment portals, headhunter services, psycho-technical tests, integrity tests, classroom and hands-on road safety evaluations, socio-economic studies, and college positioning strategies.

(401-1) Separations from employment

Reason for separation¹¹⁷	2023
Dismissal	63
Mutual agreement	8
Resignation	84
Retirement	5
Death	0
Other reasons	0
TOTAL	160

Separations by job category	2023
Senior Management	0
Managers	4

¹¹⁷ With respect to the reasons for separation, separations due to the end of the probationary period were included in the dismissal category and separations due to the end of the contract were included in the resignation category. In the separations by job category, we moved operations personnel into the technicians category.

Directors	7
Heads/ Executives	31
Analysts/ Supervisors	44
Technicians/ Assistants and Operations personnel	74
	160

Separations by age and gender	2023
Younger than 30	30
From 31 to 50 years	107
Older than 51	23
Men	105
Women	55
TOTAL	160

Separations by region	2023
North	15
Antioquia	8
Center	6
West	12
Savanna	25
South	6
Bucaramanga	10
Main Office	78
TOTAL	160

Turnover rate

Personnel turnover rate	2023
Total annual voluntary turnover rate	5.4%
Total turnover rate	10.28%
Expected turnover rate	12%

Turnover rate by region	2023
North	5.3%
Antioquia	5.8%
Center	9.7%
West	9.8%
Savanna	12.6%
South	11.3%
Bucaramanga	7%
Main Office	14.1%

Turnover rate by gender and age	2023
	Total
Younger than 30	15%
From 31 to 50 years	9.7%
Older than 51	9.1%
Men	10.2%
Women	10.4%

Turnover for apprentices	2023
Number of apprentices newly hired as a percentage of total apprentices	12
Total number of apprentices	110
% for hiring apprentices	11%

(401-2). Benefits for our team

In our Colombian operations, we have implemented several programs to promote the health, well-being, and work-life balance of our employees.

Some of these benefits include:

- **Teleworking:** We sign telework agreements with those employees who can perform their work remotely, mainly administrative and sales personnel. In addition, we have a telework policy that defines the available modes and regulates access to this benefit, as well as the rights,

guarantees, and obligations of teleworkers, the correct use of Information and Communication Technologies - ICT - and the ICT modes available within the organization. In 2023, 157 men and 255 women took advantage of teleworking or flextime arrangements.

- **"Family friendly lactation room":** Recognizing that breastfeeding is essential to the well-being of our employees and their babies, we have established lactation rooms in our major work centers across the country. These facilities offer privacy and comfort. They also help balance work and family life by looking after the health of our employees so that they can effectively, safely, and easily exercise their right to breastfeed.

- **Well-being Program - Bienser:** At Terpel, we recognize that the overall well-being of our employees is the foundation for a healthy and productive work environment. For this reason, we established the Bienser Program to protect the mental health and quality of life of our employees and their immediate family members. The program's activities promote work-life balance, and include:
 - Sports tournaments
 - Recreational holidays
 - Corporate parties and celebrations
 - Celebrations of five-year service anniversaries
 - BIP (Bienestar Primero) hotline: for legal, nutritional, psychological, and other advice.

- **Compressed and hybrid work schedules.** Our administrative staff currently work a compressed schedule on the first three Fridays of each month, from 7 a.m. to 2 p.m. They can also work three days in the office and two days at home on a hybrid schedule. Finally, we have the option of flexible schedules divided into periods between 7 a.m. and 6 p.m. when they commit to being in the office.

Other benefits include: 100% of life insurance, 100% of funeral insurance, home loans, birthdays, five years of service, additional vacation days, and the following fringe benefits: prepaid medical or health insurance, disability, education, medical assistance, and recreation.

(401-3) As part of our commitment to equal opportunity and work-life balance, we offer our employees, regardless of gender, the opportunity to exercise their right to parental leave. We extended maternity leave for women to 18 weeks and gave men an additional two weeks, in excess of the legal requirements.

In 2023, 51 employees, 24 men and 27 women, received this benefit. Of those who took parental leave, 98% returned to the company after their leave and 90% are still with us one year later, demonstrating the effectiveness and appeal of this initiative.

In terms of benefits and retention, Terpel implements a systematic process for assigning salaries, classifying positions logically and objectively, either by

comparing them to each other or by using a pre-established scale. Terpel's policy is to remain in the mid-market and to guarantee competitive salaries in line with practices in the labor market. This approach helps retain talent and ensures fair and equitable compensation for our employees.

Talent training

(404-2). Training initiatives.

We strengthen the competencies of the Terpel team through comprehensive training programs that will keep our people abreast of the latest developments and help them learn new skills for the future.

In 2023, we introduced new technological and digital tools and specialized training processes to enhance our employees' capabilities and respond to their needs in a timely manner.

- We supported the learning process of 43 employees through the analytical skills school, promoting digital transformation and a culture based on data and technology. These training opportunities allow us to build more competitive teams.
- In ClaseT, we implemented a new microlearning methodology through WhatsApp. It's an easy and practical way to self-manage the acquisition of knowledge with accountability. The target audience for these capsules was 431 people in the organization.
- We automated 124 training plans in Gente (our human talent platform), including technical and job-specific topics such as accident prevention, health protection, and physical and emotional integrity. This information is available in real time on the platform for the immediate supervisor and the new hire, allowing them to track and monitor metrics.

We recognize the importance of equipping our talent with key skills that will drive both their development and the success of the business. So we focus on training ranging from language courses to agile work methodologies, financial literacy, and teamwork.

These initiatives strengthen individual skills and contribute to a vibrant, innovative, and collaborative culture. At Terpel, we understand that investing in the overall development of our team is essential to building a solid and sustainable future for the company.

In 2023, we invested COP 2,308.8 million in training and development programs.

- We launched the English Community School to help 82 employees learn English in group classes with a teacher and access to a virtual platform. We organized a conversation club as part of the English Community, to give students a place to practice speaking and listening skills in English.

- We revolutionized the way we work by implementing Agile project management, involving 30 people in Agile workshops from Financial Planning, Demand Management, and the Virtual Network project.
- We encouraged and promoted learning with a team of 42 learning facilitators, called the "Moda Team," with representatives from each of the regions. This community mobilizes learning in the company, listening and proposing new ideas and suggestions for implementation.
- We strengthened our teamwork skills with an experiential training session in Suesca called "Team without limits." Fifty-two employees from the Technical Department, Purchasing, and Network Expansion participated, connecting their ideas, making commitments, removing barriers, and creating synergy and friendship between the different areas. We also put this teamwork ability into concrete practice during an on-site workshop for 251 members of the general management team, reinforcing this aspect of the culture that bears the Terpel seal.

And finally, we provide training on taxes, pensions, and well-being issues to help our team make informed decisions.

At Terpel, we are committed to safe and reliable operations. As a result of this commitment, we have been recognized by the Ministry of Labor for our dedication to strengthening the skills and abilities of our team. We received the BPCE award for good training practices in a company.

Through this initiative, last year we trained more than 550 employees from our facilities in all regions of the country where we operate about prevention and the improvement of our safety culture, ensuring optimal and healthy working conditions for everyone.

Training Schools

Our Terpel Training Schools allow us to include our external personnel in our training programs. Using a combination of classroom and hands-on sessions, we reach a variety of audiences with business-specific topics to help them gain the knowledge and skills they need to deliver on Terpel's service promise. We offer in-person, virtual, and blended training with the theme "Excellence Made Reality!"

Main initiatives:

- **Training Schools for Terpel promoters.** This school provides tools and knowledge to help participants understand why Terpel is respected in the marketplace and what makes us different. During the training, promoters gain detailed knowledge about the operation of the service stations and learn how to best advise our customers.
- The 63,088 hours of training provided through this initiative had a positive impact on 9,968 people trained from 242 service stations and 547 people trained from 116 stores.

- **Training School for administrators.** The goal of this school is to develop leaders who are able to mobilize the teams at their service stations. In 2023, through the school's activities, participants acquired the leadership abilities necessary to skillfully direct the company's strategy in the field. The classroom and virtual training reached 586 service stations, with 907 people receiving 6,036 hours of training.
- **School for the clean industry program.** This school helps achieve optimal performance in the safe and efficient handling of fuels and risk management through a program of continuous improvement. In 2023, we taught the 4 modules to 821 people from 101 different customers, for a total of 2,624 hours of training.
- We implemented the **Reliable Service Station** program in our Savanna and North regions to ensure the reliability and efficiency of the stations. In 2023, we impacted 521 service stations by training 3,036 people for a total of 22,573 hours of training.
- One of the factors that sets us apart is providing the best experience for the consumer, and we are doing that by expanding our portfolio and providing training for stores and refreshment kiosks. In 2023, we impacted 276 convenience stores by training 935 individuals for a total of 4,049 hours of training. These training schools are designed to ensure that hosts and managers have the knowledge they need to deliver an exceptional service experience.
- We also offer personalized training through the **Clase T** platform. This platform offers virtual training customized for each line of business, allowing participants to access content anytime, anywhere. In this way, the skills and knowledge of our team are strengthened and enriched, contributing to their development and the excellence of their services.
- We have found ways to unite the country, reaching more than 152 stations nationwide with the **Rumbo - PITS caravan**. It is an innovative training experience in a mobile classroom with valuable educational materials that gives managers the ability to closely monitor fuel supply. We provided a total of 1,770 hours of training to 885 people.
- The **Virtual Network** project promotes digital transformation and the renewal of administrative and operational platforms. The project trained 3,442 promoters and administrators at 641 service stations in the Terpel POS modules, providing 16,862 hours of training. Virtual Network is the technology ecosystem in which we are developing the future of our business, facilitating customer care and service.

In 2023, Ubits named us one of the top 50 companies for online training strategies in Latin America. The ranking recognizes the companies in the region that excel in building and strengthening their internal training competencies. This year, approximately 600 companies were evaluated to

select the top 50. Terpel was ranked 11th, confirming our commitment to the personal and professional development of our employees.

People trained at schools	2023
Pump Island School	9,968
Administrators School	907
Store School	935
Aviation School	104
Industry school	661
Drivers School	5,315
Franchise School	25
Reliable Service Stations	3,036
SAP School (in-house)	0
Total	20,951

(404-1). Average hours of training per year per employee.

Job category	Training provided	hours	Number of individuals trained	Average hours of training
Senior Management	98		11	8.9
Managers	724		31	23.3
Directors	2,954		83	35.5
Heads/ Executives	10,128.3		287	35.2
Analysts/ Supervisors	17,496.8		407	42.9
Technicians/ Assistants	7,553.9		274	27.5
Operations personnel	29,390.9		462	63.6
Total	68,345.9		1,555	43.9
Gender	Number of individuals	Training provided	hours	Average hours of training
Men	1,026	49,780.1		48.5
Women	529	18,566.2		35.1

Talent in Development

We are always looking for ways to encourage the development and growth of our team members. Fully confident in their talents, we work to give them recognition for their abilities and offer them new professional challenges. Our Talent in Development initiative encourages internal mobility by giving our employees an opportunity to try out a new position in the organization on a temporary basis. The program strengthens skills and enriches knowledge of the business, allowing participants to advance their careers within the company.

During 2022, 16 people participated in the program, covering the same number of positions.

Participants by division

2023	
Sales	3
Human Resources and Administration	3
Aviation and Marine Fuels	2
Technology	2
Lubricants	6
Total	16

Participants by job category

2023	
Directors	1
Heads/ Executives	8
Analysts/ Supervisors	4
Technicians/ Assistants	3
Total	16

Career paths and succession plans

At Terpel, the career paths of our employees are very important to us. We have a comprehensive process that allows them to explore and understand their growth opportunities and identify the skills, knowledge, and experience they

need to advance within the company. This structured approach facilitates career planning for our employees and contributes to the continuous development of their skills and competencies, ensuring a clear growth path within the organization.

By the end of 2023, we had identified 148 critical positions in the 10 divisions and 87 key experts throughout the company. Following this identification, we activated plans for development and retention through training and knowledge management, establishing 8 training retention plans for key experts in the following divisions:

In addition, we have developed and communicated 6 development plans for 5 successors who are close to retirement (in 5 years).

(404-3). Performance evaluation

At Terpel, we have a performance management model that allows us to evaluate and provide feedback to each employee, contributing to strategic alignment, promoting internal development, and helping us plan for the future. Each year, we evaluate performance at all levels of the organization and for each direct report within the timeframe established by Human Resources and Administration. At least once a year (traditionally in the second semester), the direct supervisor will also provide feedback and follow-up on progress made on individual action plans and individual contribution goals.

This 270° evaluation model includes: supervisor evaluation of employee and vice versa, a self-evaluation process, and randomized peer evaluation. This assessment method covers directors up to the executive level.

During 2023, we evaluated performance in 2022 for 100% of our employees at all levels, and in 2024, we will present the results for performance in 2023.

Our team's satisfaction

We used the PeopleFIRST methodology to assess employee satisfaction and received an overall score of 81.8%. This score places us in the virtuous zone and in the Best Companies quartile according to the methodology, indicating a high level of engagement, satisfaction, and trust in the organization.

The aspects our employees most emphasize are support, inspiration, and freedom. We were also able to identify opportunities for improvement in the areas of equity, teamwork, and recognition. We are committed to strengthening these aspects to continue to be a great place to work.

Criteria evaluated	Percentage of employees
Trust	87%
Engagement	81%

Happiness	88%
Overall satisfaction	81.8%
Goal 2024: To stay in the virtuous zone	81.8%
Number of workers who answered the survey	1,378
Percentage of workers who answered the survey	90.7%

In 2022, we changed the way we measure satisfaction. We previously used the Great Place to Work consulting firm, so the results this year were homologated to enable comparisons with previous years. From now on, however, we will use the new methodology, so 81.8% in 2022 is considered a baseline.

Based on the results, we implemented the following actions in 2023 to continue to improve our employee satisfaction metrics:

Action	Number of participants 2023
"Knowing our leaders" : We created this space to bring Executive Committee members closer to young talent, interns, and analysts.	170 people
Coaching sessions with people at all levels of the organization.	50 people
In-house leadership workshops for people at all levels in Colombia, Peru, and the Dominican Republic: <ul style="list-style-type: none"> • 10 characteristics of the Terpel Leader • Assertive communication • Emotional intelligence • Empathy • Accountability • "Leading effectively" • Team intervention 	250 people
Leadership workshops with the support of consultants for all levels in Colombia, except for the Leadership School: <ul style="list-style-type: none"> • School of Leadership (Colombia, Peru, Panama, Ecuador, and Dominican Republic invited) • Powerful Speakers (communication skills) • Team building • Accountability • Team coordination 	150 people

Mentoring: Designed for supervisors, directors, managers, and vice presidents.	24 people

Super T - Our awards program

Super-T is our awards program implemented in Colombia, Ecuador, Peru, Panama, and the Dominican Republic. The initiative fosters a culture of recognition of our employees and public expressions of gratitude, by recognizing behaviors that demonstrate the attributes of Terpel's culture, organizational competencies, and corporate values. At Terpel, we honor and celebrate the commitment and dedication of our team, strengthening the collaborative spirit that drives our achievements.

In 2023, we exceeded the target set in Colombia by 193% and were able to award each and every criterion. All regions and divisions participated, creating a greater sense of ownership of the program and positioning the culture of recognition.

Súper T - Number of 'Extraordinary' awards	
Leadership	15
Results-orientation	120
Inclusion	11
Teamwork	60
Innovation	47
Trust	7
Respect	3
Attitude of service	84
Integrity	0
Strategic discipline	34

Súper T - Number of 'Daily' awards	
Leadership	82
Results-orientation	266
Inclusion	36
Teamwork	458
Innovation	119
Trust	38
Respect	8
Attitude of service	802
Integrity	21
Strategic discipline	304

Total number of awards presented: 2,515

Unique Program

We see innovation as a way to transform opportunities into value-added means of making meaningful connections, strengthening relationships, and driving customer preference. The company has developed a strategic innovation model based on the needs of the business and focused on these five priorities: products, services, brand and communications, segments, and networks.

"Unique" is our innovation program. It encourages employees to come up with innovative ideas in a short period of time to improve the efficiency of all our day-to-day processes. We had a 21% increase in the number of participants in Unique 2023 - A Universe to Discover. We also increased the number of challenges, giving greater coverage and increasing the potential for possible solutions for the company. The main topics discussed were savings, new business, improvements in customer service, Country Partner, and sustainability.

Number of ideas last year	44
Number of ideas this year	55
% implementation of ideas last year	13.6%
Number of participants last year	49
Number of participants this year	62

The ideas approved will be implemented next year.

Collective employment agreement

(2-30) At Terpel, we promote and respect freedom of association. A total of 91.96% of our employees are covered by collective bargaining agreements. In 2023, we engaged in collective bargaining with non-unionized workers that lasted three days. It resulted in increases to the home loan fund and updated amounts for health, education, and welfare benefits.

Equity, diversity, and inclusion

We identify diversity at Terpel through a workplace survey in which employees anonymously and voluntarily report their identity in terms of gender, race, nationality, ethnicity, and religion. As stated in our equity, diversity, and inclusion policy, we believe that all people should compete for job opportunities under the same conditions. Attitude, skills, and knowledge should be the determining factors for hiring and for later growth and development at Terpel.

To close gaps in the area of gender equity, we are committed:

- To promoting equilibrium at the different levels of the organization, creating incentives for people to participate under equal opportunities.
- To establishing an equitable and competitive compensation system based on the functions and responsibilities of each job.
- To continuing to promote the participation of women in our selection processes and to develop mentoring plans as a strategy for women's development and empowerment.
- To strengthening benefits that benefit men and women equally, in accordance with the legislation of each country.

In 2023, we conducted 38 training sessions for leaders and the Diversity, Equity, and Inclusion Committee, totaling 700 hours and covering 80% of our employees.

Equity, diversity, and inclusion practices

At Terpel, we are committed to understanding, valuing, and promoting inclusion in all its dimensions. We have a **Human Talent Policy** and a **Diversity, Gender Equity, and Inclusion Policy** that guide and reinforce our commitment to respecting and embracing diversity, gender equity, and the inclusion of vulnerable groups in the workforce, as well as guaranteeing equal opportunities for all employees.

Main initiatives:

- **No Labels coffee meetings** These are online gatherings where we can talk about issues related to diversity, equity, and inclusion in a safe, open, and participatory way. More than 600 people participated in 32 sessions.
- **Week With No Labels** We set aside this week for in-person and virtual activities across our 5 countries to raise awareness and help our employees appreciate the importance of a diverse and inclusive culture. Activities included time with leaders from organizations that promote inclusion, entrepreneurs from the Restoring Dreams program, people with inspiring stories, and experts in sign language. In 2023, more than 700 people participated in this special program.
- This year, thanks to the efforts of our allies, we hired a visually impaired person and two formerly incarcerated individuals to join the apprentice seedbed, honoring our commitment to second chances. We also hired the first transgender person on an apprenticeship contract.
- We now have 246 people registered in the diversity section of the Gente platform, which has allowed us to see how diverse we are.
- We have implemented training plans for people with cognitive disabilities in the following areas:
 - Teamwork
 - Leadership
 - Assertive communication
 - Managing emotions

We received an award from the Office of the District Secretary of Women for our commitment to gender equality.

People with disabilities in the company	Men	Women
Employees with intellectual disabilities	4	3

Visually impaired employees	1	
Workers with multiple disabilities	1	3
TOTAL	6	6

Training in DEI

DEI Indicators (Diversity, gender equity, and inclusion)	
Number of training sessions for leaders and the Diversity, Equity, and Inclusion Committee	38
Number of hours of training on diversity, equity, and inclusion topics	700
% of employees participating in DEI awareness training	80%

Participation by women at Terpel

Gender	Women	%	Indicate goal (if applicable)
Women as a percentage of total workforce (% of total payroll)	542	34%	36%
Percentage of women in all management positions, including supervisors, managers, and senior executives (as a percentage of total management positions).	176	42%	42%
Proportion of female supervisors, i.e., first level of management (as % of total junior management positions).	127	43%	44%
*Percentage of women in senior management positions, i.e. no more than two levels below the CEO or equivalent (as a % of total senior management positions).	3	30%	N/A
Percentage of women in managerial (senior, executive, and supervisory) positions in revenue-generating functions (e.g., sales) as a percentage of all such managers (i.e., excluding support functions such as human resources, IT, legal, etc.).	20	28%	30%
Percentage of Women in STEM Jobs - science, technology, engineering, and mathematics (% of total STEM jobs)	54	32%	32%

(406-1) Discrimination cases

In 2023, we received two complaints of alleged discrimination, which were rigorously reviewed by the company. As part of the mitigation and remediation process, we implemented a plan that included psychosocial assessments of the complainants, workplace communication workshops, and action plans to improve communication between the immediate supervisor and the complainant. As a result of the investigation, no legal action was taken against the workers or Organización Terpel, as it was determined that none of the cases constituted discrimination.

Occupational Health and Safety

Terpel incorporates health and safety practices in the work environment not only to fulfill its legal obligations, but also as an ethical commitment to our employees to ensure their physical and mental well-being and to provide them with decent and appropriate conditions for working in a safe manner.

By aligning our work with regulatory requirements and best practices, we create a work environment that fosters trust, loyalty, and satisfaction among our employees. Just as importantly, mitigating occupational risks ensures business continuity and minimizes any negative impact that may occur.

(403-1). Our framework for action is the Occupational Health and Safety Management System (OHSMS), which promotes best operating practices, safe workplaces, and healthy lifestyles. The system prevents occupational illnesses and accidents and conducts ongoing assessments to identify areas for improvement to achieve operational excellence. It ensures full compliance with current legislation and demonstrates compliance with basic requirements, including safety considerations, labeling of chemical products in the workplace, and health and psychosocial risks.

(403-8). The OHSMS applies to all the organization's activities in the different lines of business and work areas, and covers 100% of our employees, including apprentices, temporary workers, and personnel in plants, airports, industry stations, lubricant factories, laboratories, marinas, and administrative offices throughout the country. It also covers indirect workers, contractors, and third parties who do work within or on behalf of our organization. This system has been validated by ARL Bolívar to be 100% compliant with the requirements of the ISO 45001 standard.

Our Health, Safety, Environment and Quality Policy, Workplace Disconnect Policy, and Code of Conduct are defined within the framework of our OHSMS, standardizing and formalizing the guidelines established to ensure the wellbeing of our team.

Our [Health, Safety, Environment and Quality policy](#) defines the guidelines, scope, agreements, and actions that enable us to operate in accordance with the best international standards, applicable regulations, and voluntary measures and processes for the proper identification of the hazards, risks, and controls required for safe operations. We have also defined action plans and priorities,

target tracking, senior management approval bodies, and commitments for monitoring and improving our OHSMS.

We promote a culture of safety

(EM-RM-320a.2). Incorporating a culture of safety into organizational dynamics is critical to protecting the health and well-being of our employees, fostering a safe work environment, and improving operational efficiency. We align our Occupational Health and Safety Management System (OHSMS) with this culture through a behavior-based safety program, accountability strategies, a specific program for high-risk tasks, and information, education, and training strategies.

Establishing safety-focused practices and values creates a proactive mindset that reduces the likelihood of accidents and minimizes risks, creating a work environment where prevention and care are priorities. We therefore promote the health, safety, and welfare of our employees, contractors, and subcontractors through the following strategies:

- Contractual guidelines
- Updated and easy-to-understand contractors' manual
- Field verification inspections
- Reporting through committees and technological tools
- Health, safety, environment, and quality audits for contractors: Emphasis on compliance with Terpel's management system and applicable regulations as a learning strategy and identification of findings to be corrected by contractors.

Our suppliers and contractors play an important role in our health and safety management system.

We have a manual for suppliers and contractors to ensure compliance with the law and Terpel's health, safety, and quality standards for the activities we contract out.

We ensure that contractors and suppliers comply with occupational health and safety regulations from the moment they are registered in the company's database, and we have a program to verify compliance with legal requirements and Terpel's standards for critical suppliers through specialized audits. We also encourage supplier development through training and improvement plans.

(403-2) (RT-CH-320a.2). Identification of occupational hazards and evaluation and assessment of occupational risks

Our health and safety management system includes a comprehensive process for hazard identification, risk assessment, and incident investigation at our work centers. This process, based on the Colombian Technical Guide GTC 45 for the Identification of Hazards and Assessment of Risks to the Safety and Health of Workers, which establishes guidelines for identifying hazards and assessing risks to occupational safety and health, involves the interdisciplinary participation of our employees and occupational health and safety experts to ensure that we consider all relevant viewpoints in our decisions and actions.

During this process, we monitor previously identified risks, incorporate new risks, and supplement the exercise by sharing lessons learned from events at other sites or companies to improve our process.

When we identify risks that require action plans, we implement controls according to the established hierarchy: technical controls, administrative controls, and finally controls directly related to personnel. These are recorded in a hazard identification and risk assessment matrix, which is updated on a regular basis once a year, and on an extraordinary basis when significant changes are made to facilities or processes, or when new hazards are identified as a result of accident investigations, or simulations.

In addition, we take the following steps to assess, monitor, and reduce our employees' exposure to long-term health risks:

1. We conduct initial and periodic examinations to monitor the physical, mental, and social health of our employees. This will allow us to put in place the necessary action plans to prevent any medium- and long-term impacts.
2. We perform occupational hygiene measurements in groups with similar exposures (noise, thermal discomfort, chemical contaminants) to ensure that hygiene risks are within acceptable limits, thus avoiding adverse health effects.
3. We use a series of psychosocial risk assessments to identify intra- and extra-occupational stressors. This allows us to take timely corrective action at the individual and organizational levels, and to promote mental health and a positive work environment for our employees.
4. We implement epidemiological surveillance systems to identify biomechanical, cardiovascular, psychosocial, chemical, and noise-related risk factors and to intervene and manage them appropriately and in a timely manner.

For the investigation of accidents and incidents, we follow a comprehensive procedure involving a multidisciplinary team made up of employees, supervisors, the HSEQ team, members of the Joint Committee on Occupational Health and Safety - COPASST - and, if necessary, experts. This team analyzes events to identify root causes and develop action plans to prevent recurrence.

During the investigation, we review the hazard and risk identification matrix to assess whether the hazards and risks have been adequately considered and assessed, and whether the controls in place are sufficient. If not, we update the matrix for that work center to reflect the necessary changes.

We establish specific controls based on the results of the risk assessment. For short-term risks, we develop action plans; for medium- and long-term risks, we implement a change management process. We effectively monitor the implementation and compliance of these plans and changes through the

management system and by presenting dashboards at follow-up meetings with each business unit.

We have a number of strategies in place to identify and measure the effectiveness of the measures we have put in place, in particular internal and external verification exercises that provide a comprehensive, objective, and transparent assessment of our processes, activities, and controls.

- **ARL (Labor Risks Insurance Company):** external audit to evaluate the minimum safety standards, resulting in 100% compliance.
- **Certification bodies such as ICONTEC, RUC and Lloyds:** External certification audits to measure efficiency, management, and regulatory compliance in the area of occupational health and safety.
- **Annual internal audits:** We audit each of our work centers to evaluate implementation of policies and compliance with health and safety standards.

(403-3). We fulfill our commitment to identify and mitigate risks in our operations through a variety of activities:

- **Dynamic People Program:** This program focuses on identifying and eliminating hazards and minimizing health risks. It includes conducting morbidity surveys, evaluating working conditions, providing ergonomic equipment, and adapting workstations both at Terpel facilities and in remote work environments.
- **Occupational Hygiene Measurements:** We regularly measure noise, temperature, ventilation, and chemicals in our workplaces. The goal is to monitor the work environment to ensure safe and healthy conditions in which our employees can perform their jobs.
- **Psychosocial Risk Surveillance System:** We implement activities to provide employees with tools to promote appropriate emotional management, healthy coping with challenging situations, and awareness of personal responsibility for well-being. We also conduct group sessions to promote assertive communication, time management, and stress management, among other topics.
- **Comprehensive health program:** We provide comprehensive care for the various dimensions of the human being, with an emphasis on medicine and a focus on self-care.
- **Additional epidemiological surveillance systems:** We monitor exposure to chemical, biomechanical, and noise risks and follow up on identified cases to ensure effective management.
- **Promoting healthy lifestyles:** We include activities such as active breaks, brain breaks, and health counseling for employees, with a focus on providing guidance and promoting healthy habits.
- **Regular internal inspections:** We conduct regular internal inspections to identify potential risks throughout our operations, covering 100% of our employees. This proactive approach allows us to maintain a safe work environment and fulfill our commitment to risk prevention and mitigation.

In addition, we understand that a safe operation is the right and responsibility of our entire work team. To this end, we have established channels and bodies for our employees to report, in a timely and safe manner, any hazards or risk situations to which they are exposed or of which they become aware in the course of their work. These channels allow them to report, by e-mail or telephone, if necessary, work-related situations that they believe may cause injury, illness, or disease, and give them means of communication that can protect them from possible retaliation.

- Their direct supervisor
- The HSE supervisor or analyst for the regional office or the work center
- The Joint Management-worker Occupational Health and Safety Committee (COPASST)
- The head of occupational health and safety
- Through behavior-based safety observations
- During safety inspections

These channels provide effective and direct communication and help to proactively identify and correct risks in our work environments, creating a culture of care and promoting safe behaviors.

(403-4). Employee involvement in OHS management

At Terpel, we actively encourage employee participation in Occupational Health and Safety (OHS) management through two formal committees:

1. **Joint Management-worker Occupational Health and Safety Committee (COPASST):**
 - A total of 16 members includes 4 regular members and 4 alternates representing Terpel management, and 4 regular members and 4 alternates democratically elected by the employees for a two-year period.
 - All representatives have equal voice and vote and meet monthly to discuss health and safety issues.
 - Main functions of the COPASST:
 - Participating in OHS activities and training
 - Monitoring the development of the activities in the Health, Safety, Environment, and Quality (HSEQ) system
 - Doing HSEQ inspections
 - Assisting with the analysis of causes of occupational accidents and illnesses
2. **Road safety committee:**
 - Twenty people are on this committee.

- Its main function is to support, guide, and follow up on all prevention and promotion activities defined in the Strategic Road Safety Plan.
- It meets quarterly to address road safety issues.

Both committees are an expression of our commitment to employee involvement in health and safety management. Their democratic structure and clearly defined roles enable employees to make a significant contribution to promoting a safe and healthy work environment and preventing occupational hazards.

Because the participation and involvement of our employees in OHS activities is so important, we know that we must provide them with the tools and knowledge to perform their assigned roles and activities in this area in accordance with the minimum parameters and knowledge required for safe operations.

(403-5). Health and safety training

The education, training, and development of all our employees and the people who work in our operations are fundamental to achieving our goals. To this end, we have employee training plans that include courses and training on occupational health and safety issues selected in accordance with the nature of the exposure risks and regular work activities.

These courses are divided into two categories: basic and specific.

Basic courses:

- **Corporate Induction:** This course provides new employees with comprehensive information about Terpel, including its operations, lines of business, global presence, and the history of its impact on the market and society.
- **Corporate Reinduction:** this course is designed to reinforce knowledge through the Virtual Fair for Corporate Reinduction, to encourage employees to make connections and experience values, competencies, and Terpel's essential attributes.

Specific courses:

- **#Yomecuido:** This course is designed to remind employees of the general concepts and responsibilities in occupational health and safety programs, with an emphasis on the prevention of occupational accidents and illness.
- **#cuidandoamiequipo:** This course reminds people of their responsibilities under occupational health and safety programs and emphasizes the importance of preventing accidents and occupational illness.
- **OHS and EMS Induction at the Cartagena Lubricants Plant:** this course identifies the concepts and processes related to occupational health and

safety and environmental management at the Cartagena Lubricants plant.

- **Safe Work System:** This system has been created to identify the main criteria of the Job Safety Analysis (JSA) and the corresponding permits that authorize the performance of high-risk and/or non-routine jobs according to the general system of work permits.

Hours of health and safety training for Terpel employees	1,600
Number of employees trained in health and safety	911
Number of health and safety courses for contractors	1
Hours of health and safety training for contractors	9.75

(403-6). The health of our employees

When it comes to the health of our employees, we are committed to providing optimal working conditions and promoting their well-being. We work closely with our teams to minimize health and safety impacts and facilitate access to quality healthcare services, through:

- A subsidy for joining a prepaid medical plan.
- Health care assistance.
- Health care vouchers.
- Group medical policy.
- Time off needed for medical appointments, exams, treatments, or other needs.
- Consultation with external occupational physicians who provide employees with information about the various healthcare services offered by the company.

In addition, we offer health promotion programs and workshops on topics such as nutrition, cardiovascular disease and stress management, nutrition coaching, individual psychosocial intervention (outside the workplace), sleep hygiene, and healthy lifestyles. We also provide specialized medical advice (internal medicine, cardiology, rehabilitation, etc.). Participation in these programs is voluntary and free. They are held during work hours, and we allow the use of work tools to facilitate participation in the activities.

(403-7). We take the following actions to prevent and mitigate health and safety impacts directly related to our operations, products, and services, and/or our business relationships:

- Ensure proper hazard identification and risk assessment.

- Ensure that controls are implemented correctly, sufficiently, and in a timely manner.
- Hold regular meetings with operations committees to review management indicators and OSHMS results.
- Analyze trends in accidents and/or illnesses and ensure the implementation of controls to prevent their recurrence.
- Disseminate bulletins on lessons learned from events that have caused injury or damage to infrastructure, as well as events in external operations that could potentially occur.
- Ensure compliance with OSHMS through internal and external audits at work centers.
- Evaluate compliance with the OSHMS through audits of contractors that manage critical risks or have personnel working in Terpel's operations.
- Promote strategic discipline with digital inspection tools.

(403-9; 3.8) (EM-RM-320a.1) Health and safety indicators - Terpel employees

(403-9) Work-related accidents	Employees	Contractors
Total hours worked by employees	4,229,519	5,049,096
Number of injuries from work-related accidents with serious consequences (excluding fatalities)	0	1
Rate of injuries from work-related accidents with serious consequences (excluding fatalities)	0	0.2
Number of recordable work-related injuries	26	6
Number of recordable work-related injuries with lost time	12	6
Number of recordable work-related injuries without lost time	14	0
Rate of recordable work-related injuries	6.1	1.2
Number of days lost due to work-related accidents	132	146

Occupational Health and Safety Indicators for Employees	2020	2021	2022	2023
Total hours worked by employees	4,670,505	4,893,858	4,351,735	4,229,519
Work-related fatalities among employees	0	0	0	0
Total injuries with lost time	6	6	11	12

Total recordable injuries (with or without lost time) for employees	17	24	26	26
Days lost for employees from accidents	189	50	117	132
Total recordable incident rate (TRIR) for work-related injuries and illnesses.	0.3	0.3	0.5	0.6
Near-miss frequency rate (NMFR) for work-related near misses.	0.5	0.8	0.7	0.7

Indicator	2020	2021	2022	2023
LTIFR employees	1.3	1.2	2.5	2.8
LTIFR contractors	0.000088	2.4	1.6	1.2
Fatalities employees	0	0	0	0
Fatalities contractors	0	1	1	0

(403-9) During 2023, we found that the main types of injuries were related to falls on level ground by people, overexertion, and/or improper movements. For contractors, multiple injuries due to vehicle rollover were included. In response to these situations, we have taken a variety of actions to address the identified risks:

1. We strengthened the monitoring of the performance of critical tasks through internal audits, both for our own operations and for third-party contractors, including transportation companies.
2. We organized arenas for sharing lessons learned with the managers responsible for contractor personnel.
3. We strengthened the functioning of the basic emergency infrastructure and the training of its personnel.
4. We conducted ergonomic analyses to identify biomechanical and other risks associated with fuel delivery.
5. We expanded the scope of the Dynamic People program to include workshops on balance, safe biomechanics, proprioception, and weight management.
6. We launched the second phase of the behavior-based safety program.

(403-10) Regarding occupational illnesses, we recorded one case among direct employees caused by a biomechanical risk. This case is being investigated to determine the root causes and to implement controls and mitigation and prevention measures. No deaths of direct employees or contractors due to occupational illnesses were reported.

Our work in health and safety

The main health and safety management programs we implemented in 2023 were:

- 1. Operational excellence for high-risk tasks**

Designed to reduce the potential for accidents during high-risk tasks. It consists of setting up simulations to evaluate the procedures and skills of personnel.

 - It establishes standards of procedure and behavior for high-risk tasks.
- 2. Ergonomics based on anthropometry applied to operations with high musculoskeletal demands:**
 - This program identifies routine tasks performed at awkward angles and with forced movements, and provides analysis and personalized ergonomic interventions to prevent musculoskeletal disorders.
- 3. A higher link in the chain of emergency care:**
 - Identifies threats to the stability and continuity of the business.
 - Designed to strengthen leadership skills, strategic thinking, and decision-making under pressure, certifying personnel to international standards.
- 4. Technology to enhance health, safety, and quality:**
 - This program develops a technological tool to ensure compliance and the quality of inspections.
 - Paper-based records are being replaced to improve the auditability and traceability of information.

Critical scenarios for confined space activities have been developed and personnel have been trained at the national level. In addition, employees actively participated in ergonomics talks, physical conditioning workshops, brain breaks, and emergency response training.

Our workers also participated in:

- 5,169 talks on applied ergonomics
- 8,621 physical conditioning workshops
- 5,570 brain breaks
- 22 leaders were trained, coached, and certified to properly manage small, medium, and large-scale emergencies.
- 22 inspection forms were restructured and digitized into a virtual tool for use at the work centers.

Reliable service stations: Promoting safety at our operations

Through the Reliable Service Stations program, we work closely with our promoters and managers to strengthen practices aimed at identifying health, safety, and environmental risks and implementing preventive, corrective, and mitigating controls. We also provide ongoing training in risks and accident investigation.

In 2023, we trained 3,036 people through the Reliable Service Stations program.

Number of service stations involved in the program	1,640 (Terpel-owned and affiliates)
Total number of Terpel-owned service stations (Masser + franchises) visited	265
Number of affiliated stations visited	76
Number of franchise stations visited	156
Number of Masser stations visited	109
Total visits	341
Number of findings	1,403 in Terpel-owned service stations, 968 in affiliated stations
Number of findings closed out	686 in Terpel-owned service stations, 39 in affiliated stations

Terpel recognizes that safety is the result of teamwork and for this reason we provide detailed guidelines and practices in the Contractor's Manual. There, we outline requirements and expected behavior, and we also provide specialized consulting when needed.

There are also actions we take as part of emergency preparedness, to ensure we are ready to respond to workplace accidents, property damage, and events that could affect the environment and the community. We validate our commitment by certifying our operations to technical health, safety, environmental and quality standards such as ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, and the Biosafety Seal awarded by Icontec.

Main initiatives:

- Dissemination of the 5 basic elements of safety and the new Reliable Service Station methodology to the network of affiliated service stations, impacting 212 people nationwide.
- Installation and start-up of the second Reliable Service Station Training Camp in Barranquilla to ensure the competency of service station operators in risks and controls.
- A basic inventory control course for affiliated service stations through the Clase T platform to provide training in managing findings and working toward closing them out.

- The launch of the Waste Management Program with the affiliated network, which provides training and advice on best practices for the proper disposal of waste.
- Continued monthly meetings of the accident committee, presenting causes and action plans for accidents in the Terpel-owned network.
- Continued distribution of the bulletin "Reliable Service Stations, Don't Let This Happen to the Whole Network" to share lessons learned and prevent recurrence of incidents at other service stations.

These initiatives and actions demonstrate our firm commitment to safety and health in all our operations and our ongoing pursuit of continuous improvement.

Community relations and development

Being a Country Partner means, among other things, contributing to the well-being of the communities in which we operate through programs, initiatives, and actions that generate positive impact and social value. We recognize the importance of building and maintaining relationships of trust with our stakeholders, especially communities, governments, and local actors, to ensure the sustainability of our projects and operations.

(3-3) By properly managing our relationships with the authorities and communities where we operate, we find opportunities to positively impact people's quality of life, not only through the public service of providing the energy that will keep people on the move, but also through voluntary social investments and the programs of the Terpel Foundation.

Our voluntary social investments have the following objectives:

- To act as a Country Partner and a good neighbor
- To help improve people's quality of life, especially in the area of education, so that they can have access to training and development opportunities in order to break the cycle of inequality.
- To help strengthen the social and economic fabric by supporting the development of sustainable productive projects.
- To contribute to the processes of peace building and reconciliation, and to help give people a second chance.
- To support causes, foundations, and communities through charitable donations when the purpose of the foundation is consistent with the principles and interests of the organization. To promote corporate voluntarism, in order to channel the employees' vocation for service and transform the environment. To strengthen the relationships of trust and confidence with our various stakeholders through the development of activities that have a social impact.

Being a good neighbor

Our commitment as a Country Partner goes beyond responding to exceptional situations, such when we provide humanitarian aid when it is needed. We also give priority to hiring local workers and providing sustainable income-generating

alternatives to positively change the lives of the beneficiaries of these initiatives. At Terpel, being a good neighbor is a responsibility that we take on with a great deal of seriousness and commitment.

We understand that to cultivate a harmonious environment where everyone gets along, it is essential to recognize the needs and expectations of the communities in which we operate. This, then, goes beyond complying with regulatory frameworks; it implies understanding our communities and establishing a connection with them.

Accordingly, we align ourselves with local and community causes relevant to their well-being, with the goal of being a good neighbor through concrete actions that contribute to weaving the social and productive fabric.

Empathy, respect, and solidarity guide our calling to be good neighbors. We also work to maintain open and transparent communication based on mutual respect. We deliver on our promises, respond in a timely manner, and take responsibility for the impacts of our operations.

We recognize that there are a variety of risks in our environment, and we work diligently to understand the specifics of each region. Through a proactive approach, we develop plans and proposals that create value for the community, enabling us to operate in complex social contexts and manage risk in a preventative manner.

Being a good neighbor means not only winning a place in the hearts of the people close to our operations, but also actively contributing to the positive transformation of the realities of the community. This is reflected in our status as a Country Partner, where we play an active role in sustainable human development.

Communicating and engaging with our communities

We have a comprehensive and structured approach to managing relationships with our stakeholders, within the framework of the Colombian Constitution and laws, with a focus on and respect for human rights, and following the guidelines established in our Corporate Affairs Policy and Good Neighbor Policy.

These policies cover the fundamental areas of sustainability, external communications, and public affairs, and reflect our commitment to our communities.

The Corporate Affairs Policy guides our actions in the area of sustainability and outreach, with the goal of having a positive impact on our operating environment and the quality of people's lives, while contributing to the sustainable achievement of the company's objectives. This commitment translates into voluntary practices that go beyond regulatory requirements.

In addition, the Good Neighbor Policy establishes guidelines for interacting and engaging with our neighboring communities. It focuses on promoting practices ranging from empathy and respect to the implementation of concrete actions that strengthen the ties between the company and our neighbors. Similarly, we

strive to be transparent in our external communications, ensuring that relevant information reaches all stakeholders in a clear and timely manner.

In 2023, we defined a strategy for effective and sustainable stakeholder relations in complex operating environments, corresponding to 7 plants characterized as critical environments due to the recurrence of problems affecting the continuity of operations. The Action Plan identified the factors that exacerbated the conflict in these areas and established a multi-stakeholder plan to take specific actions in response to the situations encountered.

As we develop our engagement model, we partner with communities and promote their well-being. We work with local governments, institutions, and social organizations to maximize the impact of our social initiatives and ensure their sustainability.

(203-2) Our presence in the different regions has a positive impact on their economies, social structures, and institutions, due to the nature of Terpel's business and operations as a provider of public services for the distribution and supply of fuels, lubricants, and convenience services. This implies the development of production chains linked to the company's activities. These production chains further contribute to a positive impact on public finances at the regional and national level through the collection of taxes and fees on energy for mobility.

(413-2) We also recognize that our operations may have negative impacts on the environment and communities, such as noise and air pollution, oil spills, and road safety incidents. In this sense, our policy outlines the parameters and guidelines for our relationships with suppliers, subsidiaries and business partners, neighboring communities, and local authorities in such a way as to secure our license to operate. This is in addition to our willingness, commitment, and determination to be a good neighbor by preventing and managing any negative impacts that may occur.

