





# TECHNICAL PRESENTATION OF THE REPORT

→ GRI 102-45, GRI 102-48, GRI 102-49,  
GRI 102-10, GRI 102-54, GRI 102-50  
and GRI 102-56

This sustainability report, for the period from January 1 to December 31 of the year 2018, presents the economic, social, and environmental performance of Terpel's operations in Colombia, Ecuador, Panama, Peru and the Dominican Republic. It covers the business lines: Service Stations, Natural Gas Vehicle Fuel, Lubricants, Aviation, Marine, Industry, and Complementary Services.

The figures reflect this year's integration of the ExxonMobil Colombia S.A. lubricants business into Terpel.

All monetary figures in this report are expressed in Colombian pesos (COP).

This report has been prepared in accordance with the GRI Standard's core option. In addition, it is our Communication on Progress (CoP) for the United Nations Global Compact.

The content was independently assured by the outside firm Deloitte & Touche Ltda.<sup>1</sup>

For further information on Terpel's sustainable development model or sustainability reports, go to: <https://www.terpel.com/en/Sostenibilidad>

1. For further information consult the independent assurance report.

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# PEOPLE ARE OUR REASON FOR BEING<sup>2</sup>

## → GRI 102-14

Our motto, "Terpel at your service," has been the engine constantly driving us to innovate, to break paradigms, and to establish a benchmark for our industry. The company's dynamic growth causes us to reflect day after day on how important it is that we rise to the challenges thrown up by our market and our country.

Today it gives me great pride and satisfaction to present our 10th Sustainability Report. We have completed a decade communicating our main achievements and challenges – economic, social, and environmental – and we have consolidated our position as a country partner that promotes regional development, sustainable growth, and long-term relationships grounded in ethics and respect.

Some of our most outstanding achievements during the year 2018 include:

A total of 1,406 stations are now completely renovated, 164 this year alone. This means 73% of the network now has a new image with friendly, modern, and well-functioning infrastructure. Service stations with complementary services now total 100, including 46 Altoque stores, 50 Deuna kiosks and 13 Ziclos car washes.

Gaining 1.2 percentage points last year, our market share is now at 43.3%. That's the largest increase in the last five years.

This year we assumed control of the operation of ExxonMobil Colombia lubricants in accordance with the highest ethical, professional, and technical standards and in full compliance with the conditions established by the Superintendence of Industry and Commerce (SIC). The inclusion of Mobil lubricants positions us as regional leaders in this segment. It provides our consumers with one of the brands with the greatest prestige and best technology in the world, increasing our value offer to the market.

During this integration process, we dealt with significant business challenges in all areas. One of the most significant, related to employees, was the sale of the Bucaramanga Lubricant Factory, a work center with more than 70 employees. Ninety-four percent of the workers in that operation were successfully relocated to the Cartagena Lubricants Factory or to Bogotá, as we met the challenge of maintaining our team's job stability. We also brought on members of the ExxonMobil de Colombia team who were part of the lubricants business line, enriching our organization with their knowledge and experience.

2. To see the analysis of context, consult the 2018 Management Report at <https://www.terpel.com/en/Accionistas/Gobierno-corporativo-inver/Informes-de-gestion/>

During the last quarter of 2018, we expanded the line of products we offer consumers. We made the Mobil lubricants brand available to users through our service station network to provide greater coverage and satisfy the specific needs of each customer.

We created the first *Training Camp* for service station operators. Through classroom sessions and practical training, operators strengthened their competencies in identifying risks, implementing controls, and developing a reliable operation.

The *Reliable Service Station* program now covers 79% of the service station network, with the purpose of safeguarding optimum conditions for safety, the environment, accurate metrology and quality.

We contributed to sustainable transportation by developing taxis that are 100% dedicated to natural gas.

With an investment of more than 3.8 billion pesos, we strengthened training. Our programs now encompass more than 9,400 people including customers, suppliers, promoters, administrators, and employees, with the purpose of consolidating their skills and competencies.

We strengthened the *Restoring Dreams* program and confirmed our commitment to reconciliation and peace-building by supporting productive projects in three Departments of

Colombia, organizing eight business fairs to support income generation for re-integrated entrepreneurs, and hiring 137 people including both victims and re-integrated individuals.

Through the Terpel Foundation, we continued to improve the quality of education. The programs benefited more than 300,000 people, inaugurated two new libraries, and strengthened the academic development of more than 4,500 students.

For the third consecutive year, we participated in SAM's Sustainability Yearbook, the most complete and best-recognized publication in the world on the topic of corporate sustainability. In this year's Yearbook, Terpel was ranked eighth in the world in the retail sector.

All these purposes have been fulfilled thanks to a passionate team that is innovative and dedicated to service, and a highly committed Board of Directors. In addition, we are supported by shareholders who have given us their trust and backing, an excellent network of partners, suppliers who share our vision and values, and a country that is growing together with us.

I invite you to read through this 10th report and learn about our contribution to Colombia's development with a vision for sustainability.

**Sylvia Escovar Gómez**  
President Organización Terpel S.A.

# WE AIM AT BEING THE BEST COMPANY FOR THE PLANET

→ GRI 102-2 and GRI 102-4

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

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

We create shared value for our stakeholders and, in particular, for our partners and shareholders, as we deliver them the profitability they expect from their investments. Meanwhile, we make sure the Terpel brand continues to be their best option in a competitive and demanding market.

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



# BUSINESS LINES IN EACH COUNTRY, PLANTS AND REGIONAL OFFICES IN COLOMBIA

→ GRI 102-4, GRI 102-6 and GRI 102-16

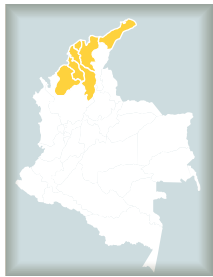
We offer memorable experiences through our network of service stations, supply plants, airports, and ports.



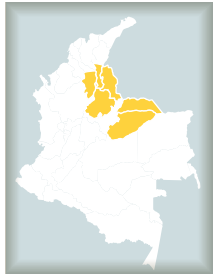
## Division by regions in Colombia



**ANTIOQUIA**  
Antioquia  
Chocó



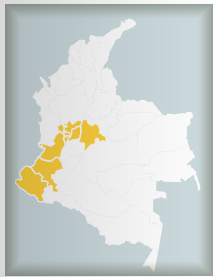
**NORTH**  
Atlántico  
La Guajira  
Magdalena  
Bolívar  
Sucre  
Córdoba



**BUCARAMANGA**  
Santander  
Norte de Santander  
Arauca  
Casanare  
Southern part of Cesar  
Southern part of Bolívar



**MAIN OFFICE**  
Bogotá



**CENTER-WEST**  
Caldas  
Risaralda  
Quindío  
Norte del Valle  
Norte del Tolima  
Occidente de Cundinamarca  
Magdalena Medio  
Valle del Cauca  
Cauca  
Nariño



**SAVANNA-SOUTH**  
Cundinamarca  
Meta  
Caquetá  
Boyacá  
Vichada  
Guainía  
Guaviare  
Huila  
Vaupés  
Tolima  
Amazonas  
Putumayo

## Plants in Colombia



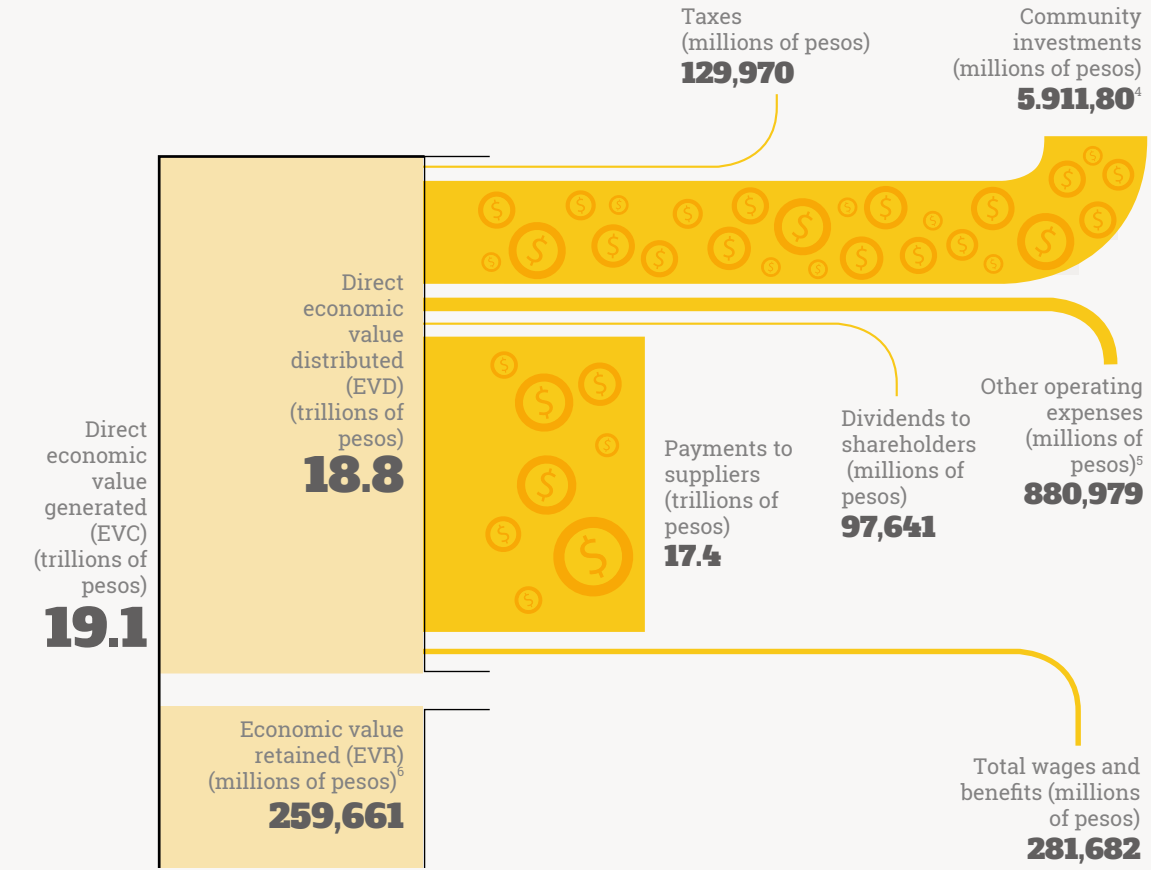
- |  |   |   |
|--|---|---|
| <p>1 Baranoa Plant - Atlántico</p> <p>2 Ayacucho Plant (La Gloria, Cesar)</p> <p>3 Villa del Rosario Plant - Norte de Santander</p> <p>4 Arauca Plant - Arauca</p> <p>5 Puerto Carreño Plant - Vichada</p> <p>6 Aguazul Plant - Casanare</p> <p>7 Agua Clara Plant - Casanare</p> <p>8 Apiay Plant (Villavicencio, Meta)</p> <p>9 Puerto Inírida Plant - Guainía</p> <p>10 San José del Guaviare Plant - Guaviare</p> <p>11 Florencia Plant - Caquetá</p> <p>12 Leticia Plant - Amazonas</p> | <p>13 Puerto Asís Plant - Putumayo</p> <p>14 Jointly-owned Plant in Neiva, Huila (Terpel-Exxon)</p> <p>15 Mulaló Plant (Yumbo, Valle del Cauca)</p> <p>16 Buga Plant (Buga-Tuluá Road, Valle del Cauca)</p> <p>Jointly-owned Gualanday Plant, Coello, Ibagué (Terpel-Exxon-Chevron)</p> <p>Pereira Plant (Cerritos - Pereira Road, Risaralda)</p> <p>19 Manizales Plant - Caldas</p> <p>20 Mariquita Plant-Tolima</p> <p>21 Jointly-owned Plant in Mansilla - Facatativá, Cundinamarca (Terpel-Chevron)</p> | <p>22 Terpel Mansilla Plant, Cundinamarca</p> <p>23 Jointly-owned Bogotá Plant (Terpel-Exxon)</p> <p>24 Tocancipá Plant - Cundinamarca</p> <p>25 La Pintada Plant - Antioquia</p> <p>26 Rionegro Plant - Antioquia</p> <p>27 La Maria Plant - Antioquia</p> <p>28 Sebastopol Plant (Cimitarra-Santander)</p> <p>29 La Fortuna Plant (Barrancabermeja, Santander)</p> <p>30 Chimitá Plant (Bucaramanga, Santander)</p> <p>31 Jointly-owned Mamonal Plant (Cartagena, Bolívar) (Terpel-Exxon)</p> |
|--|---|---|

CONSOLIDATED FIGURES 2018<sup>3</sup>

Material aspect: Profitability  
→ GRI 102-7, GRI 102-44, GRI 102-47 and GRI 201-1



VALUE CREATION AND DISTRIBUTION



3. This information includes the operations of all of the countries, which are Colombia, Ecuador, Panama, Peru, and the Dominican Republic.  
4. Includes donations in kind represented in money. The amount verified by Deloitte is COP 5,909 million.  
5. Includes: fees, insurance, rent, services, marketing, maintenance, travel, depreciation, and amortization.  
6. The amount verified by Deloitte is COP 396,161 million.

Colombia	Goal 2018	Met	Goal 2019
EBITDA	535,252 million pesos	110% <sup>7</sup>	660,452 million pesos
Sales volume	2,029 million gallons	101% <sup>8</sup>	2,145 million gallons
Net income	171,529 million pesos	124% <sup>9</sup>	275,945 million pesos
CAPEX in Service Stations	100%	97.4%	100%
Image	4.5 survey score	96%	4.6 survey score
Service	4 survey score	102,5%	4.3 survey score
Customer Satisfaction	8.8 survey score	97%	8.8 survey score

VALUES, PRINCIPLES, STANDARDS, AND NORMS FOR BEHAVIOR

We work hard day after day to be leaders in customer service in the countries where we operate. In 2018 we redefined our Vision out to 2025, based on co-creation between the company's different Departments and with a comprehensive view of our businesses.

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

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

**VALUES**  
• Integrity  
• Respect  
• Reliability

**CONDUCT**  
• Results-oriented  
• Attitude of service  
• Strategic discipline

7. Does not include income from Mobil not included in the budget.  
8. Does not include sale of lubricants.  
9. Does not include non-recurring expenses from the purchase of the assets of Mobil.



## OUR SUSTAINABLE MANAGEMENT MODEL INSPIRES US TO **WORK WITH AND FOR PEOPLE**

We work on different fronts of our Sustainable Management Model with the purpose of creating shared economic, environmental, and social value. This translates into benefits for our stakeholders, as well as challenges that inspire us to be the safest investment for shareholders, the best partner for customers, the best option for our consumers, the best client for our suppliers, the best place to work, and the best neighbor for the communities where we operate.

The Model applies to all of our operations, which means it has been disseminated in every country. During 2019 we will begin an exercise to strengthen appropriation of the model, beginning with Ecuador and Peru.

Our business strategy, focused on offering consumers a differentiated service with modern and friendly infrastructure and the most competitive price, forms a part of our Sustainable Management Model.

Being a *Country Partner* comes before our own interests in the places we operate. We mobilize development everywhere we go, creating jobs to help neighboring communities progress, supporting quality education, and preserving the environment in the operations' surroundings.

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

**Memorable experiences:** We do our best to meet our consumers' needs, to be their trusted ally in all their travels, and to reward their preference for us with actions.

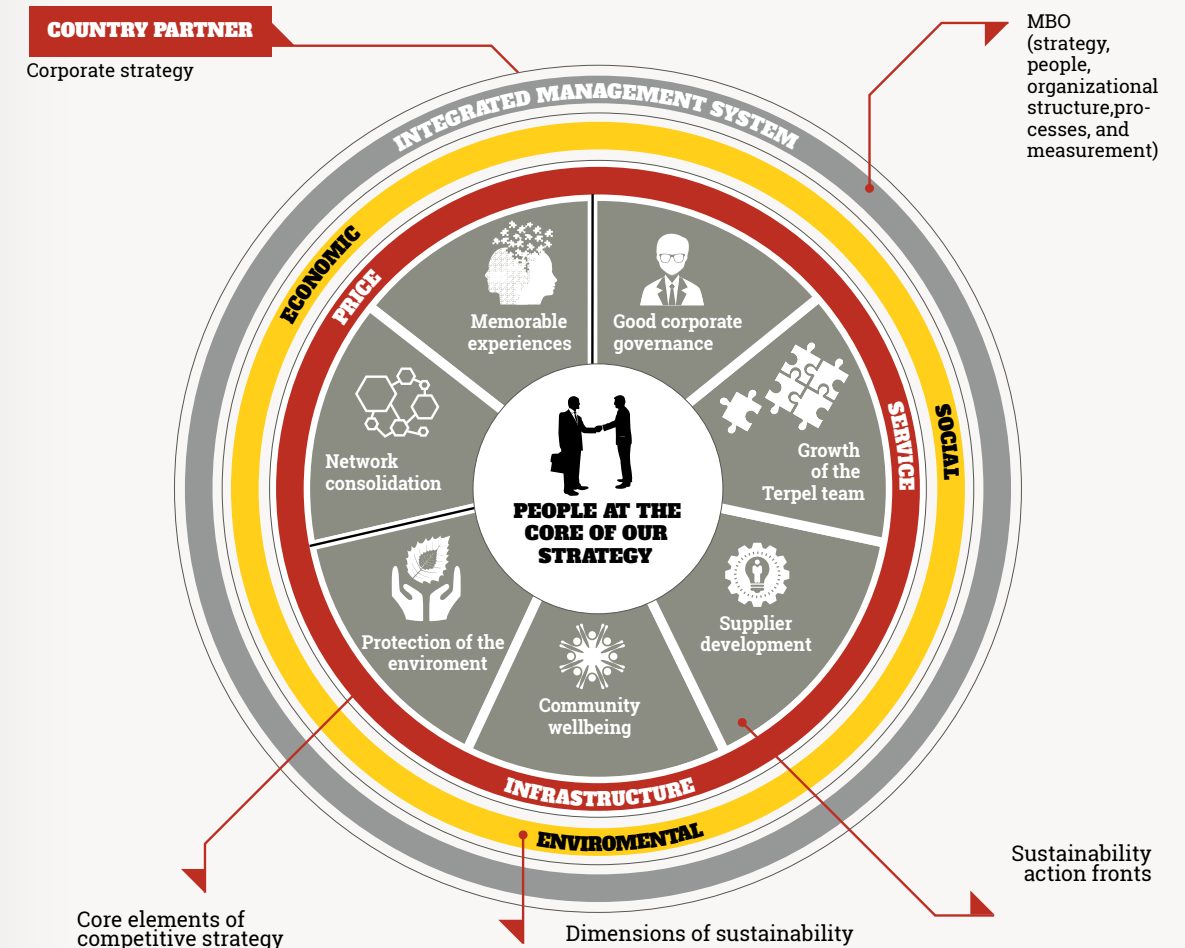
**Good corporate governance:** We are a safe and profitable investment for shareholders and investors. We run our business with respect, reliability, and according to the highest standards for integrity.

**Growth of the Terpel team:** We contribute to the wellbeing of our employees, who identify with our values and strategy. Their dedication to service motivates them to be the #1 brand in the hearts of consumers.

**Network consolidation:** We nurture a mutually beneficial relationship with our business partners, forming a single, homogeneous network.

**Supplier development:** We grow together with these strategic partners, generating value and mutual benefits that strengthen our businesses.

**Community wellbeing:** We are active in the communities where we operate, contributing to their development and wellbeing. We bring progress along as we take fuel to every corner, and we invest in quality education through the Terpel Foundation's programs.



**Protection of the environment:** Our operation meets the highest standards for quality and safety, as an ally of our surrounding environment. We are committed to improving the quality of life in the places we operate by taking care of the environment, implementing initiatives to mitigate the impact of our value chain and reduce our ecological footprint.

STAKEHOLDER ENGAGEMENT<sup>10</sup>

→ GRI 102-17, GRI 102-21, GRI 102-40, GRI 102-42 and GRI 102-43

For Terpel, every stakeholder is important to us, based on variables such as the business line, the operating context, and the relationship of influence and impact between the company and the stakeholder.

We engage with each group in accordance with the principles of timeliness, transparency, trust, respect, availability, legality, and effectiveness. We use diverse forms of engagement to inform, render accounts, and receive input for decision-making and management.

Stakeholders

Communication Channels

Shareholders

Office for Attention to Shareholders and Investors  
E-mail: [accionistas@terpel.com](mailto:accionistas@terpel.com)  
Vice President of Corporate and Legal Affairs  
Free Line for Confidential Whistleblowing: 01-800-752-2222  
E-mail: [reporteconfidencial.terpel@resguarda.com](mailto:reporteconfidencial.terpel@resguarda.com)

Board of Directors

Compliance Officer  
Sustainable Terpel Bulletin (special edition)

Investors

Office for Attention to Shareholders and Investors  
E-mail: [inversionistasir@terpel.com](mailto:inversionistasir@terpel.com)  
Vice President of Corporate and Legal Affairs  
Free Line for Confidential Whistleblowing: 01-800-752-2222  
E-mail: [reporteconfidencial.terpel@resguarda.com](mailto:reporteconfidencial.terpel@resguarda.com)

Employees

Joint Committee on Occupational Health and Safety  
Labor Relations Committee  
Tours  
Free Line for Confidential Whistleblowing: 01-800-752-2222  
E-mail: [reporteconfidencial.terpel@resguarda.com](mailto:reporteconfidencial.terpel@resguarda.com)  
Compliance Officer

Customers and business partners in each business segment

Terpel Sales Force  
Free Line for Customer Service  
Free Line for Confidential Whistleblowing: 01-800-752-2222  
E-mail: [reporteconfidencial.terpel@resguarda.com](mailto:reporteconfidencial.terpel@resguarda.com)

Sustainable Terpel Bulletin  
Management Report  
Sustainability Report

Consumers

Complaints hotline (petitions, complaints, and claims)

Suppliers

E-mail: [gestión.providers@terpel.com](mailto:gestión.providers@terpel.com)  
Free Line for Confidential Whistleblowing: 01-800-752-2222  
E-mail: [reporteconfidencial.terpel@resguarda.com](mailto:reporteconfidencial.terpel@resguarda.com)

Neighboring communities

Public Affairs Manager  
Plant Managers  
Complaints hotline (petitions, complaints, and claims)

Beneficiaries of the Terpel Foundation

Informe de la Fundación Terpel

The government

Authorities

Trade associations

Competitors

Opinion leaders

10. Consult the declaration regarding the independence of the Board of Directors at the following link: <https://www.terpel.com/Global/Codi-go-de-buen-gobierno-corporativo-2018.pdf> item 2.2.4



In addition, we facilitate arenas for conversation to learn about stakeholder expectations for the business and identify things we are doing right as well as further opportunities for stakeholder engagement.

During 2018, we interacted with our partners in the sales area through business roundtables, zone committees, and mini-conventions, where we took time to field questions and listen to opinions about the business. In

addition, with our employees at the Lubricant Factory, we talked about their expectations relative to the changes in the job and their surroundings.

**MATERIAL ASPECTS**

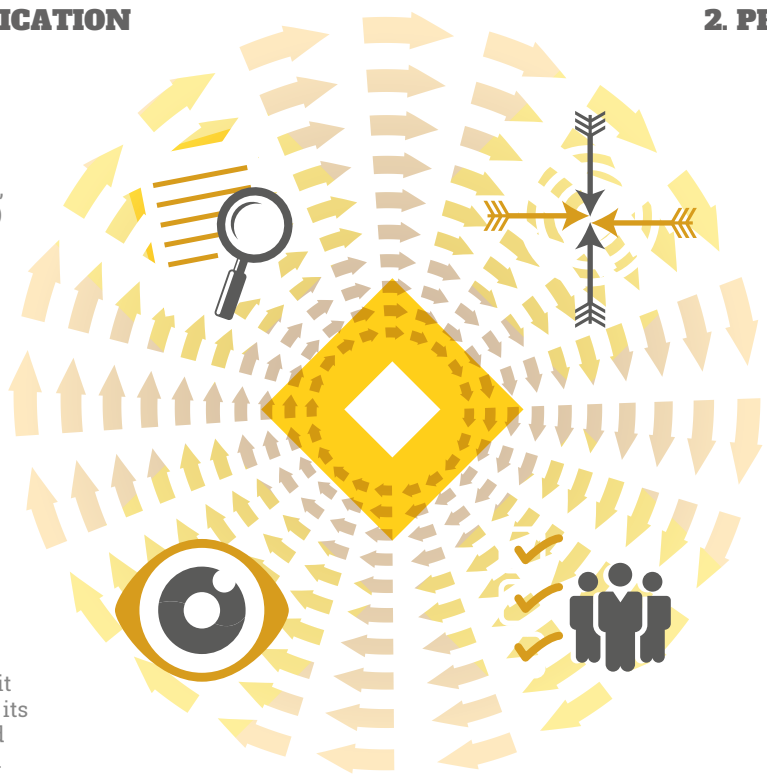
The material aspects have been defined based on the business strategy, stakeholder expectations, sector trends, and the needs of the places where we operate.

**PROCESS TO DETERMINE MATERIAL ASPECTS**

→ GRI 102-46

**1. IDENTIFICATION**

List issues potentially important for Terpel, the sector, and our context (region, country, global)



Evaluate report and the issues it discusses after its publication and dissemination.

**4. REVIEW**

**2. PRIORITIZATION**

Cross-check with important internal issues based on impacts and relevance for our stakeholders.

Confirm priority issues with senior management.

**3. VALIDATION**

**LIST OF MATERIAL ASPECTS**

→ GRI 102-44 and GRI 102-47

Sustainability Action Fronts		Level 1
Memorable experiences Network consolidation Supplier development	Profitability	
	Accompaniment for affiliates, suppliers, customers, and consumers	
Good corporate governance	Good corporate governance and transparency	
Growth of the Terpel team	Fair labor relations and conditions	
	Safe operating conditions	
Protection of the environment	Climate change: carbon footprint	
	Spills and waste products	
Community wellbeing	Quality education	
	Reconciliation	
Level 2		
Technology and innovation		
Development of human capital		
Biodiversity		
Level 3		
Respect for and promotion of human rights		

COBERTURA Y LÍMITE DE LOS ASUNTOS MATERIALES

→ GRI 102-46 and GRI 103-1

Material aspects (level 1)	Boundaries: Area of impact for significant aspects		Sustainability Report 2018
	Inside Terpel	Outside Terpel	
Profitability		Shareholders Investors	Value creation and distribution
Good corporate governance and transparency	Employees	Shareholders Investors Suppliers	Good corporate governance
Fair labor relations and conditions	Employees	Suppliers	Growth of the Terpel team Supplier development
Safe operating conditions	Employees	Affiliates Customers	Growth of the Terpel team
Accompaniment for affiliates, suppliers, customers, and consumers	Employees	Affiliates Customers Consumers Suppliers	Growth of the Terpel Team Memorable experiences and network consolidation Supplier development
Climate change: carbon footprint		Suppliers Communities near the operation Society in general	Protection of the environment
Spills and waste products		Transportation Providers Affiliates Communities near the operations or the roads where fuel is transported	Protection of the environment
Quality education		Communities covered by the Terpel Foundation Communities near the operation	Community wellbeing
Reconciliation		People in the process of reintegration Society in general Affiliates	Community wellbeing

WE DECLARE OUR  
COMMITMENT  
TO **RESPECTING  
HUMAN RIGHTS**

→ GRI 103-1, GRI 103-2, GRI 407-1, GRI 408-1  
and GRI 409-1

Our Human Rights Policy<sup>11</sup> applies to all our operations and its scope is the entire supply chain. It includes directives regarding respect for rights in all our actions and relations with stakeholders.

PILLARS

General

↩ Global Compact Principles 1 and 2

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

Labor practices

↩ Global Compact Principles 3, 4, 5 and 6

- Promotion and respect for freedom of association and recognition of trade unions.
- Prohibition and absolute rejection of compulsory labor, child labor, and discrimination, especially in the area of employment and occupation.
- Censure of discrimination based on race, religion, politics, sexual preference, age, nationality, or marital status.

- Zero tolerance for abusive practices that constitute harassment or punishment.
- Guarantee of fair and competitive salaries in accordance with the law, and compliance with regulations on hours of work.
- Promotion of a safe and healthy working environment that favors employees' well-being.

Environmental practices

↩ Global Compact Principles 7, 8, and 9

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

Supply chain

↩ Global Compact Principles 1, 2, and 10

- Requirement for our suppliers to sign minimum human rights agreements with their suppliers, and comply with ethics codes and environmental standards, knowing there will be no tolerance for noncompliance.