As part of this Good Neighbor Policy, we keep channels of communication open with the communities surrounding our facilities. This allows us to learn about their expectations and perceptions of our operation. However, depending on the characteristics of each community, we have a differentiated approach with the objective of being assertive in the relationship and respecting human rights. The following communication channels are currently available to our communities:

1. Complaint and grievance channel. The company has a channel for responding to complaints, petitions, and claims from its various stakeholders. Each complaint or claim is assigned to the person responsible for handling the particular matter. Human rights and community issues are referred to Corporate Affairs for attention and management.

2. Submission of rights to petition. In the exercise of the constitutional right to petition, communities and their members may submit petitions, complaints, and claims directly to focal points of sales and operations throughout the country.

3. Direct communication channels. As part of our Good Neighbor Policy and Community Relations Protocol, area managers, service station managers, plant managers, and project development managers build relationships of trust with the communities in which we operate and listen to their concerns. These requests are forwarded to the public affairs manager for analysis, management, or referral to the appropriate area. The maximum response time is 15 business days.

We conduct sociopolitical risk identification exercises to help determine potential negative impacts on the communities where we operate. We then take the results of those exercises and define action plans that allow us to address situations in a timely manner in which Terpel could be having an adverse impact on the communities and/or vice versa.

We weigh the variables related to the impact and the likelihood of the occurrence of risks associated with significant adverse impacts on local communities, giving us an updated perspective on the status of community relations, risks, and socio-environmental and political-institutional impacts.

Responding to community requests, complaints, and needs

Over the course of 2023, we received 128 inquiries from local governments and communities regarding operational impacts, labor issues, fuel supply issues, and requests for donations and social investments, among other issues, which were addressed through direct communications, presentations, written responses, or donations.

(411-1) In 2023, we did not receive any formal complaints, nor were there any cases of violations of indigenous peoples' rights.

Country Partner

We act as a Country Partner when we foment the growth and well-being of the places and communities where we operate.

(413-1) Programs with the communities

In operational contexts where we do not need to hire direct employees, we support the development of self-sustaining productive projects that contribute to the generation of alternative sources of income and improve the quality of life of both direct and indirect beneficiaries.

In developing these productive projects, we seek to actively engage with communities. We want to understand their needs and foster an environment of good neighborliness. In this way, we build and maintain relationships of trust with our communities, inspiring them to see Terpel as a partner in the sustainable development of the communities and regions in which we operate.

As we develop productive projects, we recognize that there are external factors that can affect the success and long-term viability of these projects. Nevertheless, we work hard to support our communities and create opportunities to build shared value. This approach reflects our long-term commitment to sustainable development and to strengthening national and local social, economic, and institutional structures.

We act as a Country Partner when we work in favor of reconciliation and peacebuilding.

Restoring Dreams

Restoring Dreams is our program that provides second chances and supports income-generating initiatives for vulnerable populations at risk of exclusion from the formal economy. These groups include signers of the peace agreement, victims of the conflict, military personnel wounded in combat and their families, and people who were formerly incarcerated. Restoring Dreams works on four fronts:

- Supporting productive projects through training programs and the development of entrepreneurial skills and competencies
- Providing employment at service stations and Altoque stores
- Providing work as a supplier to Altoque stores
- Developing "Reconciliation Fairs" where entrepreneurs present their products to Terpel employees and external parties

- 1. Productive projects:** The goal of this program is to support the businesses of the target population through a training and skills development program that will help them specialize and strengthen their enterprises.

We work with our strategic partner, the World Women's Corporation, and in coordination with the National Agency for Reincorporation and Normalization (ARN), the Matamoros Corporation, Casa Libertad, the Victims Unit, and the Internal Action Foundation. Working closely with these organizations allows us to identify the best candidates for our program and continually monitor their process to ensure optimal results.

The project strengthens business skills by identifying both potential and opportunities for improvement through a comprehensive diagnosis of the participants and their productive units. During the strengthening phase, we help capitalize on opportunities to improve the performance of the beneficiary companies.

The process consists of the following phases:

1. Sharing information and initial monitoring
2. Training using CMMC's SEA Business Methodology
3. Strengthening the business through the implementation of business plans (projection and profitability) and investment plans (objective achieved with the investment).
4. Training in branding
5. Capital injection
6. Technical monitoring visit

During this process, we provided financial resources, transferred knowledge, and taught business and entrepreneurial skills to ensure the sustainability and scalability of this initiative.

One of the most important milestones of the year 2023 was the graduation of the eighth class of entrepreneurs participating in this phase of the program. The ceremony was attended by our executive committee and representatives of the organizations that sponsored the entrepreneurs who were completing their training cycle. We also welcomed the new group of entrepreneurs who started their training for the period 2023-2024 and who will develop their productive activity in the segments of food, clothing, environmental recovery, natural and wellness products, and handicrafts.

Productive projects supported	2016	2017	2018	2019	2020 ¹¹⁸	2021	2022	2023	TOTAL
	3	3	3	7	0	7	7	7 ¹¹⁹	37

2. Employability: From the beginning of the program, we understood the importance of opening our doors to these communities as an expression of our commitment to being a company that lives out reconciliation, where everyone has a place. That is why, through our subsidiary Masser, we have hired more than 200 people to work as hosts and promoters in our service stations and Altoque stores, positions that have provided a gateway for them to return to the job market, gain experience, and pursue new opportunities outside the company.

Business	Signers	Formerly incarcerated	Victims	Military personnel	Total
Service stations	1	1	38	0	40
Stores			6	0	6
Administration				0	3
	1	4	44	0	49

3. Supply: one of the strategic pillars of our Convenience Services business is connection with the surrounding community, which we

¹¹⁸Although in 2020 we did not run the program in its traditional format for the productive projects phase, we organized virtual training in benefit to 578 former combatants and victims, in addition to 50 staff at the Agency for Reincorporation and Normalization (ARN), who supported the processes of the 50 beneficiary productive units in 15 Departments of the country.

¹¹⁹ One of the companies was a joint venture that benefited 2 entrepreneurs in a single project.

achieve by involving local suppliers and entrepreneurs in supplying Altoque stores around the country.

We are once again inviting new businesspeople to come to us with proposals for new products that are in line with the characteristics of the convenience business. Our hope is that they will become Altoque suppliers and display their products in the stores' sustainable showcases, creating a social impact. We invited more than 50 entrepreneurs involved in the programs of our partners and ended the year by selecting 13 for the first pilot, which will take place in 2024.

- 4. Reconciliation fairs:** It is important to showcase the talent of the entrepreneurs in the program, so we provide commercial settings where they can present and market their products. Since we started this initiative, we have successfully organized 15 editions of the Reconciliation Fairs. These commercial events serve as showcases and platforms for the promotion of products and services, and contribute significantly to the social and economic reintegration of people affected by conflict or violence. This ongoing commitment reflects our firm belief that inclusion and opportunities have a **transformative power** to build a future of greater justice and reconciliation.

This year we resumed these fairs after the pandemic restrictions were lifted, holding them for the first time at two different commercial arenas that are very important to the company: The Mobil Delvac Grand Prix and the No Labels Week.

We spent 2 days in the business area of the Mobil Delvac Grand Prix with more than 10 entrepreneurs each day. For the first time, we presented the characteristics of our program and the products of our entrepreneurs to an external audience. We also gave the stand visibility through national radio programs and the official channels of partner organizations and of Terpel.

We also inaugurated the Week Without Labels, a new format for our fair that brought together entrepreneurs located in Bogota, Cali, Medellin, Bucaramanga, Neiva, and Barranquilla, all at the same time, for three days. During the fair, we were also able to give our entrepreneurs visibility on television channels and through digital content on our social media, where we managed to achieve great reach and generate support for this program.

By the close of 2023, we were able to:

- Support 37 productive projects in benefit to more than 100 people.
- Empower more than 50 entrepreneurs from across the country by promoting their products and services.
- Pre-select 13 entrepreneurs to participate in our sustainable display case.
- Hire 50 people to join our team.
- Invest more than COP 100 million in the development of the program.

We act as a Country Partner when we contribute to the communities with the most urgent and critical needs throughout Colombia.

Corporate volunteerism

It is our vision that education has the power to bring about change that can overcome poverty and inequality. For that reason, we focus our volunteer efforts on outreach to schools across the country, working closely with employees, partners, customers, suppliers, and the educational community of each school.

Our work is divided into two phases:

The first phase was dedicated to remodeling classrooms, bathrooms, floors, walls, and other spaces in precarious conditions in these schools. These improvements are critical because the right conditions are essential for creating an effective learning environment and improving the quality of life for students. Once this phase was completed, we set aside a day to further beautify the schools by painting the exterior walls and halls, planting plants, and improving the courtyards and recreational areas, always working together with the community.

The end result of these projects was to give the educational communities the tools they need to create a friendly, safe, comfortable, and appropriate learning environment for everyone. Our commitment goes beyond the physical infrastructure; we strive to create an environment that inspires a love of knowledge and motivates students to reach their full potential.

We are proud to help build learning environments that promote equal opportunities and foster the comprehensive development of individuals and communities.

In 2023, we organized 8 volunteer days throughout the country with our strategic partner, the Catalina Muñoz Foundation. For the second year in a row, we joined forces with several companies under the slogan #manosunidos to demonstrate that together we have the potential to have an even greater impact on the causes that unite us.

As a result of this initiative, we went to Facatativá, Barranquilla, and Cali, where, together with companies such as Corona, Bimbo, Homecenter, Sura, Haceb, Protección, and Compensar, we beautified 2 schools, benefiting more than 700 students, with the help of more than 100 volunteers from all the companies.

Moreover, honoring the dedication to service of our employees, we held volunteer days in Bello, Chinácota, La Virginia, Barranquilla, and Soacha, where we were able to spend time with employees, partners, and franchise owners and their families, and members of the communities, reinforcing our commitment as a Country Partner.

A total of 183 volunteers from around the country participated in these events. For the first time at the Soacha event, we planted trees to launch our corporate campaign with the participation of beneficiaries of our social programs, youth and community members, suppliers, affiliates, and franchise owners from our network.

- Total number of volunteers: 183
- Hours: 812

- Total number of days: 8

Donations

As part of our commitment as a Country Partner, we recognize the importance of supporting social causes and foundations that help build a country that is fairer and more compassionate. We focus on supporting initiatives that have a positive impact on the most vulnerable, as we believe in the corporate responsibility to be agents of change.

Through strategic alliances and financial support, we seek to make a significant contribution to improving the lives and opportunities of those who need it most. This commitment goes beyond philanthropy; it is a tangible expression of our belief that we must play an active role in building an inclusive and sustainable future for all.

Main initiatives:

- For the second year in a row, we supported races with a social purpose, such as the "Corre por Amor" (Run for Love) race organized by the Fundación Mónica Uribe por Amor in Medellín and the "Nos movemos por ellos" (We Move for Them) race organized by the Fundación Unidos para Sonreír (United for Smiles) in Bogotá. We gathered more than 100 runners from the organization, and their families and friends, and we kept them on the move with the best energy, this time for a social cause. These two foundations work to raise the visibility and improve the lives of people who are vulnerable due to health issues such as spina bifida and cerebral palsy.
- We donated more than COP 500 million in aviation fuel to our ally, the Colombian Civil Air Patrol. We provided fuel for a total of 13 medical brigades in 9 departments and 13 municipalities in Colombia. The brigades treated more than 7,000 patients and mobilized volunteer doctors and pilots who flew 419 hours and 72,122 nautical miles across Colombia, the equivalent of three trips around the world. In addition, we sent along four volunteers from the organization who had the privilege of assisting the patrol on four campaigns.
- We provided more than COP 300 million to support social organizations, communities near our operations, schools, and people in vulnerable situations. This allowed us to go where others do not go, and have a positive impact on their lives and projects.

Social investment 2023¹²⁰

¹²⁰ This information includes the amounts reflected in the accounts for Donations, Marketing, and Corporate Responsibility executed for the year 2023. It does not include the operating expenses of the Terpel Foundation which amounted to COP 1,816.6 million. Likewise, the information does not match the information reported for indicator 201-1 for Colombia in Community Investment, because the amount reported in this table includes only the donation delivered to the Terpel Foundation, while indicator 201-1 includes the money donated by Terpel to the Foundation and therefore includes different items. Does not include the social investment of Masser.

Category	Amount delivered (COP millions)
Humanitarian Assistance	29.5
Education	5,753.1
Inclusion	143.7
Reconciliation and peacebuilding	131.4
Community Outreach	372
Institutional engagement	118.9
Health	685.4
Overall total	7,234.3

Terpel Foundation: "We educate to transform lives"

The Terpel Foundation is the highest expression of our social commitment as a Country Partner. We believe that strengthening the quality of education is a fundamental way to improve people's well-being, develop innovative solutions to major challenges, and break the cycle of poverty, creating a more equitable, better educated, and highly competitive country capable of producing a new generation of leaders.

For 19 years, we have made a difference in the quality of education, benefiting more than 1,500,000 people with an investment of more than COP 76,000 million in programs that have had a significant impact.

Our efforts are focused on six programs that provide a clear path to achieving our mission, which is to strengthen the life and leadership skills of at-risk children and youth.

At the Terpel Foundation, we know that teachers are the foundation of quality education. For this reason, several of our programs are designed to strengthen the capacity of teachers and principals to promote the holistic development of their students, instill a curiosity for knowledge, and foster an interest in continuous learning.

We envision that by the year 2025, the Terpel Foundation will have improved the quality of education for more than 2 million beneficiaries in 100% of the country's Departments. This ambitious goal reflects our commitment to continue to be active agents in the positive transformation of the national education landscape.

Our work in 2023

Additional municipalities reached with respect to the previous year	14
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Increase in beneficiaries over previous reporting year	15,582
Total beneficiaries of education programs	252,438
Students benefited	248,383
Teachers and principals trained	3,555
Parents benefited	161
Schools supported	242
Secretaries of Education benefited	16

Investment Terpel Foundation	COP millions in 2023
Investment in programs	5,695.4
Administrative expenses and investments in program support	1,816.6
Donations	316.2

In 2023, our investment in Terpel Foundation programs was COP 5,695.4 million.

Foundation programs:

Design for Change: This is a social innovation movement that originated in India. The Design Thinking methodology invites people to change their environment by using the resources available to them. Students work with their teachers to identify a problem that directly affects them. They then look for a sustainable solution that involves the community.

The Design Thinking model consists of 4 steps: *feel, imagine, do, and share*, which allow students to explore new ideas and build innovative solutions. In the Feel step, students identify a social challenge of any kind in their environment through interviews, observation, and documentation. Then, in Imagine, the tools provided facilitate creative thinking and innovation as students develop viable solutions by imagining possible scenarios. In the third step, Do, they develop and implement an action plan with the resources available to them. Finally, in Share, they develop the best strategy for communicating the project to the public in a way that inspires others to innovate and work on behalf of their communities.

The most innovative, sustainable, and impactful projects are awarded a consultation with experts in the project's field to improve them and make them more sustainable. To date, we have helped strengthen 23 projects with additional investment. The students and teachers who created the winning project represent their school at the Design for Change Global Partner Meet to share their work with students from around the world and express their own ideas for changing the world.

Main program advances:

- 92 schools responded to the invitation to participate in 2023, resulting in 102% compliance with the goal.
- We achieved 115% of our goal for the number of projects submitted (127 submitted). These projects were led by 127 teachers and 2,520 students.
- Teachers who participated in the training developed knowledge and skills to create and manage innovative projects that address social problems, and strengthened their social-emotional and communication skills.
- 450 members of the educational community at the participating schools were trained in the Design for Change strategy.
- With the support of the Terpel Foundation, 4 projects from the 2022 edition were strengthened and consolidated in 2023, improving the prototypes for problem resolution and creating new alliances to ensure the schools continue to develop the projects.

Investment in the program	COP 597.1 million
Students involved	57,289
Percentage of goal met for students involved	100%
Teachers participating in the program	1,576
Percentage of goal met for teachers participating in the program	142%
Schools invited	92
Percentage of goal met for number of schools invited	102%
Projects implemented	127
Percentage compliance with the goal for number of projects implemented	115%
Student leaders	2,520
Percentage compliance with goal for student leaders	76%
Municipalities where the program is in place	64
Departments where the program is in place	22

Schools that Learn®: This a model for comprehensive support for the different actors in the educational process. Its purpose is to create better learning opportunities for students in public elementary schools.

The program provides training and support to the educational community and local educational authorities in order to develop and strengthen the technical and personal skills of the beneficiaries in charge of the main educational processes, thus bringing about changes in traditional pedagogical and administrative practices. We expect these activities to help students develop basic math and language skills, and to help teachers and administrators strengthen their leadership, teaching, and management skills. They should also strengthen the school's contribution to and positive impact on the community.

Main program advances:

The program opened in two new cities: Mocoa and Yopal. So far, 95 teachers, 15 officials from the Secretaries of Education, and 19 principals from 20 schools are receiving training in these two cities, improving the quality of education for more than 26,000 students.

- In Bello and Pereira, we concluded the program. We trained 729 teachers, 29 principals, 161 parents, and 63 officials of the Secretaries of Education in benefit to 23 schools, which met and exceeded the goals set for coverage for the year in each group. In these cities, more than 21,000 students benefited from the program.
- School leadership and quality teams have embraced new concepts and practices of transformational leadership and teamwork that will improve the governance of the institution.
- Teachers were able to enhance the learning processes of elementary school students by implementing innovative teaching and learning strategies.
- The school-family link has been strengthened to support the educational process and the holistic development of students.

Investment in the program	COP\$ 1,121.9 million
Teachers trained	824
Percentage of goal met for teachers trained	99%
Students benefited	47,872
Percentage of goal met for students benefited	121%
Parents trained	161
Percentage of goal met for parents trained	127%

Principals trained	48
Percentage of goal met for principals trained	100%
Officials from the Secretaries of Education trained	78
Percentage of goal met for officials trained	104%
Schools involved	43
Percentage of goal met for number of schools involved	100%
Secretaries of Education involved	4
Percentage of goal met for number of Secretaries of Education involved	100%
Change in language score	In the area of language, we achieved a significant increase of 21% in students scoring in the middle category for comprehension of narrative texts. We also observed an increase of 18% in the middle category for comprehension of informative text.
Change in math scores	The number of students scoring in the highest cognitive performance category (3) increased by 3%.

Leader in me: This leadership model is based on Stephen R. Covey's Seven Habits of Highly Effective People. It helps teachers integrate leadership practices into their daily activities with students. The goal of the program is to develop in teachers, and in turn, in public school children and youth, the skills and habits necessary to awaken their leadership at school and in their families and the community. It also promotes social-emotional skills such as self-management, self-awareness, responsible decision-making, collaboration, communication, and building relationships of trust in their communities.

Main program advances:

- In 2023, we launched the program in Bello and Pereira. In the two new cities, we reached a total of 22 schools, trained 80 teachers, and benefited more than 29 thousand students.
- We added a component to the program's training curriculum to develop socio-emotional competencies in teachers and students. These components strengthen dialogue and assertive communication as

conflict resolution mechanisms for healthy relationships and promote the well-being of the entire educational community.

- We successfully completed the implementation of the program in the cities of Valledupar and Ibagué, achieving a transformation and adoption of the leadership culture in the schools. As a result, we have seen a decrease in conflicts and an improvement in peaceful coexistence in the schools.
- We reached 89 schools in 8 cities across the country, trained 724 teachers and administrators in leadership skills, and impacted more than 129,000 students.

Investment in the program	COP\$ 1,058.7 million
Students benefited	129,675
Percentage of goal met for students benefited	104%
Percentage of students practicing the 7 leadership habits	85% of students in the cities of Valledupar and Ibagué practice the 7 Habits in their daily activities. This has allowed them to strengthen skills such as self-awareness, self-management, teamwork, collaboration, and problem-solving. Of particular note is the large increase in Habit 5 (seek to understand, then be understood), which is the ability to influence others by developing a deep understanding of their needs and perspectives.
Principals trained	92
Percentage of goal met for principals trained	102%
Teachers trained	632
Percentage of goal met for teachers trained	109%
Percentage of teachers practicing the 7 leadership habits	At the end of the program, 90% of the teachers on the Lighthouse teams at the 21 schools in Valledupar and Ibagué showed an average increase of 3.2% in the adoption of the 7 Habits in their daily actions with their students. This shows a transformation not

	only at a personal level, but also in their teaching practices in the classroom, reflected in an improvement in the school climate and in interpersonal relationships.
Schools involved	89
Percentage of goal met for number of schools involved	100%
Secretaries of Education involved	8
Percentage of goal met for number of Secretaries of Education involved	100%

Adventure with Letters: The objective of this program is to provide libraries for public schools and organize activities that will help motivate teachers and students to read. It was created to strengthen language skills at some of the schools involved in the Foundation's programs, when it was seen that students needed help with reading comprehension of reading materials that tended to be scarce in their learning environment. Teachers and librarians have participated in training workshops and are supported in activities that will encourage students, teachers, and families to read.

Main program advances:

- Over 6,700 people have benefited.
- We completed three years of training and support for 101 teachers, administrators, and librarians in the program in 2 beneficiary schools in the cities of Bucaramanga and Santa Marta, aimed at strengthening library services and reading, writing, and oral practices.
 - Each school developed and began implementing the PILEO ("reading, writing, and speaking skills") plan and was left with the installed capacity to continue the program. As a result, we observed significant changes in the reading behaviors of students and teachers.
- We have redefined the volunteer model called "Reading Corners, A Thousand Ways to Read", which has the following objectives: to strengthen reading, writing, and oral practices; to promote encounters between the organization's employees and educational communities; and to help create meaningful learning environments for reading, writing, and speaking skills through the establishment of reading corners.
- We started the training process in Inírida and Mitú, delivering the school libraries and launching the program. The total number of titles in the two collections is 2,042.

- We purchased more than 2,000 units of library materials for Leticia and San José del Guaviare. These collections include a selection of CDs, board games, reading guides, and titles in a variety of literary genres, such as graphic novels and comic books for children and teens. They also include teacher support books to strengthen the supplemental education cycle for students. Given the multilingual and multicultural nature of schools, the collections include titles with a differentiated approach.

Investment in the program	COP 418.5 million
Principals involved	9
Percentage of goal met for principals involved	90%
Students benefited	6,285
Percentage of goal met for students benefited	119%
Teachers involved	227
Percentage of goal met for teachers involved	137%
Volunteers involved	232
Percentage of goal met for volunteers involved	205%
Libraries delivered	4
Secretaries of Education benefited	8
Percentage of goal met for number of Secretaries of Education benefited	100%
Schools involved	10
Percentage of goal met for number of schools involved	100%

My Future Now: This program helps Terpel service station promoters, Altoque convenience store hosts, lubrication specialists, and their children pursue higher education through financial assistance, counseling, and ongoing support to ensure they can stay in school and complete their studies.

It also provides training opportunities that develop the skills required by the job market to promote the professional growth of our beneficiaries. This allows them to make progress with their life projects and contribute to the development of the country.

What does the program involve? We fund 80% of the total cost of each semester and the student contributes the remaining 20%. The benefits we offer our students include:

- With a grade point average higher or equal to 4.0 in the semester, they are entitled to COP 300,000 per semester.
- If their final GPA at graduation is 4.0 or higher, they are eligible for a 70% discount on their total debt.

Main program advances:

- We implemented a strategy to increase support and follow-up for active students, in order to minimize the dropout rate. As a result, the fund's dropout rate fell from 17% in 2022 to 8% in 2023.
- We participated in the Vive Pits tour to share information about the program with promoters and hosts from the 7 regions, with over 3,000 people in attendance. As part of the presentation, we presented awards to the students from each region who have demonstrated excellence in their academic studies.
- Our mentoring program involved 29 Terpel employees across the country who supported our students and strengthened their skills in areas such as project management, leadership, and assertive communication.
- We were able to hire 2 students from My Future Now to work for the company as operations personnel in the Neiva and Bucaramanga plants.
- By the end of 2023, we had a total of 295 graduates, 72% of whom had their loans forgiven because their grade point averages were above 4.0.
- This year, 63 new students entered the program, bringing the total number of students to date to 434.

Investment in the program	COP 456.4 million
Students involved	434
Percentage of goal met for students involved	103%
Students from affiliated service stations involved	159
Students from Terpel-owned service stations involved	275
Municipalities benefited	94
New students involved	63
Students graduated	295

Interactive classrooms program: Developed in partnership with the National Ministry of Education, this program provides eco-friendly spaces in remote areas of the country equipped with technology tools to enhance learning for children and youth, and to help teachers develop innovative instructional strategies for their classroom practices.

These classrooms are equipped with solar panels to provide clean energy, making them power self-sufficient and ensuring permanent access to content and equipment. Their technology and design make the classrooms a space that motivates students to take ownership of their learning and develop digital skills that help bridge the digital divide.

Main program advances:

- We benefited more than 4,400 people.
- We delivered interactive classrooms to the educational community in Inírida and Mitú, and began the process of training and supporting teachers.
- We targeted and selected schools in San José del Guaviare and Leticia and built classrooms for them.
- We consolidated the program's training model by adapting and validating the training and support cycles developed to date and by designing impact measurement tools (digital skills measurement, satisfaction survey).
- At El Sejal School, we saw a 15-point increase in knowledge test scores associated with teacher training and student access to information.

Investment in the program	COP\$ 2,042.6 million
Principals involved	8
Percentage of goal met for principals involved	100%
Students benefited	4,308
Goal: Number of students benefited	3,500
Percentage of goal met for students benefited	123%
Teachers involved	139
Goal: Number of teachers involved	105
Percentage of goal met for teachers involved	132%
Classrooms delivered	4
Secretaries of Education benefited	6
Goal: number of Secretaries of Education benefited	6

Percentage of goal met for number of Secretaries of Education benefited	100%
Schools involved	8
Goal: number of schools involved	8
Percentage of goal met for number of schools involved	100%

Terpel Foundation Panama

The Foundation also operates in Panama, expanding the impact of our programs and social commitment.

Our key milestones include the following:

- We officially launched the Terpel Panama Foundation with activities in 4 of the 10 provinces of the country and more than 3,000 children benefited.
- We delivered and implemented the Interactive Classroom Program and the Adventure with Letters Library at the República de Colombia School in the San Miguelito sector of Panama City, benefiting more than 1,000 students.
- We participated for the first time in the International Book Fair of Panama, where we presented the Foundation's programs in an attractive booth, with special emphasis on Adventure with Letters.

To learn more about the work done by the Terpel Foundation Panama, [click here](#).

Customer relations

(3-3) At Terpel, we are at the service of our customers and consumers. We offer streamlined, friendly experiences in accordance with the highest standards for quality and service in all our business lines. We recognize that excellence builds trust and enables us to increase customer and consumer satisfaction, strengthen brand perception, and foster loyalty. This helps us retain existing customers and attract new ones, creating long-term relationships.

In 2023, we took steps to improve our service and to continue to listen to and meet the needs and expectations of our customers and consumers in order to increase their satisfaction.

- We have established service committees to identify opportunities for improvement and define responsibilities in order to work toward the continuous improvement of service. These committees meet bimonthly and include representatives from the support areas of each business to develop and implement action plans to improve the B2B customer experience and satisfaction.

- We conducted B2B satisfaction surveys two different times this year. Mid-year, we asked about the aspects that scored below 4.3 in the 2022 survey, and at the end of the year, we asked about all evaluation criteria established, regardless of their score. This allowed us to put in evidence the effectiveness of the action plans implemented and to identify opportunities for improvement of our performance.
- We included the Net Promote Score (NPS) question in the service measurement. As a result of this question, we received a score of 74/100.

Communication Channels

Through our Strategic Service Center (CES), we comprehensively manage all customer inquiries, complaints, requests, and claims. This center is the primary contact center for B2B customers and consumers, providing multiple service channels to facilitate communication. Our goal is to provide effective solutions on first contact or escalate as appropriate. In addition to focusing on resolving customer concerns, CES supports the internal and external operations of all our businesses by reviewing and addressing any customer complaints that may arise in connection with other business segments or from relationships with other stakeholders.

In addition, and in a complementary manner, we have a variety of communication channels and mechanisms to interact with our customers and consumers and to receive complaints, if necessary. Depending on the nature of the request, we provide a direct response from our channels or escalate to the appropriate levels for proper and timely handling.

Channels for attention

- Telephone channel: Toll-free line 01-800-051-8555 or #462 for Claro, Tigo, Movistar, and Avantel operators.
- E-mail: servicioalcliente@terpel.com and viveterpel@terpel.com
- Web page chat: www.terpel.com
- WhatsApp: (+57) 316-010-0462
- Social media:
 - Instagram: @terpelcol
 - Facebook: Terpel
 - X: @terpelcol

We work to continue to be preferred by our consumers and retain their loyalty.

We dedicate our efforts and creativity to winning and strengthening consumer preference and loyalty. We recognize that in a dynamic and competitive business environment, customer loyalty is not just a goal, but an ongoing commitment. We strive to create service experiences that meet our customers' needs and exceed their expectations when interacting with our brands.

Through a customer-centric approach, we develop innovative loyalty programs, offer superior products and services, and maintain ongoing, transparent, and

honest communication. Our goal is to win the consumer's initial preference and ensure that this preference translates into a lasting, mutually beneficial relationship over time.

As part of these efforts, we engaged in strategies to build consumer loyalty through these programs:

ViveTerpel

We **launched Vive Terpel at the beginning of 2022** as a loyalty program that helps power people, businesses, and the country and keep them on the move with the best energy.

It puts the customer at the center under the concept that we serve people, not vehicles. The program gives customers a friendly, easy, and accessible experience for earning rewards by accumulating points in the Terpel ecosystem. Points can be added with every purchase of fuel or CNG, or at Altoque Stores, and now Sbarro.

Nearly 2 million users enrolled in the first year, and we ended 2023 with 2.8 million users, 54% of whom are active in the program. It operates in 1,200 Terpel and Gazel service stations and in 100% of the Altoque and Sbarro stores in the country.

One of the highlights of ViveTerpel is its unique and innovative "**Phygital**" experience. Blurring traditional boundaries, Terpel integrates the best of the physical and digital worlds, allowing customers to seamlessly navigate between the two. This includes not only physical options for accumulating points, but also the launch of its own app, which is also the first of its kind in the category.

The Terpel application, which is compatible with all mobile devices, offers not only the ViveTerpel program, but also other features that improve the user experience, such as the possibility of locating the nearest Terpel service station or the one with the best price, checking the points accumulated with each purchase, and redeeming points in an intuitive way in a catalog with a wide range of options.

ViveTerpel results

2.8 million	Customers enrolled
54%	of customers active ¹²¹
1,200	Participating service stations
104	Participating Altoque stores

¹²¹ Customers who have made a loyalty purchase in the last 30 days (frequent customers).

46.2% of sales under loyalty program	At service stations
42% of sales under loyalty program	At Altoque stores
54% of sales under loyalty program	At Gazel stations

Together is better

Club Gazel, the loyalty program exclusively for CNG customers to accumulate points, earn coupons, and redeem products in our stores, was in effect until August 2023.

Starting in September, we merged Club Gazel with ViveTerpel to provide greater coverage and benefits, centralize our loyalty experience, and be more accessible to our customers and consumers. In those 8 months, we were able to build loyalty in 74 thousand customers who now enjoy this comprehensive loyalty ecosystem.

VivePITS Program

This is our loyalty program for promoters, hosts, and POS managers. Its purpose is to ensure a consistent experience across the Terpel and Gazel service stations and the Altoque network of stores by rewarding the performance of the teams and offering them an experience that is easy and fun. The program currently has 1,920 participating service stations and 13,461 users enrolled.

Its value proposition is built on 4 pillars:

Training: Training strengthens the knowledge of teams on topics of interest such as Terpel programs, image, service, sales promotions, etc.

Measurement: Performance is measured using four indicators: sales, image, service, and percentage of loyalty purchases made through the ViveTerpel program. Meeting goals earns points for team members.

Rewards: Rewards come in the form of redeeming the points earned. We give prizes and incentives to store and service station teams for achieving targets. We recognize a job well done through experiences, and prizes that can be redeemed from a catalog.

Relationship: Our connection goes beyond the results. We also celebrate special occasions and organize events that help us build strong, trusting relationships with the service station and store teams.

The results in 2023 were:

- 95% of target achieved in sales volume
- 100% in indicators for image
- 98% in service indicators
- 76% in volume of purchases under loyalty program
- 100% in loyalty program sales

In our constant quest to strengthen our presence as the leading brand in Colombia, we offer the best experiences to build loyalty. We implement a brand strategy that allows us to position ourselves as a company that is #1 in the hearts of customers and consumers, supported by the fundamental pillars of sustainability, ethics, and corporate reliability.

At Terpel, we believe that every interaction with our customers must add value if we are to gain the interest, attention, and trust of our audience. Our strategies are based on the belief that marketing and communications practices must be honest and transparent. As leaders in our business segments and a Country Partner, we are committed to honesty and transparency in all our marketing and communications.

Vive Terpel represents a significant step forward on the road to a more integrated, digital, and interactive customer experience. This commitment translates into a promise that our campaigns will honestly and transparently reflect the social and environmental impact of a customer's activities. We therefore strive to ensure accuracy and ethics in all promotional content we distribute through digital advertising.

Customer satisfaction

As part of our strategy, we evaluate customer satisfaction with our products, service, attention, and overall experience. These results allow us to create action plans to continue to meet our customers' expectations and to comply with regulatory and certification requirements.

At Terpel, we have been analyzing our customers' satisfaction for more than 10 years to identify the most relevant issues and gain a clear idea of where to focus our efforts and resources to keep improving.

In 2023, we received and responded to 773,785 inquiries, complaints, requests, and claims.

We obtained the following results:

Aspect measured	2022	2023
Image survey score (KPI) ¹²²	4.5	4.5

¹²² We continued to use the same methodology (image audit)

Goal for image for 2023	4.5	4.5
Percentage of goal met for image 2023	100%	100%

Service survey score (KPI) ¹²³	4.5	4.4
Goal for service for 2023	4.0	4.4
Percentage of goal met for service 2023	113%	100%

Overall customer satisfaction score	8.9/10
Goal for customer satisfaction score for 2023	8.8/10
Compliance with goal set for customer satisfaction for 2023	101%

Service station (liquid fuels) customer satisfaction score	9.04/10
Goal for service station (liquid fuels) customer satisfaction score for 2023	8.8/10

CNG customer satisfaction score	9.04 ¹²⁴ /10
Goal for CNG customer satisfaction score for 2023	8.8/10

Lubricant customer satisfaction score	8.5/10
Goal for Lubricant customer satisfaction score for 2023	8.8/10
Lubricant distributor customer satisfaction score	9/10
Goal for lubricant distributor customer satisfaction score for 2023	8.8/10
Lubricant for industry customer satisfaction score	8.08/10

¹²³ New methodology - Voice of the Customer

¹²⁴ With 79% of customers satisfied.

Goal for lubricant for industry customer satisfaction score for 2023	8.8/10
Aviation customer satisfaction score	9.12/10
Goal for Aviation customer satisfaction score for 2023	8.8/10

Marine fuels customer satisfaction score	9.19/10
Goal for marine fuels customer satisfaction score for 2023	8.8/10

Industry customer satisfaction score	Rumbo: 8.69 Fixed Industry: 8.83 Total industry: 8.72
Goal for industry customer satisfaction score for 2023	8.8/10

Technological innovation and cybersecurity

(3-3). Cybersecurity and data protection are fundamental pillars of Terpel's business strategy. Recognizing the impact and risks associated with these issues, we have implemented robust measures to strengthen operational security and customer and consumer confidence.

The company has also implemented a cybersecurity governance process that establishes the basic guidelines for its actions in this area. This process clearly defines the responsibilities and priorities of the various positions involved in information security, as well as the control and monitoring mechanisms that ensure compliance with applicable policies and standards. Aligning the cybersecurity strategy with the organization's vision and mission helps achieve business goals and close potential gaps that could threaten the continuity and growth of the organization.

In line with this vision, we have established a comprehensive governance structure to address cybersecurity challenges and ensure compliance with established objectives. Recognizing the importance of effective corporate oversight of these areas, in 2023 we formalized the involvement of a designated board member to oversee our ESG strategy, which includes key aspects of cybersecurity. This will ensure continued empowerment and participation in the comprehensive management of these matters.

We also have a Strategic Cybersecurity Committee, which consists of the chief information officer (CIO) and the chief information security officer (CISO). This committee oversees the execution of all cybersecurity-related activities and ensures the consistency and effectiveness of our defenses. It is accountable to the business, shareholders, and the Board of Directors for ensuring ongoing development of cybersecurity and compliance with the yearly strategies.

We also created a tactical committee to evaluate the effectiveness of the measures implemented at all levels of the organization, and we mainstreamed cybersecurity and data protection analysis across all of the organization's projects.

Some of the key features for decision making in our cybersecurity governance include technological and human capabilities, dependencies and processes, time to value, and day-to-day operations. We ensure compliance with high cybersecurity standards in this process, and recognize the importance of combining technological and human resources to ensure effective decision-making in line with our strategic goals.

In 2023, there were no cybersecurity breaches or incidents.

To ensure accountability, we make presentations to the Board of Directors detailing the development and status of the controls for its corresponding approval. At the same time, we maintain ongoing communication with the audit and risk departments, providing them with key information about controls, findings, noncompliance, and critical events that may impact the business. This approach allows us to maintain effective oversight and promote informed decision making, contributing to the continuous strengthening of our risk management and mitigation practices.

At Terpel, we take a proactive approach and make significant investments in advanced technologies to prevent, detect, and respond to cyber threats. At the same time, we establish clear cybersecurity policies and procedures and promote awareness and training for our personnel so that they can identify and mitigate potential risks.

Our cybersecurity management system is based on recognized standards and best practices, such as ISO 27001, NIST 800-53, ISO 31000, ISO 22301, and applicable security legislation. Our approach is based on a Zero Trust model, which involves constantly verifying the identity and behavior of users, devices, and networks on a "no trust without verification" basis. This reflects our meticulous approach to reducing the risk of unauthorized access to our company's resources. We are committed to ensuring a secure and resilient digital environment.

Our integrated risk management system assesses and manages the risks associated with cybersecurity. The strategic risks associated with cybersecurity include:

- **Technological obsolescence:** The use of legacy technologies creates significant vulnerabilities and weakens the organization's security posture. To address this, we have controls in place that proactively

monitor and analyze threats. As part of our action plan, in 2024 we will replace these products with next-generation technologies that will not only strengthen our security posture, but also be more user-friendly and have lower operating costs.

- **Network segmentation:** Failure to segment networks by country exposes the organization to threats. To address this threat, we will structure an initiative to segregate private networks among the company's subsidiaries to create greater cybersecurity resilience.
- **Operational Technology (OT) Security:** Without cybersecurity controls in industrial control systems, we may not be able to see the threats to which our supply plants and lubricant factories are exposed. As part of our action plan, we will implement security features at key facilities by 2024.

To ensure business continuity, we have a Disaster Recovery Service (DRaaS) that replicates the company's critical information systems with an offsite provider. In the event of a disruptive event, systems can continue to operate from an external cloud provider's infrastructure. This service is tested annually to verify its operation and effectiveness.

Main initiatives:

1. We were able to strengthen the cybersecurity posture to reduce the attack surface, assessed in real time through a variety of Cloud Security Posture Management (CSPM) tools.
2. We implemented and activated digital risk management, supported by NIST standards and an Integrated Risk Management (IRM) tool, to effectively manage the identified risks.
3. We executed legacy technology upgrade projects that were key enablers for greater maturity in our zero-trust model.
4. We strengthened security testing in the software development lifecycle by deploying next-generation application security testing (AST) tools that enable dynamic, static, composition, and integration testing.
5. We expanded our threat detection and response capabilities by building our own security data lake and working with vendors with advanced technical capabilities to address today's cybersecurity challenges.

Our performance in numbers and key results:

<p>Cyber security breaches/incidents</p>	<p>We recorded 395,337 cybersecurity events, of which 99.8% (394,724) were automatically contained by various cybersecurity controls.</p> <p>In addition, 613 events were contained thanks to the intervention of threat hunting analysts.</p>
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Risks materialized	No cybersecurity risks materialized during the year.
Cyber security incidents controlled	100% of events were satisfactorily contained.
Number of critical and high-level vulnerabilities	41 critical risks and 53 high risks.
Number of vulnerabilities remediated in a timely manner	186 risks arising from a range of vulnerabilities in information systems.
Detection of information leaks	In 2023, there were no information leaks caused by cybersecurity incidents.

Cyber security is everyone's responsibility

Cybersecurity is a commitment shared by everyone in the organization. To promote awareness and knowledge of security issues, we conducted ongoing training and sensitization processes throughout the year for our entire team. These initiatives included workshops, educational videos, and training sessions integrated into the company's training plan.

We also ran campaigns to reinforce the importance of the channels and escalation processes available to employees when they identify suspicious events. We made the Teams support channels available to the entire team - the internal 5555 line and the ciberseguridadinfo@terpel.com email address - as means to report any situation that requires immediate attention.

Data privacy

Protecting our information and that of our customers is a priority. We implement proactive measures and strategies to ensure data confidentiality and maintain the trust of those who rely on us.

We recognize the fundamental importance of data protection as a central pillar of our corporate practices. We have integrated proactive measures at all levels of the organization to instill a culture of security, recognizing that securing information requires organizational commitment. We understand that all of us, from management teams to employees in all areas, share responsibility for maintaining the confidentiality of the information we handle.

We have a privacy committee to ensure the effective implementation of security measures, and policies, manuals, and training for all employees on issues related to personal information. We also take the necessary measures for the treatment and protection of such information in accordance with Colombian national legislation, subject to review, study, and maintenance by this committee.

In this regard, we regularly monitor regulations related to data privacy issues and make sure to communicate any changes or new regulations related to data privacy in a timely manner. We clearly and explicitly inform data owners in advance of the scope of their rights as data owners.

(FB-FR-230a.2). At Terpel, we take a robust approach to data protection and management systems based on our Zero Trust policy, supported by standards such as NIST 800-53 and CIS CSF to identify and address data security risks. This approach covers key aspects such as:

- **Minimum access controls:** We implement rigorous controls to ensure the minimum necessary privileged access, thereby reducing exposure to potential risks.
- **Integral encryption:** We provide an additional layer of protection for sensitive information by encrypting data both at rest and in transit.
- **Information leakage prevention:** We strengthen the security of our digital assets by implementing robust information leakage prevention measures.
- **Integrated operating procedures:** Our cybersecurity vulnerability analysis runs parallel to our operating procedures designed to protect the integrity of personal information.
- **Continuous risk management process:** We base our vulnerability management on a continuous process of scanning, assessing, classifying, and remediating risks to ensure timely closure of each identified vulnerability.

(FB-FR-230a.1) Thanks to the implementation of these procedures, there were no leaks in 2023 that compromised the integrity of the personal data of customers or other stakeholders.

Digital transformation

In 2023, we continued our commitment to a streamlined and friendly experience for our customers and business partners by incorporating more advanced technologies and making continuous improvements to our information systems. Digitizing customer interaction channels is a priority because it allows us to be more agile and responsive to our customers' needs.

The Virtual Network is the cornerstone of the digital transformation at Organización Terpel. This group of projects includes initiatives for transformation, change management, new businesses, technological renovation, and innovation that cut across all existing business units and others that will emerge as a result of this evolution.

The fundamental purpose of Virtual Network projects is to positively impact our customers and channels by implementing technologies that drive efficiencies, expand digital strategies, and adapt to new trends. These include reducing physical interaction with promoters or hosts, thus making the experience more efficient and in line with the demands of today's digital environment, without losing the warmth and service that characterize our service experience.

Main initiatives:

- **Rumbo:**

We have implemented a control of sales conditions and the first phase of billing individuals under this program. The initiative is designed to reduce the burden on the operations department for rate calculation and subsequent billing. This eliminates human error, automates the process, ensures quality, and positively impacts the customer experience. In 2023, we served more than 550 customers participating in the program.

- **TerpelPOS:**

- TerpelPOS, our service platform, has expanded operations to 624 service stations, preparing them for the arrival of our complementary value proposition.
- We integrated the system into the Dataphone network as a new means of identification for Rumbo customers. We also implemented the complete cycle of electronic invoicing and integration with SAP BackOffice.
- In addition, we activated this platform in 109 convenience kiosks throughout the country.
- We have expanded the scope of the platform to include 3 new brands of pumps, bringing the total to 12, which allows us to be an independent system and operate in a heterogeneous network.

Skuba: In cooperation with our majority shareholder COPEC, we implemented the Skuba information system in 100% of our convenience stores, further strengthening our presence in the market. Skuba is a point-of-sale (POS) solution for billing and control at Altoque stores that improves the customer experience. It implements self-service checkout, monitors the food preparation process, reduces time spent taking and managing inventory, and improves the experience of our hosts.

- **Terpel App:**

- We have built loyalty with more than 2.6 million customers, increased visits by 93%, and accumulated more than 54 million views in the application.
- We amassed an audience of 1,160,000 users, an 87% growth over 2022, and increased the number of interactions to 13,375,389 user sessions in the year, a 100% growth over the previous year.
- We carried out the technological migration of the application and strengthened the infrastructure supporting it, ensuring proper operation for users.
- We modified and streamlined the user experience of the most frequently used features, such as maps and point queries and redemptions, to make them easier to use and adopt.
- We integrated a dynamic query of the day's restricted license plates into Terpel Voltex and Lubrication Centers, enriching the customer experience and offering new value propositions.

- We offered our customers the alternative of paying with cash and points in the Terpel app.
- We now offer the contactless payment solution at 100 service stations, improving the customer experience.

- **Partners' digital channel:**

Understanding the impact the digital transformation can have on the experience of our partner network, we developed the Partners' Digital Channel. This platform allows B2B customers of the company's business units to manage their account status, track orders, make payments, reconcile online, and access timely information to facilitate their operations. It also includes an e-commerce solution specifically for lubricants and industrial fuels.

The Partners' Digital Channel allows us to offer a streamlined experience and also introduce an innovative approach that optimizes processes for the benefit of our customers.

In 2023:

- We consolidated the use of the platform with a 93% customer adoption rate, added new features that expand the scope of our relationship with customers, and launched the Industrial Fuels Store, which allows us to control the sales cycle for the industrial fuels business.
- We received 4,700 orders in the lubricants and industry store and carried out 5 million sales transactions on the Rumbo platform, which included invoicing for individuals who own vehicles.

INTEGRATED REPORT – LEGAL ASPECTS

Since Organización Terpel S.A. (hereinafter referred to as "Terpel") and its subsidiaries were registered as a business group, we have been focused on the achievement of specific and systematic objectives under a common purpose and common management through the leadership of Terpel as the parent company, notwithstanding the individual development of the business purpose and activity of each subsidiary. As of December 31, 2023, the companies in the group are:

- Terpel Comercial Ecuador CIA Ltda.
- Administración Estratégica de Gasolinera del Ecuador - Adesgae S.A.
- Terpel Perú S.A.C.
- 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.
- Energías Renovables S.A.S
- Masser S.A.S.
- Terpel Aviación del Peru S.R.L.
- Terpel Comercial del Peru S. R. L.
- Puertos del Caribe Sociedad Portuaria S. A.
- Terpel Exportaciones C.I. S.A.S.
- Terpel-Lubricantes Ecuador S.A.S.

Terpel Ampere S.A.S. was dissolved and liquidated in the second half of 2023 by mutual agreement of the shareholders, who analyzed its work and operations and determined that it was not necessary to maintain the company in operation.

On May 30, 2023, the stock market was informed, using the relevant reporting mechanism, of the resignation of Alejandro José Palma Rioseco, second alternate director of Organización Terpel S.A. The resignation was effective as of May 31, 2023, and was for reasons of a purely professional nature. This resignation has been registered with the corresponding authorities.

Furthermore, on May 31st, the Company published the relevant information regarding the registration in the Public Registry of the incorporation of TERPEL-LUBRICANTES ECUADOR S.A.S., domiciled in Ecuador. This company was created on the recommendation of the related party (with operations in Ecuador) in order to better manage its operations, particularly the lubricants business, where it expects significant growth in the coming years.

With regard to financial operations, on February 24, 2023, Organización Terpel S.A. acquired a synthetic loan with BBVA Bank for an amount of \$300,000,000,000 to cover working capital needs. The loan was novated on June 13, 2023, as a result of the swap operation entered into between the parties, with an agreed maturity date of June 13, 2024. In addition, on June 6,

2023, the Company acquired a bank loan from Bancolombia in the amount of \$281,448,000,000 with a maturity date of June 6, 2024. The purpose of this transaction was to support the payment of the June 2023 debt maturity corresponding to the 2018 Series Bonds. The acquisition and novation of the above loans had no adverse financial or legal consequences for Terpel and were reported to the securities market through the relevant reporting mechanism on February 24, 2023, June 6, 2023, and June 13, 2023, respectively.

With respect to the issuance of bonds under the Program for the Issuance and Placement of Ordinary Bonds and Commercial Paper (PEC) of Organización Terpel S.A. (i) on July 26, 2023, the company published, also through the corresponding reporting mechanism, the Notice of Public Offering for Lot 1, corresponding to the third issue of ordinary bonds under the PEC, pursuant to which six hundred and fifty thousand (650,000) ordinary bonds were issued, in eighteen (18) series, making the total amount of the third issue six hundred and fifty billion pesos (\$650,000,000,000,000). The public offering announced to the market consisted of three hundred thousand (300,000) ordinary bonds with a denomination of one million pesos (\$1,000,000) each, corresponding to an amount of three hundred billion pesos (\$300,000,000,000); and, (ii) on July 27, 2023, the results of the placement and issuance of the aforementioned ordinary bonds were announced to the market, indicating that applications were received in the amount of six hundred and three billion nine hundred and thirty-three million pesos (\$603,933,000,000), representing 2.01 times the amount offered. Of this amount, the Issuer allotted in the market four hundred and eighteen billion, seven hundred and twenty-three million pesos (\$418,723,000,000).

With regard to investigations initiated by regulatory authorities, Organización Terpel S.A., along with other companies, was the subject of an investigation and filing of charges by the Superintendency of Industry and Commerce for allegedly hindering the entry of new wholesalers into the fuel distribution market in the Department of Nariño. In response, on November 28, 2023, the company published relevant information for the market to correct the information disseminated by some media in this regard. It clarified that Organización Terpel S.A. has not entered or participated in any type of strategy, agreement, or meeting aimed at hindering competition in the fuel distribution market or any other practice that restricts competition in Nariño or any other Department in the country.

Finally, the company entered into the following material agreements, and disclosed the relevant information to the market for all of them: (i) Contract with ECOPETROL S.A., dated March 31, 2023, for the supply of domestic or imported extra motor gasoline, including gasoline invoiced as compensated extra-carbon motor gasoline of domestic origin. The total amount of the contract is USD 273,791,614,320, (ii) Contract dated November 29, 2023, also entered into with ECOPETROL S.A., for the supply of JET A/A1 of domestic origin, for an amount of \$1,747,096,055,876; and, (iii) Contract with CENIT TRANSPORTE Y LOGÍSTICA DE HIDROCARBUROS S.A.S., dated August 29, 2023, for the provision of transportation services in a multi-purpose pipeline of various fuel products under the firm capacity mode, for an amount of \$617,043,370,577.

A. Business Group Relations

Without prejudice to the independence of each of the companies making up the conglomerate and the responsibilities of their management bodies, the Group has defined a public, clear, and transparent organizational structure for the three levels of governance - Shareholders' Meeting, Board of Directors and senior management - that identifies the key bodies and individual positions, as well as the relationships between them at the Group level, as shown in the following table:

	Órganos	Recibe información de:			Informa a:		
	Matriz	Asamblea de Accionistas	Junta Directiva	Presidencia		-	
Revisoría Fiscal		Recibe información a nivel de grupo.			Asamblea	Junta Directiva	Comité de Auditoría
Junta Directiva		Comité de Auditoría	Comité Compensación	Presidencia	Asamblea		
Comité de Auditoría		Revisoría Fiscal	Auditoría Interna	Presidencia	Junta Directiva		
Comité de Compensación y Beneficios		Presidencia	Vicepresidencias		Junta Directiva		
Presidencia		Vicepresidencias	Gerencias	Gerencias Países	Asamblea	Junta Directiva	Comité de Auditoría
Auditoría Interna		Vicepresidencias	Gerencias		Comité de Auditoría	Presidencia	
Vicepresidencias		Gerencias			Junta Directiva		
Gerencias		Reciben información de las direcciones a cargo.			Vicepresidencias		
Filiales del Grupo	Asamblea de Accionistas Países	Junta Directiva Países			Junta Directiva		
	Junta Directiva Países	Gerencias Países			Asamblea Países		
	Gerencia Países	Recibe información según las áreas a cargo.			Junta Directiva Países	Presidencia	

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

In the year 2023, 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 in favor of increased transparency, the vice president of corporate and legal affairs submitted a report each month to the Board of Directors on Related Party Transactions. The report discloses all transactions between Terpel and/or its related parties with company administrators, and/or their related companies, in accordance with the rules established in the company's internal corporate documents and described in the chapter, "Mechanisms in place for related party transactions" in this regular year-end report.

B. Foreign expenses, expenditures, and obligations

With regard to the reports described in Article 446 of the Code of Commerce - Expenses - and in Article 29 of Law 222 of 1995 - Business Groups - this 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 cash 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, or to provide advice about or prepare studies for the performance of those procedures. It also lists advertising and public relations expenses, funds, or other assets held by the company abroad, and foreign currency obligations and investments in other companies, domestic or foreign, as follows:

- 1) The fees paid to the Board of Directors for board attendance during the year 2023 totaled \$1,432,448,361.¹
- 2) Fees paid to consultants during the year 2023 are broken down as follows: legal consulting \$3,613,732,427, financial consulting \$1,614,031,882, tax consulting \$373,945,263 and technical consulting \$32,078,787,805.
- 3) Transfers of money and other assets were made for no consideration in favor of the following juridical persons:

IDENTIFICATION	NAME	AMOUNT MM\$	DONATION
8301327692	TERPEL FOUNDATION	7,440,000,000	Money
8305042841	FUNDACION CATALINA MUÑOZ	355,000,000	Money
8301240321	FUNDACION BEST BUDDIES COLOMBIA	67,991,092	Money
8000653948	CORPORACION MUNDIAL DE LA MUJER	64,000,000	Money
9007349625	FUNDACION PARA EL DESARROLLO INTEGRAL A LA COMUNIDAD	15,000,000	Money
9007536646	FUNDACION PARA EL PROGRESO DE LA REGION BOGOTA	11,412,000	Money
8600764776	CIVIL AIR PATROL	478,983,626	In kind
8999991434	SERVICIO AEREO TERRITORIOS NACIONALES SA	96,050,308	In kind
TOTAL		8,528,437,026	

- 4) Advertising and publicity expenses for the year 2023 totaled \$61,004,339,303.
- 5) Organización Terpel S.A.'s funds and obligations abroad for the year 2023 (includes accounts abroad) totaled \$4,517,793,929.

IDENTIFICATION	INSTITUTION	AMOUNT USD	AMOUNT \$
133379014	JPMORGANCHASE BANKYORK	1,182,034.23	4,517,793,929

- 6) The company's investments as at December 31, 2023 totaled \$1,646,192,962 and were the following:

¹ Fees include any additional items, such as per diems, travel allowances, etc.

IDENTIFICATION	NAME	% OWNERSHIP	INVESTMENT
1019-225-108400 DV-92.	Petrolera Nacional S.A.	100%	499,941,356
761276123	Inversiones Organización Terpel Chile S.A.	100%	40,479,005
130780331	Terpel Republica Dominicana SRL	100%	36,206,976
9004330329	Terpel Energía S.A.S. E.S.P	100%	15,314,744
1944745	Organización Terpel Corporation	100%	913,947,117
901.210.452-5	Terpel Exportaciones C.I. S.A.S.	100%	32,030,661
993382482001	Terpel Lubricantes Ecuador	100%	12,870,052
901045599	Sociedad Portuaria SA	90%	1,274,049
901357440-1	Stem Terpel SAS	51%	127,080
9014658554	Flux Terpel SAS	40%	9,993,926
990962170001	Terpel Comercial Ecuador Cia Ltda	39%	57,868,600
20511995028	Terpel Peru SAC.	36%	22,720,535
20521921618	PGN Norte SAC.	25%	2,164,285
20521021880	PGN Sur SAC.	25%	1,254,576
TOTAL			1,646,192,962

C. Good 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. Terpel considers corporate governance to be its most important tool for promoting its corporate strategy, vision, and principles of respect, integrity, trust, and fair treatment in all its relations with its various stakeholders and the company's management bodies.

Organización Terpel S.A. filled out and submitted the Corporate Best Practices Report called "Country Code Survey," which is available for consultation both on the company's website, and as an annex to and integral part of this report. As a result of these best practices in corporate governance, Terpel has once again received the IR Award for Issuers from the Colombian Stock Exchange for best practices in information disclosure and investor relations by providing sufficient and timely information through appropriate communication channels.

Lastly, Terpel continued as an active member of the Colombian Institute of Corporate Governance - ICGC. The purpose of the Institute is to promote the development and adoption of best practices in corporate governance in Colombia, thereby helping improve the management and performance of organizations.

C.1. The company's ownership structure

There were no changes to the **capital structure** in 2023, maintaining a total of 195,999,466 common shares, 14,574,961 of which have been repurchased, for a total of 181,424,505 common shares outstanding. As at December 31, 2022, 58.51% was held by the majority shareholder Compañía de Petróleos de Chile Copec S.A., (56.18% held directly, corresponding 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 2023, in accordance with the provisions of the Code of Good Governance, no agreements have been reported between shareholders, nor were there negotiations of shares and/or securities issued by the company on the part of the members of the Board of Directors, senior management, or other administrators. Nor were there any conflicts between shareholders that led them to use the mechanisms for settling disputes indicated in the company's bylaws.

During the same period there were no situations of **conflict of interest** that required evaluation by the Board of Directors or submission to the General Shareholders Assembly. In this regard, during 2023 we developed an online form for the prevention of conflicts of interest, available to all team members, with the purpose of maintaining transparent relationships in all transactions. The forms are analyzed by the Compliance Committee, the 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 then makes the recommendations necessary to manage potential conflicts of interest, and communicates them to both the immediate supervisor and the reporting employee.

Company employees are therefore expected to act with due diligence and loyalty in reporting situations involving conflicts of interest, while maintaining confidentiality. All of the company's activities are characterized by integrity, respect, and reliability, as well as adherence to 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 who is faced with an occasional conflict of interest must follow 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. Refrain from direct or indirect intervention in the activities and decisions related to the company's determinations regarding 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 or friendship, and expectations relative to current or potential suppliers, contractors, customers, or competitors must not compromise their independence and good judgment in protecting the interests of Organización Terpel S.A. When the conflict of interest faced by a company employee is ongoing, he or she must follow the following procedure: 1. Inform his or her supervisor and immediately refrain from taking any action or intervening, directly or indirectly, in the 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. If the conflict of interest arises at the level of the Board of Directors, the provisions contained in the Internal Regulations of the Board of Directors shall apply.

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 or friendship, and expectations relative to current or potential suppliers, contractors, customers, or competitors must not compromise their independence and good judgment in protecting

the interests of Organización Terpel S.A. and its business group. Doubts as to which actions constitute a conflict of interest do not relieve an employee of the obligation to refrain from participating in such activities until a final decision has been made by the corresponding body.

C.2. Composition of the Board of Directors and Senior Management

This information is provided in more detail in the chapter "Senior management profiles" in this Annual Report.

C.3. Functions of the Board of Directors and Senior Management

Terpel's vision is "*By 2025, a highly inspirational team will make Terpel the #1 brand in service, recognized as a Country partner,*" and its purpose is "*to power people, businesses, and the country with the best energy.*" It is clear from this, that governance of the company is inspired by achieving our business strategy and objectives and by carrying out the important functions involved in our corporate purpose. With this perspective and in order to meet this goal, the Board of Directors holds the following powers: 1.- To establish its own bylaws and determine 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 any 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 assigns 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 in an amount greater than three million dollars (US\$3,000,000), except for the acquisition, sale, distribution, supply, and transportation of products derived from petroleum, natural gas, LPG, and biofuels, the purchase, sale, or acquisition under any title, import, export, production, storage, packaging, transportation, 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 three million dollars (US\$3,000,000); exempted from this provision are the acquisition sale, distribution, supply, and transportation of products derived from petroleum, natural gas, LPG, and biofuels, the purchase, sale, acquisition under any title, import, export, production, storage, packaging, transportation, 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 take, either directly or through a proxy, all actions necessary for the successful placement of the securities; 20.- To create and/or modify the Code of Good 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, 27.- to dispose of assets and investments under any title, 28.- To make investments in other companies 29.- To take out guarantees to secure the company's obligations, and 30.- to guarantee obligations of the company or its affiliates or subsidiaries.

None of the 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 chairman of the Board of Directors is responsible for directing the activities of Terpel's Board of Directors and the secretary is responsible for coordinating them. Therefore, in the Internal Regulations of the Board of Directors, the following are the ordinary powers of the chairman of the Board of Directors: 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 term from April 2022 to April 2025, Mr. Arturo Natho Gamboa 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 meetings and to identify the supporting documents for the decisions made, as well as the reasons for either agreement or disagreement stated by those present; 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 at least two (2) calendar days prior to the meetings, in accordance with the agenda items indicated in the notice of the meeting; 6. To send to all the regular and alternate members copies of the minutes of each board meeting as soon as they are approved; and; 7. To make available to first-time elected members of the Board of Directors, as well as alternate numbers, sufficient information to have specific knowledge about the company and the sector in which it operates. For the term from April 2022 to April 2025, the vice president of corporate and legal affairs will serve as the secretary of the Board.

C.4. Committees of the Board of Directors

This information is provided in greater detail in the chapters "Compensation and Benefits Committee" and "Audit Committee" in this regular year end report.

D. General Shareholders' Assembly

We held our Shareholders' Assembly on the twenty-fourth (24) day of March, two thousand and twenty-three (2023) at eight o'clock in the morning (8:00 a.m.), with sufficient quorum to deliberate and make decisions, guaranteeing the transparency of the decisions. The invitation to attend was sent on February 20, 2023, and the meeting was held in person with real-time streaming for those shareholders unable to attend.

With respect to **control systems**, the company has fully complied with the regulations applicable to the rights of data subjects. Terpel also has an effective manual 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 2023, we worked to strengthen these policies and procedures, creating a separate department to manage these issues. That department prepares the relevant reports for the competent authorities, especially the Financial Information and Analysis Unit (UIAF in Spanish). We also continued to train all company employees in this area.

On the topic of **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 regulatory changes that have a significant impact on the company's business: (i) National Development Plan 2022-2026 "Colombia World Power for Life," (ii) Law 2277 of 2022 Article 51/ National Tax on Disposable Plastic Products, (iii) Decree 2236 of 2023 Ministry of Mines and Energy, which regulates the strategy of energy communities, (iv) Resolution 0012/ 2023 DIAN - National Tax on Fuels; and, (vi) CREG Circulars 002/ 2023 and 003/ 2023 Reporting of Information on Administration, Operation, and Maintenance Expenses of Wholesale and Retail Fuel Distribution Activities.

E. Intellectual Property

This information is provided in detail in the chapter "List of patents, trademarks, and others" of this year-end report.



Report on implementation of best corporate practices

ORGANIZACIÓN TERPEL S.A.

Principal legal representative
OSCAR ANDRÉS BRAVO RESTREPO

Designated legal representative for filing the implementation report
ALONSO BOTERO PARDO

Reporting period 2023
Reporting date January 2024

Introduction

Issuers are required to report to the Financial Superintendent of Colombia (SFC) on the implementation of the recommendations of the new Colombian Code of Best Corporate Practices, through this "Report on the Implementation of Best Corporate Practices."

The purpose of this report is to inform the securities market about each issuer's implementation or non-implementation of the Code's recommendations. For this purpose, next to each recommendation there are three boxes corresponding to YES, NO and N.A., and a space to complete the answer as follows:

If the answer is "yes", the issuer should briefly describe how it has implemented the recommendation. If the answer is "no", the issuer should explain the reasons why it has not implemented the recommendation.

The issuer may answer "N.A." only in cases where it is not legally possible for the issuer to adopt the recommendation. In this case, the issuer must indicate the precise rule that prevents it from doing so.

Given that some recommendations are made up of a series of specific aspects, it is important to emphasize that they are considered to have been implemented only if all the aspects that make them up have been implemented, unless the reason for not adopting some of them is of a legal nature, which must be indicated.

Each recommendation has a box to indicate the date on which it was first implemented by the issuer. There is also a box to indicate the dates on which changes have been made.

Finally, when the issuer, by its nature, does not have the specific body to which the recommendation refers, it is understood that the recommendation refers to the body that is equivalent to, or takes its place within the company.

I. Rights and equitable treatment of shareholders

Measure No. 1: Principle of equal treatment.

1.1. The Company provides equal treatment to all shareholders who are in the same situation within the same class of shares, without this implying that some shareholders receive privileged information compared to others.

1.1 Implements the Measure YES NO N/A

YES. Brief description:

Paragraph 1.3 of the Code of Good Governance establishes the "Shareholders' Right to Equality," which states that "The management and administration of Organización Terpel S.A.'s business by the Board of Directors and the Company's Legal Representative shall at all times guarantee the recognition and effective respect of the right to equality of all the Company's shareholders. The members of the Board of Directors and the Legal Representative of the company must constantly strive to ensure that the equal rights of the shareholders are guaranteed in the decisions made by the company's various governing bodies.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	2001
Dates of modifications	2015

1.2. The Board of Directors has approved a specific procedure that defines the Company's practices for **engaging with shareholders in different circumstances**, such as access to information, resolution of requests for information, and communication channels and forms of interaction between shareholders and the Company, its Board of Directors and other administrators.

1.1 Implements the Measure YES NO N/A

YES. Brief description:

Article 47 of the company's articles of incorporation states that it is the duty of the Board of Directors "23. To consider and respond in writing to any proposal submitted and duly substantiated by any shareholder or group of shareholders. The Board of Directors, through the Legal Representative, shall provide a response within sixty (60) calendar days from the date of the request." In addition, there are a number of channels for communicating with shareholders, as described in the Code of Good Governance: "3.4. "3.4 "Means of informing. The information to be provided by the Company to its shareholders and investors will be available at the main offices of Organización Terpel S.A. in the city of Bogotá; "5.6. "Shareholder / Investor Relations Office. The objective of the Shareholder / Investor Relations office is to create a preference for investing in Organización Terpel S.A. through knowledge of the company, the provision of quality information, proper disclosure of its activities and regular contact with the community of shareholders, investors, and local and international analysts. In addition, it will serve as a liaison between shareholders and investors and the company's governing bodies and, in general, will be responsible for learning about their needs, requirements and suggestions. If an investor believes that there has been a violation of these rules, they should send a written communication to the Vice President of Corporate and Legal Affairs, Investor Service Office, located at Carrera 7 No. 75 - 51 Office 13-01, in the city of Bogotá D.C., or to the following e-mail address: accionistas@terpel.com. This office will notify the Board of Directors at the next scheduled meeting, at which time the relevant decisions will be made and communicated to the petitioning shareholder; 5.7. Web page. The Organización Terpel S.A. website (www.terpel.com) is available to different audiences, presenting information of interest to its shareholders and investors, as well as to other people interested in its operations (customers, analysts, the community, journalists, suppliers, etc.). This Code of Good Governance and the Company's financial statements are published on the website.

This procedure is also described in the "Investor Services Manual," published in both English and Spanish, in which the Company explains to shareholders the channels they can use to submit their requests, claims and proposals, further facilitating fluid communication, using the following link:

<https://www.terpel.com/en/shareholders-investors/services/investor-services>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	2001
Dates of modifications	2009

Measure No. 2. Share information.

2.1. Through its website, the company clearly, accurately and fully **discloses to the public the different classes of shares issued** by the company, the number of shares issued for each class and the number of shares in reserve, as well as the rights and obligations attaching to each class of shares.

2.1 Implements the Measure YES NO N/A

YES. Brief description:

This information is available on the company's website under the "Shareholders and Investors" tab, clicking on "Corporate Governance" and then "Structure and Administration," and then scrolling down and clicking on "Summary of OT share capital." This is the link for direct access: <https://www.terpel.com/en/shareholders-investors/corporate-governance/structure-and-administration>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	20/11/2012
Dates of modifications	N/A

Measure No. 3 No dilution of capital.

3.1. In the case of **transactions that may result in a dilution of the capital** of minority shareholders (including, but not limited to, a capital increase with a waiver of subscription rights, a merger, a spin-off or a demerger), **the Company explains them in detail to the shareholders** on the basis of a prior report from the Board of Directors and a fairness opinion on the terms of the transaction from an independent external advisor of recognized standing appointed by the Board of Directors. These reports will be made available to the shareholders in advance of the meeting within the time limits for exercising the right of inspection.

3.1 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

During the reporting period, no transactions were approved that would result in capital dilution; however, in the event of such a transaction and in compliance with legal requirements, the Company would make available to the shareholders, within the scope of their right to inspect, all documents that would explain the transaction in detail (for example, in the case of a merger transaction, the Merger Agreement with all its annexes and other relevant information would be made available).

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

Measure No. 4 Information and communication with shareholders.

4.1. The company has a **corporate website**, in Spanish and English, with a link to Corporate Governance or Shareholders and Investor Relations, or its equivalent, that contains financial and non-financial information in accordance with recommendations 32.3 and 33.3. In no case will it contain confidential information of the company or information related to trade secrets or information the disclosure of which could be used to the detriment of the company.

4.1 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The company has a corporate website, in Spanish and English, with a section dedicated to corporate governance and investor relations, which includes financial and non-financial information under the terms proposed in Recommendation 32.3 and most of the components of Recommendation 33.3. This website is the main channel for the exchange of information between the company, its shareholders and the general public.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

4.2. The company has **shareholder-exclusive mechanisms for continuous access and use, such as a link on the website exclusively for shareholders**, or an office for shareholder and investor relations, or periodic information meetings, so that shareholders can express their opinions, concerns or suggestions regarding the company's development or related to their status as shareholders, among other things.

4.2 Implements the Measure YES NO N/A

YES. Brief description:

Terpel has an Office for Attention to Shareholders that shareholders can use to communicate by e-mail, telephone and/or in person. It also holds regular meetings to present quarterly financial results with the active participation of shareholders and investors. This is in accordance with paragraphs 5.6 and 5.7 of the Good Governance Code.

It has also published the "Investor Services Manual," in both English and Spanish, in which the company explains to shareholders the procedures and channels for submitting their requests, claims, and proposals, further facilitating fluid communication.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	2013
Dates of modifications	2017

4.3. The company organizes **quarterly results presentations for its shareholders and market analysts**, which may be held in person or by means of remote communication (conference call, videoconference, etc.).

4.3 Implements the Measure YES NO N/A

YES. Brief description:

Paragraph 1.4.3 of the Good Governance Code states that the company has the duty to provide information on its management and the results of the company's investments, in terms of quantity, quality and timeliness, under equal conditions for all shareholders. Likewise, committed to best corporate governance practices, Terpel fully complies with the strict guidelines established by the Colombian Stock Exchange, which has awarded it the IR Issuer Award.

The company delivers quarterly results using a technological platform that provides access to shareholders and potential investors and prepares reports that are published on the company's website, on the "Shareholders and Investors" tab, in both English and Spanish. This page of the site is particularly active and highly participatory.

NO. Explain:**N.A. Specify the rules that prevent adoption of the recommendation:**

Implementation date	2013
Dates of modifications	N/A

4.4. The company organizes or participates in fixed income presentations, events, or forums, mainly for debt investors and market analysts, where the issuer's business indicators, debt management, financial policies, ratings, and performance with respect to covenants, etc. are updated.

4.4 Implements the Measure YES NO N/A

YES. Brief description:

Since its incorporation as a securities issuer, the company has presented its quarterly results in both English and Spanish using a technological platform that provides access to all shareholders and potential investors from anywhere in the world. This is an active event with a high level of participation. Reports on the event are published on the company's website on the "Shareholders and Investors" tab. This is in accordance with the provisions of paragraph 1.4.3 of the Corporate Governance Code.

Likewise, committed to best corporate governance practices, Terpel fully complies with the strict guidelines established by the Colombian Stock Exchange for information disclosure and transparency, for which it has been awarded the IR Issuer Award.

In addition to the above, the company participates in forums and events organized by market analysts and stockbrokers where fixed income issuers (among others) provide updates on the issuer's business indicators, management of its debts, financial policy, ratings, and behavior with respect to covenants, etc. The above information can be viewed at the following link: <https://www.terpel.com/en/shareholders-investors/results-and-communications/quarterly-results>

NO. Explain:**N.A. Specify the rules that prevent adoption of the recommendation:**

Implementation date	2013
Dates of modifications	N/A

4.5. The company's Articles of Incorporation provide that a shareholder or group of shareholders representing at least five percent (5%) of the capital may request the performance of special audits on matters other than those audited by the company's statutory auditors. Depending on its capital structure, the company may set a percentage lower than five percent (5%).

4.5 Implements the Measure YES NO N/A

YES. Brief description:

In effect, Article Eight of the company's corporate bylaws provide that a shareholder or group of shareholders representing at least five percent (5%) of the capital stock may request the performance of special audits on matters other than those audited by the statutory auditor. Such a request must be addressed to the Chairman of the Board of Directors and signed by all interested shareholders, specifying the considerations and questions to be resolved. The Board of Directors, through the Legal Representative, shall report the results of the audit within the following sixty (60) calendar days. Management may reject audit requests out of hand if they are unclear or involve matters for which the Statutory Auditor is responsible.

NO. Explain:**N.A. Specify the rules that prevent adoption of the recommendation:**

Implementation date	2015
Dates of modifications	N/A

4.6. The company has a written procedure for exercising this right, with the particulars described in Recommendation 4.6.

4.6 Implements the Measure YES NO N/A

YES. Brief description:**NO. Explain:**

Although Article Eight of the corporate bylaws establishes the right of shareholders to request the performance of special audits

on matters other than those audited by the statutory auditor when requested by a shareholder or group of shareholders representing at least five percent (5%) of the share capital, and this document establishes the most relevant aspects of the procedure for requesting and conducting such audits, the company has not considered it appropriate to include an exhaustive procedure in the body of the bylaws. But the elements of this recommendation are complemented in point 4 of paragraph 1.2 of the Company's Good Governance Code.

Therefore, despite the fact that the Company establishes a procedure for such audits, because it is located in two of the corporate documents and not only in the corporate bylaws, the answer is 'No.'

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

Measure No. 5. Actions to be taken by senior management in the event of a change or takeover of control of the company.

5.1. The members of the Board of Directors and senior management have expressly accepted in their letters of acceptance or contracts that there will be periods during which they will refrain from trading, directly, or indirectly through intermediaries, in the shares of the company, at such a time as they become aware of the submission of a takeover bid or other relevant transactions such as mergers or spin-offs.

5.1 Implements the Measure YES NO N/A

YES. Brief description:**NO. Explain:**

In view of the importance of this issue for the company, it did not consider the establishment of this commitment in the letters of acceptance of the members of the Board of Directors and of senior management to be sufficient. In fact, it is the Good Governance Code, and in particular paragraphs 4.2.2.4, 4.2.2.5 and 5.2.2.2.2, that establishes the prohibition on the acquisition, trading or sale of the company's shares by company administrators, either directly or through an intermediary, during their term of office, in the case of transactions for speculative purposes. In those cases in which the administrators wish to acquire or dispose of shares of the company for reasons other than speculation, they may carry out the corresponding transaction

provided that they have previously obtained the approval of two-thirds (2/3) of the members of the Board of Directors of the company, excluding the vote of the applicant.

In those cases in which half plus one of the total number of members of the Board of Directors wishes to sell or acquire shares of the Company for reasons other than speculation, the authorization to carry out such transaction shall be granted by the General Shareholders' Assembly with the affirmative vote of the ordinary majority provided for in the corporate bylaws, excluding the vote of the applicants. The person interested in carrying out the transaction must submit a written request for authorization to the Vice President of Corporate and Legal Affairs at least 5 business days prior to the meeting of the Board of Directors or the convening of the ordinary or extraordinary General Shareholders' Assembly at which the request is to be considered, containing at least the information set forth in paragraph 4.2.2.5 of the Company's Good Governance Code.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

Measure No. 6: Listing of companies included in conglomerates.

6.1. Notwithstanding the independence of each company included in the conglomerate and the responsibilities of its administrative bodies, **there is an organizational structure** of the conglomerate that defines, for the three (3) levels of governance - shareholders' meeting, board of directors and senior management - the key individual bodies and positions, as well as the relationships among them, that is public, clear and transparent, that allows for the establishment of clear lines of responsibility and communication, and that facilitates the strategic direction, supervision, control and effective management of the conglomerate.

6.1 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

In the "Shareholders and Investors" module, there is an organizational structure that identifies the 3 levels of governance for each company in a subordinate relationship and the lines of responsibility.

The corporate structure can be consulted at the following link:

<https://www.terpel.com/en/shareholders-investors/corporate-governance/structure-and-administration>

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

6.2. The parent company and its main subsidiaries have established a reference framework for their intercompany relations through the signing of a public agreement, approved by the Board of Directors of each of these companies, that regulates the matters referred to in Recommendation 6.2.

6.2 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

All transactions carried out by the company with related parties comply with the regulations in force, taking into account and managing any situation that may give rise to a conflict of interest. In addition, all transactions with related parties are presented to the Board of Directors on a monthly basis, taking advantage of any synergies but maintaining full transparency regarding these transactions.

Now, Terpel has incorporated the items of the recommendation into a variety of corporate documents. However, because these guidelines are not contained in a single document, and because they are for internal use only and have not been published, the answer must be 'no'.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

Measure No. 7: Dispute resolution.

7.1. 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.**

7.1 Implements the Measure YES NO N/A

YES. Brief description:

According to article seventy-two (72) of the company's bylaws, any differences that arise at any time, even during the liquidation period, between the shareholders or between one or more of them and the company, in connection with the corporate agreement may be resolved: (i) by direct agreement between the parties within thirty (60) calendar days of the written notice of the party claiming the existence of the dispute. (ii) If no direct agreement is reached within such period, either party may convene an arbitration tribunal, which shall be governed by the following rules: The arbitration panel shall be composed of three (3) arbitrators appointed by mutual agreement of the parties. If the parties do not agree, in whole or in part, on the appointment of the arbitrators, either party may request the Arbitration and Conciliation Center at the Bogotá Chamber of Commerce to make the appointment. The arbitrators appointed must be Colombian citizens, registered lawyers, who shall produce a remedy at law. The appointment of the arbitrators shall be made within thirty (30) days from the date on which one of the parties notifies the other in writing of the differences subject to arbitration. The arbitration court shall be held in the city of Bogotá, D.C., in accordance with the rules of the Bogotá Chamber of Commerce. The rules of the Code of Commerce shall apply in all matters not provided for herein.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	2001
Dates of modifications	2009

General Shareholders' Assembly

Measure No. 8. Functions and Responsibilities.

8.1. In addition to the other functions assigned to the General Shareholders' Assembly by law, **the Bylaws expressly include the functions of the General Shareholders' Assembly as indicated in Recommendation 8.1**, emphasizing their exclusive and non-delegable nature.

8.1 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

In Article Thirty-nine (39) of its bylaws, the Company has regulated as non-delegable functions of the Shareholders' Assembly the assignment of fees to the members of the Board of Directors, the manner of their election, and the disposition of company assets. However, since the remuneration of the Board of Directors and senior management does not include components that are linked to variations in share value, although this is considered to be a good practice, the literal wording of the recommendation is not implemented, so in this case, the answer is 'no.'

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

Measure No. 9: Regulations of the General Shareholders' Assembly.

9.1. The company has regulations for the General Shareholders' Assembly, which regulate all matters relating to the General Shareholders' Assembly, from the convening of the Assembly to the preparation of the information to be sent to the shareholders, to the attendance, development and exercise of the voting rights of the shareholders, so that the shareholders are fully informed about the entire system for the development of the General Shareholders' Assembly.

9.1 Implements the Measure YES NO N/A

YES. Brief description:

The Regulations are published on the website and regulate all matters related to the holding of the Shareholders' Assembly (from the convening of the meeting, to the requirements for valid deliberation and decision, etc.).

The Regulations of the General Shareholders' Assembly can be consulted at the following link: <https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	2008
Dates of modifications	2015

Measure No. 10: Convening of the Assembly.

10.1. In order to facilitate the exercise of the shareholders' right to information, **the bylaws establish that ordinary General Shareholders' Assemblies must be convened at least thirty (30) calendar days in advance, and extraordinary assemblies must be convened at least fifteen (15) calendar days in advance.** This is without prejudice to legal deadlines established for corporate reorganizations (e.g. merger, spin-off or transformation).

10.1 Implements the Measure YES NO N/A

YES. Brief description:

Article thirty-one (31) of the bylaws establishes that ordinary General Shareholders' Assemblies must be convened at least thirty (30) calendar days in advance, and extraordinary assemblies must be convened at least fifteen (15) calendar days in advance.

The corporate bylaws can be consulted at the following link: <https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2015
Dates of modifications	N/A

10.2. In addition to the traditional and mandatory means provided for in the legal framework, **the company ensures maximum dissemination and publicity of the notification of the Assembly** by using electronic media such as the corporate website, alerts through personalized e-mails and, when deemed appropriate, social media.

10.2 Implements the Measure YES NO N/A

YES. Brief description:

In addition to being published in a newspaper with national circulation, notice is sent by e-mail to all shareholders who have registered their e-mail addresses. Simultaneously, it is published on the Company's website on the "Shareholders and Investors" tab, and on the website of the Superintendent of Finance of Colombia (SIMEV)

Paragraph 2.1.5 of the Good Governance Code, in turn, establishes that "Organización Terpel S.A. shall publish on its website the meeting agenda and the proposals of management (...) Shareholders who register their e-mail address shall be sent the agenda and the content of the proposals.

To ensure maximum distribution and exposure, Terpel has posted the GSA 2023 Notice at the following link: <https://www.terpel.com/en/shareholders-investors/corporate-governance/shareholders-meeting>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2013
Dates of modifications	N/A

10.3. In order to increase the transparency of the decision-making process at the General Assembly, the company has established that, in addition to an agenda with a list of items to be discussed, **the proposals of the Board of Directors to be submitted to the General Assembly for each item on the agenda are made available to the shareholders at the same time as the meeting is convened or at least fifteen (15) days prior to the meeting.**

10.3 Implements the Measure YES NO N/A

YES. Brief description:

A link is included below to the company's bylaws, the Good Governance Code and the Internal Regulations for the General Shareholders' Assembly (public documents on Terpel's website), which establish the formal provisions that allow shareholders, through the right of inspection (15 days prior to the General Shareholders' Assembly), to review point by point the issues to be discussed.

Thus, Article 8 of the company's bylaws, "Rights of shareholders." states: (...) 4.- The right to freely inspect the company's books and records within fifteen (15) working days prior to the General Shareholders' Assembly at which the annual financial statements are to be examined. In turn, Chapter 1, Paragraph 2.1.4 of the Good Governance Code states: "The Board of Directors shall allow the shareholders or their representatives to exercise the right to inspect the company's books and records during the fifteen (15) business days prior to the meeting, during which time the shareholders may request clarifications and/or ask questions regarding the items included in the convening notice. The administration will respond using the same means by which the requests are submitted until the business day prior to the Assembly. The Administration may refuse consultations not related to the agenda for the meeting. Likewise, during the fifteen (15) business days prior to the meeting in which a possible merger, spin-off, transformation of the company or cancellation of the registration of the shares, in the event that the company trades the shares publicly on the stock exchange, is to be discussed, the shareholders shall have the right to inspect the projects, as the case may be, through the Company's Vice President for Corporate and Legal Affairs and/or Terpel's website"; also section 3.4. Ibid "Means of Informing. The information to be provided by the Company to its shareholders and investors will be available at the main offices of Organización Terpel S.A. in the city of Bogotá."

In addition, Article 4 of the Internal Regulations for the Assembly establishes that "Organización Terpel S.A. shall publish on the website the agenda of the meeting and the proposals of the administration at least fifteen (15) business days prior to the date of the Ordinary General Assembly. Likewise, when the purpose is to approve year-end balance sheets, the notice shall be published on the website no less than fifteen (15) business days in advance." In this regard, see:

1. Good Governance Code

<https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

2. Corporate bylaws

<https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

3. Assembly Internal Regulations

<https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	2001
Dates of modifications	2013

10.4. A partial spin-off can only be considered and approved by the shareholders' assembly when this item is expressly included in the notice of the assembly.

10.4 Implements the Measure YES NO N/A

YES. Brief description:

The corporate bylaws establish in "ARTICLE FIFTY-NINE - PUBLICITY: Any proposal for a spin-off, merger or transformation must be made available to the shareholders at the offices where the administration of the corporation is carried out at its main domicile, at least fifteen (15) business days prior to the meeting at which the respective proposal is to be considered. When convening such a meeting, the agenda must include the item relating to the spin-off, merger, transformation or deregistration and expressly state that the shareholders may exercise their right of withdrawal. In addition to the above, article 4 of the Internal Regulations of the General Shareholders' Assembly establishes that the notice of the General Shareholders' Assembly at which the spin-off of the company is to be discussed must explicitly mention the spin-off and must be sent 30 days in advance.

In addition, article thirty-nine of the company's corporate bylaws establishes that "the functions of the General Shareholders' Assembly are as follows 1.- To consider and approve amendments to the bylaws (...)", as in the case of a spin-off.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2001
Dates of modifications	N/A

10.5. The agenda proposed by the Board of Directors shall state the precise content of the business to be discussed, and shall avoid concealing or obscuring

important matters under vague, generic, overly general or broad terms such as "other business" or "proposals and miscellaneous."

10.5 Implements the Measure YES NO N/A

YES. Brief description:

In accordance with the corporate bylaws (Article 31) and current legislation (Code of Commerce Articles 424 and following), "The notice of meeting must contain the day, time and place where the General Shareholders' Assembly is to meet, as well as the purpose of the convening (...)."

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2001
Dates of modifications	N/A

10.6. In the case of amendments to the bylaws, each substantially independent article or group of articles shall be voted on separately. In any event, an article shall be voted on separately if a shareholder or group of shareholders representing at least five percent (5%) of the share capital so requests during the meeting, a right which shall be announced to the shareholders in advance.

10.6 Implements the Measure YES NO N/A

YES. Brief description:

In fact, when there have been amendments to the bylaws, the General Shareholders' Assembly votes separately on each of the articles of the reform of the bylaws, in accordance with the best governance practices of this agreement, all of which are recorded in the minutes of the General Shareholders' Assembly.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2018
Dates of modifications	N/A

10.7. Without prejudice to the provisions of article 182 of the Code of Commerce, in order to strengthen and guarantee the right of shareholders to inspect and be informed prior to the General Shareholders' Meeting, the bylaws recognize the right of shareholders, regardless of the size of their shareholding, to propose the inclusion of one or more items to be discussed on the agenda of the General Shareholders' Meeting,

within reasonable limits and provided that the request for new items is accompanied by a justification. The request by the shareholders must be made within five (5) calendar days following the publication of the notice of the meeting.

10.7 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Notwithstanding what is described above, the provisions of Article 31 of the company's bylaws establish that "**ARTICLE THIRTY-ONE. - CONVENING:** (...) Paragraph. The Board of Directors shall allow the shareholders or their representatives to exercise the right to inspect the company's books and records during the fifteen (15) business days prior to the meeting, during which time the shareholders may request clarifications and/or ask questions regarding the items included in the convening notice. The administration will respond using the same means by which the requests are submitted until the business day prior to the Assembly. The Administration may refuse consultations not related to the agenda for the meeting." It is important to note that any item in addition to what is on the agenda will be presented to the meeting under the "Proposals and Other Business" item.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
Dates of modifications N/A

10.8. If the Board of Directors rejects the request, **it must respond in writing** to those requests that are supported by at least five percent (5%) of the share capital, or a lower percentage established by the company based on the degree of concentration of ownership, **explaining the reasons for its decision and informing the shareholders of their right to present their proposals during the meeting in accordance with the provisions of the aforementioned Article 182 of the Code of Commerce.**

10.8 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

In accordance with the paragraph of Article thirty-one and paragraph 23 of Article forty-seven of the bylaws, the administrators will give a reasoned response in writing to any shareholder who requests

the inclusion of new items on the agenda of the General Shareholders' Assembly, regardless of the percentage of its participation in the share capital, and they will be instructed to present the proposal during the General Shareholders' Meeting.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
Dates of modifications N/A

10.9. When the Board of Directors accepts the request, a supplement to the notice of meeting is published at least fifteen (15) calendar days prior to the General Shareholders' Assembly, once the period for shareholders to propose items in accordance with the foregoing recommendations has expired.