Communities

↩ Global Compact Principles 1 and 2

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

11. Aligned with the main international instruments: the Universal Declaration of Human Rights, the Declaration by the International Labour Organization (ILO) on Fundamental Principles and Rights at Work, the Principles of the United Nations Global Compact, and the Guiding Principles on Business and Human Rights. For further information, go to the following link: <https://www.terpel.com/Global/Sostenibilidad/CO.P11-Politica-de-rechos-humanos.pdf>



In 2018:

- We included a new directive in our Human Rights Policy: "At Terpel we respect, value, and promote diversity, inclusion, and the principle of equal opportunity. We recognize the competitive advantage and opportunities provided by learning from differences. That's why we work to form our workforce and the highest governing body with people from diverse nationalities, ethnic groups, beliefs, gender identities and expressions, and sexual orientations."
- For the second consecutive year, we have expanded our commitment to children through our involvement with the Colombian Network against Child Labor. Our goal is to continue to give emphasis to the prevention and eradication of child labor, and to prevent any violation of the rights of children and teens in our supply chain.

# ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS (SDG<sup>12</sup>)

At Terpel we are committed to working in a sustainable manner, in alignment with the needs of our surroundings. For that reason, during 2018 we prioritized the SDG's based on their relationship with our business strategy, our Sustainable Management Model, the activities, programs, and initiatives we develop, and the impacts, both real and potential, of the operation.

SDG	Our Initiatives	Goals for SDGs where we can make a contribution
SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all.	<ul style="list-style-type: none"><li>• Installation of solar panels</li><li>• Sales of NGV fuels</li></ul>	<ul style="list-style-type: none"><li>• Increase the share of renewable energy in the global energy mix (Goal 7.2).</li><li>• Double the global rate of improvement in energy efficiency (Goal 7.3).</li></ul>
SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	<ul style="list-style-type: none"><li>• BienSer Program</li><li>• Jobs for persons with disabilities (partnership with Best Buddies)</li><li>• Purchases from local suppliers</li><li>• Performance Evaluation for suppliers and work with actions for improvement</li><li>• Tesos Program</li><li>• <i>Restoring Dreams</i> program</li><li>• <i>My Future Now</i> Program</li></ul>	<ul style="list-style-type: none"><li>• Achieve full and productive employment and decent work for all people including persons with disabilities.</li><li>• Achieve equal pay for work of equal value (Goal 8.5).</li><li>• Eradicate forced labor and child labor (Goal 8.7).</li><li>• Protect labor rights and promote safe and secure working environments (Goal 8.8).</li><li>• Develop and operationalize the global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization (Goal 8.10 b).</li></ul>
SDG 13: Take urgent action to combat climate change and its impacts.	<ul style="list-style-type: none"><li>• Measuring our footprint</li><li>• Carbon credits</li><li>• <i>Terpel Schools</i> (environmental training)</li><li>• Reliable Service Stations</li></ul>	<ul style="list-style-type: none"><li>• Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters (Goal 13.1).</li><li>• Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning (Goal 13.3).</li><li>• Promote mechanisms for raising capacity for effective climate change-related planning and management (Goal 13.3 b).</li></ul>
SDG 16: Promote just, peaceful, and inclusive societies.	<ul style="list-style-type: none"><li>• Anti-corruption initiatives</li><li>• Training for personnel in prevention of asset laundering</li><li>• Best practices manual for mitigating possible risks of corruption and bribery</li><li>• Participation in the Colombian Institute for Corporate Governance</li><li>• Signatories of the United Nations Global Compact</li><li>• Human Rights Policy</li><li>• Annual Sustainability Report</li></ul>	<ul style="list-style-type: none"><li>• Substantially reduce corruption and bribery in all their forms (Goal 16.5).</li><li>• Develop effective, accountable and transparent institutions at all levels (Goal 16.6).</li><li>• Ensure responsive, inclusive, participatory and representative decision-making at all levels (Goal 16.7).</li><li>• Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements (Goal 16.10).</li></ul>

12. For further information on the SDGs go to <https://www.un.org/sustainabledevelopment/>

## AWARDS OBTAINED IN 2018

### COLOMBIA

- For the third consecutive year, we participated in the Sustainability Yearbook produced by SAM (Sustainable Asset Management), the most complete and best-recognized publication around the world on the topic of corporate sustainability. In the yearbook, Terpel ranked eighth in the world in the retail sector.
- The Latin American Council of Management Schools (CLADEA) recognized us in the Latin American multinationals category for our work in the market and for our contribution to the development of the communities and the countries where we operate.
- We were recognized by Revista Semana as one of the 25 companies making the biggest contribution to Colombia.
- Terpel was ranked 29<sup>th</sup> in the annual ranking for Best Reputation among Merco Companies and Leaders, and 2nd among oil companies and hydrocarbon distributors.
- We won the award for Best Employee Engagement Company - Colombia 2018 from the English publication Business Vision as a result of our good practices in attracting and retaining the best human talent.
- We moved up to position number 15 in the study done by 2WAY, which evaluated the status of the six pillars of reputation that produce goodwill in the 200 largest companies in Colombia. Those pillars are solidity and trajectory, value offer, talent and well-being, shared value and sustainability, innovation and leadership, and ethics and transparency.
- Sylvia Escovar received from the hands of the President of the Republic the National Order of Merit for the leadership she exercised in Terpel's commitment to reconciliation and the post-conflict era, for her service to the country and her contribution to building sustainable peace. She was ranked 12th in the annual Best Reputation ranking for Merco Companies and Leaders, and she was voted as one of the 25 most influential CEOs of the last 20 years by Revista Dinero.
- Revista Gerente recognized Liliana Tovar – Vice President of Aviation and Marine Fuels – as one of the 100 most successful managers of Colombia, and Silvia Madriñán – Director of the Terpel Foundation – as a leader of society.
- For the sixth consecutive year, the Colombian Securities Exchange awarded us the Investor Relations seal for our commitment to the voluntary adoption of best practices in the disclosure of legal, financial, and commercial information in a transparent, timely, and accurate manner.

- Fitch Ratings recognized Terpel as a market leader for the third consecutive year, giving us the score of "AAA" for operational stability and the level of leverage, which generate credibility and confidence in the securities market.

### PANAMA

- We received recognition from the American Chamber of Commerce, Panama Chapter (PANAMCHAM), for more than 10 years of participation in the organization, one of the most important in the country.
- Club Kiwanis International, Panama Chapter, recognized our contribution to the Talenpro 2018 Program, dedicated to promoting skills in oral expression and leadership in young people at public schools across the nation.
- We received an award from the United Nations Global Compact for the implementation of best business practices in Latin America and the Caribbean to protect oceans and seas, helping achieve the Sustainable Development Goals. The practice that led to the award was the *Vaíto* Environmental Volunteers program, *Vaíto* being the word for water in the Emberá indigenous language. The program focuses on protecting ocean resources in Panama and improving the quality of life of communities settled on the coastline.

### PERU

- We received an award from Pacifico Seguros based on our commitment to safety.



Update the materiality analysis.

Hold conversations with stakeholders.

Develop an exercise for the appropriation of the Sustainable Management Model in Ecuador and Peru.



## TRANSPARENCY

# GOOD CORPORATE GOVERNANCE

→ GRI 103-1 and GRI 103-2

We are a safe and profitable investment for shareholders and investors. We run our business with respect, reliability, and according to the highest standards for integrity.

We are committed to protecting shareholders' and investors' rights and interests. We take action in the framework of the principles of respect, integrity, and reliability in all relations with our different stakeholders and administrative bodies, and in accordance with the highest global standards and best practices.

We create value and guarantee fair and equal treatment for investors and shareholders in the exercise of rights. We define clear, transparent, and public rules for the functioning

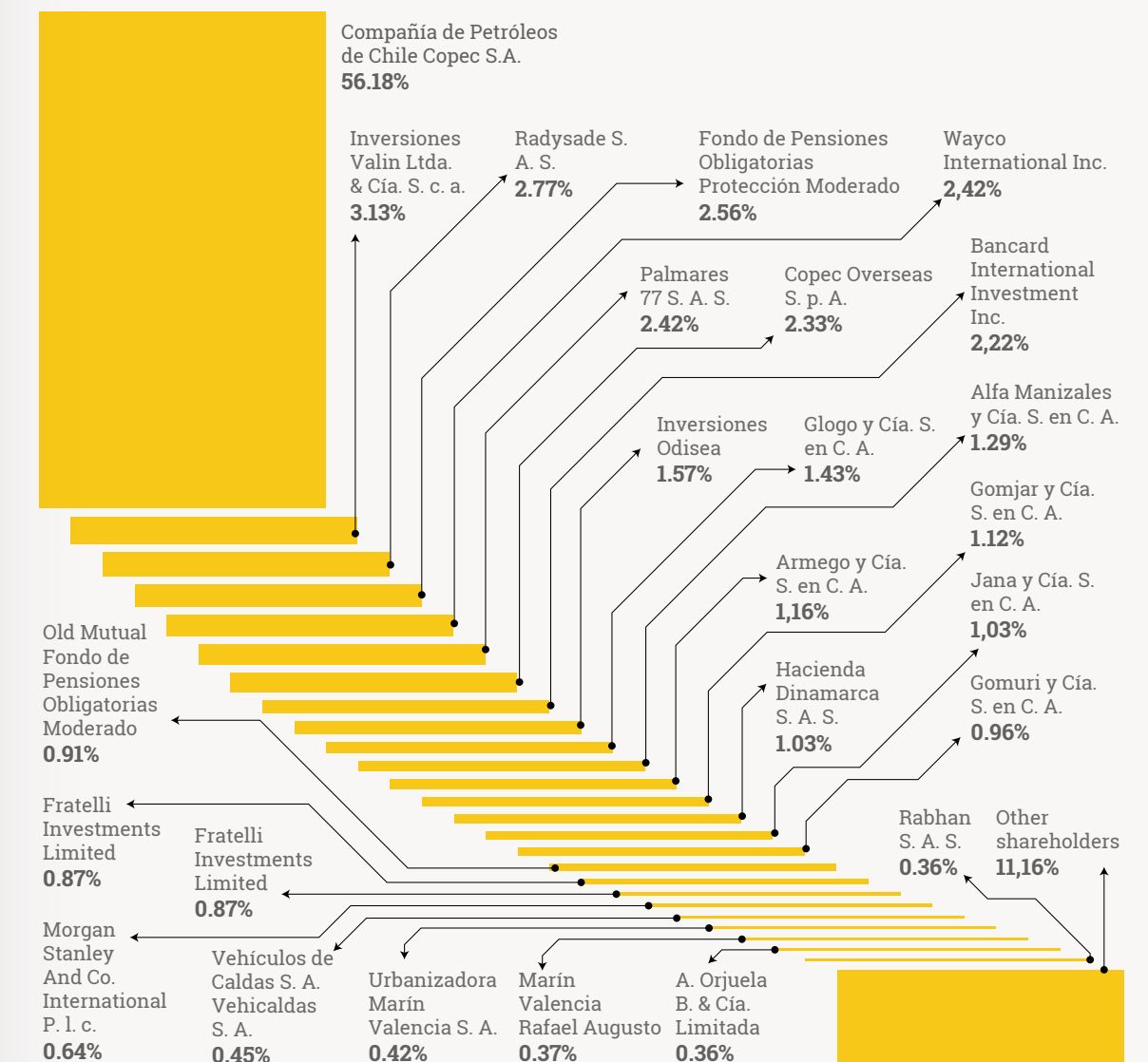
of the Shareholders' Assembly, the Board of Directors, and other bodies for administration and control, with an architecture that identifies and manages the company's different risks and delivers timely, high quality, and symmetric information.

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

## GOOD CORPORATE GOVERNANCE AND TRANSPARENCY

Material aspect: Good corporate governance and transparency  
→ GRI 102-44 and GRI 102-47

### TERPEL'S SHAREHOLDING STRUCTURE IN 2018



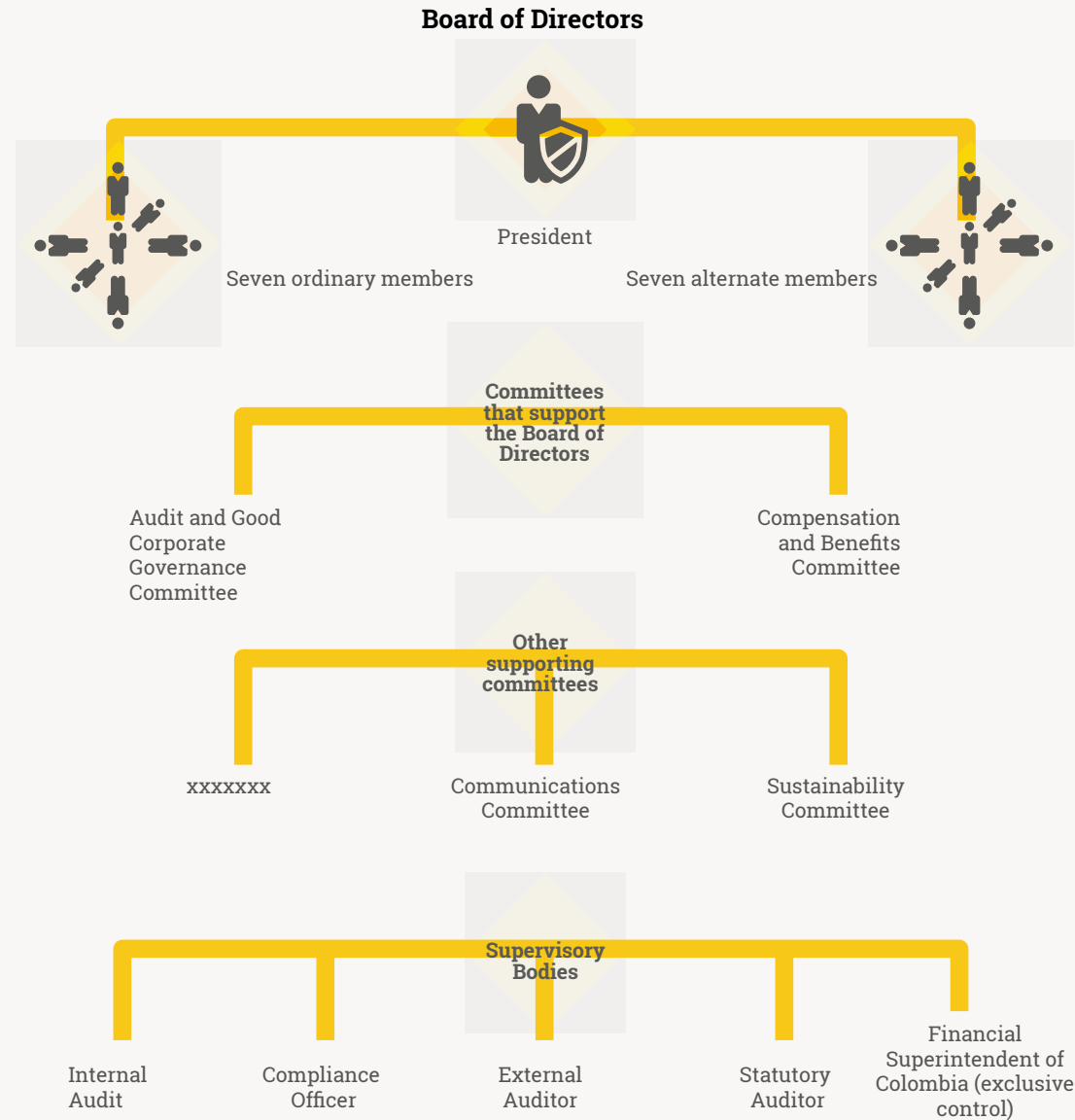
GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE BODIES

→ GRI 102-18

Terpel's governance structure is made up of the following bodies:

GENERAL SHAREHOLDERS' ASSEMBLY



DECISION-MAKING FOR SUSTAINABILITY

→ GRI 102-19 AND GRI 102-20

At Terpel, the leadership, integration, coordination, and management of sustainability is delegated to the Vice President of Corporate and Legal Affairs and to the Corporate Affairs Office, with a focus on creating benefits for our stakeholders.

The Sustainability Committee, led by the President of Terpel, makes decisions and follows up on the different fronts of our Sustainable Management Model, demonstrating the commitment on the part of senior management to the sustainability focus and its integration into the business strategy. This Committee shares information about specific topics with the organization's Board of Directors, and, as of 2018, presents periodic reports on its main decisions.

Managing the model cuts across every area at Terpel, and each area reports its activity each year in order to build our sustainability report.

Board of Directors

→ GRI 102-22

Our Board of Directors is made up of seven ordinary members and seven alternates, of which 28% is independent. The independent members make up the Audit Committee, a collegial body presided over by a member who is legally independent.

Ordinary members	Alternate members
Lorenzo Gazmuri Schleyer, <b>President</b>	Frederic Chaveyriat Roca
Jorge Andueza Fouque	Eduardo Navarro Beltrán
Ramiro Méndez Urrutia	Jorge Andrés Garcés Jordán
Leonardo Ljuretic Garib	Rodolfo Castillo García
Jorge Bunster Betteley	Arturo Natho Gamboa
José Óscar Jaramillo Botero <b>(independent)</b> <sup>1</sup>	Gabriel Jaramillo <b>(independent)</b>
Bernardo Dyner Rezonzew <b>(independent)</b>	Tulio Rabinovich Manevich <b>(independent)</b>

13. Consulte la declaración de independencia para la Junta Directiva en el siguiente enlace: <https://www.terpel.com/Global/Codigo-de-buen-gobierno-corporativo-2018.pdf> numeral 2.2.4



**Competencies**

## → GRI 102-24

The members of our Board of Directors are selected by the General Shareholders Assembly based on the guidelines established in the Code of Good Corporate Governance and in the Regulations of the Board of Directors. The requirements of the law and the bylaws for appointing the members of the Board include the following:

- Board members must have knowledge and expertise in the economic activity we pursue as an organization and/or have experience in the field of our industrial and/or sales activities, finances, technology, administration or related sciences.
- They must have a good reputation and be recognized for their professional ability and integrity.

They must attend to their duties diligently, including attending the meetings of the Board of Directors and meetings of the committees of which they form a part.

- They may not belong simultaneously to more than five (5) Boards of directors of joint-stock companies (an exception to this provision is that they may serve on the Board of Directors of Simplified Joint Stock Companies).

When members of the Board of Directors accept their appointment, they are committing to fulfill the duties and obligations established in the internal regulations of the Board of Directors and in the corporate bylaws. They make a promise to promote the corporate vision and mission, and act in alignment with the values, principles, and duties described in Terpel's Good Corporate Governance Code.

The experience and trajectory of each member of the Board of Directors must be suitable for membership on the board, in addition to their ability to make a contribution in economic, social, and environmental areas.<sup>14</sup>

## → GRI 405-1

In 2018, Terpel added to its Human Rights Policy its position on diversity, inclusion and the principle of equal opportunities with respect to our employees and the highest governing body<sup>15</sup>.

14. See the resumes of the members of the Board of Directors here: <https://www.terpel.com/Global/Accionistas/Gobierno-corporativo/junta-directiva-2016-2019.pdf>

15. For further information, consult the following link: <https://www.terpel.com/Global/Sostenibilidad/CO.P11-Politica-de-derechos-humanos.pdf>

**Service term**

In compliance with Colombian legislation, members of the Board of Directors shall be appointed for three-year periods, in accordance with the electoral quotient system. Members may be reelected indefinitely or freely removed before the end of their mandate if deemed convenient by the General Shareholders Assembly.<sup>16</sup> On average, the length of time members of the Board of Directors serve is 4 years.<sup>17</sup>

**Conflicts of interest**

## → GRI 102-25

Our Code of Good Corporate Governance Code<sup>18</sup> states that the decisions and actions of all Board members and employees must be oriented toward satisfying the interests of the organization and must not be motivated by personal considerations. In the case of a conflict of interest, or when family members have an interest up to the fourth degree of consanguinity, second degree of affinity, or first degree of civil, board members must abstain from participating in company contracts or business deals.

**Functions of the Board of Directors**

## → GRI 102-26

As the highest level administrative body, and bearing in mind the experience and expertise of its members, Terpel's Board of Directors has the job of orienting strategy, policies, and objectives related to the economic, environmental, and social issues that have the greatest impact on the organization.

During the year 2018, 100% of the board members attended the meetings. They considered economic, social, and environmental issues, and their impacts on the development of our operation.

**Member remuneration**

## → GRI GRI-35 and GRI 102-36

Terpel structures its policies and processes for remunerating the Board of Directors, the President, and the executive team based on internal technical studies and studies of the job market. They are described in our Good Corporate Governance Code<sup>19</sup>. Variable remuneration takes into consideration economic and sales criteria, but not social or environmental aspects. .

16. See the regulations for the Board of Directors at this link: <https://www.terpel.com/Global/Home/reglamento-junta-directiva-021116.pdf>

17. This average is obtained from the last five years, bearing in mind that in 2016 the term for serving on the Board of Directors was changed, going from 1 to 3 years

18. For further information see Terpel's Good Governance Code at the following link: <https://www.terpel.com/Global/Codigo-de-buen-gobierno-corporativo-2018.pdf>

19. <https://www.terpel.com/Global/Codigo-de-buen-gobierno-corporativo-2018.pdf>

## Evaluating the Board of Directors

→ GRI 102-27 and GRI 102-28

With the purpose of strengthening the Board's leadership in the area of sustainability, empowering guidelines, decision-making, and follow-up on performance and goals, Terpel engaged in its first evaluation of the Board, in three segments:

1. Characterization of the members
- 2 Self-evaluation relative to experience and knowledge of topics related to the sector and to sustainability
3. Evaluation of performance in areas such as strategy, risks, financial affairs, human rights, ethics and transparency, and social and environmental affairs. It also evaluated Board relations with Terpel committees, and decision-making based on stakeholder involvement.

Based on the evaluations filled out by the 12 members of the Board of Directors, we identified the following opportunities for improvement:

- Strengthen knowledge of environmental and social issues, the latter most specifically in aspects related to human rights.
- Review in the short and medium run the possibility of including women on the Board of Directors.
- Reinforce the relationship between the Sustainability Committee and the Board of Directors through executive reports that demonstrate work done and progress made and invite the highest governance body to express an opinion.

We also organized a training session facilitated by experts, focused on presenting global trends in sustainability. It emphasized social aspects and human rights from the perspective of the Sustainable Development Goals (SDG). As a result of this session, and based on market trends, a need was identified to make progress in these areas: leadership for a new vision for energy, innovation to empower a circular economy, and being a benchmark in human rights.

We also developed and delivered to the Board of Directors a first special edition of the *Sustainable Terpel Bulletin*. Each semester this bulletin invites the board to learn about the main results of our sustainability programs, the work done by the different areas, and the organization's experiences and lessons learned.

# ETHICS

→ GRI 102-44 and 102-47

🔍 Principal 10 of the United Nations Global Compact  
🌱 SDG 16

## ETHICS AND TRANSPARENCY GUIDELINES

Terpel's codes, regulations, and policies describe the values, principals, standards, and behavioral norms for our different stakeholders.

- Corporate bylaws
- Code of Good Corporate Governance<sup>20</sup>
- Regulations for the General Shareholders' Meeting, the Board of Directors, the Audit Committee, and the Compensation and Benefits Committee
- Code of Conduct<sup>21</sup>
- Policy Manual for the Prevention of Asset Laundering and Financing of Terrorism
- Policy for Compliance with Accounting Transparency and Anti-bribery Practices relative to Government Officials
- Data Protection Policy

## COMPLIANCE MECHANISMS

→ GRI 102-17 and GRI 205-3

Terpel has conflict prevention and resolution strategies and mechanisms that are aligned with the company's guidelines for ethics and transparency. We have established different channels for reporting any improper conduct to the Organization that could constitute corruption on the part of employees or contractors. The individuals making use of these means are protected from any kind of reprisal because the reports remain confidential.

- The Corporate Legal Director serves as Terpel's Compliance Officer and is a direct channel for filing a report.
- The Confidential Whistleblowing Line: <https://www.reportesconfidencialesterpel.com/>, ensures the confidentiality of reports filed by employees, suppliers, clients and third parties of any situation that may be counter to the Code of Conduct or Corporate Policies.
- E-mail: [cumplimiento@terpel.com](mailto:cumplimiento@terpel.com)/ Phone: 326-7878 ext. 1604

In 2018, one case of corruption was identified. Due process was followed and the situation was resolved through the cancelation of the contract.

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

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

## ANTI-CORRUPTION PRACTICES

### COLOMBIA

- We did an internal audit to check for asset laundering, financing of terrorism, and corruption. The audit confirmed our excellent performance and reinforced our commitment to continue to implement best practices.
- We disseminated information on our policies and procedures for fighting corruption to 1,365 employees, in other words, 97.3% of all employees.
- We trained 508 employees on the prevention of asset laundering, financing of terrorism, and corruption.
- We created the *ClaseT* course on *Business Ethics and Anti-corruption*, targeting all persons who have some kind of a relationship with Terpel. In the class, participants will learn about our pillars of business ethics and thereby raise their awareness about preventing and reporting possible acts of corruption that could produce negative impacts. It will be implemented in the year 2019.

- We got involved with the Colombian Institute of Corporate Governance, whose purpose is to strengthen the development and adoption of best practices of corporate governance in the country, and to contribute to organizational sustainability and the economic and institutional advancement of Colombia. The Institute's strategic pillars are:

- Coordination, by promoting arenas for dialogue between the different actors
- Dissemination, to provide information on corporate government guidelines and best practices, and
- Training, through programs that will professionalize the work of the different players involved in an organization's corporate governance

#### **Basic Mission Control, managing and protecting personal information**

Information is a valuable asset for Terpel. For that reason, we implemented the *Basic Mission Control* course to train employees on Habeas Data and reinforce their knowledge about the protection of personal information.

We provided this training to 813 people through *ClaseT*.

### PANAMA

#### ***The value of reputation***

Terpel in Panama organized training sessions to strengthen our personnel's knowledge about corporate reputation. A total of 30 employees participated from the corporate offices in Panama City. They explored in greater depth the importance and consequences of not managing reputation, and identified real cases that demonstrate the risks to which companies are exposed.

### PERU

#### ***Prevention model***

We began developing a Prevention Model for crimes of transnational, generic and specific active bribery, as well as asset laundering and financing of terrorism. During 2018 we gathered information on the processes that will help us identify possible opportunities for improvement and consolidate the model in 2019.

## RISKS

→ GRI 102-15, GRI 407-1, GRI 408-1 and GRI 409-1

We have a Risk Management System for the prevention of asset laundering and financing of terrorism, and we promote compliance with this system by all parties interacting with Terpel. In addition, our Environmental Management System helps us identify environmental risks at work centers. We record these risks, evaluate them, and establish action plans for their mitigation and control.

#### **RISK IDENTIFICATION**

→ GRI 205-1

Each year we assess corruption risks at Terpel's work centers and operations in Colombia, to identify and prevent possible impacts on the business.

In addition, we analyze financial risks to our cost of debt from interest rates and inflation, and the risk of an impact on the NGV fuels business from the exchange rate. At the same time, and particularly for that same business, we create scenarios to help understand market, operational, environmental, and compliance risks.



## COLOMBIA

We encourage our personnel to know about and manage our risks. Through a workshop with 140 employees, including managers, directors, and supervisors of Terpel's different businesses and regions in Colombia, we validated and prioritized the socio-political, security, and human rights risks that occur with the greatest frequency in our operations. We provided support tools for the protocol for managing those risks, and established actions for their prevention. The main risks identified were:

- Allegations of poor practices by third parties
- Allegations about not hiring local labor
- Allegations regarding environmental impacts
- Allegations based on expectations for social investment
- Alerts raised related to extortion, kidnapping, or threats to Terpel managers and contractors
- Allegations regarding social impacts and peaceful relations with society

## FOLLOW-UP AND CONTROL

→ GRI 102-15 and GRI 102-29

Our Audit Committee is in charge of monitoring and auditing the performance of risk management at the corporate level, reporting directly to the members of the Board of Directors.



Strengthen the standards for the prevention of asset laundering, financing of terrorism, and corruption at Terpel's affiliates.

Strengthen the Board of Directors in the areas of business ethics and anti-corruption.



## EVOLUTION

# MEMORABLE EXPERIENCES AND NETWORK CONSOLIDATION

→ GRI 103-1 and GRI 103-2

We do our best to meet our consumers' needs, to be their trusted ally in all their travels, and to reward their preference for us with actions.

We nurture a mutually beneficial relationship with our business partners, forming a single, homogeneous network.

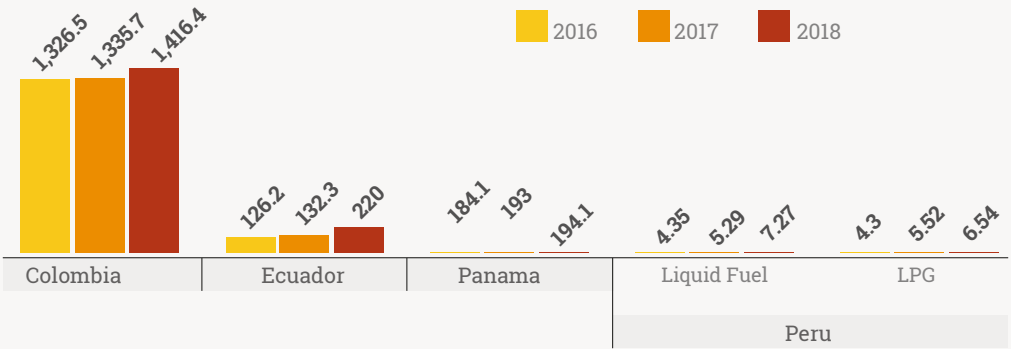
Our dedication to service motivates us to satisfy people's needs and give them memorable experiences with all our business lines, products, and services. We work every day to develop a robust network of services that offers the same experience at every point of sale, so our brand will work its way into the hearts of consumers. Affiliates and franchises make those memorable experiences a reality, and not only do we work toward that purpose with them, but we also share with them our philosophy and our way of working. We create arenas for work and growth with the goal of profitability and competitiveness for our customers, putting initiatives in motion that will offer them greater benefits.

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

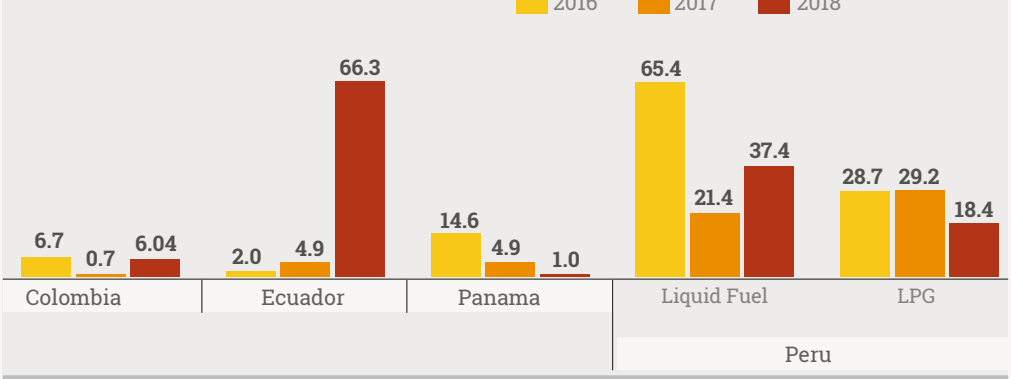
According to a study by Brand Equity Monitor in 2018, 43.1% of the consumers surveyed preferred our brand.

SERVICE STATIONS

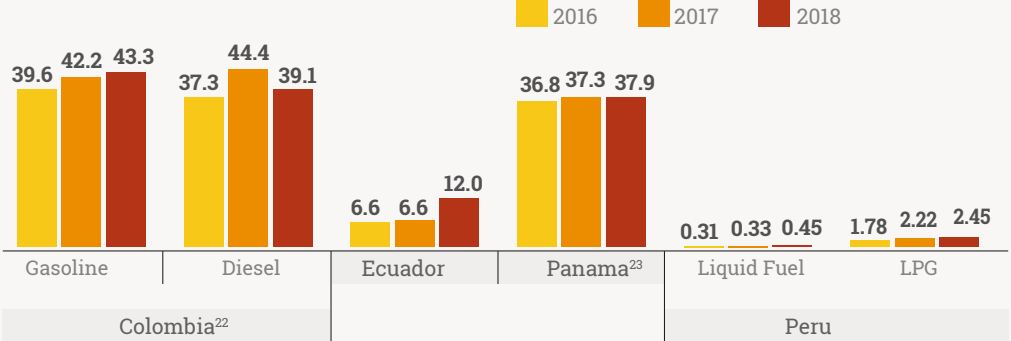
Sales Volume  
(millions of gallons)



Sales Growth  
(percentage)



Market Share  
(percentage)



Material aspect: Profitability  
→ GRI 102-44 y GRI 102-47

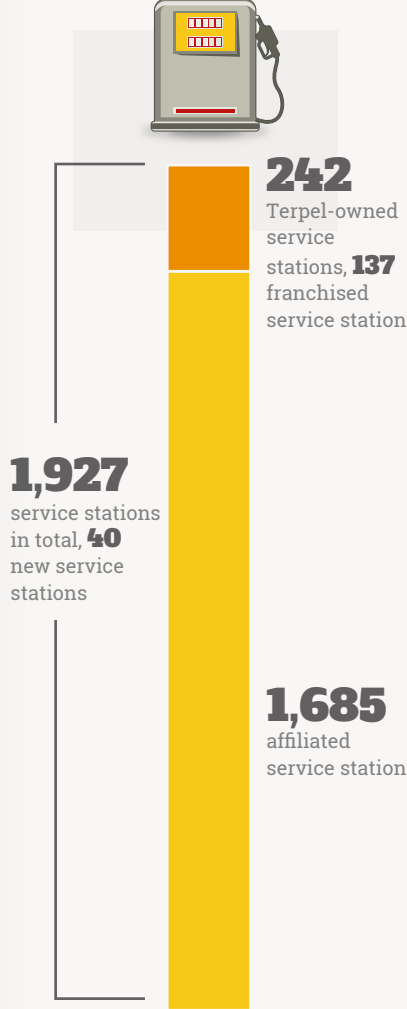
In Colombia, the financial performance of our network of affiliated stations was a decisive factor in our growth and our market share.

22. The figures for 2017 were adjusted in accordance with an internal revision. GRI 102-48.  
23. The market share in Panama includes the service station network and convenience stores.

COLOMBIA

Material aspect: Technology and Innovation  
→ GRI 102-44 y GRI 102-47

Service stations for liquid fuel



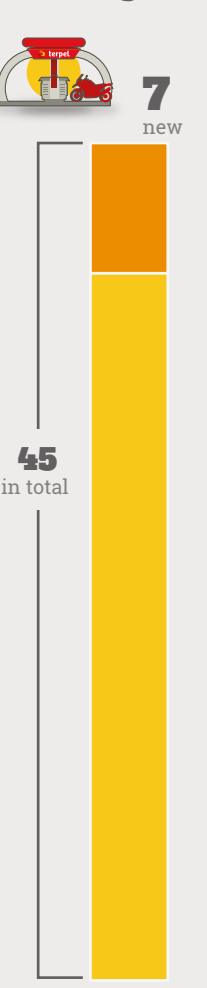
Remodeled restrooms:



Renovated service stations:

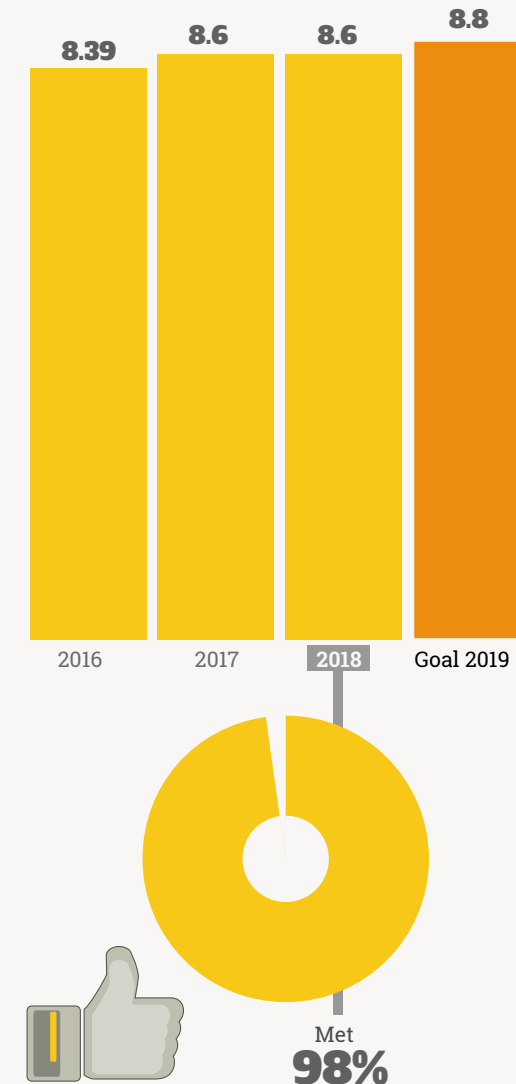


Pump islands exclusively for motorcycles:



We achieved the greatest increase in market share in the last five years, gaining 1.2 percentage points to reach 43.3%.



SATISFACTION SCORE IN COLOMBIA  
(ON A SCALE OF 10)<sup>24</sup>TERPEL BUSINESS  
OWNER NETWORK

Material aspect: Accompaniment of affiliates, customers, and consumers  
→ GRI 102-44, GRI 102-47, GRI 103-1 and GRI 103-2

Our value offer is designed especially for our affiliates and franchises, who are the face of the Terpel brand.

We create incentives for service station owners to align with our corporate values of integrity, respect, and reliability. We also promote leadership and teamwork to continue consolidating the Terpel Business Owner Network and offer final consumers the best portfolio of services, and differentiated products that add value to our brand.

In 2018 we organized the following arenas for communication:

- **Roundtables.** We presented our main brand-support programs at 11 ExpoRet meetings in the cities of Barranquilla, Bogotá D. C., Bucaramanga, Cali, Medellín, Montería, Neiva, Paipa, Pasto, Pereira, and Yopal. A total of 876 people participated, including affiliates and franchises.
- **Zone Committees.** We talked about Terpel's value proposition and competitive strategy with 81 committees on which 612 partners participated.

- **Mini-conventions.** We disseminated the annual marketing plan and recognized the loyalty of our oldest partners at nine mini-conventions, with the participation of 63% of the service stations.
- **International Convention.** Terpel visited the International New Energy Vehicles Exhibition in China, in order to learn about new trends in renewable energy. A total of 90 Terpel business partners participated.



**INTERACTING WITH OUR PARTNERS HELPS US COMMUNICATE OUR BUSINESS STRATEGY, RECOGNIZE THEIR WORK, AND INVITE THEM TO ACTIVELY PARTICIPATE IN THE PROGRAMS WE HAVE FOR THEM."**

Johand Patiño, Vice President of Fuel Sales

OTHER  
INITIATIVES THAT  
STRENGTHEN OUR  
RELATIONSHIPS  
WITH PARTNERS

*Click Payment.* We strengthened this strategy by migrating the initiative to *Terpel World*.

*Get inspired in the kitchen with Terpel.* We activated sales at 790 service stations, representing 40% of the network, through a promotion to sell our consumers more than 207,000 units of IMUSA brand cookware at special prices. The promotion resulted in an increase in sales of 1.3 million gallons.

*Terpel LifeMiles Club.* More than 780 thousand users, 46 Altoque stores, and 823 service stations are part of this loyalty program, which challenges us to keep innovating for the different segments.

**1,346**

BUSINESS OWNERS MAKE UP THE TERPEL BUSINESS OWNER NETWORK.

**83**

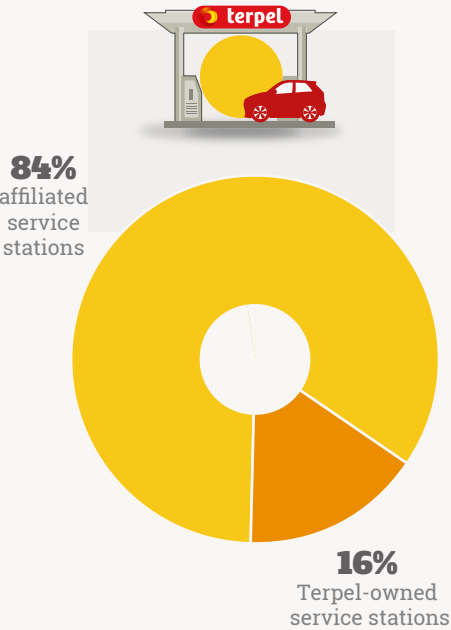
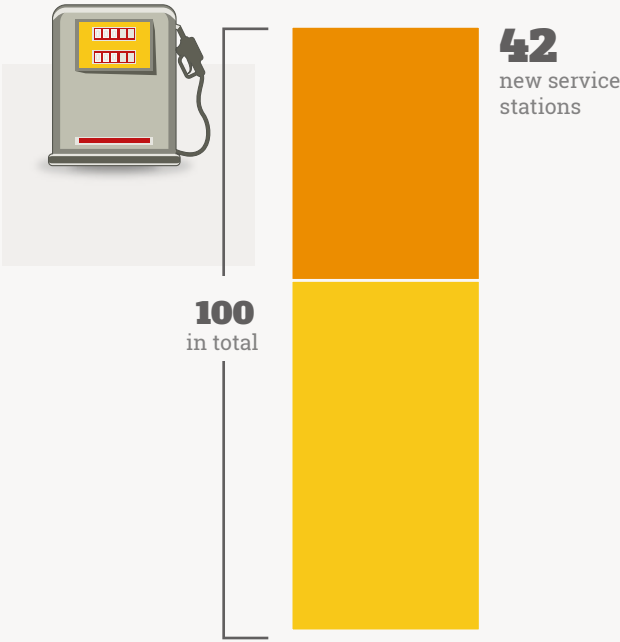
TERPEL BUSINESS OWNERS GRADUATED FROM THE EXECUTIVE TRAINING PROGRAM.

**35**

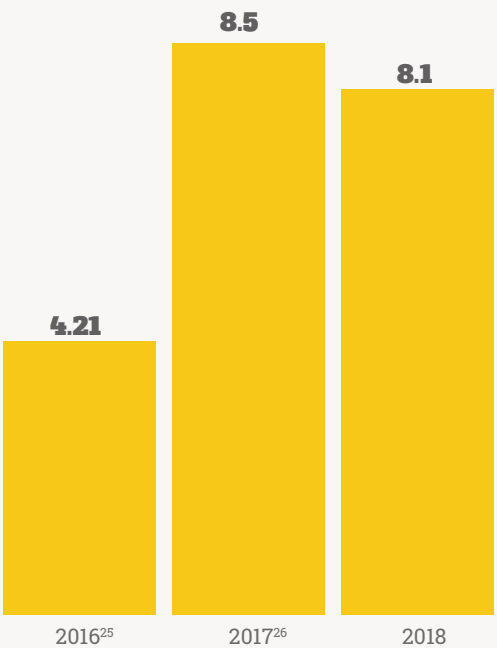
BUSINESS OWNERS WERE TRAINED THROUGH THE EPOPEYA TOUR 2018.

ECUADOR

Service stations for liquid fuel



SATISFACTION SCORE IN ECUADOR



25. Scored over 5.  
26. Scored over 10.

INTEGRATION OF EXXONMOBIL AND TERPEL

We took over the ExxonMobil operation in Ecuador, increasing the size of the country's service station network by 42 points of sale, thereby making our market presence more robust. In 2018, the first two service stations converted to using the Terpel image.

MORE MEMORABLE EXPERIENCES FOR OUR CUSTOMERS

We continued offering memorable experiences with our *Lucky Fill-up* promotion, where we gave out four zero-kilometer vehicles and vouchers for a year of free fuel for our consumers.

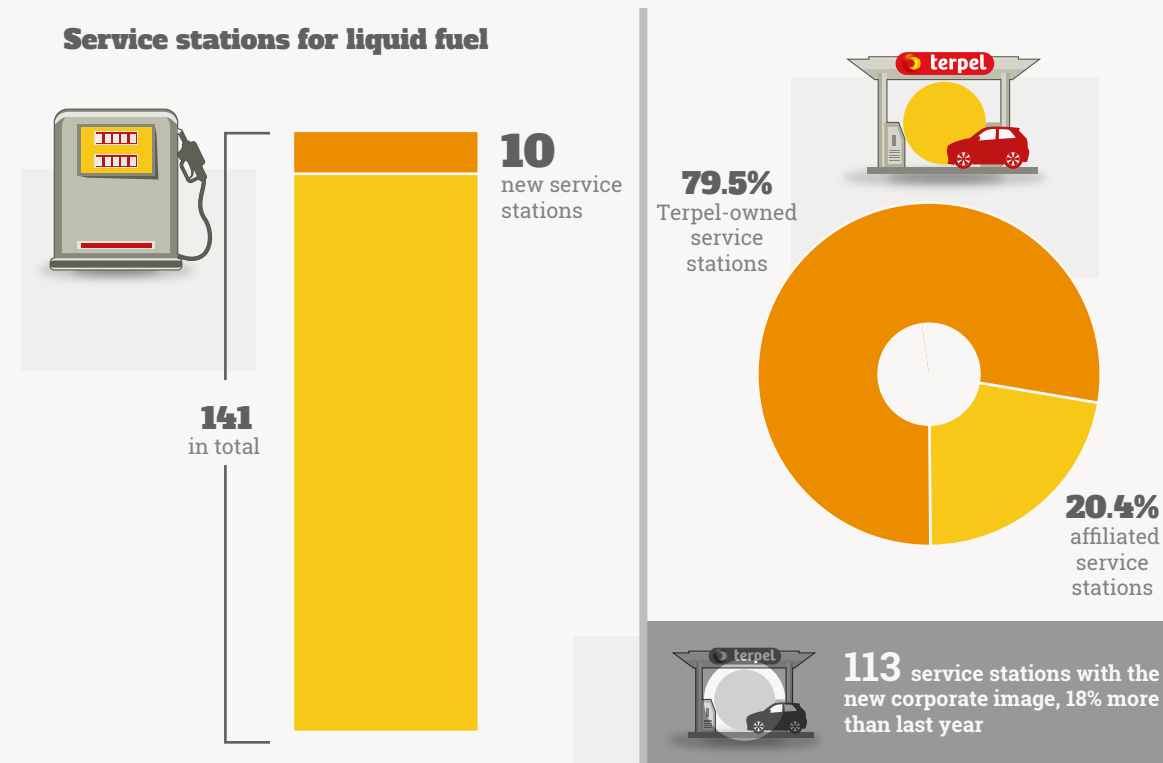
WE TAUGHT SKILLS TO PUMP ISLAND ATTENDANTS, SO THEY REFLECT OUR SERVICE STANDARDS

A jump to 79% was the increase in the participation of our pump island attendants in training sessions to improve their customer service. We also evaluated their performance using a mystery client. In 2018, our score went up by 4 percentage points, with an 84% satisfaction with the service.

OTHER RELEVANT ACTIONS THAT STRENGTHENED OUR PERFORMANCE

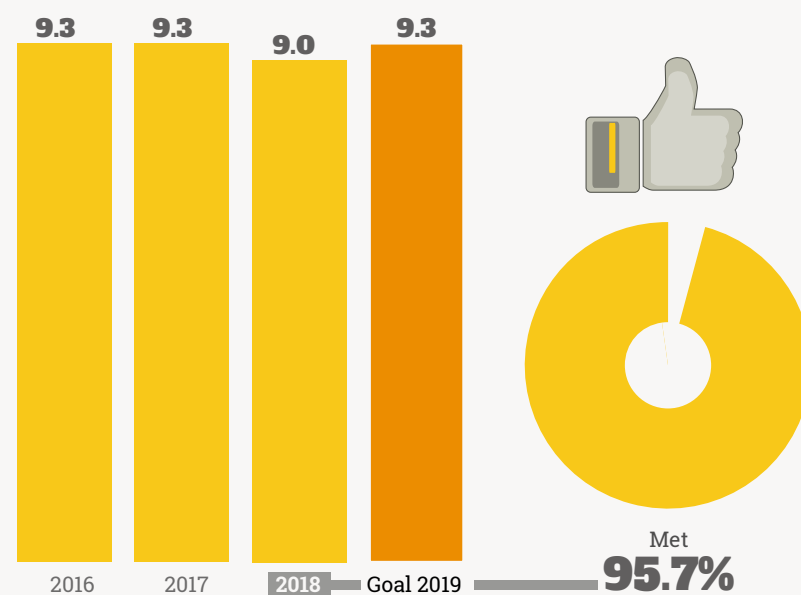
- We renewed six affiliation contracts in Terpel's service station network, representing 13% of the average monthly volume.
- We began implementing Terpel's new image in Ecuador.

## PANAMA



We became suppliers for the Mi Bus Integrated Transportation System

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

ELECTRONIC INVOICING TO  
STREAMLINE THE OPERATION

We implemented electronic invoicing. By issuing a legally valid physical digital document, we make the process to issue and receive invoices more efficient, in line with the socio-economic context in Panama. This initiative also led to the adoption of an environmentally and financially sustainable process for customers and suppliers, streamlining attention and service, and stimulating technological innovation at the company.

CLICK PAYMENT MAKES THINGS  
EASY FOR CUSTOMERS

We created better experiences for customers by installing a platform consumers can use to make payments quickly and safely at service stations and convenience stores using their cell phones.

During 2018 we implemented the program at 11 service stations and 6 convenience stores located in the provinces of Panama and Panama Oeste, producing the following benefits:

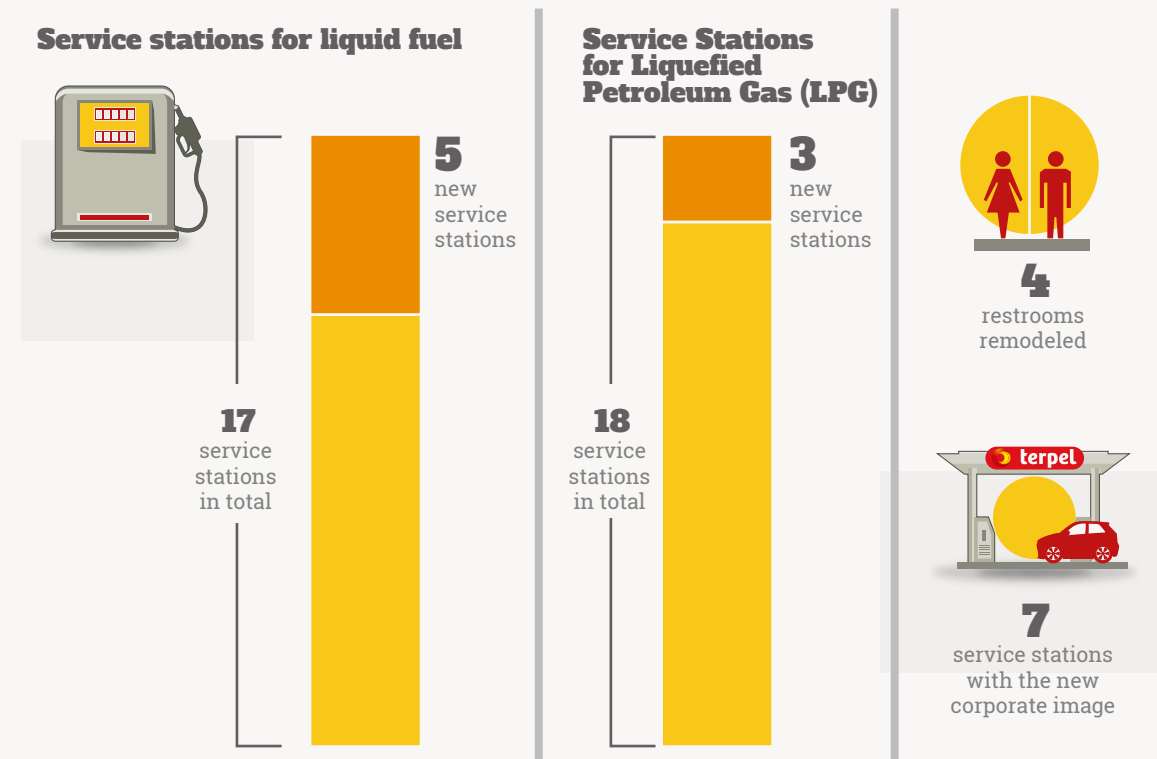
- Safe transactions, avoiding fraud from the use of cards with magnetic stripes
- Operating efficiency and consumption control, because fuel can be dispensed only to authorized vehicles and for an exact quantity
- Speedy transactions, made directly by the customer

DO IT WITH GUSTO REWARDS OUR  
SERVICE STATION PERSONNEL

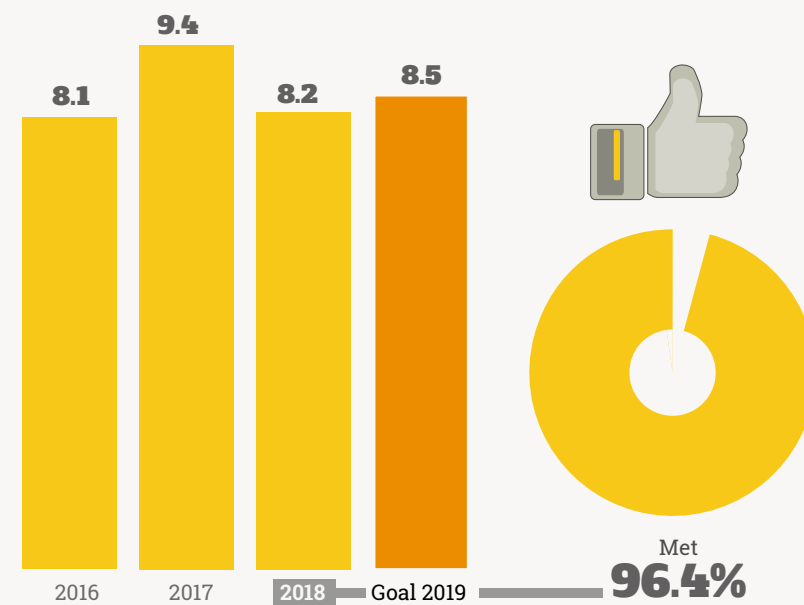
This program targeting administrators, shift supervisors, clerks at the *Va&Ven* and *Quick Shop* stores, and the cashiers in our network of service stations has been designed to train, monitor, and reward professional performance and quality service at the different work centers. In 2018, thanks to the monitoring done during the program, we raised the service indicator by 11 percentage points, going from 80% in 2017 to 91% in 2018.



## PERU



SATISFACTION SCORE IN PERU (ON A SCALE OF 10)



## PITS PROGRAM TO IMPROVE OUR SERVICE

We launched the PITS program, our incentive program for administrators, assistants, and service representatives at service stations and Alto stores, to guarantee the implementation of our strategy at our points of sale. Through PITS we recognize and reward service, hard work, commitment, and leadership.

**562**  
PEOPLE SIGNED UP

**550**  
POINTS REDEEMED IN CATEGORIES SUCH AS: HOUSEHOLD ITEMS, TECHNOLOGY, SPORTS, AND COUPONS

## COMPLEMENTARY SERVICES

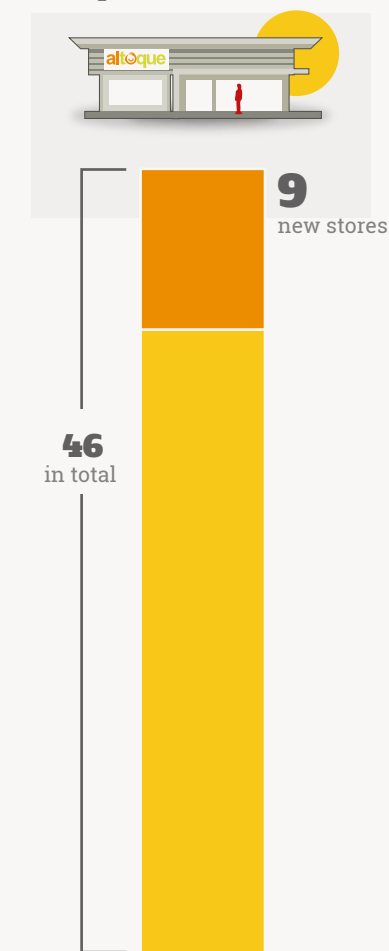
Material aspect: Technology and Innovation

→ GRI 102-6 y GRI 102-44, GRI 102-47

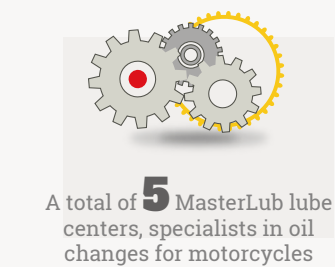
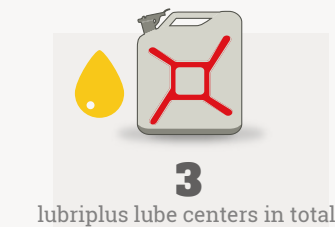
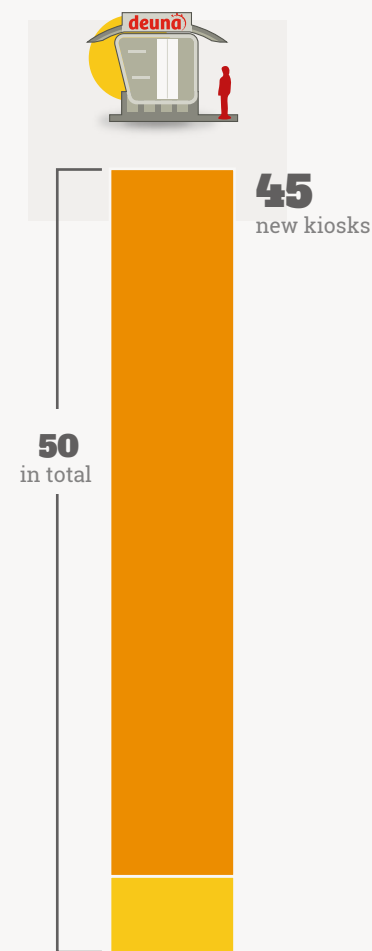
We go above and beyond so our service station consumers can find everything they need during their trip.