10.9 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The shareholder is informed that their new item must be submitted to the consideration of the Shareholders' Assembly during the course of the meeting, under the item "Proposals and other business." The Assembly shall deliberate and decide whether to include the proposed item once the agenda has been completed and as long as the legislation so permits (depending on the type of meeting and the topic suggested).

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
Dates of modifications N/A

10.10. Shareholders may also submit new, substantiated proposals for resolutions on matters already included in the agenda within the same time limit as stated in section 10.7. The Board of Directors deals with such proposals in a manner similar to that described in sections 10.8 and 10.9 above.

10.10 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Shareholders may express their views on any item on the agenda during the General Assembly, where they are free to express their opinions, complaints or suggestions. However, in the case of an agreement between shareholders, the procedure established in the bylaws will be followed:

"ARTICLE SEVENTY-FOUR. - AGREEMENTS BETWEEN SHAREHOLDERS: Two or more shareholders who are not directors of the company may enter into agreements by which they undertake to vote in the same way or in a specific way at shareholders' meetings. Such an agreement may include a provision allowing one or more of them or a third party to represent all of them at the meeting or meetings of the General Shareholders' Assembly. This agreement shall be effective with respect to the company, the parties, the other shareholders and third parties only if it is in writing, delivered to the legal representative for filing at the offices where the administration of the company is carried out, and published in the National Register of Securities and Issuers. Otherwise, neither the company nor the other shareholders shall be liable for failure to comply with the terms of the agreement."

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
Dates of modifications N/A

10.11. The Company is required to use electronic means of communication, in particular the company's website, to which shareholders have exclusive access, in order to provide them with the documents and information associated with each item on the agenda of the Shareholders' Assembly.

10.11 Implements the Measure YES NO N/A

YES. Brief description:

The information associated with each item on the agenda is included on the "Shareholders and Investors" page of the website as public information. Terpel thus ensures that shareholders and potential investors are aware of the decisions that will be presented to the General Assembly for consideration. This is in compliance with the provisions of the Good Governance Code, which in its paragraph 2.1.5. establishes that "The company will publish the agenda of the meeting and the proposals of the administration on the website at least fifteen (15) working days prior to the date of the General Shareholders' Assembly. When the purpose is to approve year-end balance sheets, the notice shall be published on the website no less than fifteen (15) business days in advance.

In the same way, the notice of the Shareholders' Meeting is sent by e-mail and only to those shareholders who have updated their information.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation 2013
Dates of modifications 2017

10.12. The company's bylaws recognize the right of shareholders to request, in a timely manner and through traditional channels and/or, where applicable, using new technologies, **any information or clarification** they deem relevant or to submit in writing any questions they deem necessary with respect to the matters on the agenda, the documents they have received or the public information provided by the company. Depending on the date chosen by the company for convening the General Shareholders' Assembly, the company shall determine the period during which the shareholders may exercise this right.

10.12 Implements the Measure YES NO N/A

YES. Brief description:

In effect, in accordance with article Thirty-one of the bylaws, the shareholders or their representatives may, during the fifteen (15) business days prior to the meeting, request clarifications and/or ask questions regarding the items included in the notice of the meeting. The administration will respond using the same means by which the requests are submitted until the business day prior to the Assembly. The Administration may refuse consultations not related to the agenda for the meeting.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	2001
Dates of modifications	2015

10.13. The company has established that the information requested may be refused if, in accordance with internal procedures, it can be characterized as: i) unreasonable; ii) irrelevant to understanding the progress or interests of the company; iii) confidential, including privileged information in the area of the securities market, industrial secrets, ongoing transactions whose success for the company depends substantially on the secrecy of their negotiation; and iv) other information, the disclosure of which would pose an imminent and serious threat to the competitiveness of the company.

10.13 Implements the Measure YES NO N/A

YES. Brief description:

Article Thirty-One (31) of the company's bylaws states: "(...) **The Administration may refuse consultations not related to the agenda for the meeting.**" (Underlined and bold not in original text). Likewise, point 7 of the Code

of Conduct states that it is not possible to provide information that is strategic and/or privileged information, which is defined as follows:

- Strategic information: commercial, financial, operational, and technical information, know-how, new projects, agreements with customers and suppliers, records of customers, investors, employees and litigation, among other information that may provide Terpel with competitive advantages, the appropriateness of which will be evaluated on a case-by-case basis. It is complemented by the provisions of the Information Policy in the Good Governance Code (article 3.1), which state that reserved information is understood to be information of general use that is not classified as confidential or that forms part of the Company's industrial, commercial or professional secrets. Secondly, it is material the use and disposal of which corresponds to the Company's administrators, including communications or material that may pose a risk to the Company's activities.
- Privileged information: According to Article 75 of Law 45 of 1990, "privileged information is information of a specific nature which has not been disclosed to the public and which, if it had been disclosed, would have been taken into account by a reasonably diligent and prudent investor in trading the relevant securities." Privileged information may be known and/or used only with the authorization of the President, a Vice President or whomever they directly and expressly designate. Unauthorized disclosure or use of such information may cause external damage to Terpel, with legal, economic and reputational consequences.

The bylaws, Good Governance Code, and Code of Conduct are published at the following link: <https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	2001
Dates of modifications	2015

10.14. When the answer given to a shareholder may give him an advantage, the company guarantees other shareholders access to this answer at the same time and under the same conditions, in accordance with the mechanisms established for this purpose.

10.14 Implements the Measure YES NO N/A

YES. Brief description:

Article 2 of the " Investor Services Manual" states that "When the company considers that the response to a shareholder's request, claim or proposal may give an advantage to that shareholder,

the company shall guarantee the other shareholders **immediate** access to that response, in accordance with the mechanisms it has established for that purpose and **under the same economic conditions.**" (bold not in original text)

This manual can be consulted at the following link:

<https://www.terpel.com/en/shareholders-investors/services/investor-services>

This is in coordination with Paragraph 1.3 of the Code of Good Governance, "Shareholders' Right to Equality," which states that "The management and administration of Organización Terpel S.A.'s business by the Board of Directors and the Company's Legal Representative shall at all times guarantee the recognition and effective respect of the right to equality of all the company's shareholders. The members of the Board of Directors and the Legal Representative of the company must constantly strive to ensure that the equal rights of the shareholders are guaranteed in the decisions made by the company's various governing bodies. Link to the Good Governance Code: <https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2001
Dates of modifications	N/A

Measure No. 11: Regulation of representation.

11.1. Notwithstanding the limitations established in Article 185 of the Code of Commerce, External Circular 24 of 2010, and any regulations that may modify, add to or replace them, **the company does not limit the shareholder's right to be represented at the General Assembly** and the shareholder may delegate their vote to any person, whether or not such person is a shareholder.

11.1 Implements the Measure YES NO N/A

YES. Brief description:

Article twenty-four (24) of the company's bylaws states, "shareholders may be represented at the General Shareholders' Assembly by means of a written proxy granted to any natural or juridical person. That proxy must indicate: the name of the proxy, the name of the person for whom the proxy may be substituted, if any, the date or time of the meeting or meetings for which the proxy is granted, and, in all cases, must comply with the legal provisions. Said proxies can be sent to the company via fax. Proxies granted abroad shall require only the formalities established herein."

Without prejudice to the above, the Board of Directors, in a meeting prior to the Shareholders Assembly, instructs management to strictly comply with Article 185 of the Code of Commerce and External Circular 24 of 2010, which is published on the company's website and as relevant information on the website of the Superintendent of Finance of Colombia (SIMEV).

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2001
Dates of modifications	N/A

11.2. The company minimizes the use of blank proxies without voting instructions by actively promoting the use of a standard proxy form that the company itself sends to shareholders or publishes on its website. The standard form contains the items on the Agenda and the corresponding proposals determined in accordance with the procedure already established, which will be presented to the shareholders for their consideration, so that the shareholder may, as they deem convenient, indicate to the proxy how they wish to vote in each case.

11.2 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Although the company publishes proxy forms for both natural and juridical persons on its website, and publishes in the same place the agenda to be discussed at the corresponding Assembly, a document containing both guidelines has not yet been implemented.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

Measure No. 12: Attendance of persons other than shareholders.

12.1. With the objective of enhancing the role of the General Assembly in shaping the will of the company and making it a much more participatory body, the internal regulations of **the company's assembly require that the members of the Board of Directors**

and, in particular, the Chairmen of the Board Committees, as well as the President of the company, attend the Assembly in order to respond to the concerns of shareholders.

12.1 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Although article 12 of the Internal Regulations for the Assembly establishes that "(...) The members of the Board of Directors, the Secretary of the Shareholders' Assembly, the President of the company, the statutory auditor, the special auditors that have been authorized, the candidates for the elections to be decided at the respective meeting, the administrative personnel that are required, and any public authority legally authorized to do so, may attend the meetings. The Chairman of the Assembly may authorize people to join the Assembly if this does not affect the normal course of the meeting."; Therefore, the persons listed in the Recommendation are authorized to attend the Shareholders Assembly, but this is not a requirement, as the Recommendation establishes.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

Board of Directors

Measure No. 13: Functions of the Board of Directors.

13.1. The bylaws specifically identify the **functions that may not be delegated to senior management**, including those described in Recommendation 13.1.

13.1 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The recommendation suggests that functions are determined in the bylaws for the Board of Directors that cannot be delegated to members of senior management (vice presidents, managers, directors). The answer is therefore 'NO,' because some of the 32 activities that the recommendation recommends making non-delegable to the Board, have been delegated to senior management. Furthermore, the recommendation does not permit this rule to be contained in documents other than the bylaws.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

13.2. Without prejudice to the autonomy of the governing bodies of subsidiary companies, **when the company acts as the parent company of a conglomerate**, these functions of the Board of Directors have a group approach and **are developed through general policies, guidelines, or requests for information that respect the balance between the interests of the parent company, of the subsidiary companies, and of the conglomerate as a whole.**

13.2 Implements the Measure YES NO N/A

YES. Brief description:

There is a systematic focus to the functions of the Board of Directors in accordance with the structure of the control situation (parent and subsidiary companies), in all cases respecting the independence of the management of each affiliated company. This recommendation is covered in Article Forty-six of the bylaws, when they indicate that "*The Board of Directors may deliberate and decide in the presence and with the votes of the majority of its members, including when making decisions regarding (i) the appointment of the President of the company and of the executive officers of subsidiaries, affiliates, or branches of the company, and (vi) the guarantee of the obligations of the Company or its affiliates or subsidiaries.*" It also observes that the unity

of purpose and direction of the parent company with its subsidiaries is expressed by the declaration that has been made and that appears in the company's certificate of legal establishment and legal representation, as well as in paragraphs 11, 12, and 18 of article forty-seven of the corporate bylaws.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2001
Dates of modifications	N/A

Measure No. 14: Rules of the Board of Directors.

14.1. The Board of Directors has adopted internal

regulations governing its organization and functioning, as well as the functions and responsibilities of its members, the Chairman and the Secretary of the Board of Directors, and their duties and rights. These regulations are distributed to the shareholders and are binding on the members of the Board of Directors.

14.1 Implements the Measure YES NO N/A

YES. Brief description:

The regulations are published on the company's website and define the functions and responsibilities of the Board Members, the Chairman and the Secretary. Article 2 of the regulations state, "(...) They are applicable to the members of the Board of Directors and their contents are binding."

The Internal Regulations of the Board of Directors can be consulted at the following link: <https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2008
Dates of modifications	N/A

Measure No. 15: Size of the Board of Directors.

15.1. The company has chosen to establish in its bylaws not to designate alternate members of the Board of Directors.

15.1 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

It is the practice of the company's Board of Directors to have both regular and alternate members attend all meetings in order to ensure the continuity of the information and knowledge of all issues

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

Measure No. 16: Composition of the Board of Directors.

16.1. Based on the premise that, once elected, all members of the Board of Directors act in the interest of the company, in an exercise of maximum transparency, the company identifies the background of the members of the Board in accordance with the arrangement defined in Recommendation 16.1.

16.1 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Article forty-one (41) of the bylaws states that the company's Board of Directors is made up of 7 regular members, with their respective alternates, of which 25% must be independent. Therefore, a distinction is made between independent and shareholder-appointed (non-independent) members. There are no executive members, as this is not considered to be a good practice.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

16.2. The company has a procedure in place, articulated through the Appointments and Remuneration Committee or some other committee that fulfills those functions, which allows the Board of Directors, through its own actions and conclusions from annual evaluations, to achieve the objectives described in Recommendation 16.2.

16.2 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

There is no procedure in place under the terms of Recommendation 16.2.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

16.3. The Board of Directors communicates to the shareholders the professional profiles identified as necessary, in such a way that the various stakeholders, mainly controlling, major, and institutional shareholders, as applicable, as well as families of shareholders and groups of shareholders, and the Board of Directors itself, are in a position to identify the most suitable candidates.

16.3 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Although the Board of Directors has not defined the professional profiles that are necessary, Article Five of the Internal Regulations of the Board of Directors indicates the requirements to be met by the people who are designated as members of this collegiate body. Given that this document is permanently available on the company's webpage, controlling, major, and institutional shareholders, as well as families and groups of shareholders, have the capacity to identify the most suitable candidates, a decision that is made solely by the General Shareholders Assembly. The resumes of the members are also published on the webpage.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

16.4. The company believes that shareholder evaluation of resumes is not sufficient to determine the suitability of candidates. It therefore has an internal procedure to evaluate legal incompatibilities and disqualifications and confirm how well the candidate meets the needs of the Board of Directors, through the evaluation of a set of criteria that must be met by the functional and personal profiles of

candidates, and verification of compliance with certain objective requirements for Board membership, and other additional requirements for being an independent member.

16.4 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Candidates for appointment to the Board of Directors present their resumes to the General Shareholders Assembly, and those who are to be independent certify their independent status.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

16.5. In addition to the requirements for independence already established in Law 964 of 2005, **the company has voluntarily adopted a more rigorous definition of independence** than that established in the cited law. This definition has been adopted as a reference framework by the Rules of Procedure of the Board of Directors, and includes, among other requirements that must be assessed, the relationships or ties of any nature of the independent candidate with controlling or major shareholders and their related parties, both domestic and foreign, and requires a double declaration of independence: (i) of the candidate from the company, its shareholders, and members of senior management, declared in the member's Letter of Acceptance and, (ii) of the Board of Directors, with respect to the candidate's independence.

16.5 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The Board of Directors' Internal Regulations adopt in full the legal requirements for independence in Law 964 of 2005.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

16.6. The bylaws of the company establish that the Board of Directors, through its chairman and with the support of the Appointments and Remuneration Committee, or the body

that fulfills those functions, is the most appropriate body to centralize and coordinate the process of forming the administrative body prior to the General Shareholders Assembly. In this way, shareholders who aspire to be part of the Board of Directors based on their shareholdings can become familiar with the needs of the Board of Directors and can express their ambition, negotiate shareholder equity and its distribution among the different categories of members, present their candidates and agree to have the suitability of their candidates evaluated by the Appointments and Remuneration Committee prior to the vote at the General Shareholders' Assembly.

16.6 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The slates of candidates for the Board of Directors are proposed by the shareholders on the day of the Assembly on which their appointment is decided. Their resumes and independent status are published accordingly.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

16.7. The Internal Regulations of the Board of Directors establish that the suitability of candidates should be evaluated prior to the General Meeting, so that shareholders have sufficient information (personal qualities, suitability, career path, experience, integrity, etc.) on the candidates to the Board, in advance, that will enable them to make a proper evaluation.

16.7 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

As a general rule, the slate of candidates for the Board of Directors is presented at the General Shareholders Assembly. If a slate is submitted prior to the General Shareholders Assembly, however, it is included in the right of inspection, along with their resumes.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

Measure No. 17: Functional structure of the Board of Directors.

17.1. The Rules of Procedure of the Board of Directors stipulate that **independent and shareholder-appointed members shall always have a majority over executive members**, whose number, in the event they are appointed to the Board of Directors, shall be the minimum necessary to meet the needs for information and coordination between the Board of Directors and the company's senior management.

17.1 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The Internal Regulations of the Board of Directors do not include executive members in the composition of this collegial body. Twenty-five percent of the members are independent, in accordance with Law 964 of 2005.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

17.2. With the establishment by Law 964 of 2005 of a minimum percentage of twenty-five percent (25%) for independent members, **the company analyzes and voluntarily adjusts upward the number of independent members**, taking into account, among other things, that the number of independent members is proportional to the floating capital.

17.2 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The Internal Regulations of the Board of Directors stipulate that 25% of the board members must be independent, in accordance with Law 964 of 2005.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

Measure No. 18: Organization of the Board of Directors.

18.1. The duties of the Chairman of the Board of Directors are indicated in the bylaws, and his main responsibilities are those described in Recommendation 18.1

18.1 Implements the Measure YES NO N/A

YES. Brief description:

In effect, article Forty-three (43) of the bylaws contains the functions proposed in the recommendation for the Board of Directors. The corporate bylaws can be consulted at the following link: <https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2015
Dates of modifications	N/A

18.2. The company's internal regulations provide for the possibility that the Chairman of the Board of Directors may be treated differently than the other members both in terms of obligations and in compensation, due to the scope of his specific responsibilities and the greater time commitment required.

18.2 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Article 26 of the regulations of the Board of Directors establishes a difference with respect to his functions, but not with respect to his compensation.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

18.3. The bylaws contain the rules for appointing the Secretary of the Board of Directors, including those indicated in Recommendation 18.3.

18.3 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Article forty-three (43) of the bylaws establishes that the Board of Directors "shall have a Secretary, who shall be the Vice President of Corporate and Legal Affairs, or such other person as the Board may designate, who need not be a member of the Board of Directors, in which case, that person shall be appointed by a majority vote." Based on this, since the Secretary is a member of senior management, that person is appointed directly by the President of the company.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

18.4. The regulations of the Board of Directors establish the duties of the Secretary, including those described in Recommendation 18.4.

18.4 Implements the Measure YES NO N/A

YES. Brief description:

The company complies with the recommendation, in accordance with the provisions of paragraph 5 of Article Twenty-seven of the Regulations of the Board of Directors, which states: "5. To provide, within a period of not less than two (2) calendar days prior to the meetings, all the information required by the members of the Board of Directors, in accordance with the subjects indicated in the notice." It should also be noted that Article 9 of the same set of regulations states that, "At the first meeting of the year, the schedule of meetings for the entire year shall be approved. The Board of Directors may, if it so decides, meet on dates other than those provided for in the schedule."

Nonetheless, the schedule is approved in the last few months of the immediately preceding year to facilitate the Board's agenda and as a matter of good corporate practice.

Those Regulations can be consulted at the following link: <https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2008
Dates of modifications	N/A

18.5. The Board of Directors has created an Appointment and Remuneration Committee

18.5 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

In accordance with the Good Governance Code, Article 2.2.8.2, there is a Compensation and Benefits Committee. Its functions are similar to those established in the Recommendation, except for those related to the appointment of members of the Board of Directors.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

18.6. The Board of Directors has created a Risks Committee.

18.6 Implements the Measure YES NO N/A

YES. Brief description:

The standing committees of the Board of Directors include the Audit and Risk Committee. This committee performs functions related to managing the internal control system, and the analysis of business risks, as established in paragraph 4 of the regulations of the Audit and Risk Committee, which can be consulted at the following link: <https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2022
Dates of modifications	N/A

18.7. The Board of Directors has created a Corporate Governance Committee.

18.7 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The Good Governance Code establishes an Audit and Risk Committee that has, among others, functions related to follow-up and management of good corporate governance.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
 Dates of modifications N/A

18.8. Where the company has determined that it is not necessary to establish all of these committees, their functions have been distributed among the existing committees or have been assumed fully by the Board of Directors.

18.8 Implements the Measure YES NO N/A

YES. Brief description:

In support to the Board of Directors, the company has created an Audit and Risk Committee and a Compensation and Benefits Committee, which encompass functions of governance, risk, audit, and compensation and/or remuneration.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date 2008
 Dates of modifications N/A

18.9. Each committee of the Board of Directors has its own internal regulations that regulate the details of its formation, and the subjects and functions on which it is to work, and its operation, with particular attention to the channels for communication between the Committees and the Board of Directors and, in the case of conglomerates, to the mechanisms for the Board Committees of the parent company to relate to and coordinate with those of subsidiary companies, if such companies exist.

18.9 Implements the Measure YES NO N/A

YES. Brief description:

In effect, each of the committees has its own regulations that regulate the details of its creation, subjects to be discussed and functions to be performed by the Committee, and its operation, paying particular attention to channels for communication between the Committees and the Board of Directors. It should be noted, however, that there are no Board Committees in the companies under its control.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date 2008
 Dates of modifications N/A

18.10. The committees of the Board of Directors are made up exclusively of independent or shareholder-appointed members, with a minimum of three (3) members, and presided over by an independent member. In the case of the Appointments and Remuneration Committee, the independent members always constitute the majority.

18.10 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Both the Audit and Risk Committee and the Compensation and Benefits Committee are made up of members of the Board of Directors. In compliance with the rules applicable to its operations, the Audit and Risk Committee has a majority of independent members. The Compensation and Benefits Committee is comprised of both members of the Board of Directors and members of management, the latter being the majority.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
 Dates of modifications N/A

18.11. The Committees of the Board of Directors may be assisted on an ad hoc or ongoing basis by members of senior management with experience in matters within their purview and/or by outside experts.

18.11 Implements the Measure YES NO N/A

YES. Brief description:

The ongoing support of the members of senior management to the Board of Directors is ensured by their participation in these Committees. In effect, the President and the Vice President of Corporate Finance participate on the Audit and Risk Committee and the Vice President of Human Resources participates on the Compensation and Benefits Committee, among others.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date 2008
 Dates of modifications N/A

18.12. In the composition of its committees, the Board takes into account the profile, knowledge, and

professional experience of the members relative to the subject matter of the Committee

18.12 Implements the Measure YES NO N/A

YES. Brief description:

Yes, in accordance with the requirements established in the regulations of the corresponding Committees.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date 2008
 Dates of modifications N/A

18.13. Minutes are taken of the meetings of Committees, a copy of which is sent to all the members of the Board of Directors of the Company. If the Committees have been delegated decision-making powers, the minutes comply with the requirements of Articles 189 and 431 of the Code of Commerce.

18.13 Implements the Measure YES NO N/A

YES. Brief description:

In effect, minutes are kept for the Committee meetings and sent to all members of the Board of Directors. They comply with the requirements of article 189 and 431 of the Code of Commerce, as established in paragraph 2 of the regulations of the Audit and Risks Committee, and paragraph 3 of the regulations of the Compensation and Benefits Committee.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date 2008
 Dates of modifications N/A

18.14. In the case of conglomerates, the Internal Regulations provide that, unless the applicable legal or regulatory framework requires their creation, the Boards of Directors of the subsidiary companies may decide not to create specific committees to deal with certain matters and that these functions may be assumed by the Committees of the Board of Directors of the Parent Company, without this implying a transfer of the responsibility of the Boards of Directors of the subsidiary companies to the Parent Company.

18.14 Implements the Measure YES NO N/A **YES. Brief description:****NO. Explain:**

The subsidiaries and sub-subsidiaries have elected not to form committees, but these functions are not performed by the parent company's committees.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

18.15. The main function of the Audit and Risks Committee is to assist the Board of Directors with its supervisory responsibilities by evaluating accounting procedures, liaising with the Statutory Auditor and, in general, reviewing the Company's control architecture, including auditing the company's risk management system.

18.15 Implements the Measure YES NO N/A **YES. Brief description:**

In accordance with the provisions of the Audit Committee Regulations, paragraphs 3 and 4.

NO. Explain:**N.A. Specify the rules that prevent adoption of the recommendation:**

Implementation date	2008
Dates of modifications	N/A

18.16. The members of the Audit and Risk Committee have a knowledge of accounting, financial and other related matters that enables them to make rigorous judgments on matters within the Committee's purview at a level sufficient to understand their scope and complexity.

18.16 Implements the Measure YES NO N/A **YES. Brief description:**

According to paragraph 2 of the regulations of the Audit Committee, "The members of the Committee must have the experience to fully perform their functions."

The professional profiles and knowledge of the members of the Audit and Risk Committee and the Compensation and Benefits Committee are presented below.

Compensation and Benefits Committee:

Regular members

1. José Oscar Jaramillo: member of the Board of Directors of Organización Terpel S. A. for more than 10 years, he graduated as an agricultural technologist from Politécnico Colombiano in Medellín and has a degree in food engineering from the University of California in the United States. Starting in 2006 and to date, he has worked as a managing partner of Gomar y Cia. He has had an impressive managerial career in Colombia working for Vehicaldas S.A., Industrias Normandy S.A., and Mercaldas S.A.

2. Jorge Andrés Garcés Jordán: member of the Board of Directors of Organización Terpel S. A. for more than 10 years, he graduated with a degree in psychology from Universidad Católica de Chile, and served for 20 years as the manager of human resources at Compañía de Petróleos de Chile S.A.

3. Oscar Bravo: For more than 15 years Bravo served as the

Vice President of Corporate Finances at Terpel. Prior to joining the company, he held a variety of positions with Rohm and Haas, most recently as Finance Manager of Global Planning to the parent company. Oscar Bravo studied industrial engineering at Pontificia Universidad Javeriana and earned a master's in international management (MIM) from Universidad de St. Thomas-Minnesota, in addition to concluding a general management program (GMP) from Harvard in the United States. The new president's academic background and experience, as well as his in-depth knowledge of the company, will ensure continuity in the implementation of the company's strategy of serving people.

4. María Mercedes Carrasquilla: With more than 30 years of experience, she has held the positions of administrative and financial director of the coffee-growing census of 1994 the National Federation of Coffee Growers of Colombia, and was twice secretary general of Fedesarrollo, for more than 10 years of her career. She has been director of the donations program at the Universidad de los Andes, regional director of the FES Leadership Institute in Bogotá, manager of government affairs, communications, and regulation at

Coltabaco, director of corporate affairs at El Tiempo Casa Editorial and the Consul General of Colombia in Rome, Greece, and Malta. She has also done consulting work for private and state entities.

5. María José García: Ms. Garcia holds a law degree from the Universidad del Rosario, and a specialization in mining and energy law from the Universidad del Externado de Colombia and in commercial law from the Universidad de los Andes. She is currently completing a master's in executive management of human resources at the University EADA, Business School in Barcelona.

Audit Committee:

1. Bernardo Dyner Rezonow: Mr. Dyner earned a degree as a marketing technologist from the Escuela Superior de Mercadotecnia **ESUMER**, in San Jose, Costa Rica. He has held various administrative and managerial positions in companies such as Industrias Kent y Sorrento, Aguirre Pelaez Ltda., and has also been a promoter and sponsor of the Moises and Katie M. School of the Las Golondrinas Foundation in Medellín, Antioquia, and the Natasha and Michael School of the Granito de Arena Foundation in Bello Antioquia.

2. José Oscar Jaramillo Botero: Mr. Jaramillo graduated in agricultural technology from the Politécnico Colombiano in Medellín and has a degree in food engineering from the University of California in the United States. Starting in 2006 and to date, he has worked as a managing partner of Gomar y Cia. He has had an impressive managerial career in Colombia working for Vehicaldas S.A., Industrias Normandy S.A., and Mercaldas S.A.

3. Juan Diuana Yunis: Mr. Diuana holds a degree in civil and industrial electrical engineering from the Universidad Católica de Chile. He is currently the administrative and financial manager of Compañía de Petróleos de Chile Copec and a member of the Board of Directors of Transcom, Sonamar and Via Limpia. He has more than 20 years of experience in administrative and financial positions. Before joining the

1. Tulio Rabinovich Manevich: Mr. Rabinovich holds a degree in electrical engineering from the Universidad Pontificia Bolivariana de Medellín. He is currently president and partner of Celsa SAS and manager and partner of Saturde SAS, and prior to that was the manager of Productora Electroindustrial.

He is the founder of the Museo de Arte Moderno de Medellín and was its director for 10 years.

2. Gabriel Jaramillo: With a degree in business administration, and a Master's in multinational business, Jaramillo has more than 15 years of experience in commercial and strategic management in different sectors of the economy, both in Colombia and abroad. He has served on the Board of Directors of companies in the automotive, food and hydrocarbon sectors - both gas and liquid fuel distribution - such as Organización Terpel S.A., Hidrocarburos de Casanare S.A.,

Transgas de Occidente S.A., Súper de Alimentos, S.A., Ayura Motor S.A., and others.

Leonardo Ljubetic Garib: Ljubetic earned a degree in industrial civil engineering from Pontificia Universidad Católica de

Valparaíso, and an MBA from Universidad

Adolfo Ibáñez, with post-graduate studies in the United States. He has extensive experience in the retail, fuel and food sectors. He currently holds the position of corporate manager of development and management at Copec S.A. He is and has been a member of the



Copec group he was the Corporate Manager of Finance for Ripley Corp. S.A., Corporate Manager of Finance at Masisa S.A., and a member of the board of directors at Banco Ripley, Mall Concepción and Mall Marina Arauco.

Board of Directors of several companies, including Abastible, Metrogas, ArcoPrime, and Arco Alimentos.

He also participates and has participated in the past in a number of non-profit organizations such as the Copec-UC Foundation, the Council of the School of Industrial Engineering of the PUCV, the Retail Center at the University of Chile and the International Committee of NACS (The Association for Convenience & Fuel Retailing) in the United States.

It must be reiterated that both the Audit and Risk Committee and the Compensation and Benefits Committee (Recommendation 18.21) present the specific aspects of each committee's work through an annual management report.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date 2015
 Dates of modifications N/A

18.18. The Internal Regulations of the Audit and Risk Committee assign to it the functions described in Recommendation 18.18.

18.18 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The Audit and Risk Committee is responsible for several of the functions established in this recommendation. It fulfils all the functions established by Law 964 of 2005.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
 Dates of modifications N/A

18.19. The primary purpose of the Appointments and Remuneration Committee is to assist the Board in exercising its decision-making or advisory functions with respect to the appointment and remuneration of members of the Board and senior management, and to oversee compliance with corporate governance rules and periodically review compliance with such rules, recommendations and principles (where such function is not specifically assigned to another committee of the Company).

18.19 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

According to paragraphs 1 and 4 of the Regulations of the Compensation and Benefits Committee, its main purpose is to support the Board of Directors in the exercise of its decision-making or advisory functions related to the appointment and compensation

of senior management. With regard to compliance with corporate governance rules, this function has been assigned to the Audit and Risk Committee.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
 Dates of modifications N/A

18.20. Some members of the Appointments and Remuneration Committee have expertise in strategy, human resources (recruitment and selection, hiring, training, and personnel administration or management), compensation policy and related matters, sufficient to understand the scope and complexity of

these matters in the company.

18.20 Implements the Measure YES NO N/A

YES. Brief description:

These functions are carried out by the Compensation and Benefits Committee, whose members fully meet these requirements. For the period from April 2022 to April 2025, the Committee was initially composed of Jorge Garces Jordán, José Oscar Jaramillo, María Mercedes Carrasquilla, María Cristina Romero and Óscar Bravo; María José García was appointed by the Board of Directors in October 2023 to replace María Cristina Romero, and she will serve in that capacity as of January 1, 2024.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation 2019
 Dates of modifications 2023

18.21. At the request of the Chairman of the Assembly, the Chairman of the Appointments and Remunerations Committee may brief the General Shareholders Assembly on specific aspects of the Committee's work, such as its oversight of the compensation policies for the Board and senior management.

18.21 Implements the Measure YES NO N/A

YES. Brief description:

Subject to the authority of the Chairman of the General Shareholders Assembly, the Chairman of the Committee may inform the Assembly on specific aspects if the Chairman of the Assembly so requests, in application

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation 2008
 Dates of modifications 2023

18.17. At the request of the Chairman of the Assembly, the Chairman of the Audit Committee reports to the General Shareholders' Assembly on specific aspects of the Committee's work, such as the analysis of the scope and content of the Statutory Auditors' report.

18.17 Implements the Measure YES NO N/A

YES. Brief description:

According to the authority of the Chairman of the General Shareholders Assembly, the Chairman of the Audit and Risk Committee may inform the Assembly regarding concrete aspects in the event the Chairman of the Assembly so requires, in application of article 14 of the Regulations of the General Shareholders Assembly authority.

Recommendation 18.17 is followed through the application of Article 14 of the Regulations of the General Shareholders' Assembly, whereby the Chairman shall moderate the remarks of the participants, and by safeguarding the rights of the shareholders to participate in said Assembly (Article 13 ibid. and the Good Governance Code (Article 1.1), in addition to the fulfillment of the duty of the Audit and Risk Committee (article 3, paragraph 1) to present to the General Assembly a report on its management and results, including the Management Report, rather than through the formality of having a set of internal regulations that assigns this responsibility to the Chairman of the Committee.

of article 14 of the Regulations of the General Shareholders Assembly. The structure of Article 14 of the Rules of Procedure of the Assembly consists of 4 parts. The first part indicates that all remarks to be made during the meeting are to be directed by the Chairman. Second, it indicates some limitations on the statements of shareholders in order to ensure that the meeting runs on time. Thirdly, and most importantly for the development of this Recommendation, but in line with the powers granted to the Chairman of the Meeting in the first part, it states that the remarks of the directors shall not be subject to time limits.

In other words, whenever the Chairman requests a contribution from the Directors, including, of course, the Chairmen of the Board Committees, they may take as much time as they deem necessary not only to address specific aspects of the work of these Committees, whose reports remain published on the website throughout the period of review and are included in the materials distributed to the shareholders, but also to address any other doubts or concerns that may arise during the meeting. In other words, it is not a power that is limited to aspects of the work, but it also covers any other topic that the shareholders and the Chairman of the Assembly deem necessary. During the year under review, the Chairman did not see any need to ask the Chairmen of the Risk Committee or of the Nomination and Compensation Committee to make any statements.

NO. Explain:**N.A. Specify the rules that prevent adoption of the recommendation:**

Implementation date	2008
Dates of modifications	N/A

18.22. The Internal Regulations of the Appointment and Remunerations Committee assign to it the functions described in Recommendation 18.22.

18.22 Implements the Measure YES NO N/A

YES. Brief description:**NO. Explain:**

Although the Compensation and Benefits Committee assumes the functions of the appointment and remuneration committee, and carries out a variety of the functions of this Recommendation, it does not carry out all of them.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

18.23. The primary objective of the **Risk Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to risk management.**

18.23 Implements the Measure YES NO N/A

YES. Brief description:

The company has created an Audit and Risks Committee, and by virtue of paragraph 1 of its Internal Regulations, its main function is to advise the Board of Directors in the exercise of its supervisory responsibilities by evaluating accounting procedures, liaising with the Statutory Auditor and, in general, reviewing the company's control architecture, including auditing the company's risk management system and compliance with the principles of good corporate governance established by law, the competent authorities and by the company itself.

NO. Explain:**N.A. Specify the rules that prevent adoption of the recommendation:**

Implementation date	2022
Dates of modifications	N/A

18.24. At the petition of the Chairman of the Assembly, **the Chairman of the Risk Committee may brief the General Shareholders' Assembly** on specific aspects of the Committee's work.

18.24 Implements the Measure YES NO N/A

YES. Brief description:

Subject to the authority of the Chairman of the General Shareholders Assembly, the Chairman of the Committee may inform the Assembly on specific aspects if the Chairman of the Assembly so requests, in application of article 14 of the Regulations of the General Shareholders Assembly. The structure of Article 14 of the Rules of Procedure of the Assembly consists of 4 parts. The first part indicates that all remarks to be made during the meeting are to be directed by the Chairman. Second, it indicates some limitations on the statements of shareholders in order to ensure that the meeting runs on time. Thirdly, and most importantly for the development of this Recommendation, but in line with the powers granted to the Chairman of the Meeting in the first part, it states that the remarks of the directors shall not be subject to time limits.

In other words, whenever the Chairman requests a contribution from the Directors, including of course the Chairmen of the Board Committees, they may take as much time

as they deem necessary not only to address specific aspects of the work of these Committees, whose reports remain published on the website throughout the period of review and are included in the materials distributed to the shareholders, but also to address any other doubts or concerns that may arise during the meeting. In other words, it is not a power that is limited to aspects of the work, but it also covers any other topic that the shareholders and the Chairman of the Assembly deem necessary. During the year under review, the Chairman did not see any need to ask the Chairmen of the Risk Committee or of the Nomination and Compensation Committee to make any statements.

NO. Explain:**N.A. Specify the rules that prevent adoption of the recommendation:**

Implementation date	2022
Dates of modifications	N/A

18.25. With the necessary adjustments to distinguish between companies belonging to the financial sector and those belonging to the real sector of the economy, and without prejudice to the functions assigned to this Committee by current regulations, **the Internal Regulations of the Risk Committee assign to it the functions described in Recommendation 18.25.**

18.25 Implements the Measure YES NO N/A

YES. Brief description:**NO. Explain:**

The Audit and Risks Committee carries out a variety of the functions described in this Recommendation, but not all of them.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

18.26. The primary function of the Corporate Governance Committee is to **assist the Board of Directors in its role of proposing and monitoring corporate governance measures** adopted by the company.

18.26 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

This function has been expressly delegated to the Audit and Risk Committee in accordance with paragraph 1 of the Committee's Internal Regulations, which can be consulted at <https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

18.27. The Internal Regulations of the Corporate Governance Committee assign to it the functions described in Recommendation 18.27.

18.27 Implements the Measure YES NO N/A

YES. Brief description:**NO. Explain:**

The Audit and Risks Committee carries out a variety of these functions, but has not adopted all of them.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

Measure No. 19: Functioning of the Board of Directors

19.1. The Chairman of the Board of Directors, with the assistance of the Secretary and the President of the company, prepares a work plan for the Board of Directors for the period under review, as a tool to facilitate the determination of the appropriate number of regular meetings per year and their estimated duration.

19.1 Implements the Measure YES NO N/A

YES. Brief description:

In effect, in accordance with paragraph 3 of Article Twenty-six (26) of the bylaws of the Board of Directors, it is the duty of the Chairman of the Board of Directors to coordinate and plan the functioning of the Board of Directors by establishing an annual work plan based on the assigned tasks. In this regard, the last meeting of the Board establishes, among other things, a calendar for meetings. In addition to this, in light of the function of the Chairman of the Board

of Directors to coordinate and plan the work of the Board by establishing an annual work plan based on the assigned tasks, the support received by the Secretary is evident in paragraph 1 of Article Twenty-seven, which indicates that the Secretary shall give members of the Board of Directors all the advice and information they need to perform their duties.

This is in addition to paragraph 3 of Article Twenty-six (26) of the regulations of the Board of Directors, where it is the duty of the Chairman of the Board of Directors to coordinate and plan the work of the Board by establishing an annual work plan based on the assigned tasks, with support from the Secretary. The Good Governance Code, in its article 2.3.2 also establishes that "(...) The legal representative of the company shall exercise his functions and responsibilities of administration and management of the company's business as indicated in the corporate bylaws, the Good Governance Code, and any other applicable laws. In addition to these principles, the work of the legal representative shall:

(...) 3.- The provision of the information necessary for the proper exercise of the functions and the adoption of decisions corresponding to the Board of Directors (...)", such as the need to prepare an annual work plan.

NO. Explain:**N.A. Specify the rules that prevent adoption of the recommendation:**

Implementation date	2001
Dates of modifications	N/A

19.2. Except for regulated entities that are required to hold at least one (1) meeting per month, **the company's Board of Directors holds between eight (8) and twelve (12) regular meetings per year.**

19.2 Implements the Measure YES NO N/A

YES. Brief description:

The Board holds a minimum of 12 assemblies per year, in application of Article Eight (8) of the Internal Regulations of the Board of Directors.

NO. Explain:**N.A. Specify the rules that prevent adoption of the recommendation:**

Implementation date	2001
Dates of modifications	N/A

19.3. One (1) or two (2) Board meetings per year **have a clear focus on setting and monitoring the company's strategy.**

19.3 Implements the Measure YES NO N/A

YES. Brief description:**NO. Explain:**

Terpel holds at least 12 regular meetings per year, at which the Board of Directors guides, defines, and monitors the company's strategy. The Chairman of the Board carefully monitors its work to ensure that it is fully completed, in accordance with paragraph 1) of Article Forty-three of the bylaws:

<https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

19.4. The Board of Directors approves a specific calendar of regular meetings, without prejudice to the possibility of meeting exceptionally, as often as necessary.

19.4 Implements the Measure YES NO N/A

YES. Brief description:

At the last meeting of the Board of Directors during the year, it determines the date and place where the regular meetings of the Board of Directors will be held during the following year, without prejudice to special meetings in accordance with needs that arise, as established in Article Eight (8) of the Regulations of the Board of Directors.

NO. Explain:**N.A. Specify the rules that prevent adoption of the recommendation:**

Implementation date	2001
Dates of modifications	N/A

19.5. Together with the notice of the meeting, and at least five (5) calendar days in advance, documents or information relating to each item on the agenda are sent to the members of the Board of Directors so that they can actively participate and make informed decisions.

19.5 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

In accordance with Article Nine of the Regulations of the Board of Directors, the notice of the meaning and the information associated with the items on the Agenda are sent 2 calendar days in advance.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
Dates of modifications N/A

19.6. The Chairman of the Board of Directors, assisted by the Secretary of the Board of Directors, has the **ultimate responsibility for ensuring that members receive the information sufficiently in advance** and that the information is useful, in such a way that quality takes precedence over quantity, in the set of documents provided (the dashboard of the Board of Directors).

19.6 Implements the Measure YES NO N/A

YES. Brief description:

In accordance with paragraph 5 of Article Twenty-six of the Regulations of the Board of Directors, this is the responsibility of the Chairman of the Board of Directors and of the President of the company (with support from the Secretary of the Board of Directors).

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date 2001
Dates of modifications N/A

19.7. Final responsibility for the preparation of the agenda for meetings of the Board of Directors rests with the Chairman of the Board and not the President of the company, and the agenda is structured in accordance with certain parameters that provide a logical order for the presentation of topics and discussions.

19.7 Implements the Measure YES NO N/A

YES. Brief description:

In accordance with paragraph 5 of Article Twenty-six (26) of the Regulations of the Board of Directors, this is the responsibility of the Chairman

of the Chairman of the Board of Directors and of the President of the company (with support from the Secretary of the Board of Directors).

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date 2001
Dates of modifications N/A

19.8. The company publishes information in the annual Corporate Governance Report and on the company's website **on the attendance of members at the meetings of the Board of Directors and its Committees.**

19.8 Implements the Measure YES NO N/A

YES. Brief description:

The Management Report is published each year with the information established in article 446 of the Code of Commerce and articles 46 and 47 of Law 222 of 1995, and the same information is also published on the company's website. Similarly, in accordance with Circular 012, this information was published in 2023 on the attendance of the members concerned at Board and Committee meetings.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date 2023
Dates of modifications N/A

19.9. Each year, the Board of Directors evaluates the effectiveness of its work as a body, that of its committees, and that of the members individually considered – including a peer assessment. It also evaluates the reasonableness of its internal rules, and the dedication and performance of its members. It then proposes, as necessary, any modifications to its organization and functioning as deemed pertinent. In the case of conglomerates, the Board of Directors of the parent company requires an evaluation in the Boards of Directors of the subordinate companies.

19.8 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Although the Board of Directors constantly reviews the development of its functions and follows up on its commitments and obligations, this review is not done specifically under the terms of this measure

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
Dates of modifications N/A

19.10. The Board of Directors alternates between internal self-evaluation and external evaluation by independent consultants.

19.9 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Although the Board of Directors constantly reviews the development of its functions and follows up on its commitments and obligations, this review is not done specifically under the terms of this measure.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
Dates of modifications N/A

Measure No. 20: Duties and Rights of the members of the Board of Directors.

20.1. The Regulations of the Board of Directors complement what is established in the legal framework regarding the duties and rights of the members of the Board of Directors.

20.1 Implements the Measure YES NO N/A

YES. Brief description:

In accordance with Chapter Two and Three of the Regulations of the Board of Directors, this recommendation is followed.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date 2008
Dates of modifications N/A

20.2. The regulations of the Board of Directors develop the company's understanding of the duties of the members of the Board of Directors as described in Recommendation 20.2.

20.2 Implements the Measure **YES** **NO** **N/A**

YES. Brief description:

In effect, Chapter Two of the Regulations of the Board of Directors describes all of the duties described in this Recommendation.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2008
Dates of modifications	N/A

20.3. The regulations of the Board of Directors develop the content of the rights of the members of the Board of Directors as described in Recommendation 20.3.

20.3 Implements the Measure **YES** **NO** **N/A**

YES. Brief description:

In effect, Chapter Three of the Regulations of the Board of Directors describes all of the rights described in this Recommendation.

In this regard, Article 22 of the Regulations of the Board of Directors states that "(...) the members of the Board of Directors are vested with the broadest powers to obtain information on any aspect of the company, to examine its books, records, documents and other background information on the company's operations, and to inspect any of its premises and facilities." Complementary to this provision, article "4.4 Responsibility of Directors" establishes that "in addition to the parameters established by the Code of Commerce with respect to the responsibility of directors, (...) in addition to the general orientation received at the time of joining the company, each director participates in specific training for his or her position and in ongoing training and development activities that guarantee his or her suitability in the exercise of his or her functions and his or her integral development."

In fact, it is the right and duty of the members of the Board of Directors, in their capacity as administrators of the company, to be duly trained, not only in the subjects they indicate as needed for decision-making, but also in those that are indispensable for knowledge of the company, its operations, and plans.

Likewise, section 2.2.2 of the Regulations of the Board of Directors provides for the right to remuneration in accordance with the system of

fees and compensation approved by the General Shareholders' Assembly. In this approach, Board members' compensation is proportional to the time they devote to the Board's activities and to their participation in Board meetings and special internal Board committees.

Finally, article 23 of the same law also establishes the right of the Board members to seek the assistance of experts in the exercise of their functions, in order to have sufficient criteria for making decisions.

The Regulations of the Board of Directors can be consulted at the following link: <https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2008
Dates of modifications	N/A

Measure No. 21: Conflicts of interest

21.1. The company has defined and formalized in its internal regulations a policy and a procedure for the identification, management, and resolution of situations of conflict of interest, whether direct or indirect through related parties, that may affect the members of the Board of Directors and other administrators.

21.1 Implements the Measure **YES** **NO** **N/A**

YES. Brief description:

In effect, the Good Governance Code establishes the guidelines and the procedure to be followed in the case of a conflict of interest, as follows:

"5.1 Conflicts of interest – System for Administrators, Legal Representatives, and Officers

5.1.1. Definition

The decisions and actions of all members of the Board of Directors and of the company's employees shall always be oriented toward satisfying the best interests of the company, and must not be motivated by considerations of a personal nature. Relationships of kinship, friendship, or expectations in connection with current or potential suppliers, contractors, customers, competitors, or regulators must not impair the independence of the company's employees and directors.

No employee or member of the Board of Directors may participate in any contract or negotiation in which they have a conflict of interest or in which a relative up to the fourth degree of consanguinity, the second degree of affinity, or the first-degree of a civil relationship, has an interest. As soon as the employee becomes aware of a conflict of interest, they must immediately report it to their supervisor so that the supervisor can instruct the employee on how to continue with the process, in accordance with the company's policies on this matter.

Employees who contract or negotiate with the company by virtue of a legal obligation, or do so in order to use goods or services provided by the company to anyone who requests them, are not involved in a situation of conflict of interest. In all cases, members of the Board of Directors, administrators, and company employees are considered to be in a situation of conflict of interest when, based on their job functions, the person who must make a decision, or take an action or omit to take an action, is able to choose between the interest of the company, customer, user, or supplier of the situation in question, and their own interest or that of a third-party, in such a way that by choosing either of the latter two they would obtain an improper financial and/or non-financial benefit they would otherwise not receive, thus failing to comply with a legal, contractual, statutory, and/or ethical obligation.

Situations of conflict of interest may be either occasional or permanent, depending on their duration in time. An occasional conflict of interest is one that arises in connection with a specific transaction, and the procedure will be used that as established in this Code. On the other hand, a permanent conflict of interest is one that arises for an indefinite period of time in the performance of the employee's or administrator's job functions and that cannot be resolved over time, a fact that will be grounds for resignation. Terpel's Code of Conduct complements the definition and provides examples of behaviors that can potentially generate conflicts of interest.

5.1.2. Resolution of Conflicts of Interest

Company employees are expected to act with due diligence and loyalty, communicating situations in which there is a conflict of interest, while respecting confidentiality.

All of the company's activities are governed by the values and principles described in this Code, 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 who is faced with an occasional conflict of interest must follow 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.

- Refrain from direct or indirect intervention in the activities and decisions related to the company's determinations regarding the conflict, or cease all actions in the case of knowledge of a conflict of interest.
- 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.
- Relationships of kinship, friendship, or expectations relative to current or potential suppliers, contractors, customers, or competitors must not impair their independence and good judgment in their protection of the interests of Organización Terpel S.A.

A company employee facing a permanent conflict of interest must use the following procedure:

- Inform his or her 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.
- 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 contained in the Internal Regulations of the Board of Directors shall apply.

Any doubt as to which actions may constitute a conflict of interest shall not relieve the employee of the obligation to abstain from participating in the respective activities until a final decision has been made by the corresponding body."

In addition, the Internal Regulations of the Board of Directors expressly establish the regulations in this area, as follows:

"Article Twenty. Conflicts of interest. A conflict of interest exists when it is not possible to satisfy two interests at the same time: that of the members of the Board of Directors, and that of the company.

In addition to fulfilling the duties of the members of the Board of Directors that have been established in these regulations, in the law, in the corporate bylaws, and in the Good Governance Code, each member of the Board of Directors must study every situation that could imply a conflict of interest or an action in competition with the company.

It is the legal duty of a member of the Board of Directors to inform the Board of the occurrence of a conflict of interest and provide the Board with details of the case.

A report of the conflict of interest by the member of the Board of Directors does not relieve that member of the obligation to abstain from participating in the respective activities. Similarly, the member must abstain from attending and participating in deliberations and decisions concerning matters in which they have a personal interest."

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2008
Dates of modifications	N/A

21.2. The procedure for managing conflicts of interest makes a distinction between occasional and permanent conflicts of interest.

If the conflict of interest is occasional, the applicable procedure indicates the rules and steps to be followed, which should be relatively easy to manage and difficult for the affected party to avoid. In the case of permanent conflicts of interest, the procedure considers that if the situation affects the company's operations as a whole, it must be understood as a reason for mandatory resignation of the affected party, since it makes it impossible for the employee to exercise the position.

21.2 Implements the Measure YES NO N/A

YES. Brief description:

In effect, article 5.2.2 of the Good Governance Code makes a distinction between the procedure for occasional conflicts of interest and the procedure for permanent conflicts of interest. The Code can be consulted at the following link:

<https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2019
Dates of modifications	N/A

21.3. Members of the Board of Directors, legal representatives, members of senior management, and other company administrators regularly report to the Board of Directors on direct and indirect relationships they maintain among themselves, or with other entities or structures belonging to the conglomerate of which the issuer is a part, or

with the issuer, or with suppliers, customers, or any other stakeholder that could give rise to situations of conflict of interest or have an influence on the direction of their opinion or vote, thus creating a "Related Parties Map" for administrators.

21.3 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

In accordance with the Good Governance Code, company administrators must immediately report any situation that may constitute a conflict of interest. If there is no conflict of interest, no declaration is made. It is also worth mentioning that there is no "Related Parties Map" as described in the terms of the Recommendation.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

21.4. The company discloses material conflicts of interest involving members of the Board of Directors or other administrators in its annual public disclosure published on its website. Material conflicts of interest are defined as situations that would require the affected party to abstain from a meeting and/or a vote.

21.4 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

This information is presented, as applicable, to the responsible body, in accordance with the procedure for resolving conflicts of interest contained in the Good Governance Code and the Internal Regulations of the Board of Directors.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

21.5. For these purposes, the company's definition of a related party is consistent with International Accounting Standard No. 24 (IAS 24).

21.5 Implements the Measure YES NO N/A

YES. Brief description:

In effect, Terpel reports its financial statements in accordance with international practices, and in particular in accordance with the definition of related party contained in IAS 24.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2014
Dates of modifications	N/A

Measure No. 22: Transactions with related parties.

22.1. The company has a policy that establishes a specific procedure for the evaluation, approval, and disclosure of transactions with related parties, including outstanding balances and the relationships between them, except for those transactions that are covered by a specific regulation.

22.1 Implements the Measure YES NO N/A

YES. Brief description:

In effect, article 5.2.2.1 of the Good Governance Code, indicates: "All transactions by the company with its shareholders, administrators, key directors and related companies shall be conducted in accordance with the following policy:

1. Evaluation: The Audit and Risk Committee is responsible for knowledge and valuation of the transaction, and must report transactions to the Board of Directors. The following should be considered: (i) qualitative or quantitative criteria for determining the materiality of the transaction, (ii) the transaction's compliance with the principle of equal treatment of shareholders, (iii) the price or value of the transaction and compliance with market conditions; and (iv) the timing of the disclosure.

2. Approval: related party transactions are approved by the Board of Directors, excluding the interested party, depending on the volume or the complexity of the transaction. The absence of any objection to the related party transaction constitutes approval. Approval of these transactions requires, in addition to the report described above, a qualified majority of the Board of Directors, at least for the most significant transactions. This majority must consist of three quarters (3/4) of the Board of Directors and the affirmative vote of the independent members.

3. Disclosure: For the subsequent disclosure of recurring and arm's length related party transactions,

the company provides the market with information in addition to that required by IFRS, at least annually through the financial statements.

4. Materiality: Material transactions are those that exceed 10% of the company's total assets, are not at arm's length and are not in the ordinary course of business. Transactions meeting these criteria must be approved unanimously by the members present at the meeting.

5. Recurring transactions with related parties that are part of the ordinary course of business, and which are carried out on the basis of adhesion contracts or general framework contracts, the terms and conditions of which are perfectly standardized, applied on a large scale and carried out at market prices, generally fixed by the party acting as supplier of the goods or services in question, and the individual amount of which is not relevant to the company, do not require express authorization by the Board of Directors and are therefore considered to be freely negotiable."

The Code can be consulted at the following link:

<https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2019
Dates of modifications	N/A

22.2. The company's policies on related party transactions covers the aspects described in Recommendation 22.2.

22.2 Implements the Measure YES NO N/A

YES. Brief description:

In effect, article 5.2.2.1 of the Good Governance Code covers the aspects dealt with in this Recommendation. The Code can be consulted at the following link: <https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2019
Dates of modifications	N/A

22.3. The policy establishes that recurring transactions with related parties that are part of the ordinary course of business, and which are carried out on the basis of adhesion contracts or general framework contracts,

the terms and conditions of which are perfectly standardized, applied on a large scale and carried out at market prices, generally fixed by the party acting as supplier of the goods or services in question, and the individual amount of which is not relevant for the company, do not require express authorization by the Board of Directors.

22.3 Implements the Measure YES NO N/A

YES. Brief description:

In effect, article 5.2.2.1 of the Good Governance Code covers the aspects dealt with in this Recommendation. The Code can be consulted at the following link: <https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2019
Dates of modifications	N/A

Measure No. 23: Compensation for the members of the Board of Directors.

23.1. The company has a policy for the remuneration of the Board of Directors, which is approved at the General Shareholders Assembly and reviewed each year. It identifies all of the components of remuneration that can effectively be paid. These components may be fixed or variable. They may include fixed fees for membership on the Board of Directors, fees for attending meetings of the Board and/or its Committees, and other compensation of any type, in cash or in kind, accrued during the year, regardless of the cause, as well as the company's obligations with respect to pensions or the payment of life insurance premiums or other line items, both with respect to past and present Board members, and the company's insurance premiums for directors and officers (D&O insurance) contracted by the company on behalf of the members of the Board of Directors.

23.1 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

There is no policy per se that is reviewed each year and that includes all of the elements described in the Recommendation, for example: insurance policies, compensation of former members, bonuses, pensions, etc. However, the Shareholders Assembly approves the fixed compensation of the members of the Board of Directors, in accordance with their attendance at the meetings of that corporate body during the year.

Article Twenty-four of the Internal Regulations of the Board of Directors and article 2.2.2 of the Good Governance Code, establish the following:

"2.2.2. REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The members of the Board of Directors are remunerated in accordance with the system of fees and compensation approved by the General Shareholders Assembly.

The remuneration of the members of the Board of Directors shall be proportionate to the time devoted by each one of them to the activities of the Board of Directors, and to their participation in the Board meetings and the special internal committees of the Board."

Likewise, article thirty-nine of the corporate bylaws states:

"The functions of the General Shareholders Assembly are (...)

7.- To appoint and remove members of the Board of Directors, and the main and alternate Statutory Auditors, and to determine their remuneration."

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

23.2. If the company adopts compensation systems that establish a variable component linked to the good performance of the company in the medium and long-term, **the remuneration policy includes limits on the amount** the Board of Directors may distribute and, if the variable component is linked to the company's profit or other management indicators at the close of the period under review, it must take into account any reservations contained in the report from the Statutory Auditor that could reduce the profit for the period.

23.2 Implements the Measure YES NO N/A

Brief description:**NO. Explain:**

To date, the remuneration for the Board of Directors does not have a variable component.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

23.3. Shareholder-appointed and independent members of the Board of Directors are expressly excluded from compensation systems that include stock options or variable compensation linked to an absolute change in the share price.

23.3 Implements the Measure YES NO N/A

YES. Brief description:**NO. Explain:**

No policy exists in line with the terms of the Recommendation. The Assembly approves the compensation of all members of the Board of Directors, which to date has not included any variable compensation or stock options.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

23.4. For each period reviewed, the General Shareholders Assembly approves, in the framework of the compensation policy, **a maximum cost for the Board of Directors for all the compensation components approved.**

23.4 Implements the Measure YES NO N/A

YES. Brief description:**NO. Explain:**

As mentioned above, no compensation policy has been implemented. In any case, the Assembly approves the fees of the members of the Board of Directors, but only for their attendance.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

23.5. The total effective cost of the Board of Directors during the period reviewed, which includes all compensation components paid to the members of the Board of Directors,

as well as the reimbursement of expenses, is known to the shareholders and published on the company's website, with the level of disaggregation and detail approved by the Board of Directors.

23.5 Implements the Measure YES NO N/A

YES. Brief description:

During the period under review, the company applied this measure by taking the final effective cost as of December 31, 2023 and presenting it with the level of disaggregation authorized by the Board of Directors in the year-end report, and that report is available to shareholders on the company's website at the following link:

<https://www.terpel.com/en/shareholders-investors/corporate-governance/shareholders-meeting>.

The company understands that it would not otherwise be feasible to present to the shareholders the complete and effective total information on such expenses. It would always be partial or preliminary, and not the effective total for the period evaluated, as the recommendation indicates.

NO. Explain:**N.A. Specify the rules that prevent adoption of the recommendation:**

Implementation date	2001
Dates of modifications	N/A

Measure No. 24: The president of the company and senior management.

24.1. The company's governance model establishes an effective separation between the management or governance of the company (represented by the Board of Directors) **and the ordinary course of business** (conducted by senior management with leadership from the President of the company).

24.1 Implements the Measure YES NO N/A

YES. Brief description:

In effect, Terpel's corporate system establishes a separation between the members of the Board of Directors appointed by the General Shareholders Assembly, and the President of the company, who acts as the company's legal representative, and to whom the Board of Directors has delegated the functions of managing the company in its ordinary course of business. The President of the company is responsible for direct appointment of the Vice Presidents (senior management) and their teams, as well as for determining their remuneration, and is therefore independent from them and from the Board of Directors.



This topic is extensively regulated in the company's bylaws, the Good Governance Code, and specific regulations. The most relevant regulations are the following:

CORPORATE BYLAWS

"ARTICLE FORTY-NINE. - PRESIDENT - LEGAL REPRESENTATION AND JUDICIAL LEGAL REPRESENTATION: The company shall have a President, who shall be its legal representative. He shall be responsible for administering and managing the corporate business subject to the law, these bylaws, and the regulations and resolutions of the General Shareholders Assembly and of the Board of Directors. He shall have four (4) deputies, who shall replace him in case of absolute, temporary, or accidental absence. (...) ARTICLE FIFTY-TWO. POWERS OF THE PRESIDENT, OF THE LEGAL JUDICIAL REPRESENTATIVE, AND OF THE DEPUTIES: The President shall exercise the functions and powers pertaining to his office, and, in particular, the following: 1. To represent the company judicially and extrajudicially before associates, third parties, and all types of judicial and administrative authorities, with the power to appoint agents to represent him as necessary; 2. To carry out the agreements and resolutions of the General Shareholders Assembly and of the Board of Directors; 3. To do and enter into such acts and contracts as may serve the purposes of the company. Prior authorization shall be required, however, from the Board of Directors for any act or contract of an amount greater than the equivalent of three million dollars (USD\$ 3,000,000); excluded from this provision are the purchase and sale, distribution, supply, and transportation of products derived from petroleum, natural gas, LPG, and biofuels, the purchase, sale, acquisition under any title, import, export, production, storage, packaging, transportation, 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 do not require authorization from the Board of Directors, regardless of the amount of those acquisitions and/or sales.; 4. To convene the General Shareholders Assembly and the Board of Directors in accordance with the provisions of these bylaws; 5. To submit to the General Shareholders Assembly, together with the Board of Directors, the balance sheet for each financial year, the management report, and the other annexes and reports referred to in article four hundred and forty-six (446) of the Code of Commerce; 6. To submit to arbitration or to settle the company's disputes with third parties, subject to the limitations established in paragraph 3 above; 7. To appoint and remove company employees whose appointment or removal does not correspond to the General Shareholders Assembly or to the Board of Directors; 8. To delegate certain functions of his position, within the limits established in the corporate bylaws; 9. To take care of the collection and investment of the

company's funds; 10. To ensure that all employees of the company strictly comply with their duties, including the systems for the disclosure and control of financial information, and to report to the General Shareholders Assembly or the Board of Directors any irregularities or serious infractions that occur relative to this particular, and; 11. To certify that the financial statements and other reports relevant to the public do not contain any omissions, inaccuracies, or errors that prevent knowledge of the true financial situation or the operations of the company. 12.- To exercise any other function delegated by law, the General Shareholders Assembly and the Board of Directors. PARAGRAPH: The legal judicial representative is exclusively responsible for the functions indicated in the paragraph of article forty-nine of these bylaws and in the first paragraph of this article.

Good Governance Code

"2.3.2. EXERCISE OF THE FUNCTIONS OF THE LEGAL REPRESENTATIVE

The legal representative of Organización Terpel S.A. shall exercise his functions and responsibilities for administering and managing the corporate affairs of the company as indicated in the corporate bylaws, the Good Governance Code, and the regulations that govern it.

In addition to these principles, the work of the legal representative shall: 1.- Watch over the integrity of the company's accounting systems and financial statements, including the implementation of appropriate control systems. 2.- Organize the structure and tools necessary to communicate relevant information about the company's business performance. 3.- Deliver the

information necessary for the proper exercise of the functions and the adoption of the decisions that are the responsibility of the Board of Directors, and 4.- Adopt the corresponding measures so that the company's control bodies have access to the information necessary to perform their functions."

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	2001
Dates of modifications	2008

24.2. In general, it is the policy of the Board of Directors to delegate the day-to-day management of the business to the team of senior management, focusing its activities on the general functions of strategy, supervision, governance, and control.

24.2 Implements the Measure YES NO N/A

YES. Brief description:

As indicated in the previous point and as established in the corporate bylaws, the Good Governance

Code, and the regulations. The corporate bylaws specifically indicate that it is the responsibility of the President "(...) To administer and manage the company's business subject to the law, these bylaws, and the regulations and resolutions of the General Shareholders Assembly and of the Board of Directors." (Article Forty-nine). The Board of Directors, however, is fully empowered to intervene in such business dealings/decisions/operations as it may determine.

Article Forty-seven of the corporate bylaws indicates that the Board of Directors shall perform, among others, the following functions, which demonstrate this intent: "2.- To cooperate with the President in the administration and direction of the company's business, and to delegate to the President or to any other employee the functions it deems convenient (...); 7.- To advise the President, at his request, on legal actions to be initiated or pursued; (...)

17.- To ensure the strict observance of all the provisions laid down in these by-laws and such as may be adopted for the proper operation of the company, and to make such decisions as may be necessary to enable the company to fulfill its purposes that are not the responsibility of the Assembly or any other body of the company.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	2001
Dates of modifications	2009

24.3. As a general rule, members of senior management are identified, evaluated, and appointed directly by the President of the company, since they report directly to him. Alternatively, the company may choose to have members of senior management that are designated by the Board of Directors upon the recommendation of the company's President. Regardless of who makes the final appointment, candidates for key executive positions at the company are known to and evaluated by the Appointments and Remunerations Committee of the Board of Directors, which is required to issue an opinion.

24.3 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

As a general rule, the members of senior management are appointed by the President of the company, although this provision is not for mandatory compliance. The General Shareholders' Assembly, the Board of Directors and/or the President can choose to have them appointed by a different body

when they deem it convenient, and the candidate need not be proposed by the President. It should also be noted that the functions of the Board of Directors indicated in its internal regulations do not include the function of evaluating members of senior management, and therefore that power has not been delegated to any committee.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
 Dates of modifications N/A

24.4. The company has a clear policy for delegating functions approved by the Board of Directors and/or a chart of authority that shows the level of authority of the company's President and of other members of senior management.

24.4 Implements the Measure YES NO N/A

YES. Brief description:

Article Twenty-two (22) of the corporate bylaws classifies the company's management, administrative, and supervisory bodies, each of which has been assigned its respective functions. It includes a clear definition of their functions, scope, and powers for the best fulfillment of the company's vision. The company has also appointed legal representatives, judicial legal representatives, and agents with clearly defined limits.

Note that Terpel's corporate bylaws establish limits on the contracting powers of its legal representatives, who must obtain express authorization from the Board of Directors to enter into transactions or contracts for amounts greater than USD \$3,000,000.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date 2001
 Dates of modifications N/A

24.5. Each year, the Board of Directors, through the Appointments and Remunerations Committee, or the body fulfilling that function, evaluates the performance of the President of the company and has knowledge of the evaluations of the other members of senior management.

24.5 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The evaluation of the company's President is conducted by the Chairman of the Board of Directors. The evaluation of the members of senior management is usually conducted by the President of the company.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
 Dates of modifications N/A

24.6. The company has a compensation policy for the President of the company and for the other members of senior management.

That policy is approved by the Board of Directors, and identifies all of the components of compensation that can be effectively achieved and that are tied to the achievement of long-term goals and risk levels.

24.6 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The President of the company determines the compensation for senior management in accordance with market standards. In turn, the compensation for the President is defined by the Chairman of the Board of Directors based on market standards. And variable compensation is approved by the Compensation and Benefits Committee, when applicable.

The Good Governance Code indicates:

2.3.3 REMUNERATION OF THE LEGAL REPRESENTATIVE

The compensation of the legal representative will be established in accordance with what is authorized by the Board of Directors.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
 Dates of modifications N/A

24.7. When the compensation for the President of the company includes a fixed and a variable component, its technical design and method for calculation prevents the variable component from exceeding a maximum limit established by the Board of Directors.

24.7 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The Board of Directors has not established limits as described in the Recommendation.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
 Dates of modifications N/A

Control architecture

Measure No. 25: Control Environment.

25.1. The Board of Directors is ultimately responsible for ensuring that the company has a robust control environment, appropriate to the company's nature, size, complexity, and risks, in such a way that it meets the requirements of Recommendation 25.1.

25.1 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Terpel understands that, although the Board of Directors has delegated the functions related to compliance and review of the control environment to the Audit and Risk Committee, it is the Board that is ultimately responsible for the existence of a control environment at the company, a power that it exercises through that delegated body.

Within the company, each area promotes knowledge of its business risks, which empowers each Vice President and their managers to be directly responsible for identifying, assessing, managing, monitoring, and reporting the risks to which they are exposed. The work is evaluated through the implementation and execution of the audit plan approved by the Audit Committee. The results of these evaluations are presented to the Audit Committee on a quarterly basis.

As of January 2021, the company has incorporated a Risk Management Department into its corporate structure, which is in charge of consolidating all the risks from the different areas of the company and providing continuous support for risk follow-up, evaluation, and monitoring.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

25.2. In the case of conglomerates, the Board of Directors of the parent company **promotes the existence of a control architecture with a consolidated,** formal scope that covers all the subordinate companies, establishes responsibilities for the relevant policies and guidelines at the conglomerate level, and defines clear reporting lines

that provide a consolidated view of the risks to which the conglomerate is exposed and the control measures that are in place.

25.2 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

With the creation of the Risk Management Department in 2021, the Risk Management Policy of Organización Terpel has been formalized and disseminated. That policy defines the objectives, structure, roles, and responsibilities of risk management in the organization. The Board of Directors, through the Audit and Risk Committee, monitors compliance with the guidelines of this process on a quarterly basis.

Based on this policy, the company has defined actions to strengthen its risk culture through training and discussions with members of the Board of Directors, the Executive Committee, and managers and directors of key business areas.

Similarly, the risks of both the parent company and each subordinate company derived from the business strategy were assessed and described in detail in accordance with the methodology and the risk appetite approved and updated annually. These risks were analyzed by each business area in order to define strategies and action plans to prevent and control key risks.

On a monthly basis, the board of Directors also reviews the performance of its affiliates and subsidiaries and their compliance with the internal policies of Organización Terpel, such as the Good Governance Code and the Ethics Code. In addition, the Audit and Risk Committee and the Internal Audit Department prepare an annual risk-focused audit plan covering Terpel and all its subsidiaries, which is presented to the Board of Directors.

Lastly, as the parent company of the business group, the company constantly directs the management of all its subsidiaries and evaluates their performance on a monthly basis. This situation, in addition to being registered in the Commercial Registry, is published on our website under "Corporate Structure" in the chapter on Corporate Governance, and has been disclosed to the stock market at the proper time, using the Relevant Information mechanism of the Financial Superintendent.

Corporate bylaws: <https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

Corporate structure: <https://www.terpel.com/en/shareholders-investors/corporate-governance/structure-and-administration>

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

Measure No. 26: Risk Management.

26.1. The company's **objectives for risk management** are as described in Recommendation 26.1

26.1 Implements the Measure YES NO N/A

YES. Brief description:

In the framework of its risk culture, philosophy, and policy, the company manages risks both at Terpel and at its subsidiaries (countries). This process is led by the Board of Directors at its monthly meetings, through the Audit and Risk Committee and through the Internal Audit and Risk Management departments. In addition, the most relevant risk management policies for each business segment or activity are identified and continuously monitored by each business leader.

Thus, with the creation of the Risk Department, the risk management policy has been formalized and includes the objectives of risk management, which are: i) identifying the risks derived from the company's strategy; ii) assessing the risks and measuring the degree of exposure to them; iii) effectively managing the risks, which includes making decisions regarding their management in terms of avoiding, controlling, mitigating, sharing, or accepting them; iv) monitoring the risks, understood as evaluating that decisions to accept risk are consistent with the risk policy approved by the Board of Directors and with the maximum exposure limits established by it; and v) periodically reporting to the Board of Directors and senior management on risk management.

The policy is published at the following link on the website (see policies)

<https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2021
Dates of modifications	N/A

26.2. The company has a risk map, which is a tool for identifying and monitoring the financial and non-financial risks to which the company is exposed.

26.2 Implements the Measure YES NO N/A

YES. Brief description:

Each year, the Risk Department, together with the Executive Committee and the members of the Board of Directors who sit on the Audit and Risk Committee, updates the risk appetite and the strategic risk map of both the parent company and each subsidiary. This exercise evaluates both financial and non-financial risks to which the company is exposed. There is also an operational risk map by process, which is constantly updated.

In addition, in the framework of its risk culture, philosophy, and policies, the company prepares risk-focused audit plans for Terpel and for its subsidiaries (countries). This process is led by the Internal Audit and Risk Management Department.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2022
Dates of modifications	N/A

26.3. The Board of Directors is responsible for defining the risk management policy, and for setting maximum exposure limits for each risk identified.

26.3 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The Board of Directors, both as a whole and through its committees, defines the risks and their maximum exposure limits. Each year, they update the risk appetite and the inherent and residual risk rating of the strategic risks with the participation of the board members who are members of the Audit and Risk Committee.

The current risk management policy was approved by the Board of Directors through the Audit and Risk Committee, and each update is approved by the same body: <https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

26.4. The Board of Directors keeps abreast of and periodically monitors the company's effective exposure to the established risk limits and proposes corrective and follow-up actions in the event of deviations.

26.4 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The Board of Directors carries out this function through the Audit and Risk Committee, a body responsible for knowing the company's actual exposure to the various risks defined by the leaders of each area or segment, under the terms of its regulations. This function is also performed by the Statutory Auditors in the course of their audit work. This committee meets every three months (or more often if necessary), and its reports and decisions are recorded in the minutes.

According to Chapter 2 of the regulations of the Audit and Risk Committee, "the reports that are recorded in the minutes shall be submitted to the Board of Directors at least once (1) a year, or in a shorter period if the Board so requests. The Secretary General of the company shall issue the notice of meetings of the Committee five (5) days prior to the meeting."

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

26.5. As part of the risk management policy, senior managers own the processes and are responsible for managing risks, i.e. identifying, assessing, measuring, controlling, monitoring, and reporting risks, as well as defining methodologies and ensuring that the risk management is consistent with the strategy, the established risk policy, and the approved limits.

26.5 Implements the Measure YES NO N/A

YES. Brief description:

Paragraph 7 of the Risk Management Policy, "Governance Model" - "Executive Committee ("Line of Authority")", explicitly describes the responsibility of senior managers for risk management, and the functions are as follows: (...)

"Executive Committee (Board of Directors):

- Promotes the strategy and the guidelines defined by Risk Management and a control environment at all levels of the Company. It works through the different areas and business units, inviting consideration of risks in decision-making, compliance with risk policies, control activities and remediation plans by the dates established.*

- It is responsible for the processes and the management of their associated risks, through compliance with the risk policy and strategy, and in accordance with the limits and appetite approved by the Board of Directors.*
 - Identify and assess the strategic, operational, technological, financial, environmental, social and climate risks of the business.*
 - Determines, implements and monitors measures for prevention and detection of the different types of risks identified within the organization, especially those with strategic impact and related to ESG issues.*
 - Follows up on the treatment defined for those strategic risks that surpass the risk tolerance defined by the company.*
 - Promote and formalize the Risk Management System. Ensures the System's requirements are met.*
 - Exercises regular monitoring of the management of the business risks.*
- "The Risk management policy can be consulted at the following link:

<https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2021
Dates of modifications	N/A

26.6. The company has a risk delegation policy, approved by the Board of Directors, which establishes the risk limits that can be directly managed by each level of the company.

26.6 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

There is no formal risk delegation policy approved by the Board of Directors under the terms described in the Recommendation. Each person who manages or directs each business segment, however, manages the risks in accordance with their knowledge and experience, and discloses them in accordance with the organizational culture. Operational risk matrices and controls are in place for key processes, with a responsible person assigned to each control.

Indicators with limits have also been established for strategic risks to ensure their proper management.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

26.7. In conglomerates, risk management is done at the consolidated level in such a way that it contributes to the cohesion and control of the companies that make up the conglomerate.

26.7 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Terpel promotes consistency of practices by having the Board of Directors of the parent company implement controls, particularly in relation to transaction amounts. The Audit and Risk Committee also performs its functions, while respecting the independence of the related parties. Those functions include: "2. Annually review with the Statutory Auditor, the Audit and Risk Management Manager, and the Vice President of Corporate and Legal Affairs the results of monitoring compliance with the policy on conflicts of interest and good governance, and report to the Board of Directors."

The risk management department consolidates and manages the strategic risks for both Terpel Colombia and subsidiaries. In addition, the same methodology is used to identify operational risks and controls at all subsidiaries as at the parent company, and the risks are consolidated in the same information system.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

26.8. If the company has a complex and diverse structure of businesses and operations, it has a position of Chief Risk Officer (CRO). This person is responsible at the conglomerate level in the case of integrated companies in control situations and/or business groups.

26.8 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

At the level of the conglomerate, in accordance with the definition of a business group, there is a Risk Office that is part of the structure of the Audit and Risk Management Department. The purpose of this office is to centralize and strengthen the company's risk management system.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

Measure No. 27: Control Activities.

27.1. The Board of Directors is responsible for ensuring that an appropriate system for internal control is in place, appropriate for the company and its complexity, and consistent with the current risk management system.

27.1 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The Board of Directors is responsible for ensuring that a proper internal control system is in place through the development of the functions of the Audit Committee, which is composed of members of that same Board. The Audit and Risk Committee is required to report regularly to the Board of Directors on its activities and decisions.

In effect, Chapter 2 of the regulations of the Audit and Risk Committee indicates: "The main function of the Audit and Risk Committee and Good Governance Committee (the "Committee") is to advise the Board of Directors of Organización Terpel S.A. (the "company") in the exercise of its oversight and control responsibilities. The functions and responsibilities of the Committee are approved by the Board of Directors.

The Audit and Risk and Corporate Governance Committee supervises compliance with the internal audit program, which considers risks to the business and comprehensively evaluates all of the company's processes and procedures. It must also ensure that the preparation, presentation, and disclosure of financial information complies with the provisions of the law, providing a channel of communication between the Statutory Auditor, the Audit and Risk Management Departments, management, and the Board of Directors. It must also monitor compliance

with the principles of good governance established both by the competent authorities and by the company itself."

Similarly, Chapter 4 of the regulations, relative to "Ongoing Activities," indicates that the Audit and Risk Committee must:

"1. Oversee compliance with the internal audit program, which must consider the risks to the business, and comprehensively evaluate all areas of the company, and the internal control reports. (...)

9. Inquire of management, the Statutory Auditor, and the head of Audit and Risk Management regarding significant threats and risks and evaluate the steps taken by management to minimize those risks.

10. Report regularly to the Board of Directors on the main results of the activities carried out."

Terpel has mechanisms in place to ensure a sound control environment, and its strengthening, standardization, and monitoring. Those mechanisms are independent but coordinated with the Risk Management Department, in order to ensure consistency in risk management.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

27.2. The Board of Directors is responsible for overseeing the effectiveness and adequacy of the internal control system, which may be delegated to the Audit Committee without the Board relinquishing its oversight responsibilities.

27.2 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The Board of Directors supervises the Audit Committee on a regular basis, and the Audit Committee is required to report regularly on its activities. According to Chapter 2 of the regulations of the Audit and Risk Committee, "the reports, which shall be recorded in the minutes, shall be submitted to the Board of Directors at least once (1) a year, or at shorter intervals if the Board of Directors so requests. (...)"

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

27.3. The principle of self-control is applied and required at the company, where self-control is understood as, “The ability of the people involved in the various processes to consider control as an inherent part of their responsibilities, fields of action, and decision-making.”

27.3 Implements the Measure YES NO N/A

YES. Brief description:

In effect, the principle of self-control is applied inside the company as a key element of risk management. As has been indicated, each leader of a segment or business area performs the risk management and control function inside that area as an inherent part of their responsibility.

The company has a risk culture, philosophy, and policies led by the Board of Directors through its Audit Committee and executed by the company's Internal Audit Department, and these bodies exercise their functions in the framework of the business group.

In addition, in accordance with the regulations of the Audit and Good Governance Committee, which can be found on our website, the following are the objectives: “1. OBJECTIVES. (...) In general, to review the company's control architecture, including the audit of the risk management system (...) and the principles of good governance established by law, the competent authorities, and the company itself.”

In addition, as part of that committee's work, the Audit Department submits annual management reports and carries out annual audit plans at the country level, the objective of which is “(...) To watch over the organization's internal control system by auditing internal processes and also those of its subsidiaries, using a methodology defined to achieve this objective.” Together with the above, that Department works “(...) with the various areas of the organization to follow up on the action plans defined from the audit work, which are determined by the process owners, who are ultimately responsible for their implementation.”

This culture and philosophy are put into practice in accordance with the respective risk matrices for internal use.

In addition, the Risk Management Department, which reports to the Audit and Risk Management Department, carries out regular activities to strengthen and measure the risk management and self-control culture.

- Regulations of the Audit and Good Governance Committee

<https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation 2001

Dates of modifications 2008

Measure No. 28: Information and communication.

28.1. The risk culture, philosophy and policies, as well as the approved exposure limits, are communicated downwards and horizontally throughout the company so that the entire organization considers the risks and control activities in its business.

28.1 Implements the Measure YES NO N/A

YES. Brief description:

The risk culture and philosophy is communicated at different levels of the company. Each area and/or segment leader is responsible for managing the risk in their area based on their knowledge and experience. The risk and control matrices for each subprocess are built by the process owners with support from the risk management department and are distributed to the personnel who perform functions and/or controls within the process.

In addition, the risk management policy is published in Aris and available for consultation by any employee.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date 2001

Dates of modifications N/A

28.2. The company has a mechanism for reporting information upward (to the Board of Directors and senior management) that is accurate, understandable, and complete, in such a way that it supports and enables informed decision-making, risk management and control.

28.2 Implements the Measure YES NO N/A

YES. Brief description:

In effect, the company facilitates the upward flow of information by empowering the leaders of each area and segment. They manage and facilitate risk management and report to senior management, which in turn

reports to the Board of Directors, as appropriate.

In addition, there are a number of mechanisms for making informed decisions within the various corporate bodies. It is the responsibility of the Board of Directors and of the legal representatives, the committees and the Statutory Auditor to report in detail on their work in the company. This is in accordance with paragraphs 10 and 17 of article forty-seven (47), paragraph five (5) of article fifty-two (52), subparagraphs a) to h) of letter B of article fifty-five (55), and others.

For verification, these are the links to the above-mentioned documents:

- Corporate bylaws, paragraphs 10 and 17 of article forty-seven (47), paragraph five (5) of article fifty-two (52), and subparagraphs a) to h) of letter B of article fifty-five (55).

<https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices> (see bylaws)

- Good Governance Code – <https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices>

- Internal regulations of the Board of Directors, article fourteen

<https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices> (see corporate bylaws)

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation 2001

Dates of modifications 2008

28.3. The company's mechanism for communicating and reporting information enables: i. Senior management to involve the entire company by emphasizing their responsibility for managing risk and defining controls, and ii. the company's employees to understand their role in managing risk and defining controls, as well as their individual contribution relative to the work of others.

28.3 Implements the Measure YES NO N/A

YES. Brief description:

As indicated in the previous point, the company has internal mechanisms for reporting situations, for reporting suspicious transactions in connection with money laundering and terrorist financing, and for risk management, in cooperation with the company's Audit and Risk Management Department.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation 2001
 Dates of modifications 2008

28.4. Internal whistleblower hotlines are available for employees to anonymously report illegal or unethical conduct or behaviors inconsistent with the company's risk management and control culture. Such reports are made to the company's Board of Directors.

28.4 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

We have channels for employees, suppliers, customers, etc. to report incidents on a confidential basis. However, this report is submitted to the Audit Committee.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
 Dates of modifications N/A

Measure No. 29: Monitoring the Control Architecture.

29.1. At the company, the Board of Directors, through the Audit Committee, is responsible for overseeing the effectiveness of the various components of the Control Architecture.

29.1 Implements the Measure YES NO N/A

YES. Brief description:

Yes. It is the responsibility of the Board of Directors, through the Audit Committee, to oversee the various components of the company's control system. According to the Regulations of the Audit and Good Governance Committee: "(...) *The main function of the Audit and Good Governance Committee (the "Committee") is to advise the Board of Directors of Organización Terpel S.A. (the "company") in the exercise of its oversight and control responsibilities. The functions and responsibilities of the Committee are approved by the Board of Directors.*

The Audit and Corporate Governance Committee supervises compliance with the internal audit program, which considers risks to the business and comprehensively evaluates all of the company's processes and procedures. It must also ensure that the preparation, presentation, and disclosure of financial information comply with legal requirements and provide a channel of communication between the Statutory Auditor, the Audit and Risk Management Departments, the administration, and the Board of Directors. It must also monitor compliance with the principles of good governance established both by the competent authorities and by the company itself."

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation 2001
 Dates of modifications 2008

29.2. The company's monitoring activities, which are designed to provide assurance regarding the effectiveness of the Control Architecture, are primarily the responsibility of Internal Audit, in cooperation with the Statutory Auditor on matters within the latter's competence, and, in particular, with regard to the company's financial information.

29.2 Implements the Measure YES NO N/A

YES. Brief description:

In effect, both Internal Audit and the Statutory Auditor are involved in the work of monitoring. The functions of the Audit Committee are contained in the Regulations of the Audit Committee and those of the Statutory Auditor are contained in the corporate bylaws.

Regulations of the Audit and Risk Committee

"(...) The Audit and Corporate Governance Committee oversees compliance with the internal audit program, which considers risks to the business and comprehensively evaluates all of the company's processes and procedures. It must also ensure that the preparation, presentation, and disclosure of financial information comply with legal requirements and provide a channel of communication between the Statutory Auditor, the Audit and Risk Management Departments, management, and the Board of Directors. It must also monitor compliance with the principles of good governance established both by the competent authorities and by the company itself. (...)"

Corporate bylaws

"ARTICLE FIFTY-FIVE B) FUNCTIONS: The following are the functions of the Audit Committee: a) Oversee compliance with the internal audit program, which must consider the

risks to the business, and comprehensively evaluate all areas of the company, and the internal control reports; b) Ensure that the preparation, presentation, and disclosure of financial information are in line with legal requirements; c) Issue an opinion regarding the company's financial statements before their submission to the Board of Directors and to the General Shareholders Assembly; d) Consolidate the information from the issuer's control bodies for the presentation to the Board of Directors; e) Issue an opinion regarding possible transactions with related parties; f) Request the reports it deems appropriate for the proper development of its functions; g) Adopt its own regulations; h) All others functions provided for in the bylaws and the law."

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation 2001
 Dates of modifications 2008

29.3. The company's internal audit function has Internal Audit Regulations, approved by the Audit Committee, which explicitly establish the scope of its responsibilities in this area, which should include the topics described in Recommendation 29.3.

29.3 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Although there are internal documents, such as the Internal Audit Manual, that define the audit functions, there are no internal audit regulations approved by the audit committee that contain all the topics covered by the Recommendation.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
 Dates of modifications N/A

29.4. The head of internal audit is professionally independent from the senior management of the company or conglomerate that employs him, through his exclusive functional dependence on the Audit Committee.

29.4 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The Audit and Risk Manager is responsible for managing internal audit and reports to the Audit Committee and the President of the company.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

29.5. The Board of Directors, acting on a proposal from the Audit Committee, is responsible for the appointment and dismissal of the head of internal audit, and the market is informed of the appointment or dismissal.

29.5 Implements the Measure YES NO N/A

YES. Brief description:**NO. Explain:**

Although the Head of Internal Audit reports to the Audit and Risks Committee and to the President of the company, the position is not appointed by the Board of Directors.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

29.6. The Statutory Auditor of the company or conglomerate has a clear independence from the company or conglomerate, a fact that must be stated in the respective audit report.

29.6 Implements the Measure YES NO N/A

YES. Brief description:

Terpel's Statutory Auditor is always an external and independent third party. According to article fifty-three and following of the corporate bylaws: The Statutory Auditor must be a certified public accountant and is elected by the General Assembly of Shareholders for a period of one (1) year. The Statutory Auditor must be completely independent because article forty-four of the corporate bylaws states that, "Employees of the company, its parent companies or subsidiaries, as well as those related by marriage or affinity within the fourth degree of consanguinity, the first degree of civil affinity or the second degree of affinity, or those who are partners of the administrators and executive officers, the cashier, auditor or accountant of the company, as well as those who work in the company or in its subsidiaries in any other position, may not be the Statutory Auditor."

NO. Explain:**N.A. Specify the rules that prevent adoption of the recommendation:**

Implementation date	2001
Dates of modifications	N/A

29.7. If the company acts as the parent company of a conglomerate, the Statutory Auditor is the same for all of the companies, including offshore companies.

29.7 Implements the Measure YES NO N/A

YES. Brief description:

In effect, the General Shareholders Assembly elects a statutory audit company to audit both Terpel and its subsidiaries.

In this sense, article 2.4.1.2 of the Good Governance Code stipulates that: "*The Statutory Auditor must be a firm of recognized prestige that meets the requirements of the law and the corporate bylaws. As far as possible, the Statutory Auditor should be the same for the subsidiaries of Organización Terpel S.A.*

Organización Terpel S. A. and its subsidiaries may not enter into an agreement with the Statutory Auditor for services other than those of auditing. There must be an agreement to rotate the persons who carry out the audit function with a periodicity of five (5) years."