### COLOMBIA

#### altoque stores



#### deuna kiosks:



Our network just keeps giving more, because we now total 100 points with complementary services in our service station network.

We expanded our offer to provide complementary services that reach more consumers. We implemented our model of stores, kiosks, and car washes at affiliated service stations and began delivery of the first eight Altoque Stores in franchise.

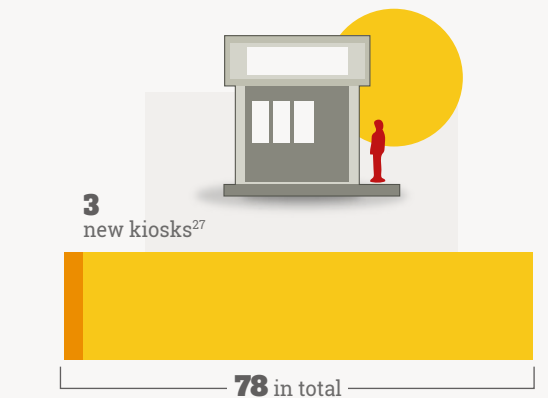
### ECUADOR

#### 5 Va&Ven Stores

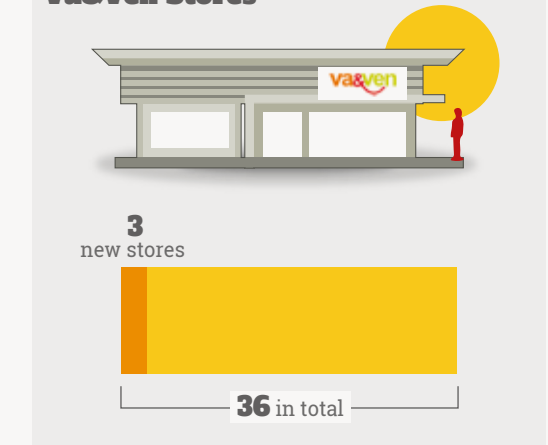


### PANAMA

#### Quick Shop Kiosks



#### Va&Ven Stores



#### Wash'n Go car washes



27. In 2018, six new kiosks were created, but 3 of them were converted to the Va&Ven store format.

FRIEND TERPEL, FOR OUR END USERS

We launched *Friend Terpel*, focused on rewarding our frequent customers at our *Va&Ven* and *Quick Shop* convenience stores, *Wash'n Go* car washes, and Terpel service stations. The program offers a mechanism for accumulating and redeeming points for fuel or products at the stores. We closed out the year 2018 with implementation of the program in 100% of the network of convenience stores and service stations, delivery of more than 55,000 *Friend Terpel* cards, more than 30,000 active customers, close to 25,000 downloads of the mobile app, and 32,000 sales transactions associated with the *Va&Ven* stores and the *Quick Shop* kiosks.

TASK ADMINISTRATION APP  
FACILITATES THE OPERATION

Modern tools have made operations easier at service stations and convenience stores. The task administration app we installed does different tasks quickly and efficiently while analyzing trends for decision-making.

By the end of the year, we had 114 convenience stores and service stations activated, and 140 users including administrators and supervisors of convenience stores and service stations, sales representatives, and inspectors. This has raised compliance indicators up to 98% and the results of Check List evaluations for operating processes – image, customer service, best practices, and safety and hygiene – by up to 20%.

PERU

Alto convenience stores



With the purpose of offering more and better services to our customers at our convenience stores, we expanded the fast food we offer and selected suppliers that meet our needs, making our operation more efficient. In 2018, we achieved a growth in sales of 28% over the previous year.



WE DELIVER BENEFITS THAT  
TOUCH THE HEART OF OUR  
CUSTOMERS AND STRENGTHEN  
OUR DESIRE TO BE NUMBER  
ONE.”

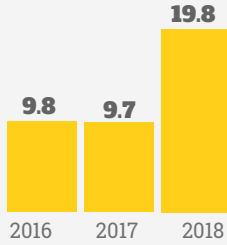
Tony Quintero Mejía,  
Vice President of Marketing

LUBRICANTS

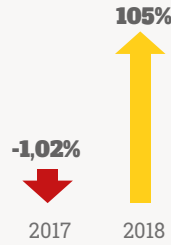
Colombia<sup>28</sup>



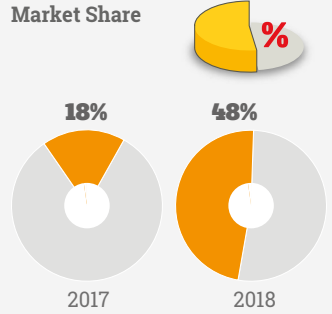
Sales Volume  
(millions of gallons)



Sales Growth



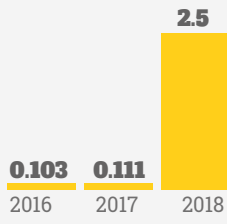
Market Share



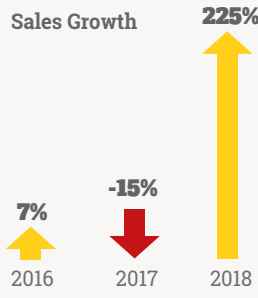
Ecuador



Sales Volume  
(millions of gallons)



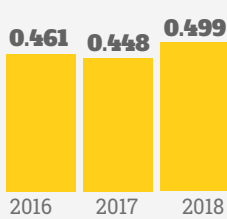
Sales Growth



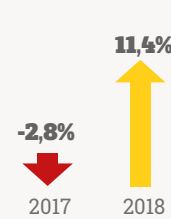
Panama



Sales Volume  
(millions of gallons)



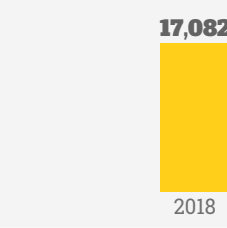
Sales Growth



Peru



Sales Volume  
(millions of gallons)



Sales Growth



Material aspect: Profitability

→ GRI 102-6, GRI 102-44 and GRI 102-47

28. Includes exports.



COLOMBIA

9,000

POINTS OF SALE  
FOR LUBRICANTS<sup>29</sup>

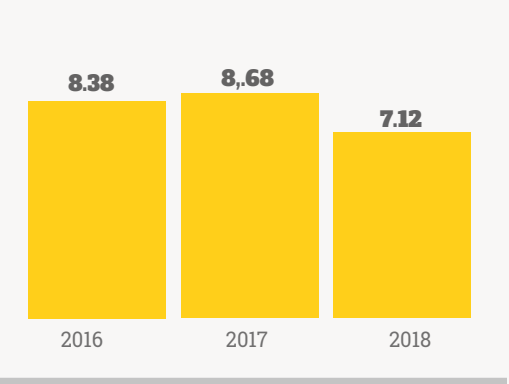
269

INDUSTRY CUSTOMERS WITH  
RECURRING PURCHASES OF  
LUBRICANTS

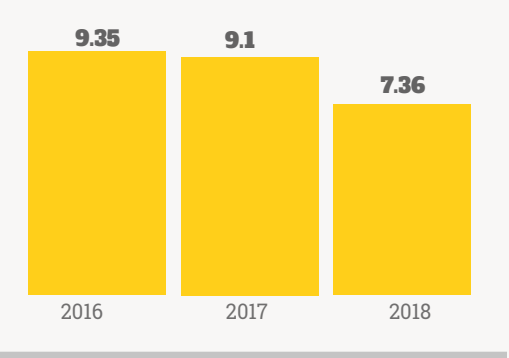
9

AUTO AGENCIES FAITHFUL TO  
MOBIL LUBRICANTS

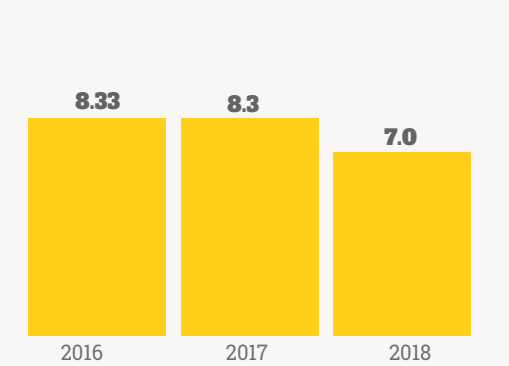
Satisfaction score in Colombia  
for lubricant customers  
(on a scale of 10)



Satisfaction score in Colombia  
for lubricant distributor  
customers  
(on a scale of 10)



Satisfaction score in Colombia  
for industrial customers  
(on a scale of 10)



BUSINESS INTEGRATION, EXXONMOBIL  
IN OUR TERPEL PORTFOLIO

We have taken control of the ExxonMobil de Colombia S.A. operation and integrated that brand into Terpel's operations in the lubricants segment. According to the conditions established by the Superintendence of Industry and Commerce (SIC), the integration implied making significant changes in our lubricants business:

- Transferring our Bucaramanga Lubricants Factory to ExxonMobil and taking over the Cartagena Lubricants Factory with the respective contracts owned by ExxonMobil.
- Taking control of the Puente Aranda Laboratory in Bogotá D.C.
- Assigning the Maxter and Maxter Progres brands to ExxonMobil Colombia S. A., as well as some of the current industrial contracts that included the supply of products from those brands.
- Including Mobil products in our Terpel portfolio and making them available to the public at different points of sale in Colombia, including our network of service stations.
- Taking over ExxonMobil's assets in Ecuador and Peru, including the lubricant factories in each country.

We are fully satisfied with the process we implemented, and some of the good results included:

- We ran the operations without affecting our **sales volumes**. We maintained close relationships with customers, staying in constant communication to keep them informed about the process and the continuity of the business.
- We became **leaders in the lubricants business**. We achieved a greater market share.
- We created the **Ultrek brand** to focus on serving the heavy transportation vehicle segment. It has a complete line of lubricants for diesel engines, transmissions, and differentials, and as a brand complements the Mobil and Terpel lubricants.
- **We trained distributors** in the new line of products.
- **We presented the new lubricants strategy to Terpel service station partners** and the complementary offer of the two brands to consumers.
- We provided **sales support** across the board.
- **We continued to sell the two brands**, without affecting business with customers, because we retained sales personnel to deal with the brands they had been representing.
- **We evaluated 28 distributors**, 22 from Terpel and 6 from Mobil, to build the Distributors of the Future Network.

29. The information includes the total number of customers of the direct and exclusive distributors of the Mobil and Terpel brands..  
30. Results of lubricants customer satisfaction survey, conducted by BrandStrat.  
31. Results of lubricants customer satisfaction survey, conducted by BrandStrat.  
32. Results of the industry customer satisfaction survey, conducted by BrandStrat.

We maintained the best practices for value added for the customers of the two brands. Processing 110,000 samples of used oil in the laboratory in Bogotá, with an array of 24 tests for each sample, allowed us to detect opportunities for improving the process for oil changes, optimizing times and efficiency for customers.

Our greatest challenge in this process was commencing operations at the Cartagena Lubricants Factory. It implied accompanying the adaptation of people from the Bucaramanga factory to the new infrastructure, and adjusting the production lines to produce both types of lubricants at the same factory.



**OUR CLOSE RELATIONSHIPS WITH OUR INDUSTRY CUSTOMERS, DISTRIBUTORS, AND THE AUTOMOTIVE CHANNEL GENERATED CONFIDENCE IN THE CONTINUITY OF THE BUSINESS. THIS WAS REFLECTED IN INCREASED SALES VOLUMES FOR TERPEL LUBRICANTS AND EVEN THE MOBIL LUBRICANTS.”**

Rodrigo Ferreira Oyaneder, VP Lubricants.

## WE STRENGTHEN TIES WITH THOSE WHO RECOMMEND AND SELL OUR PRODUCTS

Material aspect: Accompaniment of affiliates, customers, and consumers  
→ GRI 102-44 and GRI 102-47

### Tesos Program

The Tesos program strengthens our relationship with the mechanics and lubrication technicians who recommend our products at our points of sale.

The individuals signed up for the program are identified as 'Tesos,' which is slang in Spanish for someone skilled at problem-solving. They accumulate points for sales of Terpel lubricants, which are recorded on the platform [www.tesosterpel.com](http://www.tesosterpel.com) and can be traded for financial incentives each month. We also organize promotions to motivate 'Tesos' to participate, give out gifts on special dates, and offer training and accompaniment for their personal development.

In 2018, more than 1,300 'Tesos' participated in a fun training experience on a tour through nine cities of the country.

# 1,289

POINTS OF SALE HAVE A 'TESO' ON SITE, IN 216 MUNICIPALITIES AND 29 DEPARTMENTS.

# 1,630

ACTIVE 'TESOS'

# 1,869

TESOS' RECEIVED RECOGNITION ON SPECIAL DATES.

# 80%

OF THE 'TESOS' STATED THEY WERE SATISFIED WITH THE PROGRAM.

# 43%

OF ALL LUBRICANT SALES WERE GENERATED THROUGH THIS LOYALTY PROGRAM.

### Club for Mobil™ Lubrication Specialists

This 17-year program recognizes the work of those who promote and sell Mobil products and strengthens their sense of belonging. We continued the program after the integration in order to continue providing benefits that improve the well-being and quality of life of those who recommend Mobil products, and of their families.

During 2018, we organized four events at the best amusement parks in the nation, where a total of 2,800 affiliates and their families enjoyed a day of recreation.

# 1.713

POINTS OF SALE IN 190 MUNICIPALITIES

# 2.077

ACTIVE AFFILIATES

# 1.100

AFFILIATES PARTICIPATED IN SPECIAL ACTIVITIES

# 1.185

AFFILIATES RECEIVED PRIZES

**Delvac Club Grand Prize Race**

This prize race, organized for the 31st consecutive year, demonstrates the importance Mobil placed on the transportation sector. Terpel therefore assumed this commitment in 2018 to the transporters who are and will continue to be our partners on the country's highways.

The *Delvac Club Grand Prize* race took place at the Tocancipá racetrack in Cundinamarca, with 28,000 in attendance and 148 vehicles in the race. Records for previous competitions were broken, we relaunched *Mobil Delvac Club*, and there were concerts and celebrations of the 31<sup>st</sup> year of this event.

**ECUADOR**

WE SAW A

**225%**

GROWTH IN LUBRICANT SALES, AFTER TAKING OVER THE OPERATIONS OF MOBIL AND CAT LUBRICANTS.

**PANAMA**

THERE ARE

**600**

POINTS OF SALE FOR TERPEL LUBRICANTS IN PANAMA

**THE TOP DOG, BENEFITS FOR SALESPERSONS**

This program creates incentives for Terpel lubricants salespersons at points of sale nation-wide, including Terpel-owned service stations, affiliates, automobile repair shops, and supermarkets. During 2018, we implemented the program at 238 points of sale across the nation, providing financial incentives for 2,967 people.

**PERU**

THE COUNTRY HAS

**7,409**

POINTS OF SALE,

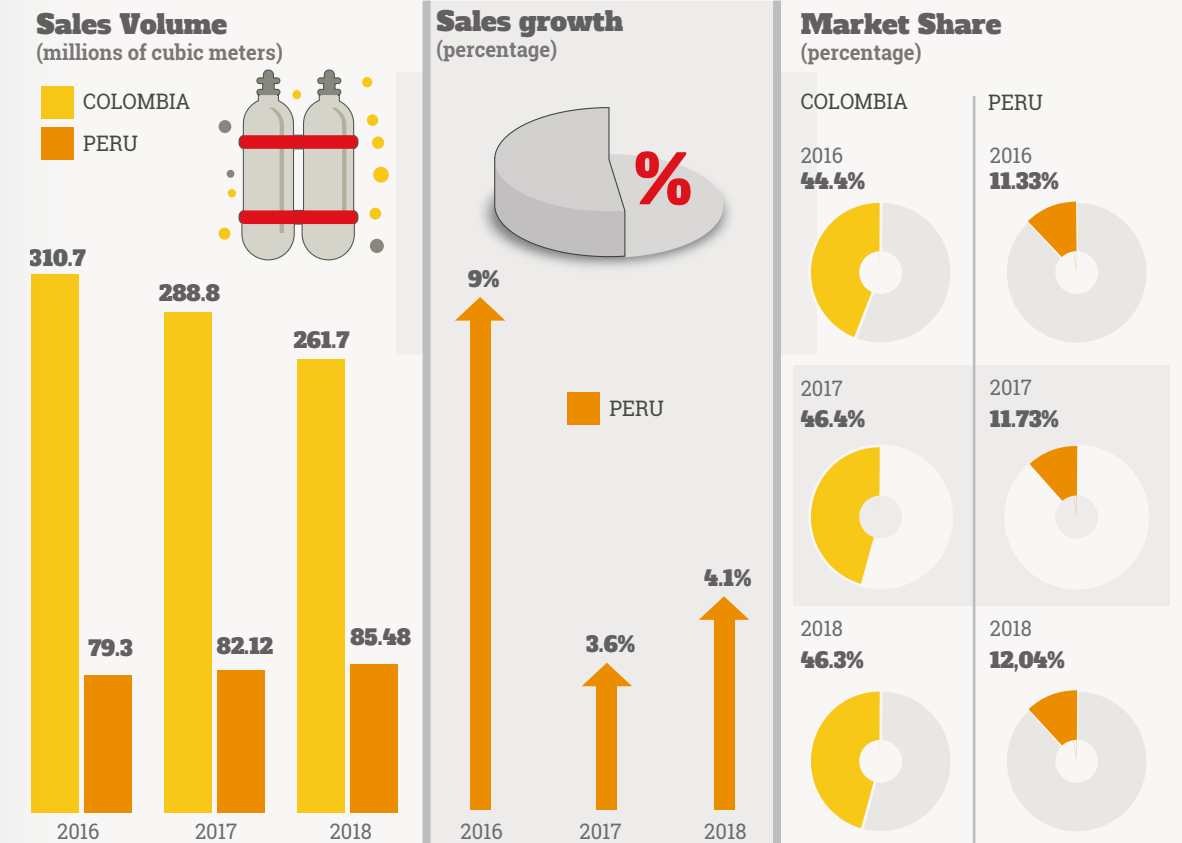
**15**

SERVICE STATIONS AND

**87**

INDUSTRIAL POINTS OF SALE.

Our greatest advancement in the lubricants operation took place at the Callao Lubricants Plant, where we increased productivity and improved the efficiency of the operation.

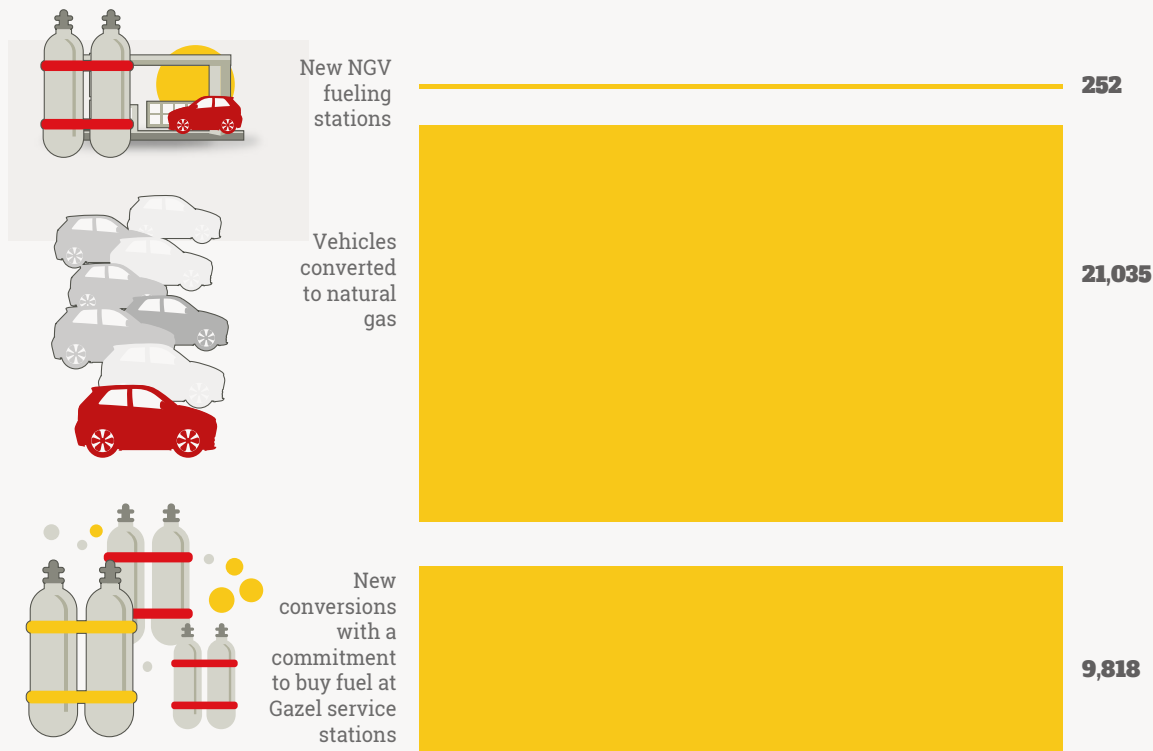
**NATURAL GAS FOR VEHICLES**

Material aspect: Profitability

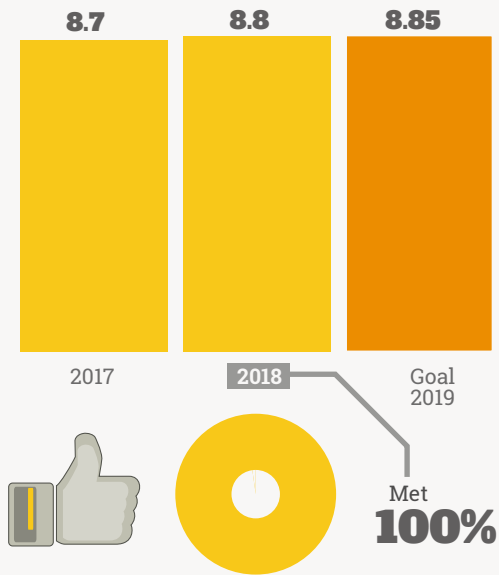
Material aspect: Technology and Innovation

→ GRI 102-6, GRI 102-44 and GRI 102-47

COLOMBIA



Satisfaction score in Colombia  
(on a scale of 10)<sup>33</sup>



33. Results of the industry customer satisfaction survey, conducted by BrandStrat.

100% NATURAL GAS BURNING  
VEHICLE

- Material aspect: Technology and Innovation
- SDG 7
- Principal 9 of the United Nations Global Compact

In alliance with Hyundai we developed a vehicle converted to use natural gas exclusively. At the close of the year, 74 Hyundai taxis were circulating with the new system, completely dedicated to natural gas. This system provides benefits in savings over regular gasoline, fewer emissions of particulate matter, and safe technology.

NATURAL GAS IN CARGO  
TRANSPORTATION

We partner with our heavy transportation customers in their use of NGV fuels in their vehicles. This initiative that reduces environmental impacts based on low emissions of greenhouse gases, also generates additional financial benefits for the consumer in the form of lower prices for fuel and lower costs in engine maintenance.

GAZEL CLUB

- Material aspect: Accompaniment of affiliates, customers, and consumers
- GRI 102-44 and GRI 102-47

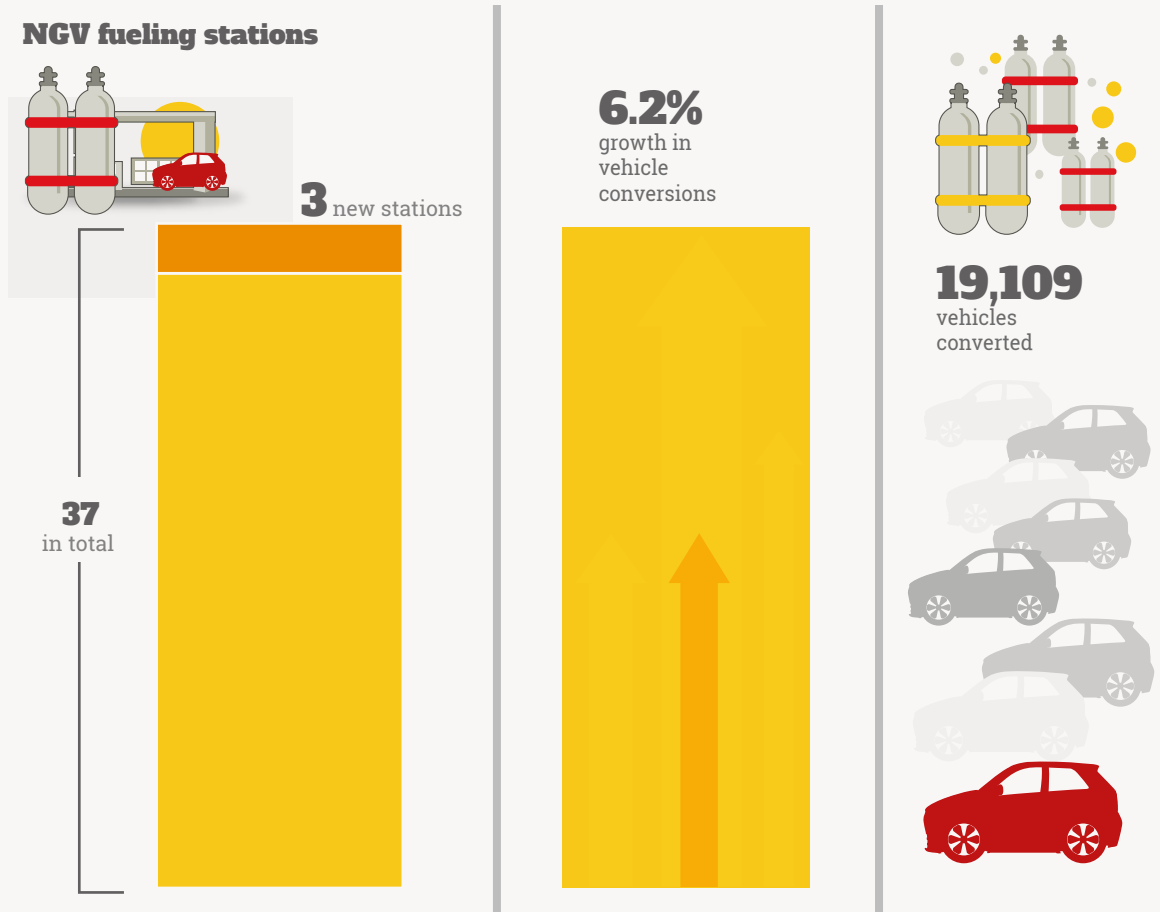
We offer more and better benefits to our customers through the *Gazel Club* loyalty program. In 2018, 135,928 program partners, 27.5% more than in 2017, redeemed 591,409 prizes. That's an average of 4.3 prizes per partner. This demonstrates greater involvement in the program, motivating us to make our portfolio of benefits increasingly more attractive.

GAZELA RACE PROGRAM

We give our pump island attendants, dispensers, technical personnel and the administrators of NGV fueling stations and conversion shops incentives to improve every day and offer excellent service.