In 2023, the subsidiary in Ecuador needed to have a different auditor than the other companies because KPMG was no longer operating in the country. The two firms work together, however, to ensure compliance and the same level of quality in the work performed.

NO. Explain:**N.A. Specify the rules that prevent adoption of the recommendation:**

Date of implementation	2001
Dates of modifications	2008

29.8. The company has a policy for the appointment of the Statutory Auditor, approved by the Board of Directors and disclosed to the shareholders, which includes the provisions of Recommendation 29.8.

29.8 Implements the Measure YES NO N/A

YES. Brief description:

The company has a formal policy for the appointment of the Statutory Auditor. The Shareholders' Assembly

appoints the Statutory Auditor each year at its regular meeting, under the terms of articles fifty-three and fifty-four of the corporate bylaws, the Good Governance Code, and with attention to the relevant provisions of the Code of Commerce. Those documents can be consulted at:

<https://www.terpel.com/en/shareholders-investors/corporate-governance/best-practices> (Good Governance Code and compiled corporate bylaws)

NO. Explain:**N.A. Specify the rules that prevent adoption of the recommendation:**

Implementation date	2015
Dates of modifications	N/A

29.9. In order to limit the ties created between the company and the Statutory Audit firm and/or its teams, and to maintain its independence, the company establishes a maximum contract term of five (5) to ten (10) years. In the case of a Statutory Auditor who is a natural person not associated with a firm, the maximum term of the contract is five (5) years.

29.9 Implements the Measure YES NO N/A

YES. Brief description:**NO. Explain:**

The company has a policy regarding the maximum term of the Statutory Auditor. In accordance with article fifty-three of Terpel's corporate bylaws, the Statutory Auditor is elected by the General Shareholders Assembly for a term of one (1) year, and may be reelected indefinitely or freely removed before the expiration of the term. The Statutory Auditor may have up to seven (7) alternates to replace him in the case of permanent or temporary absence. According to article 2.4.1.2 of the Good Governance Code: "*The Statutory Auditor must be a firm of recognized prestige that meets the requirements of the law and the corporate bylaws. (...)*

Although not contractually agreed in the commercial offer, the current Statutory Auditor rotates the individuals who perform the audit with a maximum periodicity of five (5) years.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

29.10. During the maximum term of the contract, the company encourages mid-term rotation of the partner of the Audit Firm assigned to the company, and his audit teams. At the end of the term, rotation of the firm is mandatory.

29.10 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Despite the fact that the regulations for the Statutory Auditor on this matter do not include a mandatory mid-term rotation of the partner of the Statutory Audit firm, over the years, the assigned partner has effectively been rotated.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

29.11. In addition to the current prohibition on hiring professional services from the Statutory Auditor other than financial audit services and other functions recognized under the current laws, the company also extends this restriction to the people or agencies connected with the Statutory Audit firm, including the companies in its group, as well as companies in which there are many partners and/or administrators who coincide with those of the Statutory Auditor.

29.11 Implements the Measure YES NO N/A

YES. Brief description:

The update of the IESBA Code (International Ethics Standards for Accountants) states that "the company shall not engage the statutory auditor for services that create or may create a conflict of interest, risk of threat, and/or self-review."

This provision applies to all the companies that make up the Organización Terpel S.A. Group, both upward and downward.

In addition, the company does not engage the Statutory Auditor for any services other than those defined for the external audit, in accordance with "Article 2.4.1.2 of the Good Governance Code.

"Article 2.4.1.2 of the Good Governance Code:" (...)

Organización Terpel S. A. and its subsidiaries may not enter into any contract with the Statutory Auditor for services other than those related to the audit of the financial statements."

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2008
Dates of modifications	N/A

29.12. The company discloses in its public filings the total amount of the contract with the Statutory Auditor and the percentage of the firm's total revenues represented by the fees paid by the company for the statutory audit.

29.12 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

There is no specific publication on this matter, but the appointment of the Statutory Auditor by the General Shareholders Assembly is disclosed to the market as relevant information. In addition, all expenses of the company, including the cost of the Statutory Audit, are included in the financial statements approved by the Assembly, published on the website, and sent to the Superintendent of Finance on a quarterly basis. The proportion of the payment made to the Statutory Auditor in relation to other fees received from third parties is not known.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

Transparency and financial and non-financial information

Measure No. 30: Information disclosure policy.

30.1. The Board of Directors has approved an information disclosure policy that identifies, at a minimum, the information covered in this Recommendation.

30.1 Implements the Measure YES NO N/A

YES. Brief description:

In effect, the Board of Directors has approved the information policy in the Good Governance Code, which is complemented by the company's Conduct Manual.

Good Governance Code:

"3.1. INFORMATION POLICY

It is the policy of Organización Terpel S.A. to provide timely information on its activities, projects, results of operations, and financial situation.

The members of the Board of Directors and the legal representative must exercise special care in the treatment and use of the information that is known to them and is considered reserved and confidential, especially those aspects related to their activities as investors.

The administrators of Organización Terpel S.A. are legally and contractually bound to use the information to which they have access exclusively for the purposes and for the exclusive benefit of the company's business operations.

The information of Organización Terpel S.A. is classified as 1.- General and 2.- Reserved.

The first of these categories is information of general use that is not classified as reserved, and is not part of the company's industrial, commercial, or professional secrets. The second category is material whose use and disposal corresponds to the company's administrators, including communications or material that may pose a risk to its activities.

3.2. PROVISION OF INFORMATION

The company provides the general information it is required to disclose to its shareholders, the general public, and the stock market in accordance with the information standards established by the stock exchange regime, in a complete, reliable, and timely manner,

and in accordance with the professional criteria and practices for its preparation. The company may request authorization from the Financial Superintendent of Colombia to not disclose an event of Relevant Information, under the terms of article 1.1.2.20 of Resolution 400 of 1995 issued by the Superintendent of Securities, and any regulations that modify or replace it."

Conduct Manual

(...)

"7. INFORMATION HANDLING

CHARACTERISTICS OF THE INFORMATION

Information may be classified as confidential or general, according to the following definitions:

- Reserved information is any information whose dissemination is not authorized and whose use and disclosure corresponds to the administrators of Terpel. It includes, but is not limited to, communications or materials in any form of media that contain this type of information. It, in turn, can be divided into:

a) Strategic information: commercial, financial, operational, and technical information, know-how, new projects, agreements with customers and suppliers, records of customers, investors, employees and litigation, among other information that may provide Terpel with competitive advantages, the appropriateness of which will be evaluated on a case-by-case basis.

b) Privileged information: According to Article 75 of Law 45 of 1990, "privileged information is information of a specific nature which has not been disclosed to the public and which, if it had been disclosed, would have been taken into account by a reasonably diligent and prudent investor in trading the relevant securities."

- Information is considered to be specific in nature if it indicates a set of circumstances that exists or may reasonably be expected to exist, or an event that has occurred or may reasonably be expected to occur, when such information is sufficiently specific to permit an inference to be drawn about the possible effect of that set of circumstances or event on the price or listing of one or more securities.

- Information that a reasonable investor would take into account is any information that, if made public, would or could affect the price or listing of one or more securities. The following information could also be taken into account by a reasonable investor when making investment decisions, including but not limited to: i) information directly related to the structuring, issuance, and placement of securities on the primary market; ii) information directly related to corporate reorganization processes, such as mergers, spinoffs, acquisitions, sales, assignment of assets, liabilities, and contracts, and the liquidation of companies; iii) information that is required to be disclosed

to the market as relevant information in accordance with article 5.4.1.5 of Decree 2555/2010 or any laws that complement it or replace it; iv) risk ratings.

- Privileged information may be known and/or used only with the authorization of the President, a Vice President or whomever they directly and expressly designate. Unauthorized disclosure or use of such information may cause external damage to TERPEL, causing legal, economic and reputational consequences.

- General information is that information not included in the above definitions, which TERPEL administrators and employees and those of its subsidiaries must handle with proper care in its use and safekeeping.

(...)

PERSONS RESPONSIBLE

The Vice President of Corporate and Legal Affairs, or, in his absence, the Manager of Industry Legal Affairs and/or the Director of Legal and Corporate Affairs, is responsible for determining the use to be made of information classified as privileged and for enforcing the provisions of these instructions.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2017
Dates of modifications	N/A

30.2. In the case of conglomerates, the disclosure of information to third parties is comprehensive and group-wide, allowing external third parties to form an informed opinion on the reality, organization, complexity, activity, size, and governance model of the conglomerate.

30.2 Implements the Measure YES NO N/A

YES. Brief description:

Terpel currently complies with the legal requirements regarding the disclosure of information of its controlled companies.

Under Colombian law, companies that have subsidiaries must present, among other information, the financial position, results of operations, and changes in equity on a consolidated basis (as if they were a single entity). In addition, a monthly report on related party transactions is submitted to the Board of Directors. The consolidated financial statements and related party transactions are public information and can be found on the website.

In addition, the Management Report contains a detailed chapter on related party transactions. Finally, Note 3(k) was added to the Consolidated Financial Statements 2020, which states: "A related party is a person or entity that is related to the Group. It can be a person if that person, in the exercise of his or her functions, has control or significant influence over the reporting entity or is a member of its key management personnel. The Group discloses information about related parties, transactions, outstanding balances, including commitments, and eliminations in the consolidated financial statements."

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	2001
Dates of modifications	020

Measure No. 31: Financial Statements

31.1. If there are any reservations in the auditor's report, these and the measures the company intends to take to remedy the situation shall be the subject of a statement by the Chairman of the Audit Committee to the shareholders at the Annual Shareholders' Meeting.

31.1 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

In such a situation, the Statutory Auditor himself, and not the Chairman of the Audit Committee, presents the reservations at the General Shareholders Assembly. Management is responsible for presenting the corresponding measures in case of reservations.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

31.2. If, in response to the reservations and/or emphasis paragraphs of the Statutory Auditors, the Board of Directors considers that it should maintain its criteria, this position is duly explained and justified in a written report to the General Shareholders Assembly, specifying the content and the scope of the disagreement.

31.2 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

In effect, when the Board of Directors, in response to the reservations and/or emphasis paragraphs of the Statutory Auditors, considers that it should maintain its criteria, it duly explains and justifies its position to the General Shareholders Assembly, specifying the content and the scope of the discrepancy, but not in a written report.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	N/A

31.3. Transactions with or between related parties, including transactions between companies of the conglomerate that are considered by the company to be material on the basis of objective parameters such as the volume of the transaction, percentage of assets, turnover, or other indicators, **shall be disclosed in detail in the public financial information, including mention of offshore transactions.**

31.3 Implements the Measure YES NO N/A

YES. Brief description:

This information is explicitly stated in the company's management report. It is also disclosed in cases where the nature of the information requires its disclosure to the public market because it is relevant information.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	2001
Dates of modifications	2013

Measure No. 32: Information to the markets.

32.1. As part of the disclosure policy, the Board of Directors (or the Audit Committee), **adopts measures necessary to ensure that all financial and non-financial information about the company required by current legislation is communicated to the financial and capital markets**, in addition to any other information it deems relevant to investors and customers.

32.1 Implements the Measure YES NO N/A

YES. Brief description:

Terpel complies with this obligation in accordance with the Good Governance Code. The Board of Directors has taken the necessary measures by approving the Code and defining the responsibilities for information disclosure.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2008
Dates of modifications	N/A

32.2. The company's website is organized in a user-friendly manner so that users can easily access information associated with or related to corporate governance.

32.2 Implements the Measure YES NO N/A

YES. Brief description:

Terpel has a user-friendly website that is easy to navigate and use to access information.

Article 5.7 of the Good Governance Code indicates:

- a. WEBSITE. The Organización Terpel S.A. website (www.terpel.com) is available to different audiences, presenting information of interest to its shareholders and investors, as well as to other people interested in its activities (customers, analysts, the community, journalists, suppliers, etc.). This Code of Good Governance and the Company's financial statements are published on the website.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2013
Dates of modifications	N/A

32.3. The company's website contains, at the least, the links referred to in Recommendation 32.3.

32.3 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The company has provided links on its website to the information contained in the Recommendation, with the exception of the Annual Report on Corporate Governance, the reports of the Committees of the Board of Directors, and copies of the last five (5) completed Country Code surveys.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation	N/A
Dates of modifications	

32.4. The documents that the company generally uses to communicate information to the market **are documents that can be downloaded, printed, and shared.**

32.4 Implements the Measure YES NO N/A

YES. Brief description:

In effect, information is disseminated to the markets via the website, from which these documents can be downloaded, printed, and shared.

NO. Explain:

N.A. Specify the rules that prevent adoption of the recommendation:

Implementation date	2013
Dates of modifications	N/A

32.5. In the case of a large and complex company, it publishes an **explanatory report** each year on its website **about the organization, methods, and procedures of the Control Architecture** implemented with the aim of providing accurate and reliable financial and non-financial information to safeguard the company's assets and ensure the efficiency



and security of its operations. The information on the Control Architecture is complemented by a risk management report.

32.5 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Although a report on the company's control architecture is prepared annually, it is not published.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
Dates of modifications N/A

Measure No. 33: Annual Report on Corporate Governance.

33.1. Each year the company prepares a Report on Corporate Governance. The Board of Directors is responsible for its content, based on the review and positive report of the Audit Committee, and it is presented together with the other year-end documents.

33.1 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

The company does not publish an annual Report on Corporate Governance. However, a management report is presented every year that includes the relevant issues concerning Terpel's corporate governance. Article 5.3 of the Good Governance Code indicates:

"5.3. ANNUAL REPORT TO THE SHAREHOLDERS

In accordance with the law and the corporate bylaws, each year the President and the Board of Directors of Organización Terpel S.A. present to the General Shareholders Assembly a report on the previous year's activities. It includes financial information, the main operational and administrative activities, the results of investments in other companies, and the main projects to be developed in the current year.

This report includes a detailed chapter on "Good Corporate Governance."

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
Dates of modifications N/A

33.2. The company's Annual Report on Corporate Governance does not simply cite the corporate governance rules contained in the bylaws, internal regulations, codes of good governance, or other company documents. Its purpose, rather than describing the company's governance model, is to explain the reality of its operation and any relevant changes during the year.

33.2 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

Not applicable as explained in the previous Recommendation.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
Dates of modifications N/A

33.3. The company's Annual Report on Corporate Governance contains year-end information describing how the company has complied with the corporate governance recommendations adopted during the year and any significant changes.

The structure of the company's Annual Report on Corporate Governance follows the structure established in Recommendation 33.3.

33.3 Implements the Measure YES NO N/A

YES. Brief description:

NO. Explain:

As indicated in the previous point.

N.A. Specify the rules that prevent adoption of the recommendation:

Date of implementation N/A
Dates of modifications N/A

As of 2016 Financial Statements of Organization Terpel will be release in the following format which is consistent with the Financial Statements reported to the Financial Superintendency. 2015 reported figures already complied with IFRS accounting standards, however the format was not adjusted in order to facilitate historical comparability.

ORGANIZACIÓN TERPEL S.A. & SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION, CLASSIFIED
31st Dec, 2023 and 2022
(In Thousand Colombian Pesos)

ASSETS	dic-23	dic-22
Current Assets		
Cash & Cash Equivalents	\$ 916.490.753	\$ 582.936.679
Other Current Non-Financial Assets	\$ 145.732.929	\$ 140.138.812
Trade debtors and other current receivables	\$ 1.394.911.842	\$ 1.548.255.623
Current Related Entities Receivables	\$ 424.882	\$ 3.484.421
Inventories	\$ 1.378.066.227	\$ 1.764.718.797
Short Term Contract Assets	\$ 67.277.342	\$ 87.416.604
Current Tax Assets	\$ 132.512.387	\$ 391.850.867
Total Current Assets different to assets or groups of assets for disposal classified as held for sale or as held for distribution to owners	\$ 4.035.416.362	\$ 4.518.801.803
Non-current assets or groups of assets for disposal classified as held for sale or as held for distribution to owners	\$ 367.450	\$ 394.960
Total Current Assets	\$ 4.035.783.812	\$ 4.519.196.763
Non-Current Assets		
Other Non-Current Financial Assets	\$ 2.042.363	\$ 2.042.921
Other Non-Current Non-Financial Assets	\$ 3.156.137	\$ 3.752.805
Trade debtors and other non-current receivables	\$ 15.018.742	\$ 24.637.261
Investments accounted for using the equity method	\$ 16.958.730	\$ 14.623.785
Intangible assets different to capital gain	\$ 642.896.484	\$ 821.846.155
Capital gain	\$ 328.051.883	\$ 362.704.492
Property, Plant & Equipment	\$ 3.939.357.242	\$ 4.158.389.576
Investment Properties	\$ 11.855.911	\$ 3.171.767
Current Tax Assets	\$ 48.987.771	\$ 60.583.152
Long Term Contract Assets	\$ 293.607.333	\$ 268.000.838
Total Non-Current Assets	\$ 5.301.932.596	\$ 5.719.752.752
Total Assets	\$ 9.337.716.408	\$ 10.238.949.515
LIABILITIES	dic-23	dic-22
Current Liabilities		
Other Current Liabilities	\$ 1.088.524.143	\$ 1.464.453.680
Trade and Other Payables	\$ 1.630.200.066	\$ 1.898.960.453
Related Entities Payable	\$ 167.151	\$ 775.015
Current Tax Liabilities	\$ 272.580.462	\$ 251.879.822
Employee Benefits Provisions	\$ 20.262	\$ 17.912
Total current liabilities other than liabilities included in groups of assets for disposal classified as held for sale	\$ 2.991.492.084	\$ 3.616.086.882
Total Current Liabilities	\$ 2.991.492.084	\$ 3.616.086.882
Non-Current Liabilities		
Other Non-Current Liabilities	\$ 3.171.446.289	\$ 3.117.226.522
Other Long-term Provisions	\$ 19.033.266	\$ 8.585.625
Deferred tax liability	\$ 387.225.917	\$ 474.933.660
Non-Current Employee Benefits Provisions	\$ 12.031.292	\$ 13.435.150
Total Non-Current Liabilities	\$ 3.594.854.120	\$ 3.614.180.957
Total Liabilities	\$ 6.586.346.204	\$ 7.230.267.839
EQUITY	dic-23	dic-22
Issued Capital	\$ 195.999.466	\$ 195.999.466
Issued Premium	\$ 219.365.731	\$ 219.365.731
Exercise Results	\$ 285.273.513	\$ 333.411.532
Gains and losses recorded	\$ 1.511.078.304	\$ 1.342.985.179
Other shares in Equity	\$ 414.100.082	\$ 789.689.617
Other reserves	\$ 125.227.431	\$ 126.824.020
Equity Attributable to Owners	\$ 2.751.044.527	\$ 3.008.275.545
Non-Controlling Interests	\$ 325.677	\$ 406.131
Total Equity	\$ 2.751.370.204	\$ 3.008.681.676
Total Equity & Liabilities	\$ 9.337.716.408	\$ 10.238.949.515

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION BY FUNCTION

31st Dec, 2023 and 2022

(In Thousand Colombian Pesos)

PROFIT (LOSS)	dic-23	dic-22
Income from operating activities	\$ 36.225.805.480	\$ 35.455.548.572
Cost of Sales	\$ (33.021.967.604)	\$ (32.549.846.748)
Gross Profit	\$ 3.203.837.876	\$ 2.905.701.824
Other incomes, by function	\$ 26.914.146	\$ 60.537.417
Other Expenses, by function	\$ (139.818.718)	\$ (132.193.667)
Distribution Expenses	\$ (1.622.959.368)	\$ (1.507.437.191)
Administrative Expenses	\$ (468.137.575)	\$ (418.125.758)
Financial Income	\$ 24.956.334	\$ 8.720.407
Financial Expenses	\$ (569.396.070)	\$ (391.863.745)
Share of profit (losses) of associates and joint ventures accounted for using the equity method	\$ 3.181.632	\$ 2.657.191
Foreign Exchange Balance	\$ 6.149.230	\$ 18.506.415
Profit(Loss) before taxes	\$ 464.727.487	\$ 546.502.893
Taxes Expenses	\$ (179.441.946)	\$ (213.090.508)
Profit (loss) from continuing operation	\$ 285.285.541	\$ 333.412.385
Profit (loss) from discontinuing operation	\$ -	\$ -
Net Profit(Loss)	\$ 285.285.541	\$ 333.412.385
Profit (Loss) Attributable to		
Profit (Loss), Attributable to owners	\$ 285.273.513	\$ 333.411.532
Profit (Loss), Attributable to non-controlling interests	\$ 12.028	\$ 853
Net Profit (Loss)	\$ 285.285.541	\$ 333.412.385

ORGANIZACIÓN TERPEL S.A. & SUBSIDIARIES
CONSOLIDATED INTERIM STATEMENTS OF
CASH FLOWS, DIRECT METHOD
31st Dec, 2023 and 2022
(In Thousand Colombian Pesos)

Cash flows from (used in) operating activities	dic-23	dic-22
Proceeds from operating activities	\$ 37.897.255.549	\$ 37.187.084.199
Proceeds from sales of goods and services	\$ 37.894.016.873	\$ 37.166.006.104
Proceeds from premiums and claims, annuities and other insurance policies	\$ 1.706.922	\$ 19.366.340
Other proceeds from operating activities	\$ 414.295	\$ 1.711.755
Payments from operating activities	\$ (36.356.759.225)	\$ (37.030.336.071)
Payments to goods and services suppliers	\$ (35.396.854.541)	\$ (36.080.263.142)
Payments to and on behalf of employees	\$ (520.977.872)	\$ (455.869.122)
Payments of premiums and claims, annuities and other insurance policies	\$ (37.356.385)	\$ (35.666.592)
Other payments from operating activities	\$ (98.883.537)	\$ (108.697.525)
Interest Paid	\$ (61.937.452)	\$ (57.726.632)
Interest Received	\$ 25.495.233	\$ 8.509.098
Tax profit paid (refunded)	\$ (223.099.416)	\$ (259.314.431)
Other cash inflow (outflow)	\$ (39.392.380)	\$ (41.307.725)
Net cash flows from (used in) operating activities	\$ 1.540.496.324	\$ 156.748.128
Purchase of non-controlling interests	\$ -	\$ -
Other expenditures from the sale of shares in joint ventures	\$ -	\$ -
Sales of Property, Plant & Equipments	\$ 3.525.377	\$ 1.649.035
Capital expenditure	\$ (384.145.022)	\$ (411.784.839)
Expenditure on Intangible Assets	\$ (48.861.153)	\$ (48.452.617)
Collections from reimbursements of advances and loans to third parties	\$ -	\$ -
Received Dividends	\$ 3.366.147	\$ 4.770.854
Net cash flows from (used in) investing activities	\$ (430.114.651)	\$ (460.857.567)
Cash flows from (used in) financing activities	dic-23	dic-22
Proceeds from Long-term loans	\$ 418.723.000	\$ 101.411.316
Proceeds from Short-term loans	\$ 669.448.000	\$ 780.317.841
Total amounts from loans	\$ 1.088.171.000	\$ 881.729.157
Reimbursement from loans	\$ (1.102.465.810)	\$ (193.335.409)
Financial leasing liabilities payments	\$ (62.510.402)	\$ (64.780.440)
Dividends Paid	\$ (159.166.565)	\$ (206.592.598)
Interest Paid	\$ (482.858.679)	\$ (288.257.036)
Net Cash flows from (used in) financing activities	\$ (723.505.056)	\$ 128.763.674
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	\$ 386.876.617	\$ (175.345.765)
Effects of variations in the exchange rate on cash and cash equivalents	\$ (53.322.543)	\$ 52.445.838
Net increase (decrease) in cash and cash equivalents	\$ 333.554.074	\$ (122.899.927)
Cash and cash equivalents at beginning of period	\$ 582.936.679	\$ 705.836.606
Cash and cash equivalents at end of period	\$ 916.490.753	\$ 582.936.679



Management Report 2023
Internal Audit and Risk Management

INTERNAL CONTROL RESULTS 2023

The following document presents a summary of the internal control governance model of Organizacion Terpel S.A. (Terpel) and its subsidiaries and describes the activities carried out during the year 2023 with the main conclusions.

The Internal Audit and Risk Management (Management) reports to the Audit and Corporate Governance Committee of the Board of Directors, which meets quarterly. Its main function is to advise this corporate body in the fulfillment of its supervisory responsibilities. To this end, Management evaluates accounting procedures, interacts with the Statutory Auditor, reviews the company's control architecture, including the audit of the risk management system, and ensures compliance with the principles of good corporate governance established by law, the competent authorities, and the Company itself.

To this end, Management oversees the Internal Control System of Terpel and its subsidiaries by ensuring the internal processes and controls included in the annual audit plan, which is approved by the Audit Committee. This plan is built based on the identification of the main risks and follows a clearly defined methodology.

In addition, Management works hand in hand with the different areas of the Organization in the follow-up of the action plans defined from the audit work, which are determined by those responsible for the processes, who are, in short, the ones who manage their risks and, therefore, who must implement the action plans.

In 2023, **63 process audits were planned and executed in Terpel and its subsidiaries**, distributed as follows:

Terpel Colombia: 25 audits	Subsidiaries Ecuador: 6 audits
Masser: 6 audits	Subsidiary Dominican Republic: 5 audits
Subsidiaries Peru: 10 audits	Subsidiaries Panama: 11 audits

Of the aforementioned audits, the Terpel Colombia audit team performed 25 local audits and 21 in the subsidiaries in Peru, Ecuador, Dominican Republic, Panama and Masser.

With the team of 5 people, distributed in Peru, Ecuador, Panama and Masser and reporting to the Audit and Risk Management, the other 17 audits of the plan were developed, as well as special works.

A total of 50 special audits and investigations of cases received through the confidential reporting line, or other internal sources were carried out by the entire team in Colombia and subsidiaries.

In addition, the team worked continuously with the executive committee of both Terpel Colombia and subsidiaries to strengthen the internal control environment.



Management Report 2023

Internal Audit and Risk Management

On the other hand, in the subsidiaries Masser, Terpel Peru, Terpel Panama and Terpel Ecuador, during 2023, operational audits were carried out to ensure the operation of the Service Stations and Convenience Stores. With this, we achieved assurance in 100% of the points of sale, with at least 1 visit per year (average 2 visits per year).

Moreover, the team has leveraged on the digital transformation by automating the audit processes and has developed a continuous audit oriented approach by implementing automated audit tests - CAATs (computer assisted audit techniques) under the use of ACL Analytics to process 100% of data and monitor more frequently some key processes of the organization. By the end of 2023, the development of 15 CAATs was completed, which means that 26 processes are now covered by continuous auditing. These tests were executed during 2023 according to the frequency established for each one (daily, monthly, quarterly, semiannual, or annual).

As a result of the work carried out during 2023 in Terpel and subsidiaries, 732 recommendations were generated with their respective action plan. To date, 570 of them (78%) have been resolved by the responsible areas. Considering this, as of today we have 378 action plans open for all years and all companies. Although some of the committed dates are overdue, Management follows up monthly, and on a quarterly basis in the Internal Control and Audit and Risk Committees, it is evident that the proposed plans are managed according to their risk level and as defined by the different Management and Vice Presidencies, both in Terpel and in subsidiaries.

Finally, based on the results of the audit work performed during 2023, in our opinion, Terpel and its subsidiaries have an adequate internal control system in which corporate values and ethics prevail and risks are adequately managed. Additionally, the organizational structure assigns authority and responsibilities and senior management is concerned with continuously strengthening the control culture.

This document is signed in Bogotá D.C., on February 15, 2024.

OSCAR BRAVO RESTREPO

PRESIDENT

TERPEL ORGANIZATION

CATALINA KÉKESSY H.

INTERNAL AUDIT AND RISK MANAGER

TERPEL ORGANIZATION

Annex 5. Restatements of information

- **Our subsidiaries: Panama**

Due to the placement of commas in the information reported in 2022, there was an error in Panama's carbon footprint. The correct figure is: 8,283 tonCO₂e.

- **Our commitment to the planet**

Energy consumption

Total energy consumption was recalculated for 2022 due to a recalculation of the consumption of energy purchased from the grid.

- **Sustainable supply chain management**

The 2022 Report shows a total of 26,162 million pesos in payments made to suppliers during the year.

The information has been restated as follows to make it comparable with 2023:

Type of supplier	% of all suppliers	Annual value of purchases (COP millions)	Percentage of total purchases
Domestic	96%	22.133.535.509.032	97%
International	4%	\$ 741.154.995.672	3%
TOTAL	100%	\$2.874.690.504.704	100%

RISK MANAGEMENT:

The parameters and roles for our risk management structure are based on international standards such as COSO ERM, ISO 31000 and the Three Lines of Defense model. The approach is formalized through the implementation of policies and procedures that clearly define our actions at each stage of the risk management cycle. In the first stage, we focus on risk identification using methods and tools that allow us to identify threats and opportunities in all areas of the organization. We then conduct a thorough analysis to assess the likelihood of occurrence and the potential impact on our strategic objectives. Then, in an assessment phase, we classify and prioritize risks in order to focus our resources on the most relevant ones, designing specific action plans to mitigate, transfer, accept, or avoid those risks.

Once these responses have been implemented, we initiate ongoing monitoring of the risks over time and adjust our strategies as circumstances evolve. This process, based on international best practices, is designed not only to prevent risks from occurring, but also to effectively manage their potential impact and ensure the long-term sustainability of our organization. To this end, close cooperation with the business units is essential, and we also promote a culture of risk management through ongoing training of the teams.

Risk governance

At Terpel, we have clearly defined the roles and responsibilities for the operation and application of the risk management system. The Board has delegated a number of responsibilities to the Audit and Risk Committee, which are carried out by management through the following governance structure:

Audit and Risks Committee (representing the Board of Directors):

- Meets at least every three (3) months and keeps minutes of its decisions. The matters recorded in the minutes shall be submitted to the Board of Directors at least once (1) a year, or more frequently if requested by the Board.
- Approves, promotes, formalizes, and reviews the Risk Management System as well as related policies, procedures, and manuals.
- Promotes proper risk management by the company, using advanced methodologies, tools, and models in accordance with international best practices and standards.
- Oversees the organization's risk management system, ensuring that it includes the identification, analysis, evaluation, and definition of responsibilities, management plans, and monitoring mechanisms for key business risks such as macroeconomic, social, political, environmental, technological, and climate change risks.
- Monitors and makes a declaration regarding the organization's risk appetite and its trend over time.
- Monitors and makes a statement with respect to the regular reports presented by the Risk Department relative to risks identified, control activities, action plans, treatment, and key risk indicators – KRI's.
- Conducts an integrated and correlated review of the levels of exposure for the organization's priority risks.

- Allocates the resources for the functioning of the risk management system.
- Evaluates and reasonably complies with the advice and recommendations of supervisory authorities in the performance of their duties.
- Engages in all those activities delegated or requested by the Board of Directors in the area of risk management.

The basic reference framework for this risk management system, which underpins all policies, is as follows:

- ISO 31000: 2018 - Risk management - Guidelines
- ISO 31010: 2009 - Effective Risk Assessment Techniques
- ISO Guide 73 - Risk management - Vocabulary
- COSO ERM:2017 - Enterprise Risk Management
- ISO 9001:2015 - Quality Management Systems
- Guideline for risk management and control design - public function, versions 3 and 4.
- Guidelines for defining the Risk Appetite Framework (RAF) Financial Superintendent of Colombia
- Sustainability Accounting Standards Board (SASB): Financial materiality guidelines.
- TCFD - Task Force on Climate-Related Financial Disclosures.

Other risk management roles that have been established by the Board of Directors are as follows:

Functions of the Executive Committee (Board of Directors, composed of the president and the vice presidents):

- Promotes the adoption of the strategy and policies established by Risk Management at all levels of the company, through a variety of business areas and business units. This includes creating incentives for the consideration of risk in decision making, observance of risk policies, control activities, and remediation plans within established timelines.
- It is responsible for the processes and the management of their associated risks, ensuring compliance with the risk policy and strategy, and with the limits and appetite approved by the Board of Directors.
- Identifies and assesses the strategic, operational, technological, financial, environmental, social, and climate risks of the business.
- Determines, implements, and monitors measures for prevention and detection of the different types of risks identified within the organisation, especially those with strategic impact and connected with ESG issues.
- Follows up on the treatment defined for those strategic risks that exceed the risk tolerance established by the company.
- Promotes, formalizes, and supports the risk management system and culture, ensuring compliance with established requirements.
- Exercises regular monitoring of the management of the business risks.

Functions of the Risk Management Department:

- Designs and continually updates the risk management framework, including roles, functions, methodology, policies, and procedures.

- Defines tools and procedures for effective risk management in the company.
- Facilitates and directs the process for the identification, assessment, and definition of risk management strategies.
- Develops and implements the company's risk reporting system.
- Monitors and reports on compliance with the risk management strategies established.
- Follows up on procedures and action plans, and reports to the Audit and Risk Committee on progress made.
- Designs and implements initiatives that promote a culture of risk analysis and prevention throughout the organization, ensuring an understanding of the concept of risk and the responsibilities associated with it.
- Keeps the Audit and Risk Committee informed about gaps identified, action plans made, progress in risk management and coverage, and any relevant situations.

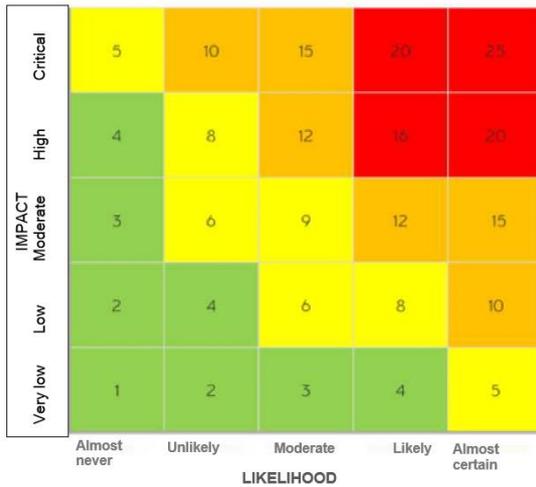
Functions of process leaders:

- Promote and formalize the Risk Management System.
- Ensure the Model's requirements are met.
- Identify and assess the operational risks of the processes they own.
- Manage the risks under their supervision, aligned with the strategy defined and establishing the pertinent controls and action plans for any gaps identified.
- Define metrics or indicators to measure and prevent the evolution of the risks over time.
- Correct or resolve control deficiencies identified during monitoring.
- Analyze and follow up on materialized risk events to determine the appropriate remediation plans.
- Request the accompaniment of Risk Management to update the identification of operational risks in response to significant changes in the process.
- Follow up on the treatment defined for those strategic risks that exceed the risk appetite.

Functions of Internal Audit:

- Designs an assurance program based on the strategic, operational, and other risks identified in the organization.
- Evaluates the efficiency and efficacy of the Risk Management system, generating recommendations for its improvement, and following up on the effectiveness of the actions taken to manage the risks.
- Contributes to the identification of new risks during the development of the audit activities.
- Reports the results of the evaluations made by Risk Management in order to contribute to the continuous improvement of the process.

• Risk Appetite 2023



Risk level	Monitoring/ responsibility for risk	Risk tolerance
4 Critical risk	Requires the definition of an immediate action plan with implementation dates, responsible parties, and indicators. Reports to the Audit Committee.	Unacceptable Risk Zone (avoid risk, reduce risk, share or transfer)
3 High risk	Requires the definition of action plans (within 1 to 3 months) with implementation dates, responsible parties, and indicators. Reports to the Audit Committee.	Moderate risk zone (reduce, share, or transfer the risk)
2 Medium risk	Managerial responsibility must be specified. Managed with normal control procedures and reported to each VP.	Tolerable risk zone (reduce, share, or transfer the risk)
1 Low risk	Managed using routine procedures.	Acceptable risk zone (Accept the risk)

Risk	Description of the risk and possible impact	Risk mitigation plan
Social and political risk	Colombia in 2022 experienced a situation of political and economic uncertainty, given high inflation, the volatility of the dollar, and an increase in interest rates. During the second half of the year, the country's expectations focused on the new administration and its initial decisions on economic, social, and environmental public policy. The new measures are expected to impact the energy mining sector. It will have to adapt to regulatory changes that may be counter to its	<p>The measures implemented by Organización Terpel to manage this risk are:</p> <ol style="list-style-type: none"> 1. Definition and implementation of an engagement plan for the organization. 2. Regulatory monitoring and management. 3. Planning and development of human rights due diligence and stakeholder engagement activities (communities, local authorities, etc.) to share information on impact projects. 4. Inclusion of clauses in the contractors' manual that

	<p>economic interests. It is also expected that the industry will have to reformulate its relations with outside stakeholders to make its operations viable.</p> <p>We could experience difficulties in implementing our growth strategy, delays in strategic investments, damage to our infrastructure, blockades and temporary business interruptions, allegations against the company for not employing local labor, allegations of violation of the right to prior consultation of ethnic communities, allegations regarding impacts on the environment or connected with relations with neighbors in the operating environment. Similarly, there could be allegations related to social investment expectations, reputational damage, or alerts of extortion, detainments, or threats to OT employees and contractors.</p>	<p>require contractors to give priority to the use of local labor, goods, and services, provided these meet the required profiles and do not compromise the quality of the project.</p> <p>5. Development of a training plan for civil works contractors on good contracting practices, communication, and the identification and publication of job openings for the community, communication with mayors, and other actions.</p> <p>6. Identification of critical operations and definition of an action plan.</p> <p>7. Strengthening of the training for positions with greater exposure to socio-political risk in all regions to provide tools and explain concepts for identifying and mitigating socio-political risks.</p> <p>8. Regular participation by all managers and directors in the different regions and business units on the Public Affairs Committee that presents current issues, events that have materialized, lessons learned, and improvement plans to strengthen the process.</p> <p>9. Support for the Operations Supply Committee and Crisis Committee with contextual information to stay abreast of the country's political and social situation.</p> <p>10. Use of an engagement plan based on the election scenario to make the operation feasible in the environments where we operate.</p>
Climate change and energy transition	Shareholders could divest their resources from fossil fuel companies such as	We implement measures and strategies to adapt our business to climate change,

	<p>ours, which would affect our share price and our ability to access the capital markets. According to international press reports, some financial institutions in Europe have begun to limit their exposure to fossil fuel projects, which could also serve as an example for financial institutions in Colombia and Latin America. As a result, our ability to obtain financing for these types of future projects could be adversely affected.</p> <p>The physical effects of climate change, such as rising temperatures and sea levels and fluctuations in water levels, could also have repercussions on our operations, assets, and supply chains, potentially causing business disruptions or shortages for our customers in different markets.</p>	<p>managing our resources to offer long-term solutions for global warming and the energy transition. Some of the measures implemented are:</p> <ol style="list-style-type: none"> 1. Development and publication of the organization's Environmental Stance, which defines our goals and indicators for climate change, circular economy, waste management, and safe operations. 2. Progress with the implementation of the climate change risk management model, taking into account the recommendations of the TCFD framework in the areas of Governance, Strategy, Risk Management, and Metrics and Targets. 3. Definition of initiatives to reduce Scope 1 and Scope 2 greenhouse gas (GHG) emissions from our operations and to transform our energy consumption matrix. This will be done on two fronts: <ul style="list-style-type: none"> * Developing energy efficiency projects in our operations to rationalize and optimize energy consumption. * Responsible consumption program 4. Establishment of programs and initiatives in the Lubricants and Convenience Stores businesses, where we have identified the greatest opportunities to implement circular economy strategies: <ul style="list-style-type: none"> * Lubricants: Green Pass is a sustainable lubricants program designed to properly manage lubricants from their manufacture, through their sale, and all the way to their
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		<p>final disposal.</p> <p>* Convenience stores: Reduction of plastic in processed food packaging materials. Manufacture of Agua Madre water bottles with recycled raw materials, and proper disposal of waste at the stores.</p> <p>5. Development and implementation of projects and partnerships with third parties to offer a comprehensive portfolio of new energies to existing and potential new customers, thereby remaining relevant in the lives of our customers and helping the country transform its energy matrix. This will be achieved through a comprehensive energy offer that includes self-generation systems with photovoltaic solar energy, storage systems, energy efficiency, electric chargers, and others.</p>
<p>Widespread cybercrime and cyber insecurity</p>	<p>Disruptions or breaches in our cybersecurity could affect or target the IT infrastructure that supports the business' core and support processes. Any cyber attack could have a material impact on our business, affecting the continuity of our operations, our relationships with our business partners, and our reputation.</p> <p>Cyber risk has become a constantly evolving systemic risk for Organización Terpel.</p> <p>The drastic increase in remote work, greater reliance on the Internet, pressures related to the</p>	<p>The measures implemented by Organización Terpel to manage cybersecurity risk include:</p> <ol style="list-style-type: none"> 1. Vulnerability identification and management: To identify vulnerabilities in IT assets, we have automated tools, industry or knowledge bases, and platform managers. Once vulnerabilities are identified, we apply security patches and track their timely closure. 2. Strategic Cybersecurity Committee: This committee meets once a quarter to review critical developments and strategic cybersecurity plans. It is made up of the VP of IT, the IT manager, the audit manager, the director of legal affairs, the head of labor relations and the country heads.

	<p>digital transformation, critical vulnerabilities in IT infrastructure, and increased state sponsorship of such attacks means our exposure to this risk is increasing.</p>	<p>3. Our cybersecurity culture and awareness plan includes educational campaigns, security tips, workshops, and training. Every 3 months, we conduct controlled attacks on the organization to determine how many people fall victim to the attack and use this information to strengthen the plan.</p> <p>4. A disaster recovery plan is in place in the event of an information system service failure. We track the performance of the response plan by reviewing reports and conducting tests, and develop a strategic response plan for managing crises.</p> <p>5. A cyber insurance policy covers the costs/expenses of investigations, fines, and the general cost of recovering from an attack. Each year, we seek to improve the terms of this policy.</p>
<p>Increase in price of raw materials (fuels and CNG)</p>	<p>Fluctuations in the cost of selling fuel at the Colombian operations, in the case of gasoline, diesel and jet fuel, could affect the company's results.</p> <p>In the case of fuels, we may be able to pass these increases on to the end customer, but it could impact demand, sales, and market share.</p> <p>In addition, the Colombian CNG business is exposed to supply and transportation costs denominated in U.S. dollars, and therefore business development and margins are affected by devaluation scenarios. If the price difference between CNG and regular gasoline is not attractive enough to</p>	<p>The measures implemented by Organización Terpel to manage this risk are:</p> <p>1. Price Monitoring - Wholesale:</p> <p>Weekly monitoring of the projection and structure of fuel prices (diesel and regular gasoline). Comparison of international prices with domestic prices and TRM and WTI benchmarks.</p> <p>These indicators are escalated to senior management for review.</p> <p>2. Market Behavior Monitoring (Retail)</p> <p>Constant monitoring of market behavior and analysis of how macroeconomic changes and trends affect our customers</p>

	<p>the user, we could see a decrease in vehicle conversions and servicing.</p> <p>This would be due primarily to an increase in international oil prices, exchange rate volatility, shortages due to supply chain disruptions, or other factors.</p> <p>The potential impacts on the fuel business include: efforts to find the most competitive price in the marketplace, resulting in reduced retail margins, loss of market share, and an increase in vehicle conversions to CNG.</p> <p>Impacts on the CNG business are related to: Natural gas shortages, declining vehicle conversion, closure of service stations (temporary), reduced credibility in the sustainability and development of the business, idle capacity (increase in costs), and damage to image.</p>	<p>and competitors. This enables us to have enough information to anticipate trends and make timely decisions.</p> <p>3. Short and long-term negotiations:</p> <p>Short- and long-term negotiations to ensure the efficient supply of gas to our service stations. We can take advantage of market opportunities through this type of negotiation.</p> <p>Contracts through Terpel and Terpel Energía for sales on the secondary market.</p> <p>Some contracts have purchase floors and ceilings to provide greater flexibility and reduce idle capacity.</p> <p>4. Monitoring</p> <p>Ongoing review of economic variables such as the behavior of exchange rates and calculation of the gas price for the upcoming month.</p> <p>Also, monitoring of indicators such as energy prices (this represents the third highest cost at service stations), maintenance costs, gasoline prices (price to the public), and sales to reduce idle capacity.</p> <p>These indicators are used for pricing decisions and commercial activities.</p>
<p>Increase in price of raw materials (Lubricants)</p>	<p>Increases in the prices of raw materials and critical inputs could affect our revenues by reducing demand and sales margins, thereby impacting our earnings. This is particularly true in the case of base oils and additives for lubricants.</p>	<p>1. Alliance with global supplier of base oils and additives:</p> <p>Our alliance with a global supplier to the hydrocarbon industry enables us to purchase raw materials at competitive prices, as they negotiate prices</p>

	<p>This is mainly due to the high uncertainty in the supply chain after the COVID-19 crisis (global shortage of raw materials and additives, increase in the price of logistics freight, shortage of ships, changes in shipping routes, shortage of containers, and delays in customs clearance at ports), which caused an increase in prices, and volatility in foreign exchange rates.</p> <p>This generates impacts such as: loss of revenue, loss of margin if we are unable to pass on price increases to our customers, and loss of market share in certain product lines.</p>	<p>with their suppliers worldwide and pass the savings on to us.</p> <p>2. Monitoring market behavior</p> <p>Constant monitoring of market behavior and analysis of how macroeconomic changes and trends affect our customers and competitors. This enables us to have enough information to anticipate trends and make timely decisions.</p> <p>Accordingly, we monitor the health of our brands by looking at relevant attributes and purchase frequency.</p> <p>3. Income committee</p> <p>This strategic committee analyzes KPIs and marketing studies to understand their impact on our financial plan. It reviews the P&L by product and by customer to define tactics and manage price increases.</p>
<p>Reputational damage</p>	<p>The reputation of Terpel and its brands is a valuable asset for the company. Our image with our different stakeholders (customers, partners, investors, employees, etc.) could be affected by circumstances such as product quality issues, fuel shortages, environmental damage, regulatory violations, internal fraud, or cyber-attacks.</p> <p>A negative impact on our reputation could, in turn, become an obstacle to successfully competing for new opportunities, obtaining necessary regulatory approvals, obtaining financing, or attracting talent, or it could</p>	<p>The measures implemented by Organización Terpel to manage this risk are:</p> <p>1. Definition of crisis scenarios: Identification, description, and validation of 23 crisis scenarios and their prioritization, taking into account impact and probability variables. These scenarios are linked with the strategic risk analysis carried out by the Risk area.</p> <p>2. Development of a crisis management manual: Definition and formalization of the management model, organization, roles, responsibilities, internal and external communication plan, and key crisis management issues.</p>

	<p>reduce demand for our products.</p> <p>We could experience a loss of customers, a loss of brand positioning, a loss of market share, a decline in share price, a loss of income, or an impairment of liquidity. Similarly, there could be difficulties in attracting and retaining talent, loss or impairment of business relationships with strategic suppliers or customers, or increased costs and research processes, etc.</p>	<p>3. Formation of the Crisis Committee: Definition of the structure, objective, roles, and responsibilities of the Crisis Committee.</p> <p>4. Training: Training for key personnel on the Crisis Manual and online courses for the entire company on the basic concepts of managing and responding to a potential crisis.</p> <p>5. Crisis simulation: Simulation exercises recreate crisis scenarios in the various businesses to test correct application of the manual.</p>
<p>Failure to anticipate and adapt to an ever-changing technological environment</p>	<p>To maintain our competitive position, especially in light of the nature of our business and the need for continuous improvement in the efficiency and speed of our processes and operations, Organización Terpel must anticipate and be capable of adapting to a constantly changing technological environment. It must be poised to take advantage of the benefits of new and emerging technologies, such as: (IoT) Internet of Things, (AI) Artificial Intelligence, Machine Learning, (Metaverse) Virtual/ Augmented Reality, (RPA) Robotic Process Automation, and Blockchain.</p> <p>This requires not only tools and methodologies, but also the development of digital skills in the workforce to facilitate processes and adapt to changes, processes, and ways of</p>	<p>The measures implemented by Organización Terpel to manage this risk are:</p> <p>1. Virtual Network Strategy (100% of the network) This Digital Transformation Model supports the competitive strategy of businesses with a focus on our customers and partners. The strategy consists of the following strategic initiatives:</p> <ol style="list-style-type: none"> 1. Terpel POS at the point of sale: service stations, Sckuba, and convenience services 2. Partners' digital channel 3. Rumbo Digital Saturno 4. Terpel App 5. Fintech (means of payment) <p>Investment of 15% of our EBITDA in this strategy (approx. \$43 million).</p> <p>6. Implementation of Terpel's agile operating model (MOAT).</p>

	<p>working. It also requires the development of an organizational culture that is aligned with and committed to this transformation, that is open to change, and that facilitates the development and quick adoption of new technologies and innovations.</p> <p>We could experience the following impacts:</p> <ol style="list-style-type: none"> 1. Loss of market share and market leadership 2. Loss of profitability 3. Impacts on operations (day to day) 4. Loss of new market opportunities 5. Increased organization-wide talent turnover 	
<p>Environmental damage</p>	<p>This is damage we could possibly cause to soil, air, ocean, or water sources in any region or town caused by spills, leaks, overflowing, or loss of containment of our products at any point in our value chain. These events could be caused by, among other things, poor practices by third parties at our facilities, failure by our employees to follow established procedures, lack of equipment maintenance, deficiencies in employee and third-party education and training, failures in the self-inspection culture in our operations, or infrastructure and/or fuel storage and transfer equipment failures. This could result in significant consequences</p>	<p>The measures implemented by Organización Terpel to manage this risk are:</p> <ol style="list-style-type: none"> 1. A comprehensive management system uses the PDCA methodology to ensure correct and timely identification and management of environmental risks. Training for operations and feedback on lessons learned from accident investigations. 2. System monitoring and verification with an online indicator dashboard, and internal and external audits for each operation. 3. The Reliable Service Stations program identifies health, safety, and environmental risks, and implements preventive, corrective, and mitigating controls. Verification of the use of best practices in the

	<p>due to complaints or lawsuits filed by the communities where we operate, fines or sanctions, financial losses, or damage to Terpel's image.</p> <p>We could cause damage to ecosystems or communities and, as a result, be subject to complaints or lawsuits, fines or sanctions, reputational damage, or economic loss.</p>	<p>operations, through regular inspection visits. Ongoing risk education and training using the training camp.</p> <p>4. Emergency reponse plan: Third-party experts at the national level provide technical support in the event of a crisis. Development of our emergency response at a strategic level through our crisis management protocols.</p> <p>5. ISO 14000, 45000 and 9000 certifications for our environmental, OHS, and quality management systems, respectively, in Aviation, Industry, and in the factory.</p> <p>6. Development and publication of the organization's Environmental Stance, which defines our goals and indicators for climate change, circular economy, waste management, and safe operations.</p>
<p>Financial risk (market, credit, and liquidity)</p>	<p>The economic, political, and regulatory uncertainty caused by the worldwide health crisis, along with the change in the presidential administration in Colombia have had a significant impact on our economy. We are currently exposed to historic levels of inflation, greater volatility in interest rates and foreign exchange rates, and increases in the cost of our raw materials.</p> <p>In addition, an economic recession is possible, which could result in higher unemployment and a decrease in the purchasing power of individuals and businesses. There could be regulatory changes, fiscal or tax reforms, or government action regarding the pricing</p>	<p>The measures implemented by Organización Terpel to manage this risk are:</p> <p>1. Monthly monitoring of business unit results, and quantification the impact on volume, P&L, and cash flow. Strategies are defined in line with the company's objectives to achieve the best possible results in a changing environment, while maintaining appropriate debt levels and profitability for shareholders.</p> <p>2. Regular monitoring of sales volume budget, market share, and key business metrics such as margins and cost per gallon, EBITDA and ROIC, and development of strategies to achieve business unit volume</p>

	<p>structure for regular and premium gasoline, all of which could reduce our revenues.</p> <p>We could experience a decrease in revenues; collection, portfolio and liquidity risk; impacts on strategic allies in the distribution of our products; difficulties in executing the company's growth plan; increase in costs and expenses; decrease in profitability margin; credit risk; impact on budget execution, or medium and long-term goals; failure to achieve expected profitability of projects; non-renewal of contracts with strategic suppliers; changes in the value of our inventories due to changes in macroeconomic factors; need for higher working capital; or an increase in debt and financing costs.</p> <p>We could experience a decrease in revenues; collection, portfolio and liquidity risk; impacts on strategic allies in the distribution of our products; difficulties in executing the company's growth plan; increase in costs and expenses; decrease in profitability margin; credit risk; impact on budget execution, or medium and long-term goals; failure to achieve expected profitability of projects; non-renewal of contracts with strategic suppliers; changes in the value of our inventories due to changes in</p>	<p>targets and maintain profitability.</p> <p>3. Analysis of prices in order to adjust them according to changes in costs and expenses. Analysis of changes in demand and monitoring of market prices, primarily in the Lubricants and CNG businesses. We do this in lubricants by monitoring the cost of raw materials and increases reported by suppliers. Similarly, in CNG, we adjust the frequency of supply and transportation contract negotiations to achieve greater accuracy in contracted gas capacity.</p> <p>4. Emphasis on cost control and the pursuit of efficiencies in all core and support areas, with detailed monthly monitoring and control.</p> <p>5. Monitoring of investment projects and adjustment of plans according to cash flow limitations, prioritizing strategic projects, and watching over leverage ratios monitored by risk rating agencies.</p> <p>6. Quarterly or more frequent reviews to forecast a business unit's performance in terms of volumes, P&L, and cash flow, and to monitor the effectiveness of the plans and their ongoing impact.</p> <p>7. Determination of portfolio recovery strategies for high-risk clients or those with older portfolios, in order to secure payment agreements and potential recoveries. This is based on an analysis of financial models to determine the best strategy (via debt payment or margin recovery in a time projection).</p>
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	<p>macroeconomic factors; need for higher working capital; or an increase in debt and financing costs.</p>	<p>8. Negotiation with various suppliers to provide greater flexibility in free cash flow.</p> <p>9. Strategies to improve debt profile and obtain resources, if necessary, at the best possible market rates.</p>
<p>Interruption of the business</p>	<p>Business continuity may be affected by, among other things, political and social unrest, cyber-attacks and technological failures, pandemics and epidemics, and supply chain disruptions, including supplier bankruptcies, port closures, and labor strikes.</p> <p>In our case, one of the most important issues is that several of our business units may be significantly dependent on certain suppliers for raw materials and critical inputs. We could experience shortages if strategic suppliers are unable to supply fuel, biofuels, pipeline deliveries, base oils, additives, and other lubricant inputs in the quantities and with the frequency we require.</p> <p>We could experience loss of customers due to defaults, economic loss or increased costs, reputational risk, loss of market share, failure to meet corporate budgets, liability to third parties or claims and penalties for breach of contract, and rework or reduced productivity.</p>	<p>The measures implemented by Organización Terpel to manage this risk are:</p> <p>Fuel:</p> <ol style="list-style-type: none"> 1. A contingency protocol defines the roles and general activities for dealing with possible supply shortages, restrictions, or changes in operations, as well as contingency plans for responding to possible disruptions. 2. Training on the application of the contingency plan and response protocol at work centers and plants. 3. Operations supply committee with the regions to assess the status of the operation and any supply requirements or other needs. <p>Lubricants:</p> <ol style="list-style-type: none"> 4. Constant monitoring of inventory levels of raw materials (basic materials, additives and other inputs) and finished products to monitor days on hand, safety stock, and average consumption. 5. Mutual support committee for the supply of raw materials and finished products between lubricant plants (Colombia-Peru-Chile). 6. Definition of a 5-year plan and budget for the improvement of our operational flexibility and

		<p>storage capacity in base oil and additive tanks.</p> <p>7. An additive supply model to increase the number of days of safety stock we could have with additive suppliers.</p> <p>8. Development of formulas with alternate suppliers by our global supplier (greater flexibility) for critical products.</p>
<p>Difficulties finding, developing, and retaining the best talent</p>	<p>Difficulties could be encountered finding specialized talent for strategic positions in the organization (e.g. digital transformation processes, data analytics, robotics, and fuels and lubricants), or key people could be lost if we fail to implement a talent loyalty strategy that correctly interprets the current needs of our employees. Other difficulties could be encountered in deficiencies related to a work-life balance, flexible work schedules, equitable assignment of workloads and functions, or a companywide culture of empowerment, leadership, and innovation.</p> <p>Similarly, with generational changes, it is becoming increasingly important for people to feel that the corporate purpose is aligned with their personal purpose, strengthening their love for the brand and their sense of belonging in the organization.</p> <p>The possible impacts of this risk are:</p> <p>1. Loss of critical business information and knowledge. 2. Employees do not feel valued or have a sense of</p>	<p>The measures implemented by Organización Terpel to manage this risk are:</p> <p>1. Posting of job opportunities: Close work with the business units that are our internal customers to clearly and precisely define the profiles required to fill vacancies, and thereby issue clear announcements of job opportunities for internal talent (the first option) or external talent.</p> <p>2. To continue in our position as an employer brand in Colombia, an outreach plan with the different schools in the country creates opportunities and strengthens our presence. Strengthened communication channels through social media to communicate our mission, higher purpose, organizational culture, and progress on issues related to sustainability, social responsibility, and the environment in order to better connect with our audiences.</p> <p>3. Tracking changes in trends: Constant analysis of the changing context, new trends in human talent management, and the work preferences of current and future generations. Benchmarking with colleagues from other companies to identify best practices in other industries, literature studies, and participation in forums and</p>

	<p>ownership of the company and its brands.</p> <p>3. Reduced employee commitment to achieving our higher purpose.</p> <p>4. High turnover of key talent in certain areas, impacting the continuity of cultural change initiatives.</p> <p>5. Deterioration of work climate and slow development of organizational culture.</p> <p>6. Low productivity and competitiveness</p> <p>7. Reputational risk</p>	<p>congresses of human talent companies, as well as in working groups where these topics are discussed in Colombia (for example: ANDI, ACRIP).</p> <p>4. Our value offer, which consists of both salary and emotional salary.</p> <p>5. The creation of programs for talent development, such as:</p> <ul style="list-style-type: none"> * Mentoring programs that prepare high-potential individuals for roles of greater responsibility in the organization. * Talent in Development Program, with the 70-20-10 training model: 70 (Experiences)-20 (Developmental relationships)-10 (Coursework and training) Career path. * Cross-functional development, where some positions may change roles for a period of time to gain a more cross-functional knowledge of the business. * Other training programs. <p>6. Knowing that we have some critical positions in the organization that may be difficult to replace, a list of critical positions and possible successors who are trained and prepared to assume the position when the time comes.</p> <p>7. Definition of our cultural ecosystem in accordance with our goals and higher purpose, highlighting our innovation, flexibility, diversity and inclusion, and leadership programs (strengthening the 10 characteristics of a Terpel leader).</p> <p>8. Continued strengthening of our culture of feedback and recognition through training</p>
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		<p>programs and performance reviews that provide formal and informal spaces to give and receive feedback and recognize employees when they excel and exemplify our values.</p>
<p>Failures in the culture of ethics and transparency</p>	<p>A culture of ethics and transparency is extremely important, because it reflects the commitment of senior management to accept and assume it as a priority responsibility under which all employees agree to do what is right and to pursue the objectives and values of Organización Terpel. Our ethics culture is the first topic covered in our Code of Conduct, which must be communicated and practiced in our decisions and daily actions.</p> <p>Consistency between what we say and what we do is the key to strengthening our culture of ethics. Our behaviors, actions and decisions must be guided by our values of integrity, respect, and reliability and communicated to the organization through the example of our leaders.</p> <p>Failure to foster this culture in the organization could expose us to fraud, corruption, and bribery, which could result in financial loss, fines or sanctions, and damage to our reputation.</p> <p>The possible impacts of this risk are:</p> <ol style="list-style-type: none"> 1. Low reliability of financial statements. 2. Loss of stakeholder support. 	<ol style="list-style-type: none"> 1. The Organization's Code of Conduct has been drawn up and disseminated. It formally establishes the principles, values, and ethical standards by which the company is governed. It addresses core human, labor, and environmental rights, as well as anti-corruption and anti-bribery practices. 2. Terpel's confidential reporting line gives employees, suppliers, contractors, shareholders, and other stakeholders different channels for reporting any situation violating the Code of Conduct or corporate policies and procedures, and guarantees the confidentiality of reports. 3. Training on our Code of Conduct in corporate induction and refresher courses. Internal notices and communications also include reminders about our confidential reporting line. 4. The Ethics committee, led by the company's senior management, promotes the organization's ethical culture. This body also monitors, manages, and sanctions any cases identified that violate our Code of Conduct, reinforcing our values of integrity, respect and reliability. 5. A Labor relations committee has the purpose of improving the working conditions of employees and protecting them from possible psychosocial risks that may affect their health in the course of their work.

	<p>3. Administrative liability. 4. Loss of revenue and profitability. 5. Failure to meet corporate budgets 6. Loss of information that is confidential and sensitive for the organization. 7. Insufficient or inconsistent key information for decision making 8. Compromise of the control environment 9. Reputational damage</p>	<p>6. Monitoring of metrics and indicators for cases and complaints reported through the confidential reporting line, by location, classification, etc. This allows us to analyze trends and define action plans to strengthen the ethics culture in the organization.</p> <p>7. Our conflict of interest policy defines guidelines and procedures for preventing, managing, disclosing, and administering potential conflicts of interest. Each year, all employees complete a conflict of interest disclosure form and our Ethics Committee analyzes and manages the cases identified.</p> <p>8. A system for preventing the risks of money laundering, terrorist financing and corruption, based on our Know Your Customer policies, ongoing employee training, and reporting to the authorities as required by law.</p>
<p>Regulatory compliance</p>	<p>We are exposed to an environment of greater regulatory change due to the political and/or economic instability we are experiencing and the legislative work of the new administration and its agencies. This could lead to changes in laws, rules, and regulations in the areas of fuel distribution, public utilities, or financial, accounting, labor, tax, environmental, or licensing laws, among others. These changes could adversely affect the way Terpel operates if it is not able to anticipate and respond in a timely manner to the most relevant changes related to</p>	<p>Regulatory Change Policy</p> <p>A Regulatory Change Policy defines the structure, governance, roles, and responsibilities across the organization for managing regulatory change. It is reviewed and updated yearly in accordance with applicable changes.</p> <p>This policy is made known and shared with those responsible for its implementation.</p> <p>Culture of compliance</p> <p>Continuous alignment with the Executive Committee to leverage and reinforce a culture of compliance.</p>

	<p>key areas of its business.</p> <p>We could also be exposed to regulatory compliance risks if the areas responsible for such compliance are not quick to adapt processes and comply with the most relevant or important regulations in the areas of ML/FT, personal data protection, free competition, and others. This could result in fines or financial, criminal, or civil penalties for us and our employees.</p> <p>This risk could result in increased operating costs, higher tax costs, or operational trauma due to the adoption of regulations. It could result in fines, sanctions and closures of operations; damage to the company's image and reputation; changes in organizational decision-making policies; market, credit and liquidity risk; restrictions by regulatory authorities on the sale of some of our products in certain regions; or the inability to develop activities related to some of our businesses.</p>	<p>An annual work plan raises awareness and educates the organization on managing regulatory change. In this way, leaders learn about the impact of implementing such changes, the importance of anticipating them, and the responsibilities of the areas with respect to the system.</p> <p>Updated plan for engagement with unions and government Yearly updating of the lobbying and advocacy plan to reflect the political landscape. This helps ensure we remain viable in the areas where we operate, learn first-hand about regulatory changes, and influence public policy.</p> <p>Changes in regulatory interpretation Regarding changing regulatory interpretations, legal uncertainties, and loopholes, ongoing support from the industry association (ACP) when the impact is general to the industry, or engagement with the authorities if the impact is specific to the company.</p> <p>Compliance monitoring Continuous tracking and monitoring of regulatory compliance and new regulations that have a relevant impact on our business units. The process includes sending alerts to areas, raising awareness, and explaining the importance of implementation. It also includes action plans with implementation dates and the person responsible for enforcing compliance.</p>
<p>Physical security and</p>	<p>This refers to the risk of accidents or illnesses caused by our operations to</p>	<p>1. Integrated management system</p>

<p>safety risks in our operations</p>	<p>our employees or third parties. It also refers to possible insecurity in some of our operations (theft, robbery, or extortion) that could affect the well-being of our employees or third parties, cause damage to our physical infrastructure, or result in loss or damage to our products or inventory.</p> <p>Possible impacts could include closure of work centers, interruption of business, cost overruns, personal injury, property damage, third-party damage, reputational damage, legal non-compliance, possible non-compliance with customers and partners, fines or closures, and lawsuits.</p>	<p>A comprehensive management system uses the PDCA methodology to ensure correct and timely identification and management of environmental risks, and provide training for operations and feedback on lessons learned from accident investigations.</p> <p>2. System monitoring and verification</p> <p>System verification with an online indicator dashboard, and internal and external audits for each operation.</p> <p>3. Emergency response plan Our emergency response plan includes: Formation and training of the emergency brigade Protocol and service pathway Contact with external support agencies</p> <p>4. Insurance policies Affiliation with and coverage by the Labor Risk Administrator ARL.</p> <p>5. Control of access to physical facilities: Control of access to all work centers. Only the following people can enter: Direct employees, contractors and visitors/customers with prior security validation (always accompanied by a direct employee).</p> <p>6. Guard services: Security services contracted through a company approved by the Superintendency of Private Security in the case of work centers that are not located in a protected complex. Guard company supervisor visits to verify normal operations. Support coordinated with</p>
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		<p>supporting institutions such as the police, district attorney, Gaula, and others</p> <p>7. Other controls: Perimeter fences around work centers to secure them and act as a protective barrier; a surveillance system in several work centers (panic buttons and door-opening sensors); CCTV in most work centers.</p> <p>8. Insurance policies All-risk property damage and extra-contractual liability policies for plants, factories, airports, marine service stations, and administrative offices.</p>
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Emerging risks

Managing emerging risks has become an essential component for organizations in a world characterized by rapid change and increasing complexity. At Terpel, we understand emerging risks as those unpredictable or unconventional threats or challenges that can arise unexpectedly and have a significant impact on the organization's operations and long-term viability. These risks can come from a variety of sources, such as disruptive technological advances, changes in the regulatory environment, extreme weather events, or health crises. Proactive management of these risks is essential to anticipate, assess, and mitigate potential adverse impacts, enabling us to adapt effectively to a dynamic business environment and be resilient in the face of emerging challenges.

Risk	Description of the risk and possible impact	Mitigation actions
Technology lag and cyberattacks	Cyber-attacks such as phishing, ransomware, social engineering, global espionage of key systems, and data breaches by employees or others with authorized access can damage the integrity, availability, and confidentiality of information; damage critical production, distribution, and/or storage facilities; delay or prevent delivery of our products to markets; or make it difficult or	<p>The measures implemented by Organización Terpel to manage cybersecurity risk include:</p> <p>1. Vulnerability identification and management: To identify vulnerabilities in IT assets, automated tools, industry or knowledge bases, and platform managers. Once vulnerabilities are identified, we apply security patches and track their timely closure.</p>

<p>impossible to accurately account for production and settle transactions in our operations. In addition, our processes may be disrupted, resulting in the loss of sensitive or proprietary information belonging to our customers, employees, or third parties.</p> <p>Our systems and procedures designed to protect us from such attacks and to mitigate these risks could prove inadequate in the future due to the speed with which cybercriminals evolve their methods to breach us. And those systems and procedures to protect against such attacks could require us to incur in significant costs to update or to enhance our reasonable defenses in order to mitigate the economic, legal, and reputational damage resulting from the sophisticated evolution of attackers.</p> <p>Disruptions or breaches in our cybersecurity could affect or target the IT infrastructure that supports the business' core and support processes. Any cyber attack could have a material impact on our business, affecting the continuity of our operations, our relationships with our business partners, or our reputation.</p> <p>Cyber risk has become a constantly evolving systemic risk for Organización Terpel.</p> <p>The drastic increase in remote work, greater reliance on the Internet, pressures related to</p>	<p>2. Strategic Cybersecurity Committee: This committee meets once a quarter to review critical developments and strategic cybersecurity plans. It is made up of the VP of IT, the IT manager, the audit manager, the director of legal affairs, the head of labor relations and the country heads.</p> <p>3. Our cybersecurity culture and awareness plan includes educational campaigns, security tips, workshops, and training. Every 3 months, we conduct controlled attacks on the organization to determine how many people fall victim to the attack and use this information to strengthen the plan.</p> <p>4. Development of a disaster recovery plan in the event of an information system service failure. We track the performance of the response plan by reviewing reports and conducting tests, and develop a strategic response plan for managing crises.</p> <p>5. A cyber insurance policy covers the costs/expenses of investigations, fines, and the general cost of recovering from an attack. Each year, we seek to improve the terms of this policy.</p>
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	<p>the digital transformation, critical vulnerabilities in IT infrastructure, and increased state sponsorship of such attacks means our exposure to this risk is increasing.</p>	
<p>Climate change and energy transition</p>	<p>Climate change and the energy transition are on the global agenda. Continued political and social attention on climate change have led to international agreements such as the Paris Agreement, as well as national, regional, and local regulations to limit and mitigate greenhouse gas (GHG) emissions and their impacts on the environment.</p> <p>These agreements and measures could result in future laws and regulations that increase our compliance costs and produce greater restrictions on operations. Currently, regulatory bodies such as the Colombian Financial Superintendency and some customers already require compliance, reporting, and disclosure of information and evidence on our climate change management. Regulators could also seek to limit certain oil or gas projects or make it more difficult for us to obtain the permits required to operate.</p> <p>Climate and ESG regulation is expected to have a significant impact on the hydrocarbon industry, which would have a direct impact on our business model. Likewise, public policy decisions aimed at reducing the use of fossil fuels and promoting the energy transition could also have adverse effects on our sales</p>	<p>We implement measures and strategies to adapt our business to climate change, managing our resources to offer long-term solutions for global warming and the energy transition. These actions are described in our Environmental Stance and in the "Our Commitment to the Planet" chapter of this report.</p>

	<p>volumes, revenues, and margins.</p> <p>Shareholders could divest their resources from fossil fuel companies such as ours, which would affect our share price and our ability to access the capital markets. According to international press reports, some financial institutions in Europe have begun to limit their exposure to fossil fuel projects, which could also serve as an example for financial institutions in Colombia and Latin America. As a result, our ability to obtain financing for these types of future projects could be adversely affected.</p> <p>The physical effects of climate change, such as rising temperatures and sea levels and fluctuations in water levels, could also have repercussions on our operations, assets, and supply chains, potentially causing business disruptions or shortages for our customers in different markets.</p>	
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Annex 7. GRI Content Index 2023

GRI Standard	Contents	Location: Management and Sustainability Report 2023	Page	OMISSIONS		
				OMITTED REQUIREMENT(S)	REASON	EXPLANATION
GRI 2: General disclosures 2021	2-1 Organizational details	About this report	Page 5			
	2-2 Entities included in the organization's sustainability reporting	About this report	Page 5			
	2-3 Reporting period, frequency and contact point	About this report	Page 5			
	2-4 Restatements of information	About this report	Page 5			
	2-5 External assurance	About this report	Page 5			
	2-6 Activities, value chain and other business relationships	About Terpel	Page 20 - 53			
	2-7 Employees	* Contribution of the business units to financial sustainability - Masser (Colombia) * Our commitment to people	Page 125			
	2-8 Workers who are not employees	* Our commitment to people - Diversity, equity, and human talent	Page 126			
	2-9 Governance structure and composition	Ethics governance - Analysis of corporate governance	Page 95			
	2-10 Nomination and selection of the highest governance body	Ethics governance - Analysis of corporate governance	Page 96			
102-23 Chair of the highest governance body	Ethics governance - Analysis of corporate governance	Page 96				
2-12 Role of the highest governance body in overseeing the	Ethics governance - Analysis of corporate governance	Page 100				

	management of impacts					
	2-13 Delegation of responsibility for managing impacts	Ethics governance - Analysis of corporate governance	Page 100			
	2-14 Role of the highest governance body in sustainability reporting	Ethics governance - Analysis of corporate governance	Page 99			
	2-15 Conflicts of interest	Ethics governance - Analysis of corporate governance	Page 100			
	2-16 Communication of critical concerns	Ethics governance - Analysis of corporate governance	Page 101			
	2-17 Collective knowledge of the highest governance body	Ethics governance - Analysis of corporate governance	Page 100			
	2-18 Evaluation of the performance of the highest governance body	Ethics governance - Analysis of corporate governance	Page 100			
	2-19 Remuneration policies	N/A	N/A	X	Not reported due to confidentiality restraints.	The company has determined that this information is confidential.
	2-20 Process to determine remuneration	N/A	N/A	X	Not reported due to confidentiality restraints.	The company has determined that this information is confidential.
	2-21 Annual total compensation ratio	N/A	N/A	X	Not reported due to confidentiality restraints.	The company has determined that this information is confidential.

	2-22 Statement on sustainable development strategy	Statement on sustainable development strategy	Page 10			
	2-23 Policy commitments	Ethics governance - Analysis of corporate governance - Our commitment to corporate governance	Page 94			
	2-24 Embedding policy commitments	Ethics governance - Analysis of corporate governance - Our commitment to corporate governance	Page 94			
	2-25 Processes to remediate negative impacts	Ethics governance - Analysis of corporate governance - Our commitment to corporate governance	Page 94			
	2-26 Mechanisms for seeking advice and raising concerns	Ethics governance - Analysis of corporate governance - Our commitment to corporate governance	Page 94			
	2-27 Compliance with laws and regulations	Ethics governance - Analysis of corporate governance - Our commitment to corporate governance	Page 67			
	2-28 Membership associations	Process to determine material topics - Materiality Analysis - Our stakeholders	Page 19			
	2-29 Approach to stakeholder engagement	Process to determine material topics - Materiality Analysis - Our stakeholders	Page 91			
	2-30 Collective bargaining agreements	Talent training - Training initiatives - Our team's satisfaction	Page 131			
Material topics						
GRI 3: Material topics 2023	3-1 Process to determine material topics	Process to determine material topics - Materiality Analysis	Page 90			

	3-2 List of material topics	Process to determine material topics - Materiality Analysis - Double materiality at Terpel	Page 90			
Financial performance						
GRI 3: Management of material topics 2021	3-3 Management of material topics	In the introduction to each material topic, throughout the report.	Page 95			
GRI 201: Financial results 2016	201-1 Direct economic value generated and distributed	Contribution of the business units to financial sustainability - A Colombian company with an international presence	Pages 15 - 17			
Market Presence						
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	N/A	N/A	X	Not reported due to confidentiality restraints.	The company has determined that this information is confidential.
	202-2 Proportion of senior management hired from the local community	Our commitment to people - Diversity, equity, and human talent	Page 125			
Indirect economic impacts						
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	N/A	N/A	X	Information not available or incomplete.	
	203-2 Significant indirect economic impacts	Community relations and development - Being a good neighbor - Communicating and engaging with our communities	Page 140			
Procurement practices						
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	Responsible supply chain management - local suppliers	Page 19			

Anti-corruption						
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Ethics governance - Analysis of corporate governance - Our commitment to corporate governance	Page 110			
	205-2 Communication and training about anti-corruption policies and procedures	Ethics governance - Analysis of corporate governance - Our commitment to corporate governance	Page 110			
	205-3 Confirmed incidents of corruption and actions taken	Ethics governance - Analysis of corporate governance - Our commitment to corporate governance	Page 110			
Anti-competitive behavior						
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Litigation and judicial proceedings - Compliance with laws, regulations, and procedures for prevention of violations	Page 56			
Tax						
GRI 207: Tax 2019	207-1 Approach to tax	Ethics governance - Analysis of corporate governance - Our commitment to corporate governance - Tax management and control and tax risk management	Page 111			
	207-2 Tax management and control and tax risk management	Ethics governance - Analysis of corporate governance - Our commitment to corporate governance - Tax management and control and tax risk management	Page 111			
	207-3 Stakeholder engagement and management concerns related to tax	Ethics governance - Analysis of corporate governance - Our commitment to corporate governance - Tax management and control and tax risk management	Page 111			
	207-4 Country-by-country reporting	See annexes section on web page	N/A			
Materials						
GRI 301: Materials 2016	301-1: Materials used by weight or volume	Operational eco-efficiency - Key figures of our management				
	301-3: Reclaimed products and their packaging materials	Circular economy	Page 161			
Energy						
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Climate change and energy transition - Our work in emissions - Our energy management	Page 118			

	302-2 Energy consumption outside of the organization	Climate change and energy transition - Our work in emissions - Our energy management				
	302-3 Energy intensity	Climate change and energy transition - Our work in emissions - Our energy management	Page 119			
	302-4 Reduction of energy consumption	Climate change and energy transition - Our work in emissions - Our energy management				
	302-5 Reduction of energy requirements for products and services	N/A	N/A	X	Information not available or incomplete.	We do not have details relative to this information but will work on plans for future years.

Water and effluents

GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	Biodiversity and ecosystem protection - Water resource management	Page 120			
	303-2 Management of water discharge-related impacts	Biodiversity and ecosystem protection - Water resource management	Page 122			
	303-3 Water withdrawal	Biodiversity and ecosystem protection - Water resource management	Page 120			
	303-4 Water discharge	N/A	N/A	X	Not applicable	Not considered to be a material issue.
	303-5 Water consumption	Biodiversity and ecosystem protection - Water resource management	Page 120			

Biodiversity

GRI 304: Biodiversity 2016	304-1 Operational facilities owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside of protected areas	N/A	N/A	X	Not applicable	As biodiversity is not affected by any of the construction projects or the provision of products and services, this is not considered a material issue.
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity and ecosystem protection		Pages 56 and 59		
	304-3 Habitats protected or restored	N/A	N/A	X	Not applicable	As biodiversity is not affected by any of the construction projects or the provision of produ

						cts and services, this is not considered a material issue.	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A		N/A	X	Not applicable	As biodiversity is not affected by any of the construction projects or the provision of products and services, this is not considered a material issue.
Emissions							
GRI 305: Emissions 2016	305-1 Direct (scope 1) GHG emissions	Climate change and energy transition - Our work in emissions		Page 117			
	305-2 Energy indirect (Scope 2) GHG emissions	Climate change and energy transition - Our work in emissions		Page 117			

	305-3 Other indirect (Scope 3) GHG emissions	Climate change and energy transition - Our work in emissions	Page 117			
	305-4 GHG emissions intensity	Climate change and energy transition - Our work in emissions				
	305-5 Reduction of GHG emissions	Climate change and energy transition - Our work in emissions	Page 117			
	305-6 Emissions of ozone-depleting substances (ODS)	N/A	N/A	X	Not applicable	The company does not generate these types of gases.
	305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A	N/A	X	Not applicable	The company does not generate these types of gases.

Waste

GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Operational eco-efficiency - Key figures of our management	Page 121			
	306-2 Management of significant waste-related impacts	Operational eco-efficiency - Circular economy	Page 121			
	306-3 Waste generated	Operational eco-efficiency - Key figures of our management	Page 122			
	306-4 Waste diverted from disposal	Operational eco-efficiency - Key figures of our management	Page 122			
	306-5 Waste directed to disposal	Operational eco-efficiency - Key figures of our management	Page 122			

Supplier Environmental Assessment						
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible supply chain management - Composition of the supply chain - Supplier selection				
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible supply chain management - Composition of the supply chain - Supplier assessment and supply chain risk identification				
Employment						
GRI 401: Employment 2016	GRI 401-1: New employee hires and employee turnover	Our commitment to people - Diversity, equity, and human talent - Total new hires	Pages 126-127			
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our commitment to people - Diversity, equity, and human talent - Benefits for our team	Page 127			
	401-3 Parental leave	Our commitment to people - Diversity, equity, and human talent - Benefits for our team	Page 127			
Labor/Management Relations						
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	N/A	N/A	X	Information not available or incomplete.	
Occupational Health and Safety						
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Our commitment to people - Diversity, equity, and human talent - Occupational health and safety	Page 134			
	403-2 Hazard identification, risk assessment, and incident investigation	Our commitment to people - Diversity, equity, and human talent - Identification of occupational hazards and evaluation and assessment of occupational risks	Page 135			

	403-3 Occupational health services	Our commitment to people - Diversity, equity, and human talent - Identification of occupational hazards and evaluation and assessment of occupational risks	Page 135			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Our commitment to people - Diversity, equity, and human talent - Employee involvement in OHS management	Page 135 - 137			
	403-5 Worker training on occupational health and safety	Our commitment to people - Diversity, equity, and human talent - Occupational health and safety training	Pages 136 and 138			
	403-6 Promotion of worker health	Our commitment to people - Diversity, equity, and human talent - The health of our employees	Page 136			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our commitment to people - Diversity, equity, and human talent - The health of our employees	Page 136			
	403-8 Workers covered by an occupational health and safety management system	Our commitment to people - Diversity, equity, and human talent - Occupational health and safety	Pages 134 and 137			
	403-9 Work-related injuries	Our commitment to people - Diversity, equity, and human talent - Occupational health and safety indicators - Terpel Employees	Page 137			
	403-10 Work-related ill health	Our commitment to people - Diversity, equity, and human talent - Occupational health and safety indicators - Terpel Employees	Page 138			
Training and education						
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	Our commitment to people - Diversity, equity, and human talent - Talent training	Page 128			

	404-2 Programs for upgrading employee skills and transition assistance programs	Our commitment to people - Diversity, equity, and human talent - Talent training	Page 127-128			
	404-3 Percentage of employees receiving regular performance and career development reviews	Our commitment to people - Diversity, equity, and human talent - Talent training	Page 129			
Diversity and Equal Opportunity						
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	* Contribution of the business units to financial sustainability - Affiliates - Masser (Colombia) and * Our commitment to people - Diversity, equity, and human talent	Page 133			
	405-2 Ratio of basic salary and remuneration of women to men	N/A	N/A	X	Not reported due to confidentiality restraints.	
Non-discrimination						
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Our commitment to people - Diversity, equity, and human talent - Equity, diversity, and inclusion practices	Page 133			
Freedom of Association and Collective Bargaining						
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	Responsible supply chain management - Composition of the supply chain - Supplier assessment and supply chain risk identification	Page 131			
Child labor						
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Responsible supply chain management - Composition of the supply chain - Supplier assessment and supply chain risk identification				
Forced or compulsory labor						

GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Responsible supply chain management - Composition of the supply chain - Supplier assessment and supply chain risk identification				
Security practices						
GRI 410: Security practices 2016	410-1 Security personnel trained in human rights policies or procedures.			X	Information not available or incomplete.	
Rights of Indigenous Peoples						
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	* Ethics governance - Analysis of corporate governance - Our commitment to corporate governance * Community relations and development - Being a good neighbor - Communicating and engaging with our communities				
Local Communities						
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community relations and development - Being a good neighbor - Communicating and engaging with our communities - Country Partner - Programs with the communities	Page 139-148			
	413-2 Operations with significant actual and potential negative impacts on local communities	Community relations and development - Being a good neighbor - Communicating and engaging with our communities	Page 141			
Supplier social assessment						
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible supply chain management - Composition of the supply chain - Supplier selection	Page 111-113			
	414-2 Negative social impacts in the supply chain and actions taken	Responsible supply chain management - Composition of the supply chain - Supplier assessment and supply chain risk identification				

Public Policy						
GRI 415: Public Policy 2016	415-1 Political contributions	Ethics governance - Analysis of corporate governance - Our commitment to corporate governance - Code of Conduct	Page 110			
Customer Health and Safety						
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	N/A	N/A	X	Information not available or incomplete.	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Litigation and judicial proceedings - Compliance with laws, regulations, and procedures for prevention of violations	Page 56			
Marketing and Labeling 2016						
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling.	Portfolio and quality operations - Information requirements for product labeling	Page 34			
	417-2 Incidents of non-compliance concerning product and service information and labeling	Litigation and judicial proceedings - Compliance with laws, regulations, and procedures for prevention of violations	Page 56			
	417-3 Incidents of non-compliance concerning marketing communications	Litigation and judicial proceedings - Compliance with laws, regulations, and procedures for prevention of violations	Page 56			
Customer privacy						
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Litigation and judicial proceedings - Compliance with laws, regulations, and procedures for prevention of violations	Page 156-157			

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SASB Oil & Gas - Refining & Marketing: EM-RM-110a.1	EM-RM-110a.1 Greenhouse gas emissions	Climate change and energy transition - Our work in emissions
SASB Oil & Gas - Refining & Marketing: EM-RM-110a.2	EM-RM-110a.2: Greenhouse gas emissions	Climate change and energy transition - Our work in emissions
SASB Oil & Gas - Refining & Marketing: EM-RM-140a.1	EM-RM-140a.1: Water management	Biodiversity and ecosystem protection - Water resource management
SASB Oil & Gas - Refining & Marketing: EM-RM-150a.1	EM-RM-150a.1: Hazardous materials management	Operational eco-efficiency - Key figures of our management
SASB Oil & Gas - Refining & Marketing: EM-RM-320a.1	EM-RM-320a.1: Workforce health and safety	Our commitment to people - Diversity, equity, and human talent - Occupational health and safety indicators - Terpel Employees
SASB Oil & Gas - Refining & Marketing: EM-RM-320a.2	EM-RM-320a.2: Workforce health and safety	Our commitment to people - Diversity, equity, and human talent - Occupational health and safety indicators - Terpel Employees
SASB Oil & Gas - Refining & Marketing: EM-RM-530a.1	EM-RM-530a.1: Management of the legal and regulatory environment	Ethics governance - Analysis of corporate governance
SASB Chemical substances: RT-CH-110a.1	RT-CH-110a.1: Greenhouse gas emissions	Climate change and energy transition - Our work in emissions
SASB Chemical substances: RT-CH-110a.2	RT-CH-110a.2 Greenhouse gas emissions	Climate change and energy transition - Our work in emissions
SASB Chemical substances: RT-CH-130a.1	RT-CH-130a.1: Energy management	Climate change and energy transition - Our work in emissions - Our energy management
SASB Chemical substances: RT-CH-140a.1	RT-CH-140a.1: Water management	Biodiversity and ecosystem protection - Water resource management
SASB Chemical substances: RT-CH-140a.3	RT-CH-140a.3: Water management	Biodiversity and ecosystem protection - Water resource management
SASB Chemical substances: RT-CH-150a.1	RT-CH-150a.1: Hazardous waste management	Operational eco-efficiency - Key figures of our management

SASB Chemical substances: RT-CH-210a.1	RT-CH-210a.1: Community relations	Community relations and development
SASB Chemical substances: RT-CH-320a.1	RT-CH-320a.1: Workforce health and safety	Our commitment to people - Diversity, equity, and human talent - Occupational health and safety indicators - Terpel Employees
SASB Chemical substances: RT-CH-320a.2	RT-CH-320a.2: Workforce health and safety	Our commitment to people - Diversity, equity, and human talent - Occupational health and safety indicators - Terpel Employees
SASB Chemical substances: RT-CH-410a.1	RT-CH-410a.1: Product design for product use-phase efficiency	Portfolio and quality operations - Our products
SASB Chemical substances: RT-CH-530a.1.	RT-CH-530a.1: Management of the legal and regulatory environment	Ethics governance - Analysis of corporate governance

First progress report on TCFD implementation

Organización Terpel S.A.

2023

This report is the first progress report on the implementation of the TCFD recommendations by Organización Terpel S.A. This information will be the basis for regular reports on progress made in the 4 thematic areas of Governance, Strategy, Risk Management, and Metrics and Targets, in accordance with the organization's maturity and management.

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Letter from the President

Terpel's environmental stance includes a commitment to achieve zero net carbon emissions for Scopes 1 and 2 by 2050 as part of our adaptation to the energy transition. Taking such a step implies strengthening our processes for identifying the risks and impacts associated with this path. It is therefore with great pride that we present our first report in line with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).

We are fully aware of the impacts of climate change and are firmly committed to meeting the commitments made in the Paris Agreement, as well as to responding to the growing interest of our investors and other stakeholders in this area. This report provides a comprehensive overview of our progress in defining our strategy, governance, management of climate-related risks and opportunities, and the related indicators and targets.

We are committed to contributing to the economic, social, and environmental development of the communities in which we operate. Our business conduct is based on sound ethical principles and transparent corporate governance. By publishing this report, we continue to strengthen our processes for disclosing environmental risks and impacts in a transparent manner to shareholders, investors, and regulators.

In 2023, after defining issues with double materiality, we continued to strengthen our sustainability work in order to contribute to sustainable development and create long-term value for our stakeholders. Our progress on environmental, social, and governance issues was highlighted in our Management and Sustainability Report.