PERU



**GAZEL CLUB**

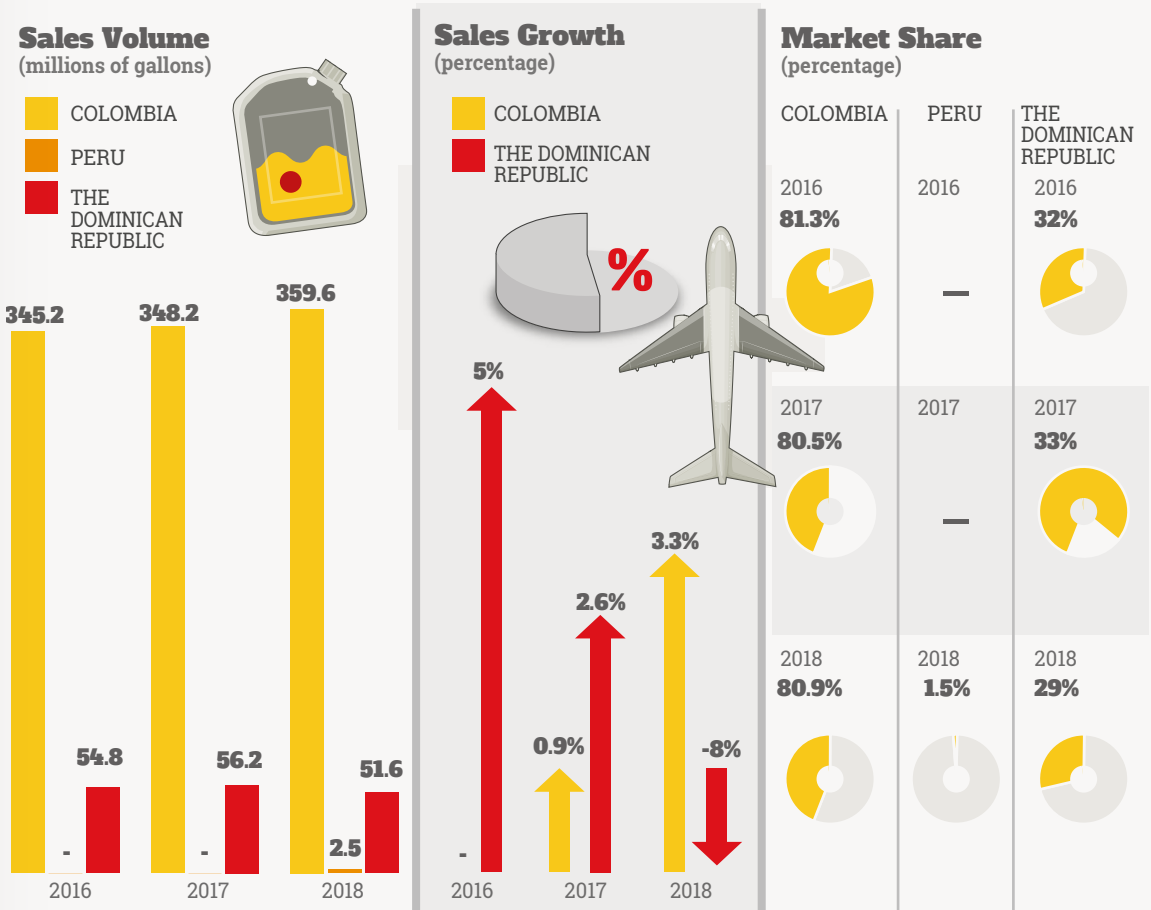
Material aspect: Accompaniment of affiliates, customers, and consumers  
→ GRI 102-44 and GRI 102-47

We updated the benefits of the *Gazel Club* program with new offers that create more and better experiences for our 46,000 active customers:

- Benefits for special dates such as Mother's Day, Father's Day, Halloween, and Christmas.
- Combos in our Alto stores.
- Partnerships with companies that offer discounts on spare parts and coupons.
- Cell phone recharges.

With the new benefits, 83% of all club members were active during 2018.

AVIATION



Material aspect: Profitability  
→ GRI 102-6, GRI 102-44 and GRI 102-47

## MANUAL FOR QUALITY AVIATION OPERATIONS

We standardized our operations in Peru and the Dominican Republic by updating the Quality Manual. The manual now includes aspects of international standards (JIG and ATA103), which, in addition, allows us to compare ourselves with the industry's benchmark companies.

## SYNERGIES THAT EMPOWER THE BUSINESS

We put together our first joint deal including Colombia, Peru, and the Dominican Republic to provide fuel to the international airline Copa Airlines.

## COLOMBIA

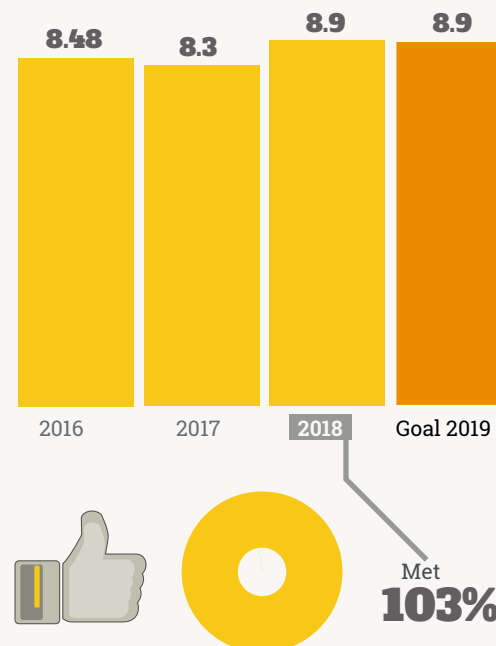
Terpel served 21 airports around the nation.

We were certified in the new ISO 9001, 14001 and 18001 standards.

We launched the operation at the Villavicencio airport in the Eastern Llanos.

We extended our best environmental practices to more airports and customers in this business.

## Satisfaction score in Colombia (on a scale of 10)<sup>34</sup>



## ROBOTS INSTALLED IN OPERATING PROCESSES

At Terpel we innovate to streamline the operation. We installed the RPA (Robotic Process Automation) system, which enhances times for our team, increases the efficiency of the operating processes, and diminishes the likelihood of errors, all of this to continue bringing benefits to our Aviation customers.

## SPECIALIZED SERVICE

We designed a new arrangement with greater efficiency for attending airlines on international routes through Terpel Exportaciones S. A. S.

## TERPEL SCHOOLS

- Terpel implemented a new module on fuel leaks in the Aviation School.
- We conducted the Aviation Fuels School, graduating a good number of personnel for customers such as Avianca, the Colombian Air Force, the Colombian Army, and the United Nations (UN).

## PERU

We commenced the operation at the Jorge Chávez International Airport in Lima, the country's main airport.

## OUR AVIATION BUSINESS IN PERU

Commencing the sales and operation of the supply of aviation fuels in this country required internalization of the Terpel culture, and alignment of administrative and operational processes with Colombia, in order to guarantee safety, timeliness, and protection of the environment.



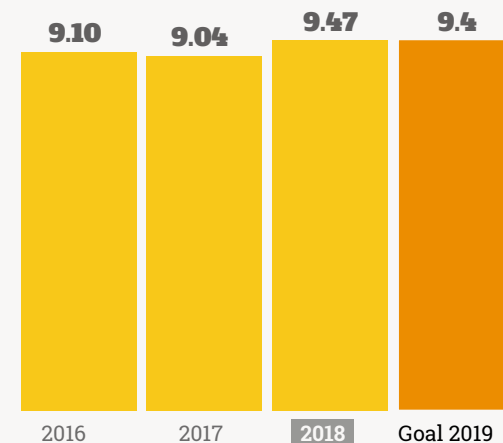
**AUTOMATING THE PROCESSES  
ALLOWS US TO BRING  
EFFICIENCY TO OUR  
CUSTOMERS, DIMINISH ERRORS,  
AND MAKE THE PROCESSES  
SHORTER, QUICKER, AND MORE  
RELIABLE.”**

Liliana Tovar,  
Vice President of Aviation and Marine Fuels

## THE DOMINICAN REPUBLIC

We operated five airports in this country.

### Satisfaction score in the Dominican Republic (on a scale of 10)<sup>35</sup>



## SALES VOLUME FOR AVIATION FUEL

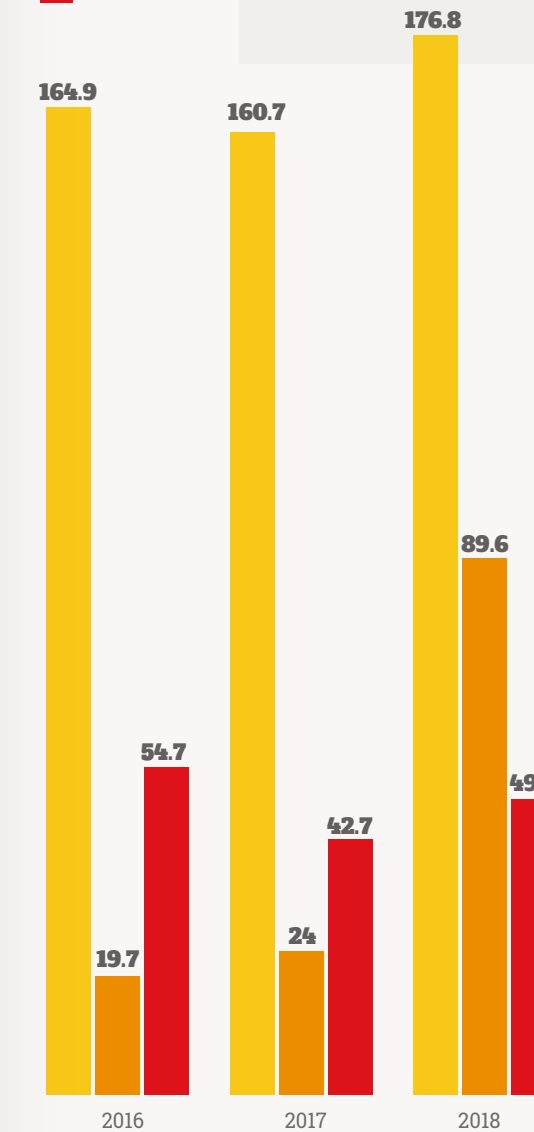
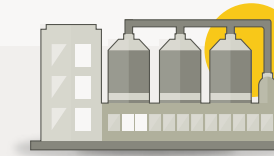
Although during 2018 there was a 5.2% increase in the number of passengers traveling in the Dominican Republic, our operation experienced a decrease due to the low number of passengers using the main airports where we operate. While the jet fuel market grew 0.6% in the Dominican Republic, at Terpel our sales went down 8.1%.

### AVIATION FUEL SCHOOL

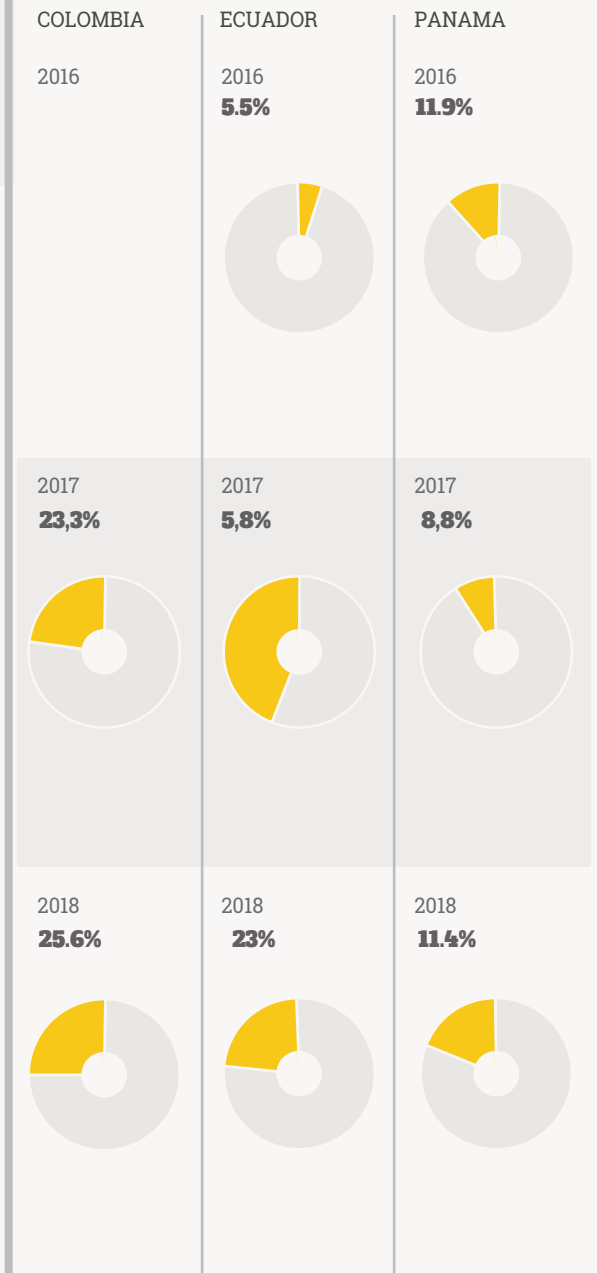
We taught four modules at the *Aviation Fuel School* focused on customers from airlines and the Army. They were able to strengthen their knowledge of and best practices for fuel management, and for the process required to maintain the quality of the fuel in their aircraft.

## INDUSTRY

### Sales Volume (millions of gallons)



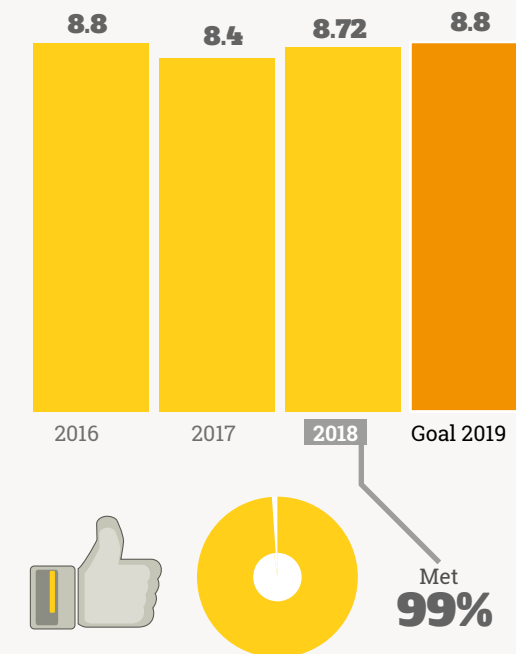
### Market Share (percentage)



Material aspect: Profitability

→ GRI 102-6, GRI 102-44 and GRI 102-47

## COLOMBIA

Satisfaction score in Colombia  
(on a scale of 10)<sup>36</sup>

## RUMBO TERPEL IS NOW DIGITAL

Material aspect: Accompaniment of affiliates, customers, and consumers + Technology and innovation  
→ GRI 102-44 and GRI 102-47

The Rumbo Terpel program, operating through the largest network of interconnected service stations in the country, has the goal of administering and controlling the supply of liquid fuels and NGV fuels for companies with transportation fleets. As of 2018 it has a new *Rumbo Digital* technological platform, which promotes more and better interaction with customers.

12%

MORE VEHICLES SIGNED  
UP: 79,995 IN TOTAL

17%

OF THE LIQUID FUEL SERVICE  
STATIONS ARE INTERCONNECTED:  
708 IN TOTAL

244

NGV FUELING STATIONS  
INTERCONNECTED.

9,7%

PARTICIPATION IN SALES IN THE  
LIQUID FUELS NETWORK AND 19.2%  
IN THE SALES IN THE NGV FUELS  
NETWORK.

8,5

ATISFACTION SCORE FROM OUR  
CUSTOMERS  
AWARDS FROM BIMBO AND GRAN  
TERRA AS ONE OF THEIR STRATEGIC  
SUPPLIERS.

## Large fleets

- 1,159 customers have access to this administrative tool.
- 1,380 active liquid fuel customers and 349 active NGV fuel customers

- 590 customers migrated to the new digital channel and can now go to the webpage and get authorization online for Large Fleets, *My Business*, and Communities.
- 1,053 drivers graduated from the diploma course in *Fundamentals of Cargo Transportation*, our way of helping them become more professional as drivers.

## My Business

630

ACTIVE CUSTOMERS

The My Business program is offered to small businesses who want greater control over the fuel used by their fleets of vehicles. During 2018, income went down based on the impossibility of issuing invoices to support product sales. For that reason, in the short term we will implement a change in *Rumbo Digital* in the accounting model, going from a payment means upon the sale or supply of product to prepaid customers, in order to be able to invoice active customers and new customers. We will also include a new payment means based on recharges with credit cards.

## CLEAN INDUSTRY

Clean Industry is a tool for sharing with our customers best practices for fuel operations and monitoring, using four different fronts.

- Industry School
- Operational reporting
- Pump Island School
- Environmental Log

In 2018, we trained 521 customers in responsible fuel handling.

COUNTRY PARTNERS WITH  
THE INTEGRATED MASS  
TRANSPORTATION SYSTEM IN  
BOGOTÁ

We shared information with the integrated mass transportation system operators about the different types of energy that can be used to mobilize transportation in the city.

## ECUADOR

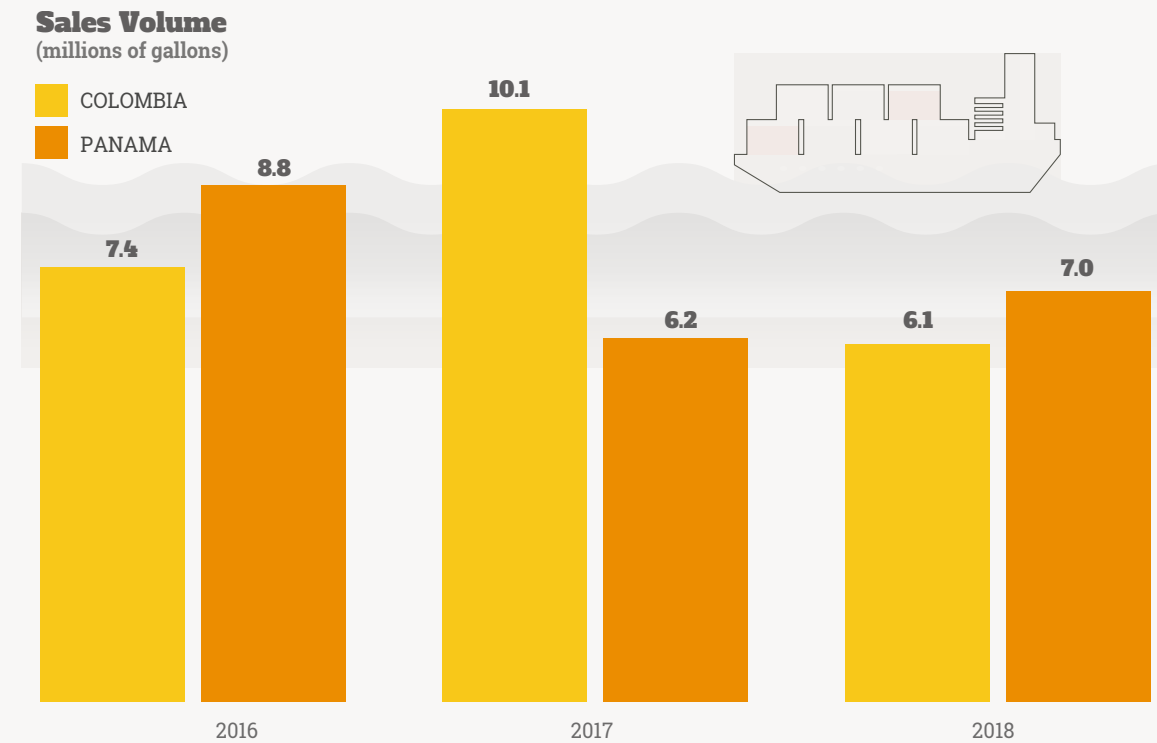
- We signed a contract with UNACEM, a cement producing company, to supply fuel for the next three years, representing 11% of our sales to the sector.
- We increased the sales volume by 65.6 million gallons per month

## PANAMA

We implemented self-contained tanks with integrated dispensing systems to prevent possible spills in the case of a product leak, to help us maintain a more reliable and safe operation.



## MARINE FUEL



Material aspect: Profitability  
→ GRI 102-6, GRI 102-44 and GRI 102-47

## COLOMBIA

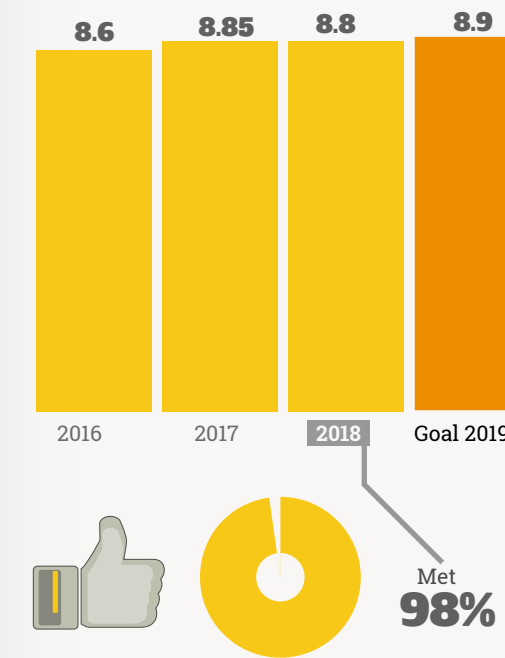
10

PORTS SERVED

28

MARINE TERMINALS SERVED

127

INTERNATIONAL MARINE DIESEL  
FUEL CUSTOMERSSatisfaction score in Colombia  
(on a scale of 10)

## WE REACHED MORE CUSTOMERS

Our customers get the best service. For that reason we transport marine fuels in tank trucks and barges to meet our customer's needs and increase our base of international customers.

## NEW IMO REGULATIONS

After analyzing the new IMO (International Maritime Organization) regulations for the year 2020, we negotiated with seven international clients and reactivated the relationship with another group of customers for potential consumption of clean fuel.

The new IMO 2020 regulations indicate use by the maritime industry of low sulfur fuels, in order to decrease particulate matter emissions into the atmosphere as a means of combatting global warming.



**WE ARE CONSTANTLY UPDATING IN RESPONSE TO NEW REGULATIONS AND CHANGES TO THE FUEL INDUSTRY AROUND THE WORLD, MAKING OUR OPERATION RELIABLE FOR OUR CUSTOMERS."**

Liliana Tovar,  
Vice President of Aviation and Marine Fuels

## PANAMA

18

PORTS SERVED

9

MARINE TERMINALS SERVED

**EFFICIENT DISPENSING**

We optimized the operations to dispense fuel to ships 24 hours a day and 7 days a week thanks to joint work between the marine fuel teams at Organización Terpel and the COPEC, and thanks to the capacity to supply fuel by barge.

**SAFETY FOR THE OPERATION**

With the goal of improving the safety of our marine fueling operations, we implemented modifications in the infrastructure, installing self-contained tanks that prevent fuel spills in the case of a leak.

**COMMUNICATION  
WITH OUR  
CUSTOMERS****DIRECT SERVICE TO THE  
CUSTOMER**

- We strengthened the *Strategic Service Center* that gives personalized attention to the customers of the different businesses, allowing us to be more proactive with our communication. Since 2017 we have supported the *Terpel LifeMiles Club*, fielding an average of 12,700 inquiries per month, and a total of 158,124 during the year. In 2018, we expanded our support to include the *Rumbo Terpel* program, dealing with approximately 10,000 inquiries per month, in addition to those from other programs. In total the center handled 421,960 inquiries, a 166% increase over the previous year. The main channels for attention were via telephone, email, and online chats.
- We have more than 20,000 followers on Twitter. (@TERPELCOL)
- We have 113,601 followers on Facebook. (/TERPELCOLOMBIA).

**COLOMBIA****SERVICE STATIONS**

Lead the way in the evolution of electro-mobility in the country.

Be a driving force behind a differential culture of customer service, using tools that facilitate managing customer service.

**COMPLEMENTARY SERVICES**

Strengthen the complementary business lines at service stations.

**LUBRICANTS**

Optimize the network of distributors and increase market share for our brands (Mobil and Terpel) through that channel.

Move the used oil service laboratory to Terpel-owned land and turn the laboratory into a service unit at a business center.

**AVIATION**

Strengthen initiatives to optimize the operation in order to continue to have a low environmental impact.

**INDUSTRY**

On regulatory, logistics, and operational levels, work on the possibility of sales to major clients that are not intermediaries.

**MARINE FUELS**

Prepare for the new fuel regulations (IMO 2020), with a projection of greater consumption of diesel by industry worldwide.



## LEADERSHIP

# GROWTH OF THE TERPEL TEAM

→ GRI 103-1 and GRI 103-2

We contribute to the well-being of our employees, who identify with our values and strategy. It's their dedication to service that keeps us the #1 brand in the hearts of consumers.

We know that people and organizations end up working together by choice to move toward commonly-held objectives, share values, and create dynamics for growth that are favorable for both. The entire Terpel team has for that reason been fundamental in our journey to establish ourselves as leaders in Colombia and Latin America. We focus on finding out what employees need and then building an environment that allows them to develop holistically and harmoniously, not just at Terpel, but on a personal, family, and social level as well. As part of a culture based on values, we work persistently, starting during our selection processes and continuing thereafter, to train people who are strong

leaders to actively participate in their own development, in our growth, in building society, and in conserving the environment. We encourage them to act in a way that is ethical, respectful, and transparent. We promote innovation and dedication to service that is lived out both inside the company and outward toward our stakeholders. We hold in high regard joint efforts and shared responsibility, because we are convinced that teamwork brings individual capacities to potential.

Our human talent is our most important resource, and is stamped with the Terpel seal that makes us unique.

# WE OFFER FAIR LABOR RELATIONS AND CONDITIONS

Material aspect: Fair Labor Relations and Conditions  
→ GRI 102-7, GRI 102-8 GRI 102-44, GRI 102-47, GRI 103-1 and GRI 103-2  
SDG 8

We offer decent working conditions and fair and competitive salaries. We respect the rights, gender equality, job stability, quality of life and well-being of employees and their families.







## OUR TEAM

→ GRI 405-1

We offer equal opportunities. Our team, including all the countries where we operate, is 47% women and 53% men, approaching gender parity.

In 2018, we adjusted our Human Rights Policy to properly reflect Terpel's position on diversity, inclusion and the principle of equal opportunities for our employees<sup>37</sup>.

NUMBER OF DIRECT EMPLOYEES BY COUNTRY AND GENDER

	2016			2017			2018		
			Total			Total			Total
Colombia	456	841	1,297	462	867	1,329	496	907	1,403
Ecuador	22	36	58	23	34	57	32	47	79
Panama	493	392	885	555	466	1,021	561	436	997
Peru	260	137	397	289	119	408	281	125	406
The Dominican Republic	10	73	83	10	74	84	9	73	82
Consolidated	1,241	1,479	2,720	1,339	1,560	2,899	1,394	1,573	2,967





37. For further information, consult the following link: <https://www.terpel.com/Global/Sostenibilidad/CO.P11-Politica-de-derechos-humanos.pdf>

NUMBER OF DIRECT EMPLOYEES BY TYPE OF CONTRACT AND COUNTRY

	2016		2017		2018	
	Fixed Term	Indefinite duration	Fixed Term	Indefinite duration	Fixed Term	Indefinite duration
Colombia <sup>38</sup>	53	1,244	58	1,271	73	1,330
Ecuador	0	57	0	57	7	72
Panama	3	882	0	1,021	0	997
Peru	359	38	359	49	9	397
The Dominican Republic	0	83	0	84	0	82
Consolidated	415	2,304	417	2,482	89	2,878

At the corporate level, 97% of all of our employees have an open-ended contract, giving stability not only to employees but to the operation.

NUMBER OF DIRECT EMPLOYEES BY TYPE OF CONTRACT, GENDER, AND COUNTRY

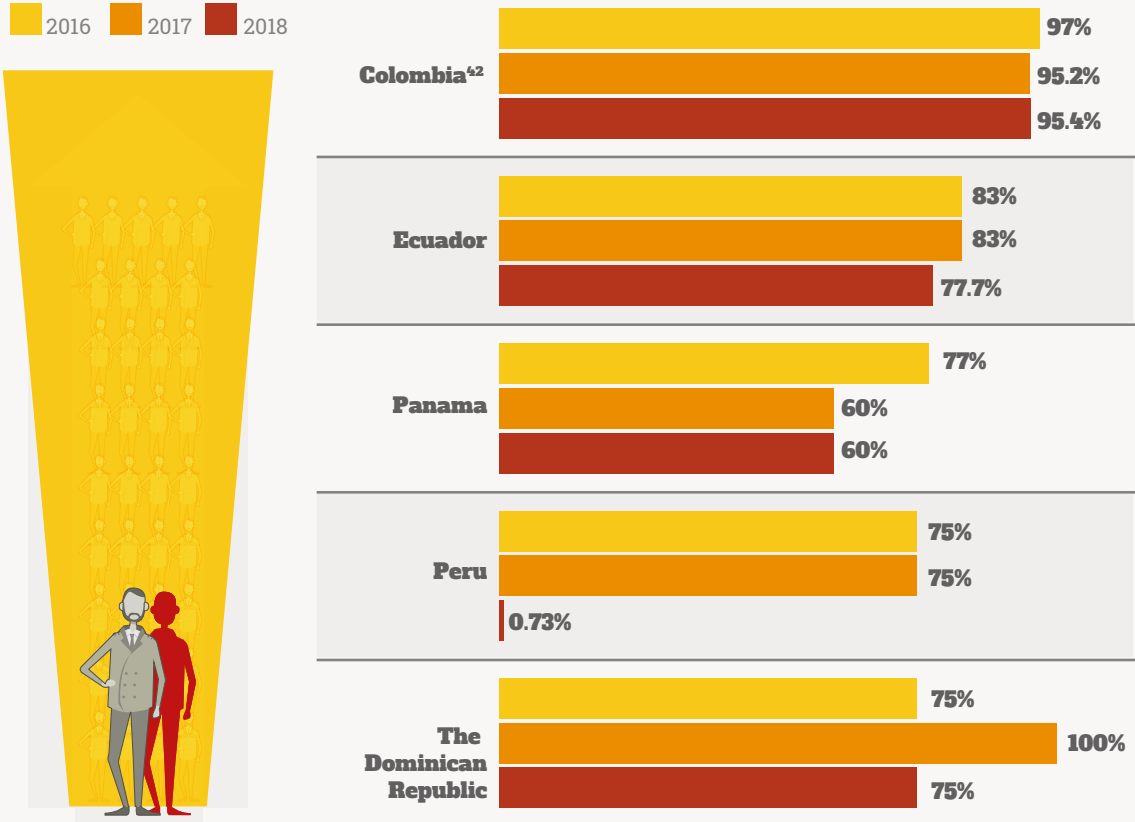
	2018			
	Fixed Term	Indefinite duration		
				
Colombia <sup>39</sup>	22	51	474	856
Ecuador	5	2	27	45
Panama	0	0	561	436
Peru	2	7	279	118
The Dominican Republic	0	0	9	73
Consolidado	29	60	1,350	1,528

38. In this report, information on Colombia refers to occupied jobs positions, and does not include vacancies not filled. Does not include expatriate employees, employees of the Terpel Foundation, employees of commercial partners such as Masser, franchises, interns, or temporary workers.  
39. In this report, information on Colombia refers to occupied jobs positions, and does not include vacancies not filled. Does not include expatriate employees, employees of the Terpel Foundation, employees of commercial partners such as Masser, franchises, interns, or temporary workers.