Introduction

Organización Terpel S.A. recognizes the importance of understanding and addressing the risks and opportunities associated with climate change. We are committed to being at the forefront of efforts to comprehensively assess the financial and operational impacts of climate change challenges. We recognize that climate change poses a threat to the quality of life and livelihoods of current and future generations, as well as a significant risk to our business strategy and ability to create long-term value. We are therefore committed to taking a proactive approach to identifying and mitigating these risks, while also exploring the opportunities presented by the transition to a more sustainable and climate-resilient economy.

1. Governance

Governance structures play a fundamental role in how we at Terpel address the challenges of climate change. Our commitment to integrity, transparency, and responsible management leads us to establish governance, management, and reporting mechanisms that enable us to effectively identify, assess, and respond to climate-related risks and opportunities.

(1.1) Board oversight of climate-related risks and opportunities

As the highest governance body of the organization, the Board of Directors plays a central role in overseeing and making informed decisions on environmental, social, and governance (ESG) issues, with a particular focus on climate change.

Direct oversight and monitoring of ESG issues, including climate change, has been delegated by the Chairman to each member of the Executive Committee according to the scope of their roles, responsibilities, and competencies in the organization. Specifically, a member of the Board of Directors has been designated to work closely with Corporate and Legal Affairs to provide regular updates on progress against the targets, commitments, and priority indicators. This approach ensures specialized oversight and detailed monitoring of climate issues in the organization.

Our Board has two formal committees: the Compensation and Benefits Committee and the Audit and Risk Committee, and has delegated three additional support committees to management - Sustainability, Communications, and Ethics - that address the different ESG issues in accordance with the scope of the company's functions and responsibilities.

While each committee addresses specific issues within the various dimensions of ESG, two committees in particular address climate issues:

- The **Sustainability Committee** is the highest-level body for sustainability issues, taking a company-wide approach to key issues, including climate. It oversees the monitoring, evaluation, and follow-up of the implementation of the sustainability model, key action plans, risk management policies, and budget and ESG management priorities. It sets and leads the definition of the company's sustainability performance targets. The committee meets at least every six months to assess progress, challenges, and next steps on key issues related to the model and the implementation of specific initiatives, and reports regularly on developments, trends, and other issues that arise in the interim and require priority decisions.

This committee is chaired by the president and includes the vice presidents of corporate and legal affairs, human resources and administration, operations, corporate finance, sales, convenience services and marketing, the director of corporate affairs, the director of the Terpel Foundation, and the head of corporate responsibility. The internal audit manager and the director of risk management and other key people also participate as guests, depending on the topics to be

discussed. Throughout the year, the Committee shares relevant information as needed for decision making.

- The **Audit and Risks Committee** oversees the organization's risk management system, ensuring that it includes the identification, analysis, evaluation, and definition of responsibilities, management plans, and monitoring mechanisms for key business risks such as macroeconomic, social, political, environmental, technological, and climate change risks, among other ESG risks. This committee has been responsible for leading the progressive implementation of the recommendations of the Task Force.

These committees are made up of members who hold leadership positions in the organization and are responsible for managing the various issues to be addressed, namely: labor practices, cybersecurity, environmental management, social management, procurement, and communications. The frequency with which each committee meets varies depending on the specific priorities and issues. For more details on board support committees, please refer to the section on board committees in this report.

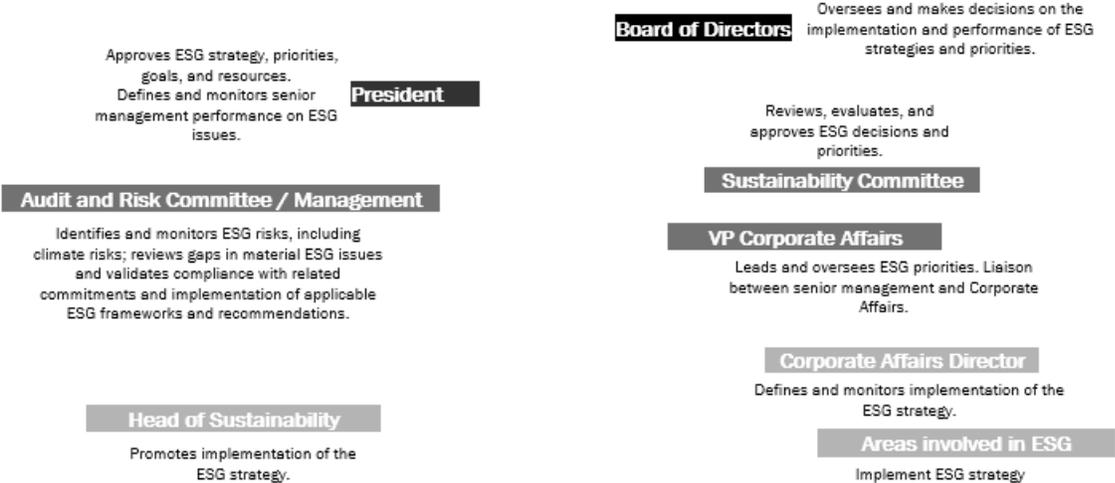
Another way in which the Board is involved in overseeing ESG management, including climate change, is through the preparation of the annual Management and Sustainability Report, which outlines the year's key achievements, challenges, and milestones. The members of the Board of Directors have the authority to make comments, changes, or additions to the information presented in order to ensure the integrity, completeness, and balance of the information presented. This information is approved by the Board of Directors as the final instance in the evaluation process and is then shared with the General Shareholders' Assembly and other stakeholders of the organization.

To ensure that the Board of Directors has a clear, timely, and objective understanding of ESG issues, and in particular environmental issues, including climate, the most relevant information is presented monthly by the President of the organization, who in turn works with the vice president of operations and logistics to prepare and present this information.

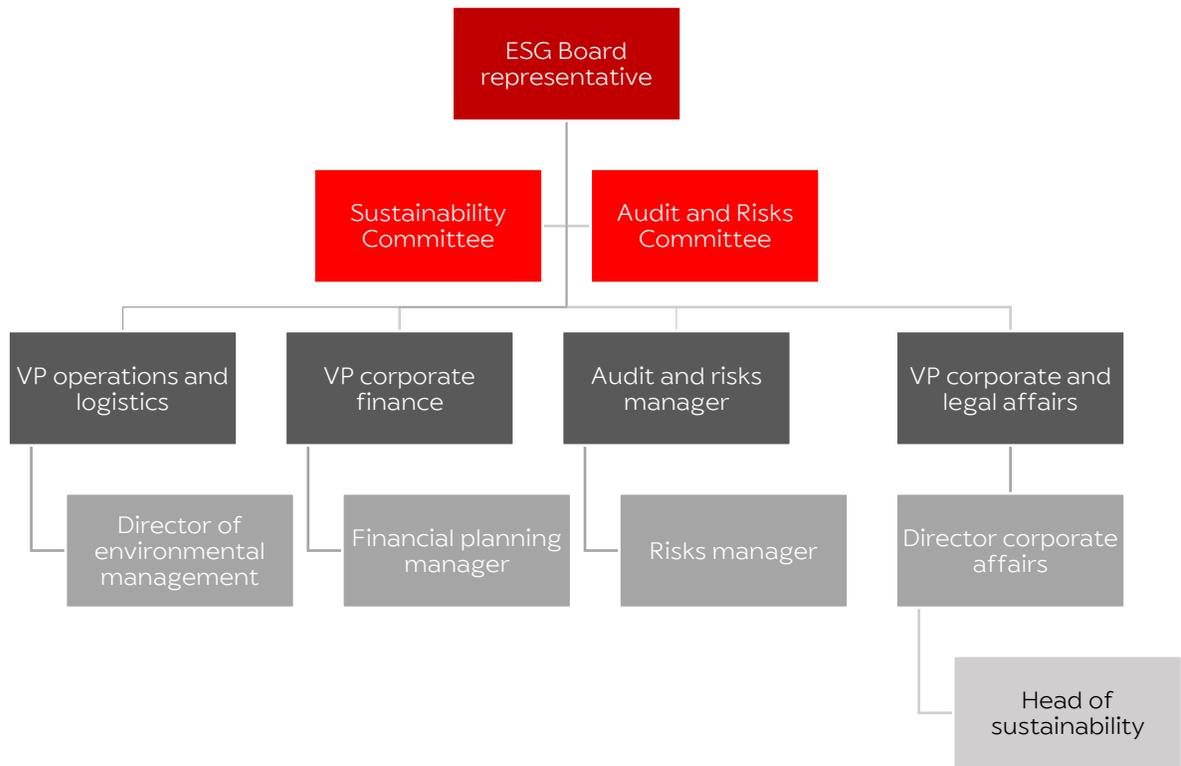
To ensure that members have the necessary skills to make strategic decisions on ESG issues, including climate change risks and opportunities, we have implemented a program to raise the awareness of Board members and provide them with ongoing training. This includes the regular delivery of detailed bulletins with information on environmental and social issues. Information tools specifically designed for climate risks and opportunities are also used to provide a comprehensive understanding of the challenges and opportunities associated with climate change.

(1.2) Management's role in assessing and managing climate-related risks and opportunities

The organization has a governance structure in place to ensure that ESG issues, including climate issues, are identified, managed, monitored, and evaluated at the highest corporate level. An organization-wide governance structure allows for interaction among the various committees and hierarchies involved in ESG management. In accordance with the scope of each position or committee, their functions include, but are not limited to, the following:



The details of this structure are adapted to each specific area dealing with the different dimensions of ESG. The governance structure for considering, managing, and evaluating climate-related issues is as follows:



A determination is made regarding which issues should be escalated to the highest levels based on relevance, materiality, and potential impact. Senior management positions (from department heads to senior management) are responsible for managing, monitoring, and reporting on both progress against ESG priorities and also emerging issues that should be considered because of their potential to impact the organization's current materiality and processes for management and disclosure to regulators, investors, and other relevant stakeholders.

Some examples of topics reported to the Board are:

- Definition, evaluation, and updating of the organization's environmental stance.
- Update of the double materiality exercise.
- Results of external measurements such as the S&P Global Corporate Sustainability Assessment.
- Specific projects to fulfill corporate environmental commitments, including climate change commitments.
- New regulations and frameworks for measurement and reporting that apply to the organization.

2. Strategy

(2.1) Climate Risks and Opportunities

Climate change is a factor that has the potential to impact our value chain, from production, to distribution, to the final use of the energy sources we supply. We therefore take a proactive approach to assessing potential risks, such as carbon price volatility and physical impacts on our infrastructure, while identifying opportunities for innovation and differentiation in a market transitioning to sustainability. Plus, by integrating climate considerations into our strategic planning and decision making, we are taking steps to strengthen our operational and financial resilience to these challenges.

In the countries where we operate - Colombia, Peru, Panama, Ecuador, and the Dominican Republic - we conducted a climate diagnosis with the help of an expert to understand the exposure of our assets to different physical risks using Representative Concentration Pathways (RCP) scenarios. These scenarios project changes in the climate system under different conditions of global average temperature increase that simulate future climate change:

RCP 2.6 Global temperature increase less than 2°C [3.6°F] ~ SSP1-2.6

RCP 4.5 Increase in global temperature limited to 2-3°C [3.6°F-5.4°F] ~ SSP2-4.5.

RCP 8.5 Represents a global temperature increase of +4°C [7.2°F] ~ SSP5-8.5.

This process has led us to identify risks in the physical and transitional categories, along with their potential impacts and associated mitigation measures.

Risk		Risk Category	Potential Impacts	Mitigation measures
Physical	Drought	Chronic	Impact on operations located near water and coastlines.	Implementation of the environmental stance
	Forest fires	Acute		
	Heat stress	Chronic		
	Heavy precipitation	Chronic	Disruptions in the value chain and in product delivery to distributors and end customers.	
	River flooding	Acute		
	Sea level rise	Chronic		
	Tropical cyclone	Acute		
Transitional	Increase in raw material costs	N/A	Possible changes in the costs of oil and its derivatives may increase the company's operating costs.	Diversification of the portfolio of products and services: Strengthening the CNG business for heavy-duty vehicles.
	Increased climate change regulations		Potential increase in taxes related to the production, transportation, and sale of fossil fuels.	

	Loss of competitiveness with other fuels		Fossil fuels such as diesel, gasoline, JetA1, and lubricants may lose sales in a long-term 2°C transition scenario (2DS) compared to other energy sources for mobility, such as natural gas and electricity.	Development of the retail market at service stations. Increased supply for the electric mobility industry. Production and sale of energy from non-conventional renewable sources.
	Decrease in demand and consumption of fossil fuels due to increase in battery-powered electric vehicles.			
	Poor corporate reputation due to pressure from stakeholders.			

Terpel's most relevant climate change risks include high exposure to heat stress. Heat stress is a term that describes the meteorological threat posed by weather events such as heat waves, high annual temperatures, and tropical cyclones.

Among acute risks, fire scores the highest. Flood risk represents the highest exposure in terms of total property value.

However, risk identification has also allowed us to identify growth opportunities in new businesses and sectors connected with increasing our resilience and adaptation to climate change.

Industry	Opportunity
Retail	Evolution of retail offerings at service stations
	Get out of the service station business with a stand-alone retailer
	Ecosystem for vehicle care
Mobility	Dedicated products and services for electric motorcycles
	Mobility as a service
	Growth of Voltex
Energy	Batteries
	Energy sales
	Distribution and storage of solar energy
	Hydrogen

Impact of climate risks and opportunities

We analyzed physical risks for 70% of our assets in the affiliates where we have a presence in the 5 countries. This analysis allowed us to quantify the financial impact on the organization of physical risks associated with climate change.

The assets assessed included:

- 151 service stations
- 26 plants
- 6 car washes
- 5 airports
- 4 administrative offices
- 3 warehouses
- 1 lubricants factory
- 1 lubricants laboratory
- 1 refinery
- 1 mining operation

Analysis of exposure to physical risks

As a result of this study, we were able to identify the assets with the highest exposure to acute and chronic physical risks in short-term (2030), medium-term (2050), and long-term (2100) scenarios:

Chronic heat stress risk: The 20 most exposed sites are located primarily in Panama and Colombia, at a total value of US\$133,995,220. Under an RCP 4.5 scenario, in the short term 13 of these sites would be exposed to risk for more than 180 days, but in the medium and long term, all 20 operating sites would be highly exposed to heat stress for more than 180 days per year. Of these properties, the Lubricants Plant, with a value of US\$36,137,517, is the most exposed to this risk. Four of the highest scoring properties out of the 20 analyzed (Lubricants Plant, Santiago Travel Center Service Station, Baranoa Plant, and Parita Service Station) have a score of 5 in all scenarios and years, representing 10% of the value of the properties analyzed (US\$59 million). These properties should be considered as having high priority due to their exposure in the short, medium, and long term. Ten are located in Colombia and the other 10 in Panama.

Acute fire risk: The 20 facilities with the highest exposure to this risk have medium to medium-high exposure levels in short-, medium-, and long-term RCP 4.5 scenarios. Also included in this category are the Colombian Lubricants plant, the Santiago Travel Center service station, and the Baranoa plant.

Acute river flood risk: The assessment of exposure to this risk considers issues such as the presence of levees or other infrastructure that could protect the asset from potential flooding. Of the 20 most exposed sites, 12 are located in Colombia, with the Baranoa and Villa del Rosario plants being the highest priority due to their high scores in the short-, medium-, and long-term RCP 4.5 scenarios.

Chronic drought risk: In an RCP 4.5 scenario in the short term, drought does not pose a significant risk to higher value assets. In the long term, however, it increases from 3% (2030) to 79% (2100), which translates into an increase from \$4 million to \$484 million for very high exposure. The 20 properties with the highest exposure to drought risk are located in Colombia.

Chronic high precipitation risk: This risk was assessed by considering both one-day high precipitation events and prolonged precipitation events. Fourteen of the 20 properties with the highest exposure to precipitation risk are located in Colombia, representing 7% of the value of the properties analyzed (USD 40 million). Another five are located in Panama and the remaining one in Ecuador. Note that the Parita and Santiago Travel Center service stations are among the operations analyzed with high risk in the short, medium, and long term.

Chronic risk of sea level rise: Of the top 20 properties, only the lubricants factory in Colombia is exposed to the risk of sea level rise; however, it is considered a medium risk in all scenarios and over the short, medium, and long term. Ninety-five percent of the properties are not exposed to the risk of "sea level rise" in any of the scenarios or in any of the study years.

Acute tropical cyclone risk: This is measured based on wind intensity and historical trends, considering a potential increase of 10% every 10 years. Only 8 operations are exposed to tropical cyclone risk, representing 2% of the value of the assets under analysis. Five of these are in the Dominican Republic. The remaining three are in northern Colombia.

Based on the results of the analysis of exposure to acute and chronic physical risks in different scenarios and time scales, we have identified the operating sites, countries, and business types most exposed to each risk, in order to prioritize adaptation and mitigation measures. The main conclusions we can draw are as follows:

- Acute risks are less likely to occur than chronic risks, with heat stress and drought having the greatest impact on our operations.
- Sites such as the lubricants factory in Colombia, the Baranoa plant, and the Parita and Santiago Travel Center service stations in Panama have high scores and are exposed to multiple risks, so adaptation plans are a priority for them.
- In the Dominican Republic, the main risk is a tropical cyclone.

1.2 Resilience of the organization's strategy considering different scenarios, including a 2°C or less scenario (IPCC).

As a result of the review of our strategy and the identification of growth opportunities, we have determined that developing retail sales in gas stations is fundamental. For that reason, we have strengthened our offer at our convenience stores, which includes the development of the Sbarro franchise in Colombia and Panama as a complement to what the convenience stores offer. We project 10 stores in Colombia and 6 in Panama in 2023, with an expected EBITDA per point of sale of 16.5%/sale. Sbarro is an interesting option because of its positioning in terms of quality, freshness, and fast service, with flexibility in the development of recipes, menus, and formats. Furthermore, the "by the slice" concept is unique in the market.

The pizza market in Colombia was valued at US\$455 million in 2022, a growth of 97% from 2016, indicating that it is a category that is well accepted by the market. Pizza complements the convenience store offering, generates high traffic and high EBITDA, and is classified as a multi-target, multi-level product, like Terpel.

On the other hand, the electric vehicle charging and hydrogen vehicle refueling markets represent a strategic opportunity to limit revenue loss in the 2°C (2DS) scenario compared to the business-as-usual (BAU) scenario. Quantifying these risks and opportunities showed that by gradually increasing the market share of electric vehicle charging to 30% in 2030 and entering the hydrogen refueling market and achieving that same market share by 2030, the risk of lost revenue could be reduced to 24%. If we made the same strategic changes but achieved 50% market share by 2030, we would eliminate almost all risk to earnings.

To achieve this, we have developed a roadmap for responding to the growth of electric vehicles in the country. With proper infrastructure and flawless operations, we will ensure mobility and business continuity for our customers. Our goal for 2024 is to connect 5,000 km of Colombian roads with 27 charging points. With 14 fast-charging stations as of August 2023, we have achieved 51.8% compliance with this target.

We also consolidated our position as the largest supplier of energy to electric buses in Bogotá, serving 3 operators of the city's public transportation system, charging more than 650 electric vehicles daily, and holding a 54% market share.

In the energy sector, we are committed to the growth of self-generation of energy for our own consumption and that of third parties through Terpel Energía. We closed 2023 with 25 self-generation projects generating 264MWh/month for monthly savings of COP\$169 billion.

Finally, through investments in the solar energy market, such as our stake in Terpel Sunex, we aim to accelerate the transition to non-conventional renewables with solutions that allow us to massively scale this energy source in the country. Terpel Sunex closed 2023 with 25 plants built, 12 by Terpel Energía and 13 by third parties, and an installed capacity of 8MWp.

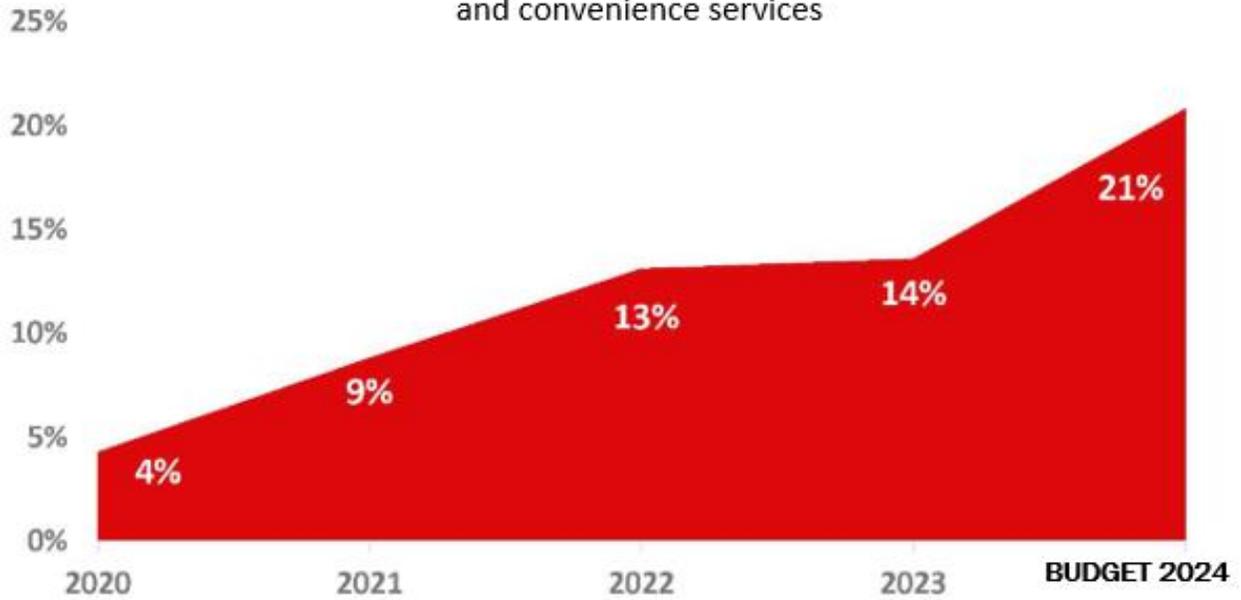
Evolution in new energy investments 2020-2024

At Terpel, we recognize the importance of decarbonizing our revenue streams to align our strategy with a sustainable future. We are therefore taking proactive steps to diversify our revenue streams. While we recognize the potential impact on our revenues during this transition, we are committed to growing new non-fuel businesses such as convenience services, electric mobility, and renewable energy.

We are convinced that these initiatives will not only benefit the environment, but will also strengthen our market position and ensure our sustainability in an ever-changing environment.

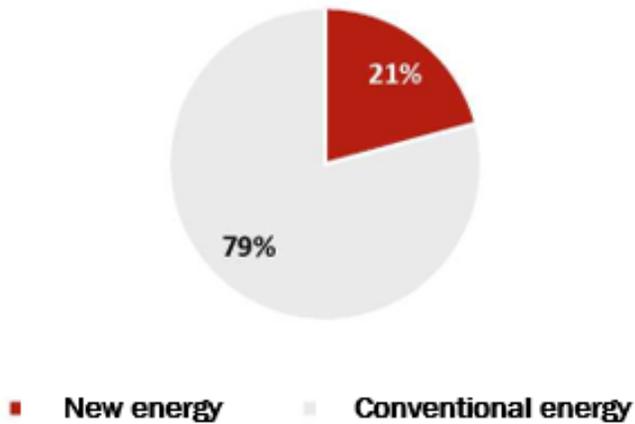
The graph below shows the behavior of non-fuel investments as a share of total investments at the regional level, going from only 4% of total investments in 2020 to 14% in 2023. By 2024, we plan to reach 21%, representing a compound annual growth rate (CAGR) of 76%.

Percentage of total capital expenditures invested in new energies and convenience services



ⁱThis includes investments in convenience stores and other services connected with convenience, electromobility, solar panels, and new energies.

Share of new energies and convenience services in 2024 budget



In the case of convenience services, these investments have allowed us to expand the product portfolio for our customers, with our alliances with Sbarro and Mimos last year being a case in point. For 2024, we plan to invest 85 billion pesos in the different regions to expand our network of convenience services and become the brand of choice for our customers.

In addition, we plan to invest close to 47 billion pesos in electromobility and new energies, almost double the amount invested in 2023, which closed the year at 24 billion pesos.

In the area of electric mobility, we are continuing the expansion of our charging network in Colombia, Panama, and Ecuador. By the end of December 2023, Colombia had 24 electric charging stations throughout the country and 4 hubs for heavy-duty vehicles. Efforts to consolidate the network for our customers led us to sign an agreement with Volvo in Colombia to bring benefits to electric vehicle users and build a more sustainable country. By the end of 2023, we will also have 7 electric charging stations in Panama and 3 in Ecuador. We also partnered with Gogoro, an electric motorcycle brand, to democratize access to electromobility in the country and bet on the future of electromobility.

As for new energies, we are venturing into the manufacture and installation of solar panels. In Colombia, we already have an installed capacity of 10 MWp, and in Panama we are completing the construction of a photovoltaic park with a capacity of 5.6 MWp.

3. Risk Management

3.1 Describe the organization's processes for identifying and assessing climate-related risks.

At Terpel, comprehensive risk management is a material issue. Ensuring operational excellence and creating long-term value at the environmental, social, economic, and governance levels all depend on effectively managing risk. We therefore update our corporate risk map every year, considering any changes in the external and internal context of each affiliate and each country in which we operate. We then prioritize strategic sustainability risks that could impact the business, including climate risks, and we integrate them into our risk management system and business strategy.

The risk management system encompasses all the policies, guidelines, procedures, frameworks, tools, and people that enable the company to address risks that may affect our strategic objectives and stakeholders.

The parameters and roles for our risk management structure are based on international standards such as COSO ERM, ISO 31000, the Three Lines of Defense model, and the recommendations of the TCFD (Task Force on Climate Related Financial Disclosures). The approach is formalized through the implementation of policies and procedures that clearly define our actions at each stage of the risk management cycle. In the first stage, we focus on risk identification using methods and tools that allow us to identify threats and opportunities in all areas of the organization. We then conduct a thorough analysis to assess the likelihood of occurrence and the potential impact on our strategic objectives.

Then, in an assessment phase, we classify and prioritize risks in order to focus our resources on the most relevant ones, designing specific action plans to mitigate, transfer, accept, or avoid those risks.

Once these responses have been implemented, we initiate ongoing monitoring of the risks over time and adjust our strategies as circumstances evolve. This process, based on international best practices, is designed not only to prevent risks from occurring, but also to effectively manage their potential impact and ensure the long-term sustainability of our organization. To this end, close cooperation with the business units is essential, and we also promote a culture of risk management through ongoing training of the teams.

3.2 Describe the organization's processes for managing climate-related risks.

The Strategic Risk Map of Organización Terpel is updated annually by the Executive Committee and approved by the Board of Directors through the Audit and Risk Committee. Since 2021, environmental, social, and governance (ESG) risks, particularly those related to climate change, have been included in the map, among other categories.

In the last two years, we have added "Climate Change and Energy Transition" risks to our Strategic Risk Map, with this description:

"Climate change and the energy transition are on the global agenda. Continued political and social attention on climate change have led to international agreements such as the Paris Agreement, as well as national, regional, and local regulations to limit and mitigate greenhouse gas (GHG) emissions and their impacts on the environment.

These agreements and measures could result in future laws and regulations that increase our compliance costs and produce greater restrictions on operations. Currently, regulatory bodies such as the Colombian Financial Superintendency and some customers already require compliance, reporting, and disclosure of information and evidence on our climate change management. Regulators could also seek to limit certain oil or gas projects or make it more difficult for us to obtain the permits required to operate.

Climate and ESG regulation is expected to have a significant impact on the hydrocarbon industry, which would have a direct impact on our business model. Likewise, public policy decisions aimed at reducing the use of fossil fuels and promoting the energy transition may also have adverse effects on our sales volumes, revenues, and margins.

Shareholders could divest their resources from fossil fuel companies such as ours, which would affect our share price and our ability to access the capital markets. According to international press reports, some financial institutions in Europe have begun to limit their exposure to fossil fuel projects, which could also serve as an example for financial institutions in Colombia and Latin America. As a result, our ability to obtain financing for these types of future projects could be adversely affected.

The physical effects of climate change, such as rising temperatures and sea levels and fluctuations in water levels, could also have repercussions on our operations, assets, and

supply chains, potentially causing business disruptions or shortages for our customers in different markets."

As part of the management of this strategic risk in the year 2023, we defined an action plan with 3 fronts:

1. TCFD Diagnosis
2. Transition risk analysis
3. Physical risk analysis

In this first phase, with the assistance of a specialized firm, we conducted a high-level analysis of Terpel's alignment with the 11 TCFD recommendations, which are grouped into the four pillars of governance, strategy, risk management, and metrics and targets.

This gap analysis allowed us to create a roadmap, and we made significant progress on that road in 2023.

To assess the **transition risks**, the specialist firm used the CTVar (Climate Transition Value at Risk) methodology, which represents the value at risk as a result of the climate transition. Using historical information on Terpel's revenues in the different business units, cash flows were projected to 2050 and discounted to present value. These discounted cash flows were used to determine changes to income under different climate scenarios.

Volume was calculated for two climate scenarios:

BAU (Business as usual): Scenario in which Terpel does nothing, no strategic actions are taken, and the company remains exposed to whatever happens in Colombia.

2DS: Scenario in which there is an orderly global transition that limits warming to below 2°C by 2100.

Finally, to analyze **Physical Risks** we used Willis Tower Watson's (WTW) Climate Diagnostic tool, which integrates various time horizons out to 2100 and temperature rise scenarios, as follows:

RCP 2.6: Global temperature increase of less than 2°C [3.6°F] ~ SSP1-2.6.

RCP 4.5: Increase in global temperature limited to 2-3°C [3.6°F-5.4°F] ~ SSP2-4.5.

RCP 8.5: Represents a global temperature increase of +4°C [7.2°F] ~ SSP5-8.5.

The results of these analyses were communicated to the responsible areas and escalated to the Audit and Risk Committee for management, as reported in the following chapter.

3.3 Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

The analysis of physical risks in Colombia, Peru, Ecuador, Panama, and the Dominican Republic provided valuable information on the exposure of Terpel's assets in the different regions to various risks related to climate change, including drought, fire, heat stress, precipitation, river flooding, sea level rise, and tropical cyclones.

Based on these results, Terpel decided to address the physical risks with the greatest impact on its operations by including them in its Organizational Risk Management System. This will ensure that these risks are addressed in a timely and systematic manner, including identification, assessment, establishment of controls, and monitoring through indicators.

Some of the specific actions taken to integrate these results into our management system are as follows:

1. **Matrix for hazard identification and risk assessment and evaluation:** The main risks associated with climate change, such as fires caused by local conditions, heat shock due to increased temperatures, heavy rainfall, flooding, and drought, among others, were included in the risk matrices of the 20 most exposed plants in Colombia. They were then evaluated, and controls were put in place to mitigate them. This allowed us to identify and assess factors that can be addressed through operational discipline to control threats and better adapt to social, environmental, and economic factors. It also enables improved efficiency in the management of resources and enhances stakeholder confidence, consolidating organizational management as a system for prevention, detection, and correction. This strengthens the achievement of strategies, policies, objectives, goals, and programs, while maintaining safe and healthy conditions for employees and ensuring the continuity of Terpel's operations by taking care of its assets.

We will update the following operations in 2024:

- 20 airports
- 9 plants
- 9 offices
- 1 lubricants factory
- 1 technology and innovation center

As a result of earlier analyses of operations and of occupational health and safety, and the updating of the matrix on hazards and risk evaluation and assessment, we implemented a hydration strategy at the lubricant plant, installed screens on storage tanks, and strengthened emergency management through a course on the Incident Command System.

Below, we share the progress we made in 2023 and our plans for 2024 to mitigate physical risks:

Hydration strategy: Due to the rise in temperatures in Cartagena, we started a complementary hydration strategy in the lubricants factory. Guided by a nutrition and

diet expert, the strategy is based on the health profile of the workers in groups and as individuals, which allows us to recommend the ideal complementary hydration drink for them.

- 2023: Lubricants Factory
- 2024: 5 plants

Screens on tanks: Rising temperatures cause higher evaporation of fuel, thus increasing environmental contamination, the risk of fire, and impacts on the business due to product loss.

- 2023: 57 tanks with screens out of a total of 95 vertical fuel tanks.
- 2024: 1 additional tank with a screen and 100% of new investments in increased storage capacity will include floating screens for gasoline.

Emergency response training for basic brigade: A timely response by our operations personnel to an emergency, such as a forest fire, prevents harm to people and damage to the environment and Terpell's infrastructure. For this reason, in 2023, we organized a rigorous training program led by the Villagorgona Fire Department.

2023: 460 people trained and certified as basic level firefighters by the Villagorgona Fire Department.

2024: 30 people trained and certified by the fire department as basic firefighters.

Training in emergency management - Incident command system: Emergencies, such as wildfires and floods, are on the rise, so our leaders at work centers must be able to effectively and efficiently manage emergencies to protect people, assets, and operations by coordinating facilities, equipment, personnel, and procedures.

2023:

- 22 personnel in strategic positions trained and certified by USAID/OFDA/LAC in the Incident Command System.
- 12 people trained in the basics of the Incident Command System

2024:

- 28 personnel in strategic positions trained and certified by USAID/OFDA/LAC in the Incident Command System.

In addition to the above actions, climate change will continue to be integrated into the Organizational Management System in 2024, starting with the following actions:

2. **Matrix of legal and other requirements:** To ensure compliance, risk-related climate change legislation will be included in the process to identify, access, and evaluate legal and other requirements related to managing occupational health and safety.

3. **Matrix for identifying environmental regulatory requirements:** To ensure timely compliance, risk-related climate change legislation will also be included in the process of identifying and assessing environmental regulatory requirements.
4. **Emergency response plan:** To update emergency plans, we have a systematic process for addressing emergencies that may occur in a work center, analyzing threats and vulnerabilities, and defining the items and equipment needed to deal with them. This document contains Standard Operating Plans (SOPs). A specific SOP will be developed for forest fires and drought, which are currently included in the general SOP for common risks.

2024

- Standard operating plan for forest fires developed and disseminated in the following work centers operated by Terpel:
 - 29 plants
 - 20 airports
 - 7 offices
 - 1 lubricants factory
 - 1 technology and innovation center
5. **Purchase of forest firefighting kit:** To give us on-site capacity to fight the increasing number of forest fires, the work centers most at risk must be equipped with the necessary tools, such as square and round fire shovels, rakes, and backpack sprayers.

2024: 10 plants with forest fire kits (those with the highest risk of these emergencies)

Simultaneously with the implemented strategies, Terpel has worked to increase the awareness of employees in all areas, especially those responsible for the processes that may be most affected by climate change, to ensure consistent and timely monitoring, evaluation, and definition of controls for climate-change risks. This is an important part of the management system and ensures participation in continuous improvement.

4. Metrics and Targets

4.1 Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processes.

To effectively manage climate-related risks and opportunities, Terpel discloses its targets and metrics using consistent and comparable data. We communicate our climate performance and commitment in a relevant and transparent way by adhering to standards, reporting frameworks, and assessments.

We monitor and manage these metrics on an ongoing basis, and they reflect the key risks and impacts to the ecosystem services on which our operations depend.

Total energy used in own operations (GJ)	2022	2023
Total consumption of renewable energy:	3,825.79	8,436.28
Consumption of energy purchased from the grid	278,866.6	248,251
Total consumption of fuels from nonrenewable sources	44,974.71	804,849.8
Total energy consumption	327,667.1	1,061,537.08

In 2023 we show a significant increase in energy consumption of fuels from non-renewable sources, as well as greenhouse gas emissions in Scope 1.

The increase is due to the fact that in 2023 the emissions from fuel used for Terpel's contracted transportation for plant-to-plant transfers are included in Scope 1, while in 2021 and 2022 they were reported in Scope 3. The fuel consumption of the fleet was not taken into account to calculate the energy and carbon footprint in Scope 3 in earlier years.

Due to this change and the reasons explained above, the total energy consumption in 2021 and 2022 is not comparable to the consumption in 2023. However, future measurements will allow comparison of energy consumption and carbon footprint based on the parameters defined in 2023.

Total carbon footprint in scopes 1, 2, and 3 Ton CO2eq				
Year	Scope 1	Scope 2	Scope 3	Total carbon footprint
2021	2,633.23	14,561.13	157,123.96	174,318,31
2022	3,089.1	9,760.33	93,610.64	106,460.16
2023	55,610.9	7,985.8	29,007.4	92,604.2

Despite a significant increase in fuel consumption, our emissions have decreased, as has the intensity of greenhouse gas emissions per million gallons of fuel sold.

Emissions intensity	2022	2023
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Expressed as tons of CO2/million gallons sold	58.4	51.9
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In terms of waste generation, we are working on circular economy initiatives and reducing the use of plastic packaging and single-use materials, as well as food loss and waste. We develop these initiatives with expert partners as part of our commitment to the environment.

Total weight of waste generated (tons)	2021	2022	2023
Total weight of hazardous waste	6,568	9,499.4	11,800.8
Total weight of non-hazardous waste	812	459.7	595,511
Total waste generated	7,380	9,959.16	12,396.31

We also implement comprehensive measures to ensure the efficient use and conservation of water resources at all our work centers. Our commitment is reflected in the establishment of conservation goals directly related to water consumption, the collection and use of rainwater, and the reuse of wastewater.

Water withdrawal by source (MI)	2021	2022	2023
Fresh surface water	99.04	7.63	19.74
Fresh groundwater	46	38.7	34.36
From municipal supplies (or other water utilities)	445.43	513.63	408.29
Total water withdrawn	590.57	559.96	462.39

4.2 Targets used by the organization to manage climate-related risks and opportunities and performance against targets

At Terpel we are committed to achieving carbon neutrality by 2050 for Scope 1 and 2 emissions. Along this path, we expect to reduce our emissions by 50 percent from a 2019 baseline by 2030. We rigorously measure our Scope 1, 2, and 3 greenhouse gas (GHG) emissions to monitor our progress toward this ambitious goal.

We will achieve this goal by:

- Developing energy efficiency projects in our operations to rationalize and optimize energy consumption.

- Using renewable energy from solar panel installation projects for self-consumption.
- Participating directly or indirectly in projects that generate carbon credits.
- Supporting projects related to sustainable mobility, including the use of fuels such as CNG, LPG, and hydrogen.

We have also set a goal to transform the waste management model to take full advantage of the program to reduce environmental impacts that can be caused by improper disposal.

We will achieve this goal by:

- Implementing strategies for the responsible use of lubricants from production to disposal.
- Progressively reducing the amount of plastic in containers and packaging.
- Reducing food loss and waste.

We are confident that by achieving these goals and targets we will help to address global challenges and reduce our environmental impact, confirming our commitment to sustainability.

At Terpel, we have committed ourselves to continuing to strengthen our resilience to climate challenges, while seeking new opportunities to make a positive contribution to a sustainable future.



Report of the Independent Auditor of Limited Assurance for Organización Terpel S.A.

We were engaged by the **Organización Terpel S.A.** henceforth, **Terpel** to provide limited assurance in relation to sustainability parameters on the **Sustainability Report** ("the Report") for the year ended Dec 31, 2023.

The Limited Assurance Sustainability Parameters covered by our limited assurance engagement are:

Sustainability Parameters Insured		Standard Insured
1.	Direct economic value generated and distributed	201-1
2.	Proportion of spending on local suppliers	204-1
3.	Confirmed incidents of corruption and actions taken	205-3
4.	Energy consumption within the organization	302-1
5.	Water discharg	303-4
6.	Direct (Scope 1) GHG emissions	305-1
7.	Energy indirect (Scope 2) GHG emissions	305-2
8.	Other indirect (Scope 3) GHG emissions	305-3
9.	Waste directed to disposal	306-5
10.	New employee hires and employee turnover	401-1
11.	Work-related injuries	403-9
12.	Work-related ill health	403-10
13.	Average hours of training per year per employee	404-1
14.	Percentage of employees receiving regular performance and career development reviews	404-3
15.	Incidents of discrimination and corrective actions taken	406-1
16.	Lost Time Injury Frequency Rate (LTIFR) - Employee	3.7.4
17.	Lost Time Injury Frequency Rate (LTIFR) - Contractor	3.7.5
18.	Environmental Investment (Amount)	Own
19.	Training schools: Total people, hours and training given	Own
20.	Number of findings / Amount of visits / Number of closed findings	Own
21.	Kg of lubricant containers collected	Own
22.	Value of Social Investment	Own
23.	Terpel Foundation: Number of beneficiaries of education programs	Own
24.	Materiality assessment process	3-3

Table 1. Verified indicators



Management's responsibility

Terpel is responsible for the preparation and presentation of the sustainability indicators included in the limited assurance, in accordance with the Global Reporting Initiative's GRI standard for the preparation of Sustainability Reports and the company's own indicators as described in the subchapter "About this Report". This subchapter details the option of self-declared conformity.

This responsibility includes designing, implementing, and maintaining the internal control necessary to enable the preparation of assured sustainability indicators free from material errors due to fraud or error.

Terpel is responsible for preventing and detecting fraud and for identifying and ensuring the Company complies with laws and regulations applicable to its activities.

Terpel is also responsible for ensuring that staff involved with the preparation and presentation of the description and Sustainability Report are properly trained, information systems are properly updated.

KPMG's responsibility

Our responsibility is to express a limited assurance conclusion on preparation and presentation of Sustainability Parameters described above and included in the Sustainability Report of **Terpel**.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information and the Standard ISAE 3410, Assurance Engagements on Greenhouse Gas Statements issued by the International Auditing and Assurance Standards Board.

The firm applies International Standard on Quality Management and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. We confirm that we have executed this assignment for **Terpel** independently and free of conflicts of interest.

ISAE 3000 requires that we plan and perform the engagement to obtain limited assurance about whether the limited Assurance Sustainability parameters are free from material misstatement.



Inherent Limitations

Given the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the report may occur and go undetected. Our engagement is not designed to detect all internal control weaknesses over the preparation and submission of the report, as the engagement has not been executed continuously throughout the period and the procedures were carried out based on selective testing.

Limited assurance on the Assured Sustainability Parameters

Our limited assurance engagement on the Limited Assurance Sustainability Parameters consisted of making enquiries, primarily of persons responsible for the preparation of the Limited Assurance Sustainability Parameters, and applying analytical and other procedures, as appropriate. These procedures included:

- Interviews with **Terpel's** relevant personnel, at the corporate level, responsible for the preparation of the indicators subject to limited assurance.
- Enquiries about the design and implementation of the systems and methods used to collect and report the Limited Assurance Sustainability Parameters, including the aggregation of the reported information.
- Comparing the limited assurance sustainability parameters to relevant underlying sources on a sample basis to determine whether all the relevant information has been appropriately included in the Report.
- Reading the Limited Assurance Sustainability Parameters Presented in the Sustainability Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of **Terpel**.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we don't express a reasonable assurance conclusion on the Limited Assurance Sustainability Parameters.

Purpose of our report

In accordance with the terms of our engagement, this assurance report has been prepared for **Terpel** for the purpose of assisting to **Terpel** in determining if Sustainability Parameters object to assurance are prepared and presented in accordance with the GRI standards and the Global Reporting Initiative (GRI) and in the case of its own indicators, in accordance with Terpel's calculation methodology.



Restriction of use of our report

This report should not be considered appropriate for use or reliance on by any third party seeking to acquire rights against KPMG other than **Terpel** for any purpose or in any other context. Any party other than **Terpel** who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than **Terpel** for our work, for this independent assurance report, or for the conclusions we have reached.

Our report is released to **Terpel** on the basis that it shall not be copied, referred to or disclosed, in whole (save for than **Terpel**) own internal purposes) or in part, without our prior written consent.

Our conclusions

Our conclusion has been formed based on, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions:

Based on the limited assurance procedures performed and the evidence obtained, as described above nothing has come to our attention that causes us to believe that the limited assurance sustainability parameters defined above of the Sustainability Report of **Terpel**, for the year ended December 31, 2023, is not prepared, and presented, in all its significant aspects in accordance with the GRI standards for the preparation of Sustainability Reports and in the case of its own indicators, in accordance with **Terpel's** calculation methodology.

In another document, we will provide the Management of the **Terpel**, an internal report that contains our findings and areas for improvement.

KPMG Advisory, Tax & Legal S.A.S.

Digitally signed
by Fabián
Echeverría
Junco

Fabián Echeverría Junco
TP 62943 - T
Partner
April 12, 2024