PERCENTAGE OF SENIOR MANAGEMENT OF LOCAL ORIGIN<sup>40</sup> BY COUNTRY<sup>41</sup>

→ GRI 202-2



EMPLOYEE DISTRIBUTION ACCORDING  
TO AGE RANGE AND GENDER  
(NUMBER OF PEOPLE)<sup>43</sup>

Consolidated	2016			2017			2018		
			Total			Total			Total
18-30 years	430	447	877	475	482	957	-	-	893
30-40 years	540	605	1,145	578	604	1,182	-	-	1,143
+40 years	271	427	698	286	474	760	-	-	931







40. Born in the countries where Terpel operates.  
41. Positions considered to be senior management in countries other than Colombia: Managers, directors, and department heads.  
42. Positions considered to be senior management in Colombia: President, vice presidents, managers, and directors.  
43. We made changes in the presentation of the information, in order align it with the information reported by COPEC in its sustainability report.  
→ GRI 102-48

Colombia	2016			2017			2018		
			Total			Total			Total
18-30 years	110	199	309	105	194	299	116	198	314
30-40 years	222	366	588	224	374	598	208	355	563
+40 years	124	276	400	133	299	432	172	354	526







Ecuador	2016			2017			2018		
			Total			Total			Total
18-30 years	14	11	25	9	10	19	15	16	31
30-40 years	5	10	15	11	13	24	8	9	17
+40 years	3	15	18	3	11	14	9	22	31







Panama	2016			2017			2018		
			Total			Total			Total
18-30 years	174	163	337	208	214	422	207	194	401
30-40 years	204	127	331	228	140	368	199	138	337
+40 years	115	102	217	119	112	231	155	104	259

Peru	2016			2017			2018		
			Total			Total			Total
18-30 years	130	71	201	153	60	213	103	36	139
30-40 years	102	47	149	106	36	142	136	47	183
+40 years	28	19	47	30	23	53	42	42	84

The Dominican Republic	2016			2017			2018		
			Total			Total			Total
18-30 years	2	3	5	0	4	4	1	7	8
30-40 years	7	55	62	9	41	50	6	37	43
+40 years	1	15	16	1	29	30	2	29	31

**EMPLOYEE DISTRIBUTION  
BY POSITION AND GENDER  
(NUMBER OF PEOPLE)<sup>44</sup>**

Consolidated	2016			2017			2018		
			Total			Total			Total
Managers and Executives <sup>45</sup>	11	31	42	40	74	114	63	116	179
Professionals Technicians <sup>46</sup>	227	185	412	611	606	1,217	651	622	1,273
Other employees <sup>47</sup>	1,003	1,263	2,266	688	880	1,568	665	850	1,515







Colombia	2016			2017			2018		
			Total			Total			Total
Managers and Executives	8	20	28	32	52	84	41	69	110
Professionals Technicians	26	32	58	393	445	838	414	476	890
Other employees	422	789	1,211	37	370	407	41	362	403







44. We made changes in the presentation of the information, in order align it with the information reported by COPEC in its sustainability report.  
→ GRI 102-48







45. Managers and Executives (Includes: President, vice presidents, managers, and directors).







46. Staff and Technicians (Includes: Heads of department, Executives, Analysts, Supervisors, Technicians, and Assistants).

47. Other workers (includes: Manual Workers).

Ecuador	2016			2017			2018		
			Total			Total			Total
Managers and Executives	1	3	4	1	3	4	2	9	11
Professionals Technicians	8	11	19	13	11	24	21	15	36
Other employees	13	22	35	9	20	29	9	23	32

Panama	2016			2017			2018		
			Total			Total			Total
Managers and Executives	1	4	5	5	13	18	5	16	21
Professionals Technicians	156	89	245	162	94	256	171	92	263
Other employees	336	299	635	388	359	747	385	328	713

Peru	2016			2017			2018		
			Total			Total			Total
Managers and Executives	1	3	4	1	3	4	14	19	33
Professionals Technicians	30	36	66	34	41	75	38	22	60
Other employees	229	98	327	254	75	329	229	84	313

The Dominican Republic	2016			2017			2018		
			Total			Total			Total
Managers and Executives	0	1	1	1	3	4	1	3	4
Professionals Technicians	7	17	24	9	15	24	7	17	24
Other employees	3	55	58	0	56	56	1	53	54

AVERAGE REMUNERATION BY LEVEL  
AND GENDER (BASE SALARY AND  
OTHER MONETARY INCENTIVES  
PROVIDED IN COLOMBIAN PESOS)<sup>48</sup>

→ GRI 405-2



	Colombia		Ecuador		Panama	
	2018		2018		2018	
						
Managers and Executives <sup>49</sup>	35,686,602	42,926,445	20,352,794	22,145,811	15,273,825	21,773,325
Professionals Technicians <sup>50</sup>	3,663,565	3,297,306	4,850,414	6,084,929	4,224.675	7,084,455
Other employees <sup>51</sup>	1,398,140	1,913,738	1,506,389	1,862,237	1,923,852	1,949,850

48. We made changes in the presentation of the information, in order align it with the information reported by COPEC in its sustainability report..  
→ GRI 102-48

49. Managers and Executives (Includes: President, vice presidents, managers, and directors).

50. Staff and Technicians (Includes: Heads of department, Executives, Analysts, Supervisors, Technicians, and Assistants).

51. Other workers (includes: Manual Workers).

	Peru		Teh Dominican Republic	
	2018		2018	
				
Managers and Executives <sup>52</sup>	19,943,716	24,090,397	10,035,228	15,608,549
Professionals Technicians <sup>53</sup>	4,130,432	3,295,247	4,146,681	5,183,351
Other employees <sup>54</sup>	1,095,166	1,095,166	2,083,090	2,661,545

IN COLOMBIA



Terpel - ExxonMobil  
Integration, a  
successful process

Our people-focused strategy means we take care of our human talent as part of our value offer. That's how we strengthen our position day after day as the No. 1 brand in the heart of the Terpel team.

WITH THE INTEGRATION WITH EXXONMOBIL, WE TOOK ON THE CHALLENGE OF HOLDING ON TO OUR TEAMS, WHICH ARE OUR MOST VALUED ASSET, GUARANTEEING JOB STABILITY FOR THEM AND THEIR FAMILIES WITHIN THE COMPANY.”

María Mercedes Carrasquilla, VP Human Resources and Administration

During the process to integrate the Exxon-Mobil and Terpel lubricants businesses, we faced an important challenge as part of the requirements established by the Superintendence of Industry and Commerce, and that was selling the Bucaramanga Lubricants Factory. In consequence, and with a commitment to job stability, we relocated to our Cartagena Lubricants Factory the 62

52. Managers and Executives (Includes: President, vice presidents, managers, and directors).

53. Staff and Technicians (Includes: Heads of department, Executives, Analysts, Supervisors, Technicians, and Assistants).

54. Other workers (includes: Manual Workers).

employees who accepted the offer. They took on new responsibilities and, in some cases, received promotions, in response to the challenges brought by the new business. We also hired some of the members of the Colombia ExxonMobil team in the lubricants business line. With these actions, we confirmed the potential, the experience, and the knowledge of Terpel talent.

We successfully relocated 94% of the workers at the Bucaramanga Lubricant Factory to the Cartagena factory.

Aware of the impact on our people of the business transformation, we worked with experts to facilitate the change process and adopt a new organizational model. To do that we worked in different areas:

- The construction of a unique vision for the integration, called Story of Change
- The strengthening of communication channels to properly guide and inform the entire company about the evolution of this new process
- Alignment of structure, processes, and conduct with the business strategy
- Cultural activation to strengthen our corporate identity
- Group and personalized coaching for the team in transition, starting with leadership

In addition, prior to the installation of the team in Cartagena, and accompanied by relocation experts, we coached and oriented the family group of each employee on topics such as housing, schools, healthcare, and recreation, with the goal of preserving their quality of life.

#### IN ECUADOR

With a focus on harmonizing the systems and controls of the acquired company, we successfully standardized the SAP ERP using tools that helped the team adopt changes and take full advantage of new opportunities.

We also implemented a new organizational structure for lubricants and put together the team that will manage this new unit.

#### IN PERU

We developed a changeover plan to assume control of the Mobil lubricants operation in Peru. We created a roadmap, activities, resources, and a timeline for the strategy.

#### LABOR INCLUSION

##### IN COLOMBIA: SOUL FRIENDS PROGRAM

Terpel created job opportunities and promoted arenas for inclusion in the job market. We strengthened the Soul Friends Program, which hires disabled persons and helps them develop their communication skills, leadership, and work habits to prepare them for the working world. In 2018 we hired two additional people in the cities of Bogotá and Barranquilla, closing out the year with a total of five disabled persons working at Terpel. One of the main results of this process has been to expand knowledge about disabled persons and inclusion through training sessions and campaigns to raise awareness in the mentioned cities.

#### IN PANAMA

As a partner to Panamanians and as a start in the process to include disabled persons in our workforce, in 2018 we hired an individual as a store clerk in the province of Colón. We expect in the short and medium run to expand the program to four additional people, hiring them to work at service stations and administrative offices.

#### IN PERU



With the change in image from Gazel Peru to Terpel Peru, we activated the Terpel Employer Brand as a recruiting strategy, working with employment agencies (Aptitus, Bumeran, university employment agencies, and institutes), participating in job fairs, and strengthening alliances with local governments. As a result, we increased the employability of the people living in areas near our operation, through agencies such as the Municipality of San Juan de Miraflores, the job promotion office in the municipality of Lurín, the Job Center in the municipality of Olivos, the municipality of Comas, the Job Center in Ate, the Municipal Employment Center in the municipality of Ventanilla, and the Business Contact Job Service Center in Lima.

- Hiring foreign employees strengthened ties with our neighboring countries and promoted an exchange of experiences.
- Personnel turnover











NEW HIRE AND RETENTION  
RATES BY GENDER

→ GRI 401-1

Colombia	2016	2017	2018		
					Total
Number of employees at the start of the period	1,237	1,288	461	863	1,324
Number of employees at the end of the period	1,297	1,329	496	907	1,403
New Hires	166	148	73	137	210
Separations	107	116	41	95	136
Annual turnover rate	11%	10%	2.9%	6.7%	10%
Annual rate for voluntary turnover <sup>55</sup>	5.2%	4.8%	ND*	ND	5.1%
Average monthly employee turnover rate <sup>56</sup>	0.9%	0.8%	ND	ND	0.83%
Average annual voluntary employee turnover rate	0.4%	0.41%	ND	ND	0.40%

ANNUAL TURNOVER RATE  
BY GENDER AND AGE

Colombia	2018							
	Number of hires		Annual new hire rate <sup>57</sup>		Number of separations		Annual turnover rate <sup>58</sup>	
								
18-30 years	43	67	3%	5%	11	25	1%	2%
30-40 years	24	37	2%	3%	20	31	1%	2%
+40 years	6	33	0%	2%	10	39	1%	3%
Total	73	137	5%	10%	41	95	3%	7%






55. Annual rate for voluntary separation: (Voluntary separations during the year /average personnel for the year) X 100.  
56. In Colombia we modified the formula for obtaining the Average Monthly Turnover Rate, and it therefore cannot be compared with previous years. The new formula for Average Monthly Turnover Rate is: the sum of the monthly averages for turnover /12.  
57. In Colombia we modified the formula for obtaining the Average Monthly New Hire Rate, and it therefore cannot be compared with previous years. The new formula for the Annual New Hire Rate is: (Total new hires / final personnel) \* 100. GRI 102-48. → GRI 102-48  
58. In Colombia we modified the formula for obtaining the Annual Turnover Rate, and it therefore cannot be compared with previous years. The new formula for Annual Turnover Rate is: (Total separations / final number of personnel) \* 100. → GRI 102-48  
\* ND stands for no data available.

MONTHLY TURNOVER RATE









Colombia	2016	2017	2018
January	1.0%	0.9%	1.13%
February	1.2%	0.8%	0.53%
March	1.3%	0.8%	0.75%
April	1.0%	0.6%	1.13%
May	0.8%	1.0%	0.60%
June	0.9%	0.8%	0.23%
July	0.7%	1.0%	1.60%
August	0.6%	0.9%	0.51%
September	0.5%	0.8%	0.58%
October	1.5%	1.2%	1.15%
November	0.5%	0.8%	0.50%
December	0.7%	0.6%	1.28%

Ecuador	2016	2017	2018
Number of employees at the start of the period	38	58 <sup>59</sup>	78
Number of employees at the end of the period	58	57	79
New Hires	26	18	10
Separations	6	19	7
Annual turnover rate	10.3%	32%	8.9% <sup>60</sup>
Average annual voluntary employee turnover rate	1.7%	1.75%	6.3%

59. Includes personnel at operating company.  
60. We modified the formula for obtaining the Annual Turnover Rate, and it therefore cannot be compared with previous years. The new formula for Annual Turnover Rate is: (Total separations / final number of personnel) \* 100.

Ecuador	2018							
	Number of hires		Annual new hire rate <sup>61</sup>		Number of separations		Annual turnover rate <sup>62</sup>	
								
18-30 years	5	2	6%	3%	0	3	0%	4%
30-40 years	0	3	0%	4%	0	1	0%	1%
+40 years	0	0	0%	0%	0	3	0%	4%
Total	5	5	6%	6%	0	7	0%	9%

Panama	2016	2017	2018
Number of employees at the start of the period	715	881	1018
Number of employees at the end of the period	885	1,021	997
New Hires	456	488	341
Separations	277	346	356
Annual turnover rate <sup>63</sup>	11%	11%	36%
Average annual voluntary employee turnover rate	27%	19%	18.8%

Panama	2018							
	Number of hires		Annual new hire rate <sup>64</sup>		Number of separations		Annual turnover rate <sup>65</sup>	
								
18-30 years	90	110	9%	11%	71	118	7%	12%
30-40 years	52	37	5%	4%	64	44	6%	4%
+40 years	32	20	3%	2%	25	34	3%	3%
Total	174	167	17%	17%	160	196	16%	20%

61. We modified the formula for obtaining the Annual New Hire Rate, and it therefore cannot be compared with previous years. The new formula for the Annual New Hire Rate is: (Total new hires / final number of personnel) \* 100.









62. We modified the formula for obtaining the Annual Turnover Rate, and it therefore cannot be compared with previous years. The new formula for Annual Turnover Rate is: (Total separations / final number of personnel) \* 100.

63. Adjustments were made to the information for 2016 and 2017 based on an internal review.

64. We modified the formula for obtaining the Annual New Hire Rate, and it therefore cannot be compared with previous years. The new formula for the Annual New Hire Rate is: (Total new hires / final number of personnel) \* 100.

65. We modified the formula for obtaining the Annual Turnover Rate, and it therefore cannot be compared with previous years. The new formula for Annual Turnover Rate is: (Total separations / final number of personnel) \* 100.

Peru	2016	2017	2018
Number of employees at the start of the period	45	345	352
Number of employees at the end of the period	397	408	406
New Hires	352	277	469
Separations	270	201	635
Annual turnover rate <sup>66</sup>	140%	63%	156%
Average annual voluntary employee turnover rate	20%	4%	0.13%

Peru	2018							
	Number of hires		Annual new hire rate <sup>67</sup>		Number of separations		Annual turnover rate <sup>68</sup>	
								
18-30 years	186	95	46%	23%	124	94	31%	23%
30-40 years	115	26	28%	6%	229	84	56%	21%
+40 años	31	16	8%	4%	92	12	23%	3%
Total	332	137	82%	34%	445	190	110%	47%









In 2018, the annual turnover rate went up in Peru due to employee separations based on budget adjustments at service stations, poor performance of personnel in new stations, and contractual changes at the company.

66. We modified the formula for obtaining the Annual Turnover Rate, and it therefore cannot be compared with previous years. The new formula for Annual Turnover Rate is: (Total separations / final number of personnel) \* 100.

67. We modified the formula for obtaining the Annual New Hire Rate, and it therefore cannot be compared with previous years. The new formula for the Annual New Hire Rate is: (Total new hires / final number of personnel) \* 100.

68. We modified the formula for obtaining the Annual Turnover Rate, and it therefore cannot be compared with previous years. The new formula for Annual Turnover Rate is: (Total separations / final number of personnel) \* 100.

The Dominican Republic	2016	2017	2018
Number of employees at the start of the period	65	82	84
Number of employees at the end of the period	83	84	82
New Hires	17	5	11
Separations	1	3	13
Annual turnover rate <sup>69</sup>	13%	5%	15.8%
Average annual voluntary employee turnover rate		6%	18.85%

The Dominican Republic	2018							
	Number of hires		Annual new hire rate <sup>70</sup>		Number of separations		Annual turnover rate <sup>71</sup>	
								
18-30 years	2	3	2%	4%	0	1	0%	1%
30-40 years	2	1	2%	1%	6	4	7%	5%
+40 years	1	2	1%	2%	0	2	0%	2%
Total	5	6	6%	7%	6	7	7%	9%

69. We modified the formula for obtaining the Annual Turnover Rate, and it therefore cannot be compared with previous years. The new formula for Annual Turnover Rate is: (Total separations / final number of personnel) \* 100.

70. MWe modified the formula for obtaining the Annual New Hire Rate, and it therefore cannot be compared with previous years. The new formula for the Annual New Hire Rate is: (Total new hires / final number of personnel) \* 100.

71. We modified the formula for obtaining the Annual Turnover Rate, and it therefore cannot be compared with previous years. The new formula for Annual Turnover Rate is: (Total separations / final number of personnel) \* 100.

SEPARATIONS BY CAUSE

Colombia	2016	2017	2018
Mutual agreement	3	7	12
Resignation	66	63	69
Retirement	0	2	6
Death	0	0	1
Other <sup>72</sup>	38	44	48
Total	107	116	136
Ecuador	2016	2017	2018
Dismissal	3	4	0
Mutual agreement	0	0	0
Resignation	1	4	6
Retirement	0	0	0
Death	0	0	1
Other	2	0	0
Total	6	8	7
Panama	2016	2017	2018
Dismissal		24	130
Mutual agreement	20	22	36
Resignation	154	192	186
Retirement	0	0	0
Death	2	0	2
Other	101	108	2
Total	277	346	356

Peru	2016	2017	2018
Dismissal	60	2	3
Mutual agreement	2	0	0
Resignation	82	62	281
Retirement	0	0	0
Death	0	0	0
Other	126	137	351
Total	270	201	635
The Dominican Republic	2016	2017	2018
Dismissal	0	2	0
Mutual agreement	1	0	9
Resignation	1	2	4
Retirement	0	0	0
Death	0	0	0
Other	0	0	0
Total	2	4	13

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

PROMOTIONS

People receiving promotions (number)	2016	2017	2018
Colombia	74	101	129
Ecuador	2	1	3
Panama	3	9	15
Peru	24	21	14
The Dominican Republic	2	2	0

Vacant positions filled internally (percentage)	2016	2017	2018
Colombia	50.8%	60%	70%
Ecuador	33%	33%	100%
Panama	0%	90%	0%
Peru	11%	0,08%	100%
The Dominican Republic	100%	0%	0%

In Colombia, it gives us great satisfaction that our human resources are eager to take on new challenges within the Organization.

- 70% of all vacant positions were filled by people inside the company, representing a growth of 10% over the year 2017.
- We promote internal growth and development through a mechanism for temporary replacement. This mechanism helps workers interested in participating in new processes, areas, and responsibilities increase their knowledge. We activated 27 tempo-

rary replacements with the participation of our employees, and thanks to their outstanding performance, 10 were selected to remain in the assigned position.

In Peru, in the area of Service Stations and as part of the Grow with Us Program, we filled 100% of all vacant positions, giving 14 people an opportunity for growth.

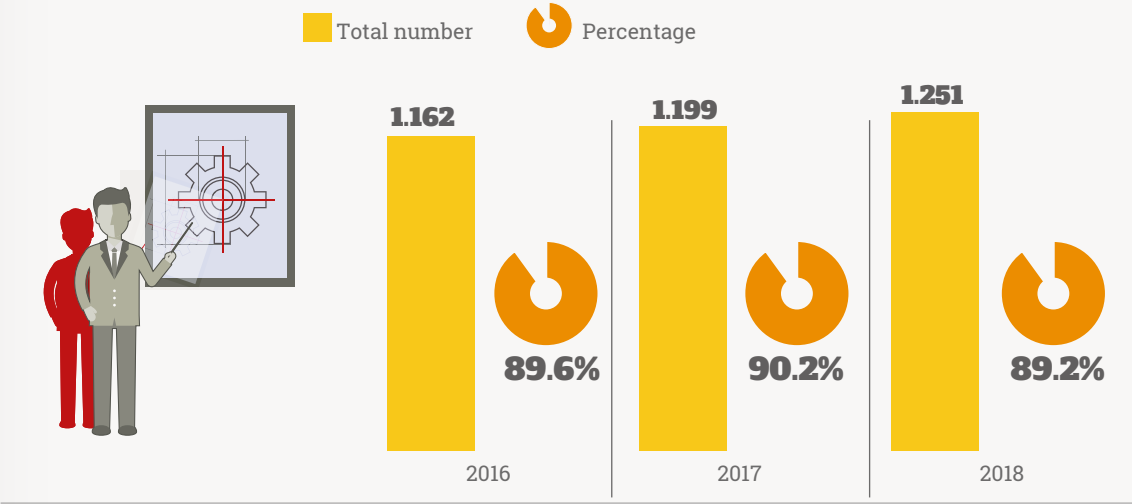
COLLECTIVE EMPLOYMENT  
AGREEMENT AND FREEDOM OF  
ASSOCIATION, RESPECT FOR  
RIGHTS

→ GRI 102-41

We respect freedom of association and collective bargaining. We encourage activities that take place within the framework of the law and of mutual respect.

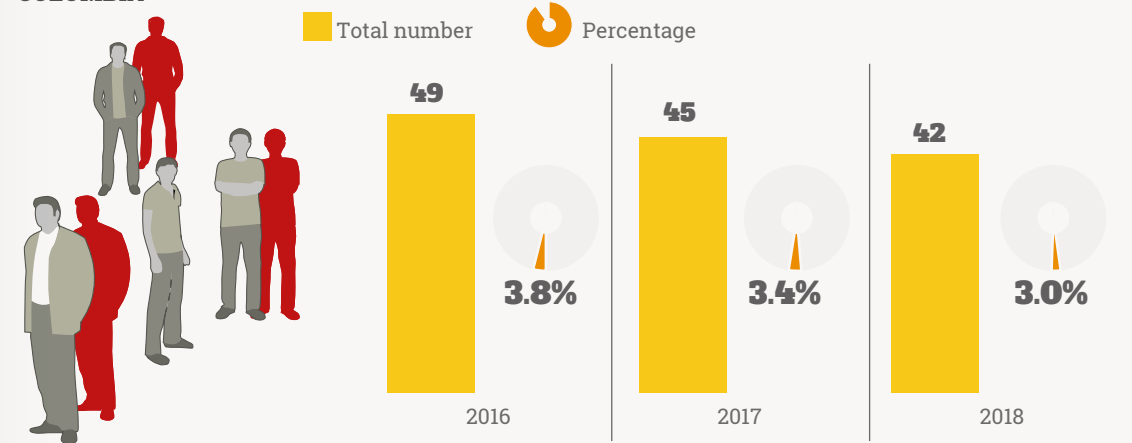
Employees covered by the collective employment agreement

COLOMBIA



Unionized Employees

COLOMBIA





In Colombia, we signed two collective employment contracts with our personnel: a Collective Employment Agreement and a Collective Agreement. During 2018, the trade union requested an adjustment to the Collective Employment Agreement, presenting a list of petitions. In consequence, we met with the representatives to negotiate, under the terms and timeline established by law. The process is currently underway and will be resolved by the corresponding bodies. Moreover, because no change or adjustment to the Collective Employment Agreement was communicated within the stipulated time period, we maintained the benefits, postponing signature to June 30, 2019.

The Collective Employment Agreement applies to 89.2% of our employees.

### SURVEY ON WORKING ENVIRONMENT

We measure how well we have met our goal of being a company where we work with enthusiasm, enjoy what we do, and celebrate the organization's success as our own.

A *Great Place to Work®* survey took measure of the working environment with the participation of 1,236 employees, equivalent to 88.1% of the company. The survey provided us with our employees' opinion about the credibility of leaders, teamwork, camaraderie, and the pride they feel in Terpel. Each department developed action plans for 2019 as a result of the survey.

### Employees covered by the collective employment agreement

#### PANAMA



In Panama, 100% of our employees take part in the Collective Employment Agreement.

### BIENSER, WORK-LIFE BALANCE

→ GRI 401-2

Terpel promotes balance between one's personal and work life. We design initiatives to promote our corporate values, and offer benefits that promote a better lifestyle for our employees and their families.

#### IN COLOMBIA

- The recreation and sports we organized helped the different areas of the company get to know each other, while providing some fun for employees and their nuclear families. At the end of the year we organized an awards ceremony for regional sports competitions.
- We continued to schedule three Fridays per month with a shorter day at the main office, and two Fridays per month in the regional offices.
- We celebrated important dates for employees, through benefits such as birthday gifts for employees and their children, Terpel anniversary gifts, and awards for five years of service, among others.
- We promoted use of the *Teleapoyo Employee Assistance Line*, where a team of professionals provides psychological consulting for employees and their families for personal, family, and social issues. In 2018 use of the tool went from 2% to 4%, providing legal and family consulting in close to 100 cases.

### IN ECUADOR

We maintained employee benefits such as medical insurance, life insurance, an additional day of vacation, loans, and flexible work schedules. Having a flexible work schedule means employees choose the time they arrive and leave work, in accordance with the legal parameters established and as long as they are present from 9:00 a.m. to 4:00 p.m. This allows employees not only to plan their free time and make the most of it to engage in other activities outside of work, but also to improve their quality of life.

#### IN PANAMA

- One of the most important aspects for getting daily tasks done is having the right kind of space in which to do them. With that in mind, at the end of 2018 we moved to a new office, located in the Financial District of Panama City. It has collaborative spaces that promote greater well-being for our employees. The new offices have:
  - › A green wall with living plants that improves the quality of the air inside the offices, decreases stress, and saves energy
  - › A lactation room
  - › A gymnasium to promote healthy habits and lifestyles
  - › A comfortable and pleasant cafeteria that highlights iconic spots in Panama City
  - › LED lighting that results in savings and efficient management of electricity
  - › Washbasins with water saving systems
  - › Friendly working spaces that are easy to access

- We gave our personnel more time for their personal and family activities through a shorter workday from 7:00 a.m. to 2:00 p.m. and a calendar established ahead of time by the Human Resources Office.
- We organized a laughter therapy workshop to reduce stress for the administrative team and service station personnel.
- To reinforce Panama's wealth of cultural traditions, we promoted and disseminated information about national holidays. At the same time we encouraged artistic talent by organizing arenas for dramatization and workshops on the country's handicrafts.
- We encouraged sports through the *Third Annual Soccer Championship*.

#### IN PERU

- We ensured the international team's adaptation by supporting it in the area of logistics, immigration paperwork, an induction process, and emotional benefits to help their families adjust to their new surroundings.
- These activities helped employees get to know each other and fomented a good work climate among them:
  - › *Terpel Experiences the World Cup*
  - › *Terpel World Olympics*, a sports championship including soccer and volleyball
  - › *Night of Stars* at the close of the project to implement the SAP

- We continued to offer flexible working hours for administrative personnel during the summer, offering Friday afternoons off as part of their emotional salary.
- Coupons were given out to service station employees based on how long they have been in the operation.
- We continued partnerships with companies such as Si Group and Promoticket Peru, to facilitate access to loans and give out tickets to movies, concerts, recreation opportunities for children, the theater, and other forms of entertainment.
- Our *Go Integro Benefits* platform gave employees and their families corporate discounts at diverse businesses in the sectors of education, healthcare, and entertainment.

#### IN THE DOMINICAN REPUBLIC

- We reinforced flexible working hours for the administrative area with a start time from 7:00 am to 9:00 am and departure time from 4:00 pm to 6:00 pm.
- We offered life insurance in accordance with salary guidelines



## SAFE OPERATING CONDITIONS







Material aspect: Safe Operating Conditions

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



We work hard to identify, evaluate, and monitor hazards, in favor of safe operations and a healthy environment for employees. We also put in motion the activities necessary to prevent risks derived from our operation.

FIGURES THAT REFLECT OUR INITIATIVES IN OCCUPATIONAL HEALTH AND SAFETY





→ GRI 403-2

Colombia <sup>73</sup>	2016			2017			2018		
			Total			Total			Total
Total days worked	277,992	158,184	436,176	297,024	169,416	466,440	311,862	175,851	487,713
Total hours worked	2,610,558	1,443,827	4,054,385	2,673,216	1,524,744	4,197,960	3,204,168	1,620,079	4,824,247
Work-related fatalities (total number)	0	0	0	0	0	0	0	0	0
Total employee lost days (Incident rate (number of days lost x 100) / Average number of employees)	8.42	23.08	13.73	9.35	2.39	6.82	7.22	12.02	8.96
Total severity rate for employees (Number of absences during the year / total employees in the year) x 100	1.35	1.58	1.43	0.42	0.74	0.54	0.89	0.35	0.69
Accidents with lost time	12	8	20	4	4	8	9	2	11
Days lost from accidents	75	117	192	89	13	102	73	69	142
Number of occupational illnesses	0	0	0	0	2	2	0	0	0
Total employee accident rate (Number of incidents /man-hours worked) x 1,000,000	11.87	9.70	11.10	7.51	7.13	7.37	5.62	5.56	5.60
Lost time injury frequency rate for employees (Number of lost-time injuries x 1,000,000 /man-hours worked)	4.60	5.54	4.93	1.43	2.59	1.84	2.81	1.23	2.28
Occupational illness Frequency Rate (OIFR) for employees (Number of reportable occupational illness in the year / 1,000,000 hours worked)	ND	ND	0	0.72	0	0.46	0	0	0
Number of employees whose occupation has a high incidence or high risk of illness	355	33	388	282	32	314	45	430	475






73. Information corresponding to direct employees.

Contractors in Colombia	2016	2017	2018		
	Total	Total			Total
Total days worked	675,792	695,760			802,152
Total hours worked	3,175,613	3,015,869			6,417,216
Work-related fatalities (total number)	1	0	0	0	0
Accident rate: (Number of events x 100) /total number of employees	0.18	0.18	0.4	0.8	0,5
Frequency rate for work-related accidents (Number of work-related accidents causing lost time / man hours worked * 1,000,000)	1.26	1.33		1.1	
Total number of contractors whose occupation has a high incidence or high risk of illness	1,760	1,763	1703	52	1,755

Ecuador







	2017			2018		
			Total			Total
Total days worked	11.934	8.073	20.007	15.930	9.558	25.488
Total hours worked	2.920	2.920	5.840	146.752	94.176	240.928
Work-related fatalities (total number)	0	0	0	0	0	0
team Total employee lost days (Incident rate (number of days lost x 100) / Average number of employees)	6,78	0	6,78	13,93	0	8,24
Total severity rate for employees (Number of absences during the year / total employees in the year) x 100	5,88	0	3,45	1,99	0	1,18
Accidents with lost time	2	0	2	1	0	1
Days lost from accidents	4	0	4	7	0	7
Number of occupational illnesses	0	2	2	0	0	0
Total employee accident rate (Number of incidents /man-hours worked) x 1,000,000	20,15	0	11,61	6,81	0	4,15
Lost time injury frequency rate (LTIFR) (Number of lost-time injuries x 1,000,000 /man-hours worked)	20,15	0	11,61	6,81	0	4,15
Occupational Illness Frequency Rate (OIFR): (Number of reportable occupational illness in the year / 1,000,000 hours worked)	0	0	0	0	0	0
Number of employees whose occupation has a high incidence or high risk of illness	22	9	31	54	11	65







Panama

	2016			2017			2018		
			Total			Total			Total
Total days worked	ND	ND	ND	ND	ND	ND	150.777	194.142	344.919
Total hours worked	ND	ND	ND	ND	ND	ND	1.206.213	1.553.139	2.759.352
Work-related fatalities (total number)	0	1	1	0	0	0	0	0	0
team Total employee lost days (Incident rate (number of days lost x 100) / Average number of employees)	8.04	14.16	22.20	0	0	0	14.41	24.62	39.04
Total severity rate for employees (Number of absences during the year / total employees in the year) x 100	7.65	12.78	20.43	0.42	0.54	0.48	1.18	2.02	3.20
Accidents with lost time	1	6	7	4	7	11	2	14	16
Days lost from accidents	270	17	287	92	167	259	144	246	390
Number of occupational illnesses	4	5	9	4	5	9	ND	ND	ND
Total employee accident rate (Number of incidents /man-hours worked) x 1,000,000	ND	ND	3.70	ND	ND	3.39	1.09	6.52	7.61
Lost time injury frequency rate (LTIFR) (Number of lost-time injuries x 1,000,000 / man-hours worked)	ND	ND	3.33	0.000156	0.000272	0.000428	5.07	0.72	5.8
Occupational Illness Frequency Rate (OIFR): (Number of reportable occupational illness in the year / 1,000,000 hours worked)	ND	ND	0	ND	ND	0	0	0	0

In Panama we do not have information available on the number of employees whose occupation has a high incidence or risk of illness.



Peru	2016			2017			2018		
			Total			Total			Total
Total days worked	ND	ND	ND	ND	ND	ND	45.000	101.160	146.160
Total hours worked	ND	ND	ND	ND	ND	ND	299.825,32	729.268,23	1.029.093,55
Work-related fatalities (total number)	0	0	0	0	0	0	0	0	0
Total employee lost days (Incident rate (No. of days lost x 100) / Average number of employees)	0	126.25	126.25	3.92	40.93	44.85	64	668	732
Total severity rate for employees (Number of absences during the year / total employees in the year) x 100	0	349,375	349,375	44.44	440.44	484.89	206	969	732
Accidents with lost time	ND	ND	ND	ND	ND	ND	3	25	28
Days lost from accidents	ND	ND	ND	ND	ND	ND	22	661	863
Number of occupational illnesses	ND	ND	ND	ND	ND	ND	0	0	0
Total employee accident rate (Number of incidents /man-hours worked) x 1,000,000	0	3,038	3,038	919.12	7,046.57	7,965.69	0	0	0
Lost time injury frequency rate (LTIFR) (Number of lost-time injuries x 1,000,000 / man-hours worked)	0	0	0	3,151.26	9,948.1	7,965.69	0.0019	0.02	0.03
Occupational illness Frequency Rate (OIFR): (Number of reportable occupational illness in the year / 1,000,000 hours worked)	0	0	0	0	0	0	0	0	0
Number of employees whose occupation has a high incidence or high risk of illness	ND	ND	320	0	0	0	0	0	0

The Dominican Republic	2016			2017			2018		
			Total			Total			Total
Total days worked	ND	ND	ND	ND	ND	ND	17.417	2.147	19.564
Total hours worked	2,920	2,536	5,456	2,920	2,536	5,456	139,336	17,176	156,512
Work-related fatalities (total number)	ND	ND	0	0	0	0	0	0	0
Total employee lost days (Incident rate (number of days lost x 100) /Average number of employees)	17.5	15	32.5	656	7	25.5	10.77	20	11.5
Total severity rate for employees (Number of absences during the year / total employees in the year) x 100	12	2	14	25	1	26	34	38	34
Total employee accident rate (Number of incidents /man-hours worked) x 1,000,000	ND	ND	0	1	0	1	0	0	0
Lost time injury frequency rate for employees (Number of lost-time injuries x 1,000,000 /man-hours worked)	ND	ND	0	ND	ND	0	0	0	0
Occupational Illness Frequency Rate (OIFR): (Number of reportable occupational illness in the year / 1,000,000 hours worked)	ND	ND	0	ND	ND	0	0	0	0

In the Dominican Republic during 2018 there were no lost-time accidents, days lost from accidents, or occupational illness.



→ GRI 403-1

Health and Safety Committees in 2018	Colombia	Ecuador <sup>74</sup>	Panama	Peru <sup>75</sup>	The Dominican Republic
Number of employees and managers participating	8	26	15	5	10
Percentage of workers represented	100%	80% <sup>76</sup>	100%	100%	100%

IN ECUADOR

We promoted the practice of sports and exercise:

- We implemented the *Psychosocial Risk Prevention* Program with 40% of our personnel. Terpel-sponsored sporting events helped improve employees' job performance and mental, physical, and emotional health. Hopefully in the short term participation will increase to 60% of the total Terpel team.
- We signed agreements with sports and fitness centers to obtain special discounts for employees, promoting sports and an active and healthy lifestyle.
- We set aside time for a soccer practice once a week.

IN PANAMA

- We implemented the *Lose & Win* Program to promote employee health and general well-being. Forty-two percent of all workers in our administrative offices participated in the program, and, with guidance from specialized personnel, set goals for developing

better eating habits, setting up an exercise routine, and meeting physical challenges.

- Terpel organized vaccination campaigns for administrative personnel and the employees of Terpel-owned and affiliated service stations.
- For the third consecutive year, we organized a cancer awareness campaign, called *Pink and Blue Ribbon*. The campaign's goal was to promote self-care, identify signs of cancer, and teach early detection methods and healthy habits. During 2018, 67% of the personnel in the administrative offices participated in the different activities, which included check-ups, informational talks, and blood donation.
- We implemented the *Health Fair* with the goal of promoting health and safety through preventive actions such as blood pressure readings, electrocardiograms, vaccinations, dental work, ophthalmology, instructional talks, therapeutic massages, and blood donation.

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

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

76. ADESGAE, does not have a safety committee fully implemented.

IN PERU

- Terpel in Peru organized medical checkup campaigns targeting all of our personnel and their family members. In 2018, we toured our network of service stations to promote a culture of health and well-being, and 75% of our employees and their families participated.
- We held weekly talks targeting service station administrators. Through meetings with their personnel, administrators can reinforce safety issues, such as how to act in the case of an emergency, first aid, and evacuation routes. They can reinforce the concepts of the internal regulations for health and safety, safe handling of natural gas, and others.
- We organized four mandatory training sessions at each service station to cover the following topics, with 90% employee participation:
  - › First aid, fire extinguisher use, and evacuation plans.
  - › Active breaks
  - › Prevention of over-exposure to the sun's rays
  - › Managing job stress
- We implemented the practice of looking at *Lessons Learned*, with the objective of avoiding unsafe conduct and conditions that could generate work-related accidents.
- To celebrate occupational health and safety day, we focused on self-care. We invited our team to sign a commitment to their own safety and encouraged employees' children to help create a safety motto.

- At the lubricants plant we took action to prevent colon cancer in our employees, to give flu shots, to evaluate ergonomic conditions at workstations, and to raise awareness about exposure to UV rays. We continued with the *Work Gym* Program and nutritional monitoring and consulting, and also set up a lactation room and a doctor's office that are available to our employees and contractors during the workday.

IN THE DOMINICAN REPUBLIC

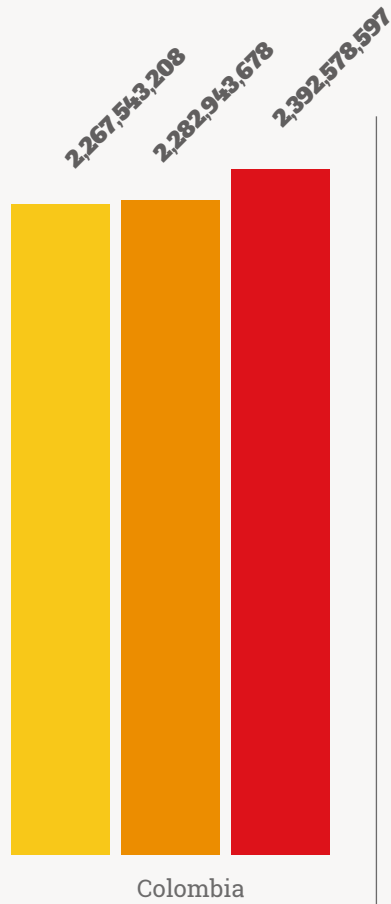
- We reinforced our employees' awareness about self-care actions, and increased life insurance coverage in the case of incidents.

# TRAINING PERSONNEL, BOOSTING THEIR GROWTH

Material aspect: Development of Human Capital  
→ GRI 102-44, GRI 102-47, GRI 103-1 and GRI 103-2

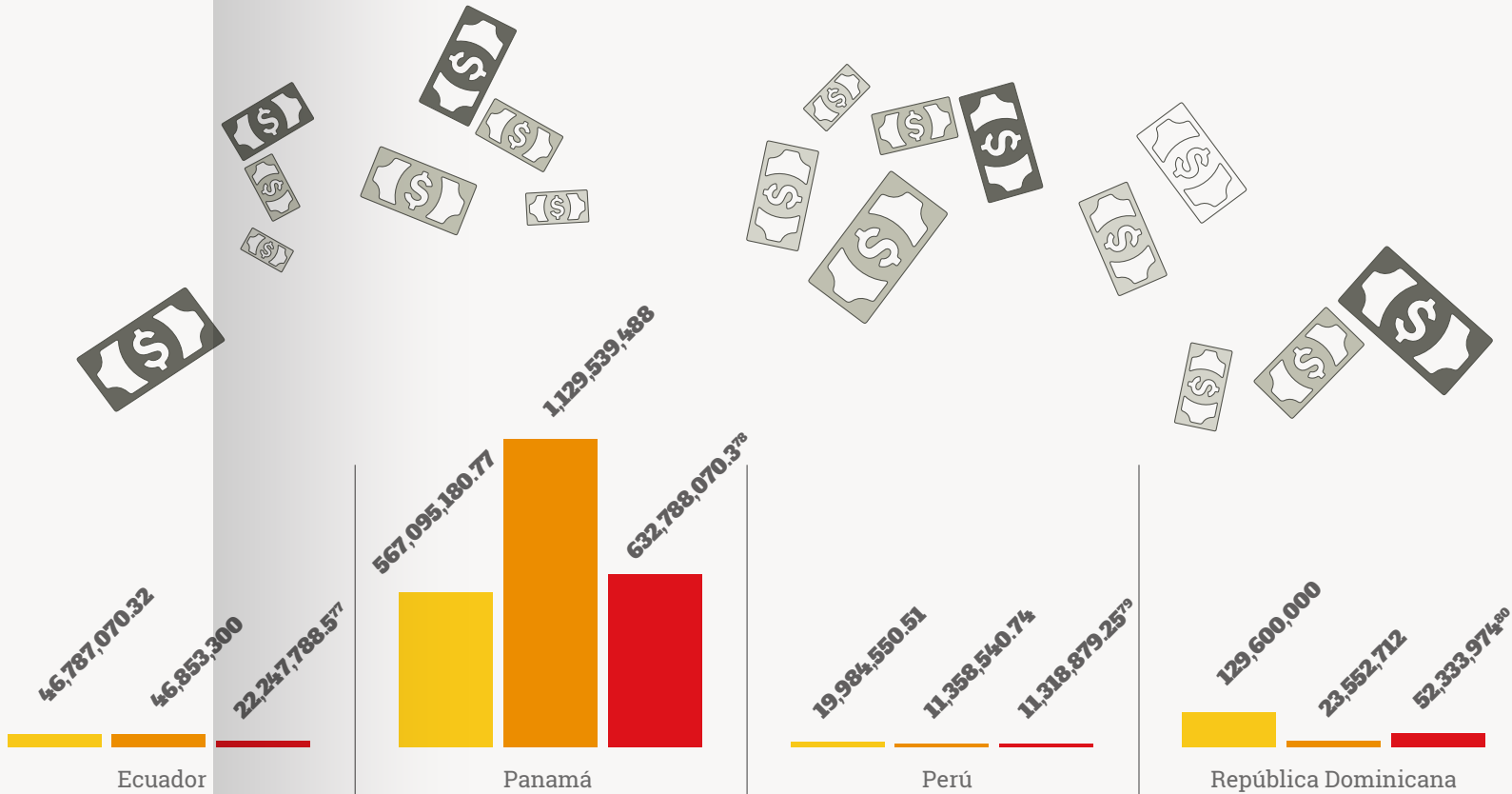
We promote training and development for our employees to strengthen their skills, abilities, attitudes, and knowledge in alignment with the business strategy and in accordance with their jobs, providing opportunities for them to progress inside and outside of Terpel.

## FIGURES FOR EMPLOYEE GROWTH AND DEVELOPMENT

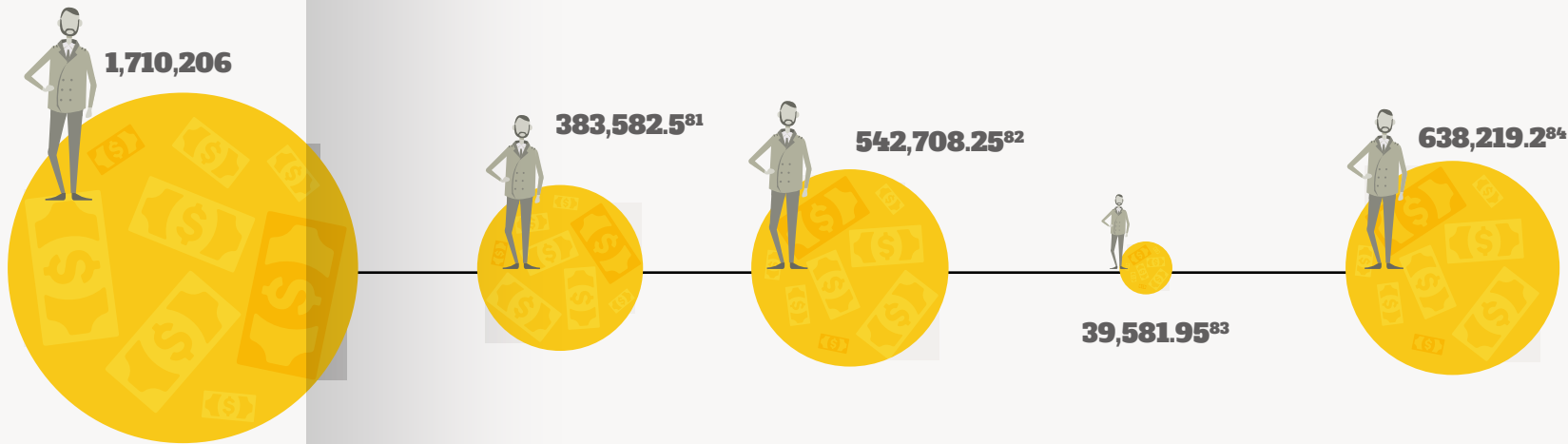


## Investment in training (Colombian pesos)

2016 2017 2018

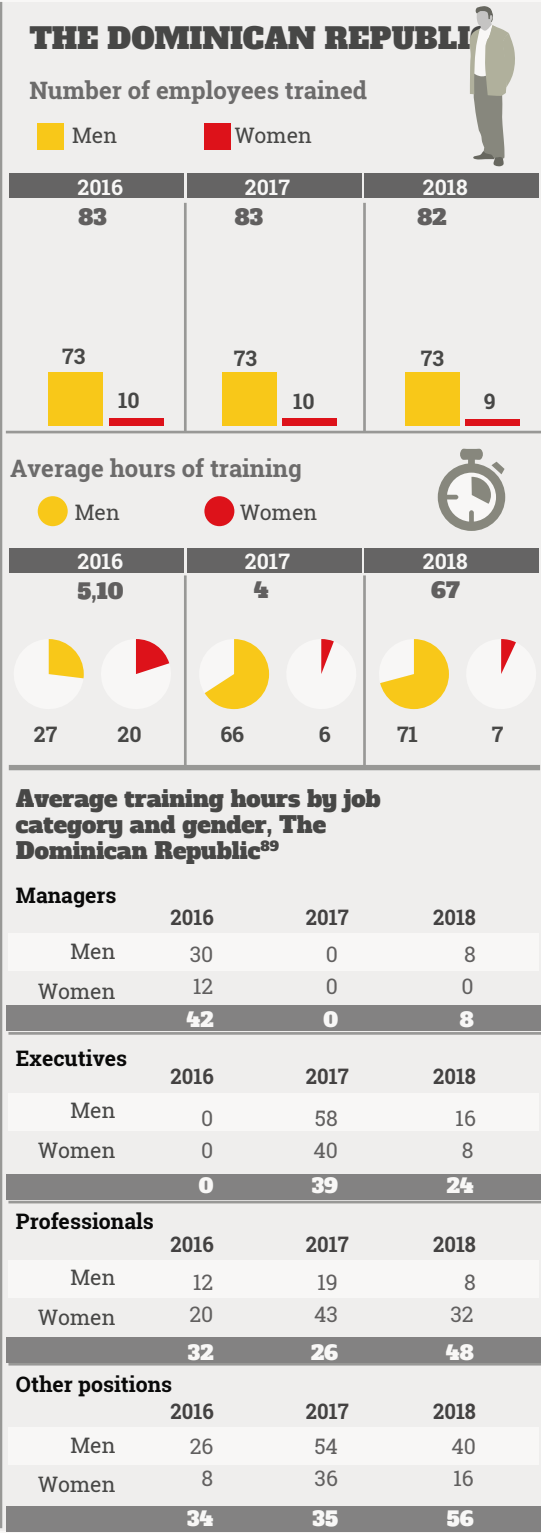
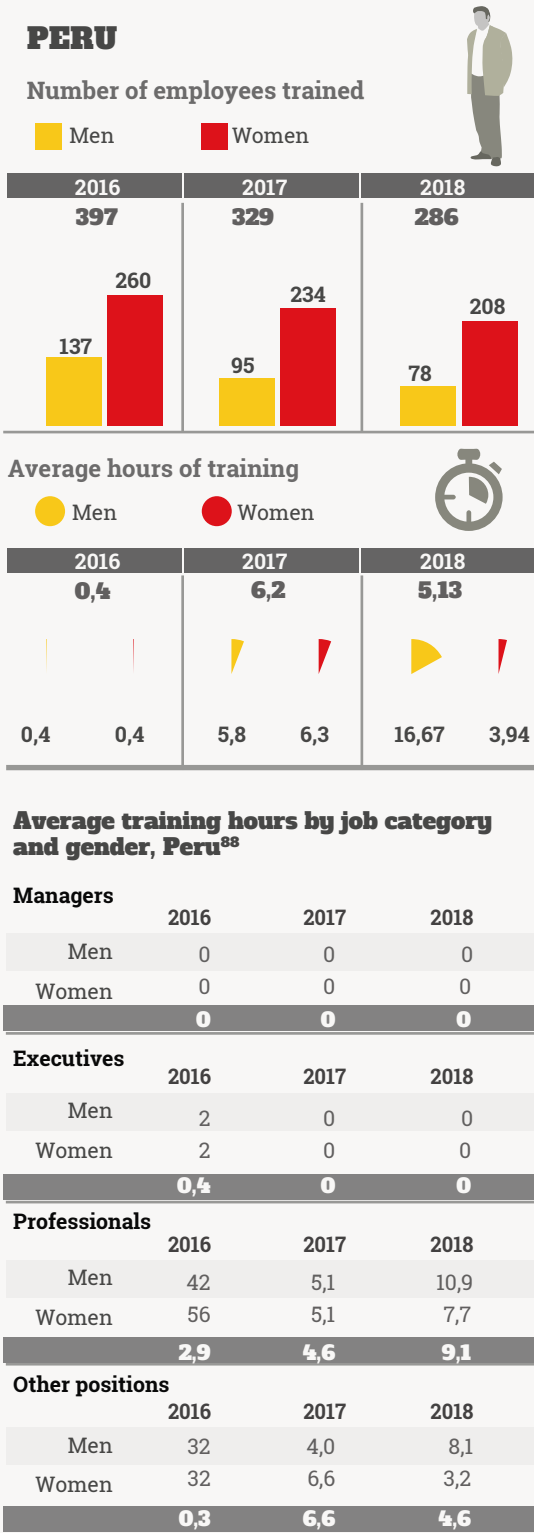
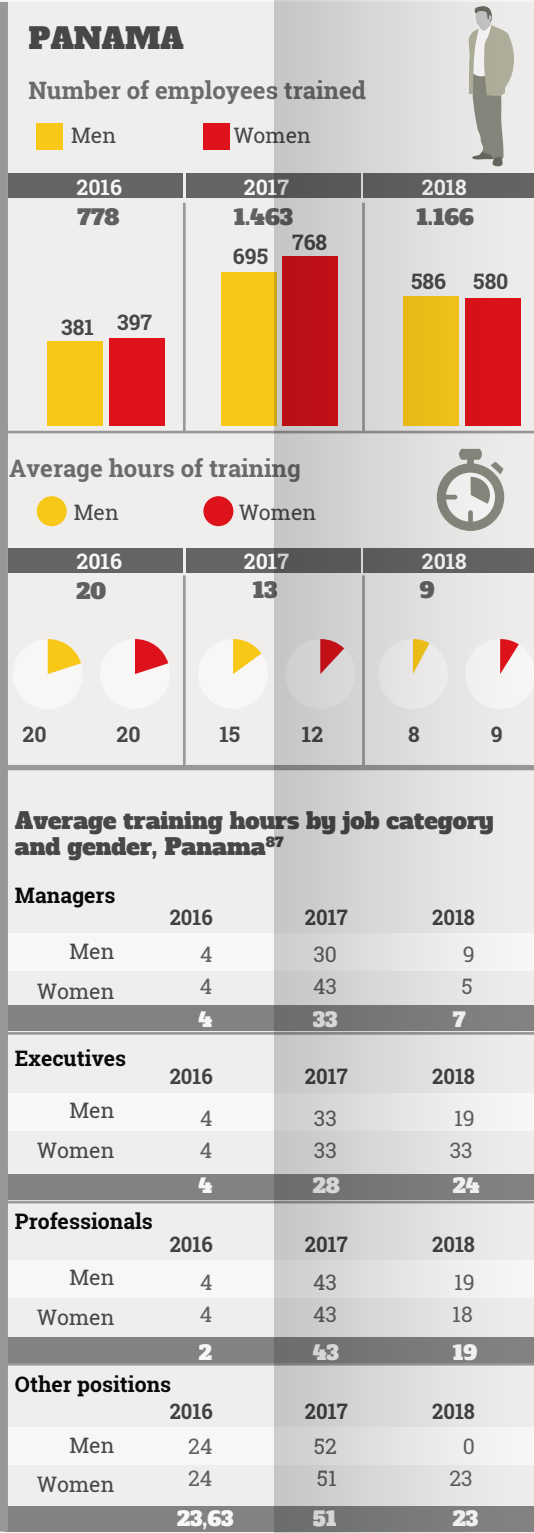
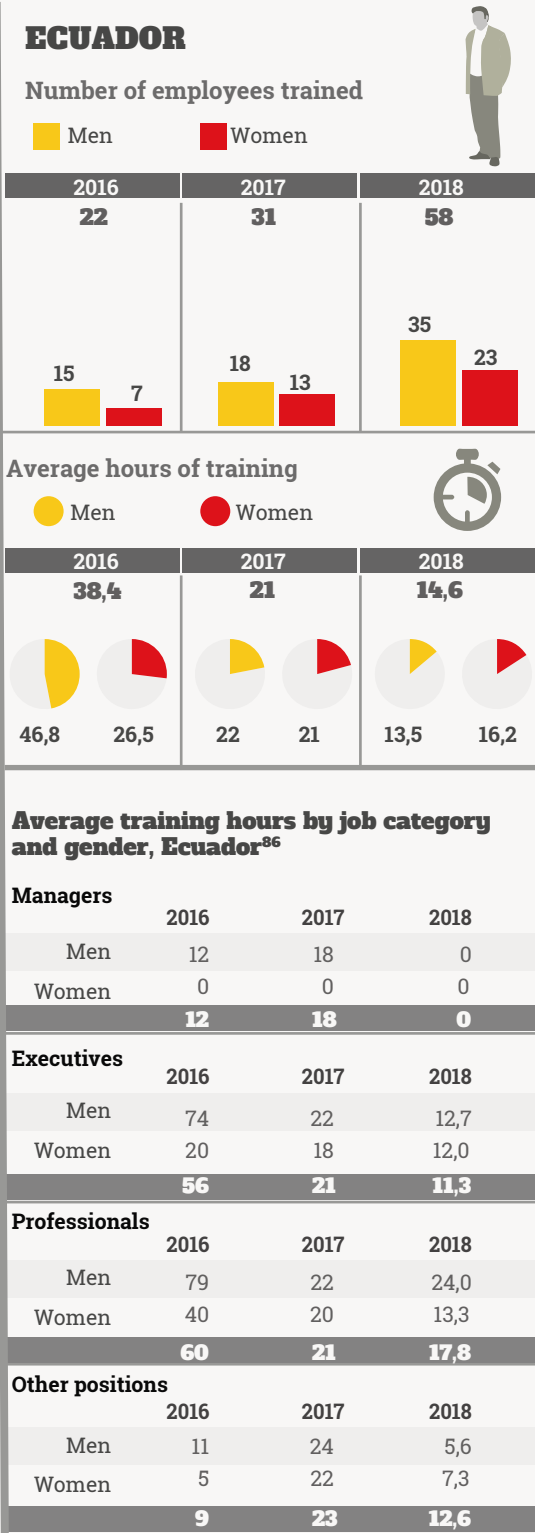
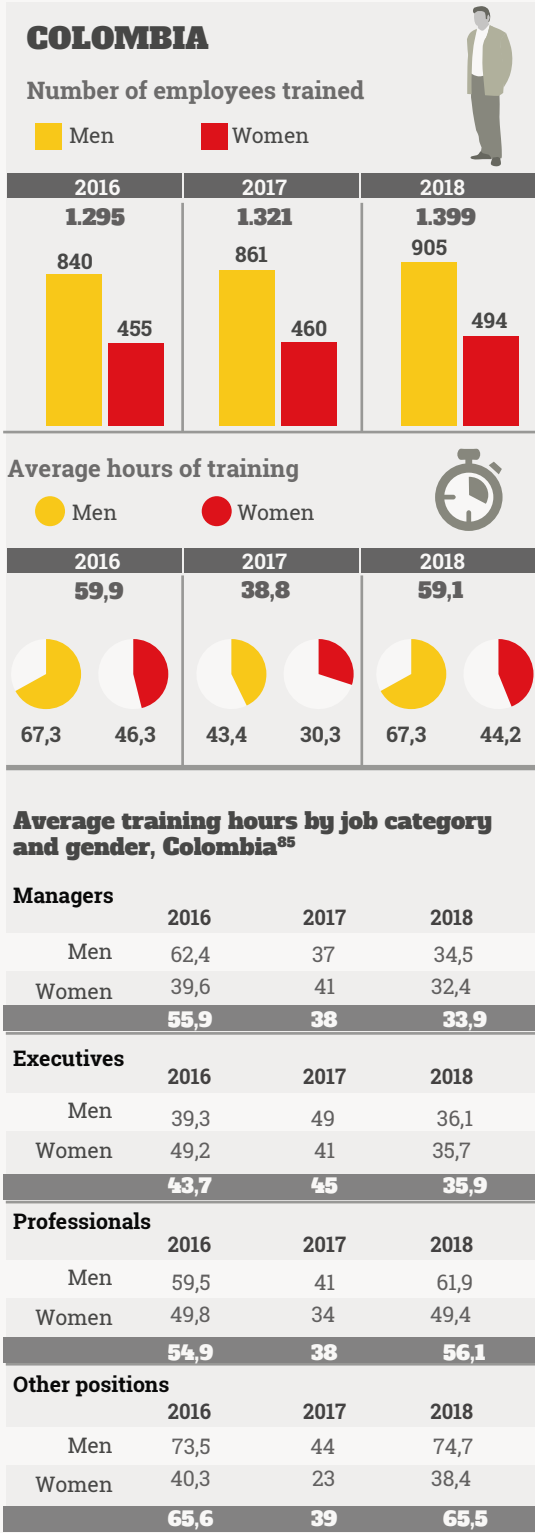


## Average investment per employee



77. Converted from 6,846 dollars to Colombian pesos according to the TRM (Representative Market Rate) of 3,249.75.  
78. Converted from 194,719 dollars to Colombian pesos according to the TRM (Representative Market Rate) of 3,249.75.  
79. Converted from 3,483 dollars to Colombian pesos according to the TRM (Representative Market Rate) of 3,249.75.  
80. Converted from 16,104 dollars to Colombian pesos according to the TRM (Representative Market Rate) of 3,249.75.  
81. Converted from 118.03 dollars to Colombian pesos according to the TRM (Representative Market Rate) of 3,249.75.  
82. Converted from 167 dollars to Colombian pesos according to the TRM (Representative Market Rate) of 3,249.75.  
83. Converted from 12.18 dollars to Colombian pesos according to the TRM (Representative Market Rate) of 3,249.75.  
84. Converted from 196.39 dollars to Colombian pesos according to the TRM (Representative Market Rate) of 3,249.75.

→ GRI 404-1



85. The levels considered in the average hours include: Directors (President, Vice President, Country Managers and Managers), Executives (Directors), Staff (Heads of Department and Analysts) and other positions (Technicians and Manual Laborers).

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89. The levels considered in the average hours include: Directors (President, Vice President, Country Managers and Managers), Executives (Directors), Staff (Heads of Department and Analysts) and other positions (Technicians and Manual Laborers).

**TCLASS, A PLACE FOR EVERYONE**

→ GRI 404-2

This virtual training platform has become the main arena where we can have an impact on our employees and at the same time strengthen the *Terpel University* program.

**IN COLOMBIA**

- We developed the *T Class* mobile app to provide different alternatives for accessing the classes. Now employees can access their assigned virtual courses through their devices. The application became operative in 2019.
- We strengthened the language program by offering classes outside the country at all levels. During the reporting period, four employees in the main office benefited from a business English immersion program. In the three years this program has been implemented, 15 employees have had the chance to participate.
- We developed and launched the *Maintenance in Development* program. This program trains operators in specific technical aviation maintenance tools, preparing them in the competencies they need to form part of a seedbed of technicians. Seventy-nine operators participated, signing up through the Aviation and Operations offices.
- We implemented the *Senior Management* program to develop strategic thinking for decision-making in a simulated environment for directors and managers. Four people participated, from the Marketing, Aviation, Sales (Industry), and Operations (Transportation) departments.
- The *Administrative Skills* program targeted middle managers who lead teams and

are making decisions for the first time. Ninety-five supervisors took part, receiving credits toward their master's degree at Universidad Sergio Arboleda.

- We organized six *Education Fairs* in the regions where Terpel operates. These fairs encourage our employees to continue with their professional development and training by providing information about programs at 15 partner colleges across the nation. They had a positive impact on 133 employees.
- We implemented new programs for outside personnel such as *Route of Excellence*, which consists in a re-induction of service station promoters, and the *Administrative Excellence* program, which is a re-induction for service station administrators. We were satisfied to have 152 people participate.
- Terpel completed a corporate re-induction process with 100% of our employees.

**IN THE DOMINICAN REPUBLIC**

We implemented the *TClass* platform and uploaded the training courses offered based on the results of our performance evaluation. Some of the possibilities are:

- Training sessions with the National Institute of Technical Professional Training (Infopet)
- Training in health, safety, the environment, and quality
- Participation in the ATA (Air Transportation Association) standard
- Participation of maintenance personnel in courses on aviation
- Training in preventive measures against asset laundering and financing of terrorism.

**LEADERSHIP, STRENGTHENING COMPETENCIES**

Our interest is in a team that will day by day continue to develop its leadership skills and focus on serving people and the country. Our business strategy is reflected in our leadership program, which strengthens competencies such as:

- Being reliable and relying on others
  - Communicating effectively
  - Being results-oriented
  - Managing one's emotions
- Being inclusive
- Establishing vision and direction
  - Contributing to the development of others

**IN COLOMBIA**

We implemented processes for training and accompanying people and teams in order to develop leaders who are well-informed and effective. Some of our results in 2018 were:

- 24% participation in leadership activities
- 100% of the departments participated in the activities scheduled.
- 10 new leaders received coaching during the year.

We hope in the short term to adjust and replicate the *Everyday Leadership Virtual Program* by bringing together different work centers and developing a leadership training activity on the *T Class* platform.

**IN PERU**

We launched the *Executive Coaching* program to develop communication and leadership skills in managers. The program improved the performance of each employee, the working environment, and relationships between the different teams.

**SUPER-T AWARDS PROGRAM****WE ENCOURAGE OUR PEOPLE TO RECOGNIZE WHEN THEIR TEAMS AND EMPLOYEES HAVE DONE GOOD WORK.”**

María Mercedes Carrasquilla,  
VP Human Resources and Administration

Our employees are the engine driving Terpel. Through their expertise and perseverance they generate a dynamic that leads to constant improvement. Our *Super T* program rewarded the hard work of employees who had excellent outcomes on their performance evaluations and had significant impact on the operations. We issued 429 awards: 52% were everyday awards and 48% were extraordinary awards.

We also implemented a program to hand out digital badges to spotlight employees' work, values, and service. The badges are recorded in each person's employee record using the *People Platform*.









PERFORMANCE EVALUATION

→ GRI 404-3

Performance evaluations help us monitor the development of our personnel and create individual and team action plans. They empower an exchange of knowledge and best practices that generates know-how and growth for individuals.

In Colombia, we investigated methodologies and developed a 180 degree appraisal system for direct supervisors. This new methodology will be implemented during the first semester of 2019.

In Ecuador, we measured the performance of 31 employees, equivalent to 39.2% of our team here. We developed action plans and organized *High Performance and Personal Transformation* training for personnel who obtained “satisfactory” results from their evaluation. The goal was to work through critical issues in that group in the areas of communication, service-orientation, and teamwork.

	Ecuador			Panama			Peru			The Dominican Republic		
Performance Evaluation			Total			Total			Total			Total
Managers	0	1	1	1	2	3	0	2	2	0	0	0
Directors	1	2	3	4	11	15	1	0	1	1	2	3
Heads/ Executives	2	5	7	16	16	32	12	22	34	3	3	6
Analysts/ Supervisors	5	4	9	55	21	76	8	7	15	1	7	8
Technicians/ Assistants	5	2	7	14	4	18	8	8	16	2	6	8
Operators	0	4	4	0	4	4	0	0	0	3	52	55

IN ECUADOR

We strengthened employee knowledge of fuel terminal operations, with an eye toward helping them do their jobs better. In total we trained 80% of the employees in this position, and as a result are meeting the standards of regulatory bodies and doing the job efficiently.

IN PANAMA

We reinforced knowledge of aspects that have an impact on our customer service. Through the *Mobile Academy* we trained 727 employees at 104 service stations, representing 73.7% of our network.

IN PERU

• We led the change process to integrate three business units - fuels, NGV fuels, and Aviation fuels - with the subsequent definition of a strategy for training personnel. The training had to take into account not only the implementation of the new operating model, but getting SAP 6.0 up and running. It included:

- › 41 courses taught in 53 sessions
- › 191 hours of training
- › 130 people trained
- › 86% participation
- › Indicators 100% met

In Panama, we used performance evaluations for the first time with 148 employees. This allowed us to measure the quantitative impact of the commercial benefits, as well as the employee's performance and conduct, and to identify their contribution to the Company's goals. The methodology was based on a weighting done by the direct supervisor of the employee, followed by feedback for the person evaluated.

In Peru, we evaluated 68 employees, measuring both corporate and individual job indicators, and personal competencies. As a result of this exercise we created action plans in conjunction with their leaders.

In the Dominican Republic, we aligned the performance evaluation process with the process in Colombia, developing action plans with follow-up each semester. In total, we evaluated 80 employees.

OTHER ACTIONS IN FAVOR OF OUR TEAM'S DEVELOPMENT AND PERFORMANCE

IN COLOMBIA

- We reviewed and redesigned our competencies model.
- We examined and adjusted employee job descriptions. In 2018 we oversaw 35 development plans.
- We analyzed the career plans of 35% of the middle managers, and expect to reach the figure of 50% in 2019.



- We implemented the *Improving Together* Program to train our pump island attendants. It covered not only basic operations, but also key issues for the business. It also reinforced the competitive strategy in terms of standards for cleanliness and service at stations. In total, 93% of all pump island attendants participated, taking an average of 297 hours of training.
- The repatriation of some employees produced personnel movements. Some were horizontal, meaning they remained at the same level in the hierarchy but in a different area, while others made a vertical move within their same area.

## TERPEL SCHOOLS

📌 **Material aspect: Accompaniment for affiliates, suppliers, customers, and consumers**

→ GRI 102-44 y GRI 102-47

We work together with our stakeholders to stay positioned as market leaders. Our *Terpel Schools* for that reason offer comprehensive training in each business line, with a focus on sustainability and an emphasis on the operation. We update the Schools in accordance with the needs of the business and develop modules that are approved by the Organization's experts.

### PUMP ISLAND SCHOOL AND ADMINISTRATOR SCHOOL

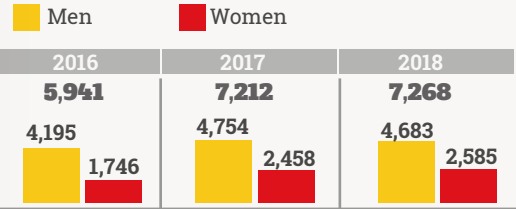
We train pump island attendants and the administrators of the Terpel service station network, sharing our passion for service. We strengthen their interpersonal skills to ensure the best experience for our customers, filling their tanks with exact amounts of fuel and giving them excellent service.

In 2018 we developed a new re-induction module for pump island attendants.

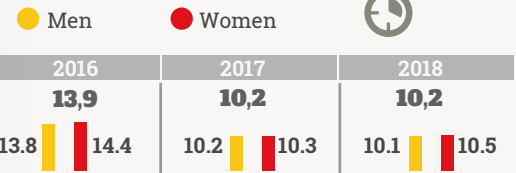
## COLOMBIA

### PUMP ISLAND SCHOOL

#### Number of individuals trained

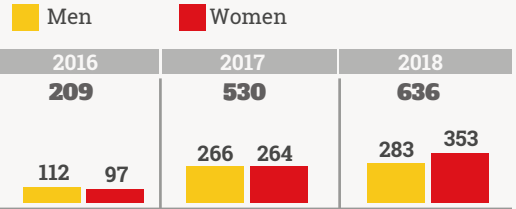


#### Average hours of training

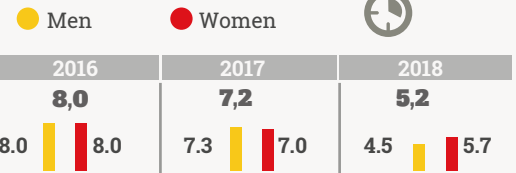


### ADMINISTRATORS SCHOOL

#### Number of individuals trained



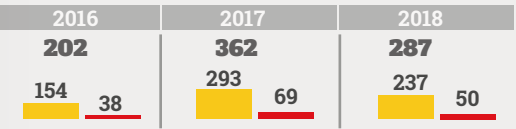
#### Average hours of training



## ECUADOR

### PUMP ISLAND SCHOOL

#### Number of individuals trained



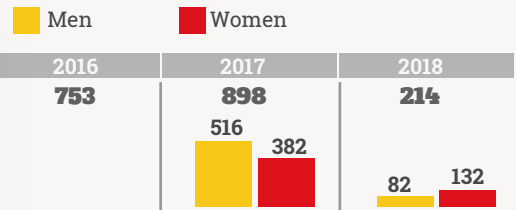
#### Average hours of training



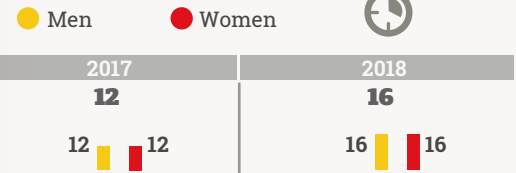
## PANAMA

### PUMP ISLAND SCHOOL

#### Number of individuals trained

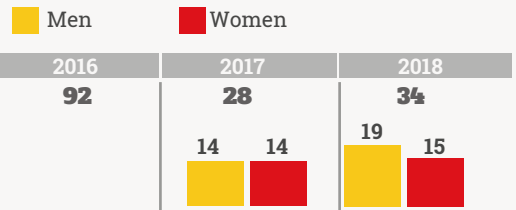


#### Average hours of training

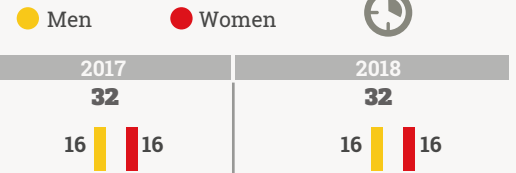


### ADMINISTRATORS SCHOOL

#### Número de personas formadas

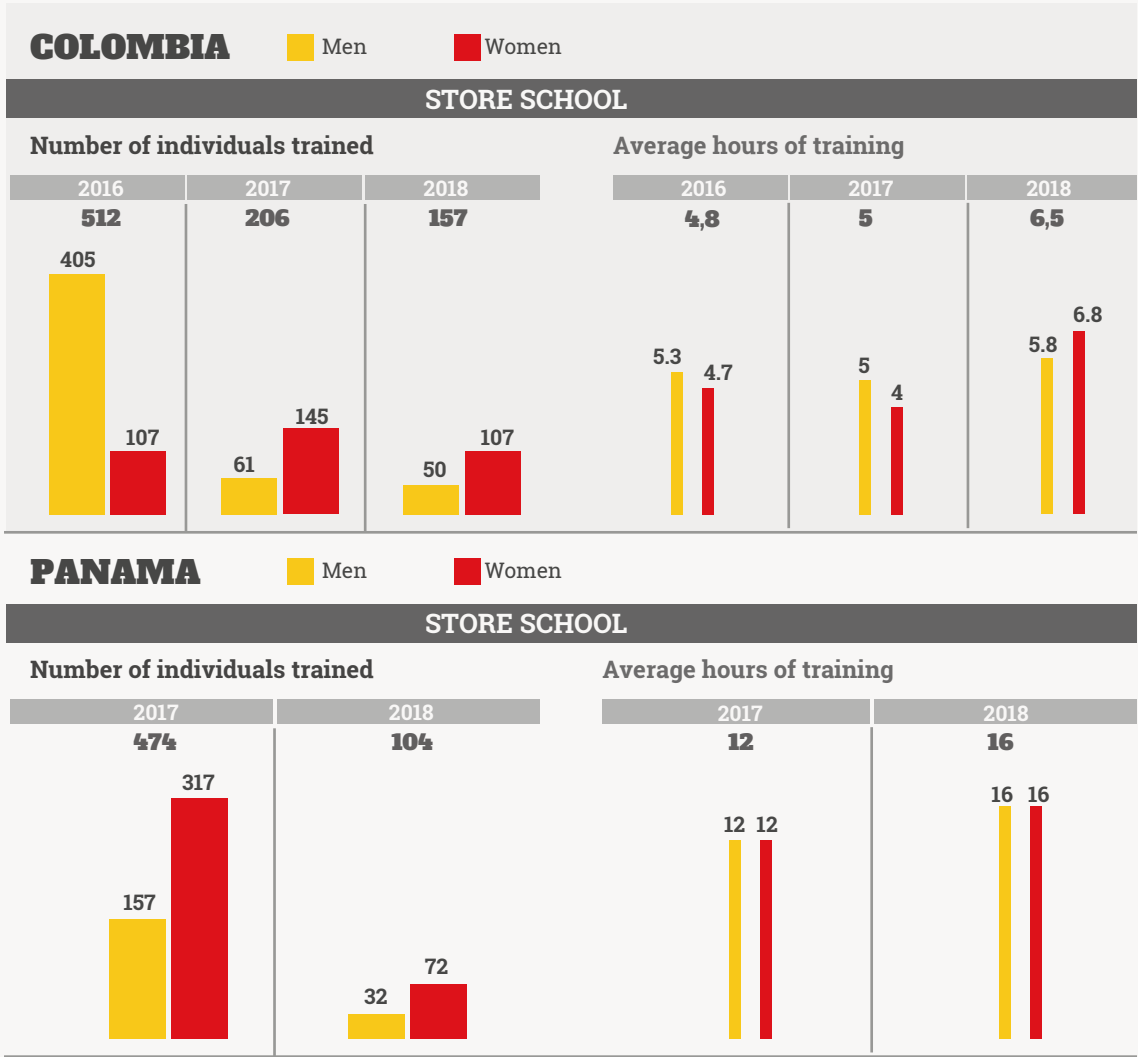


#### Average hours of training



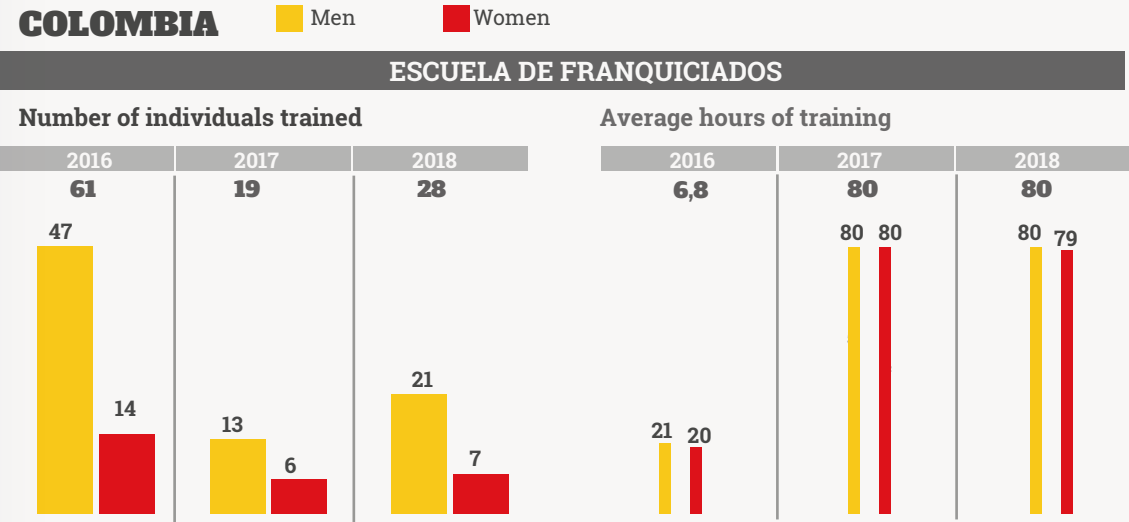
STORE SCHOOL

At the Store School, we train convenience store personnel to hone their skills and abilities for serving customers in Terpel's stores.



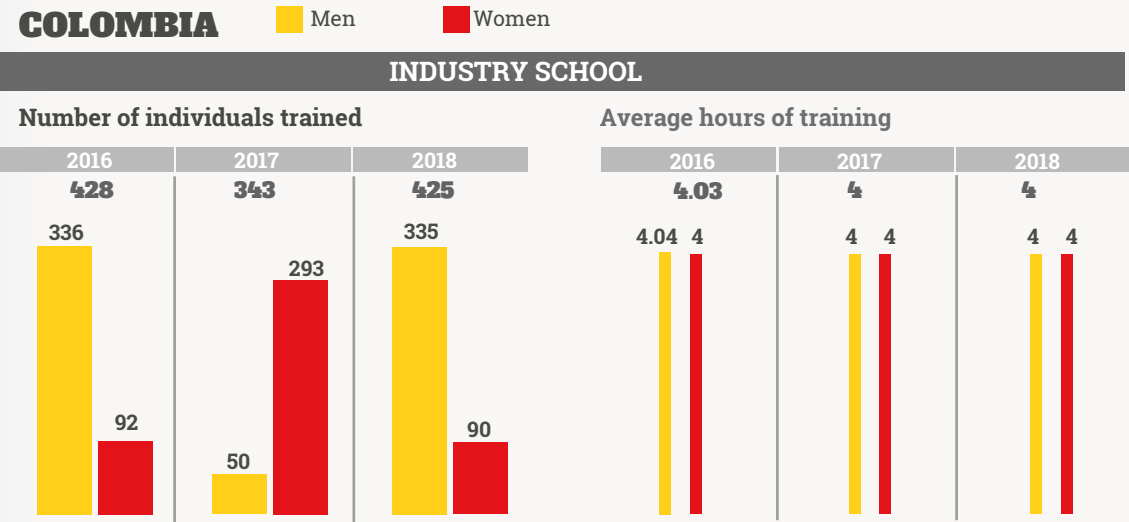
FRANCHISE SCHOOL

Franchise School shares with franchises the tools they need to run their businesses and stay aligned with Terpel-owned service stations.



INDUSTRY SCHOOL

Industry School highlights the importance of taking care of the environment by sharing best practices for fuel handing and operations.

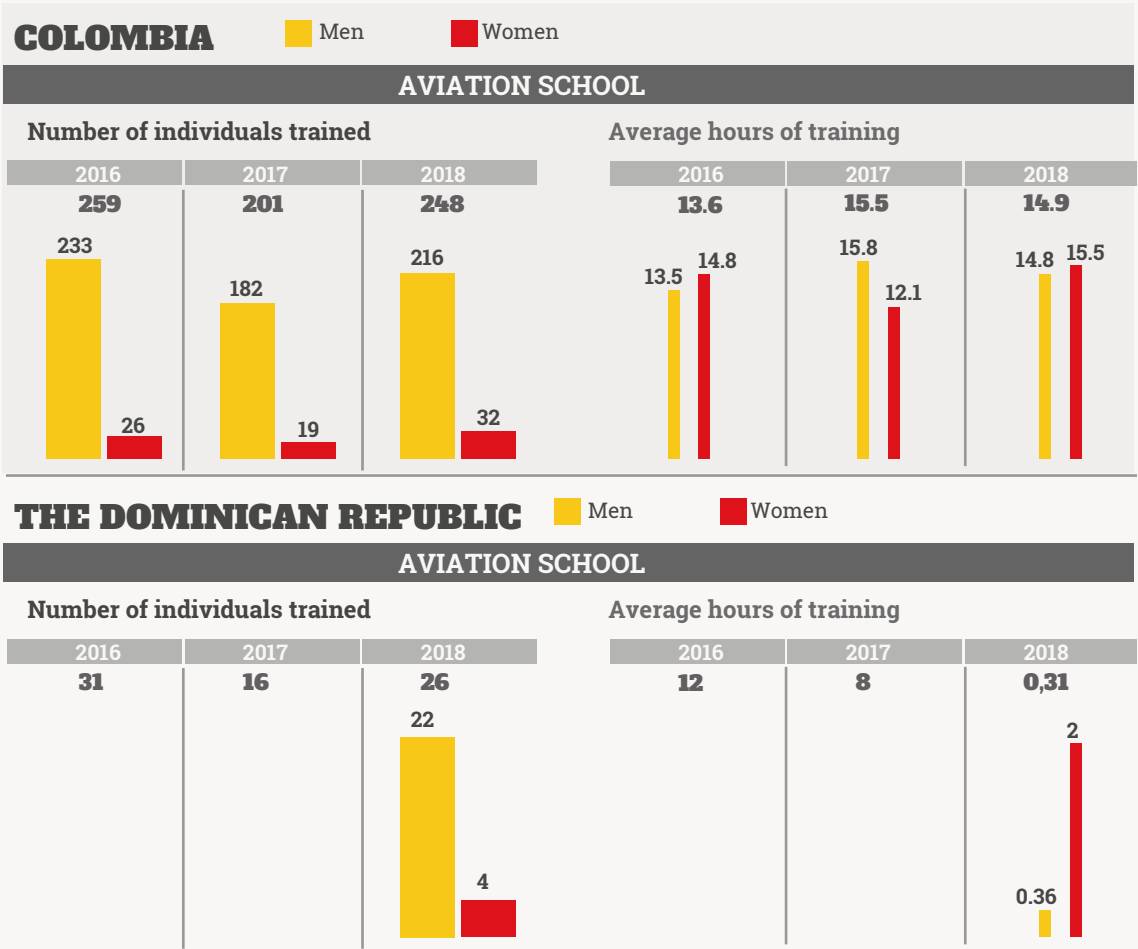


AVIATION SCHOOL

Aviation School teaches skills and shares best practices that will keep operations effective and maintain the quality of the product.

IN 2018:

- We launched an updated version of *Aviation School's* nine modules and implemented a new module on leaks.
- We graduated 143 participants from Colombia and the Dominican Republic at the end of *Aviation School*.



SATISFACTION  
FOR INTERNAL  
CUSTOMERS

Terpel continually works to improve communication and decision-making processes, so we can keep our employees motivated and satisfied. A satisfaction assessment we conducted with our internal customers confirmed the results of our service promise and also identified opportunities for improvement.

In Colombia, we evaluated service in each department and in internal audit.

- 1,022 employees filled out the survey on a voluntary basis.
- The survey produced a favorability rating of 85.5%.
- This means the goal for 2018 was met 105.8%.

The main findings of the survey were:

- The performance of the Department of Human Resources and Corporate Management, the Department of Operations and Logistics, and the Office of Aviation and Marine Fuels was outstanding according to the evaluation, and perceptions of the Department of Marketing and the Internal Audit Office improved with respect to the previous survey.
- Especially appreciated are the attitude, confidence, and friendliness of personnel.
- Improvements were suggested in response times and support for processes. The perception was that better channels could be established, along with a better flow in communication with personnel.

COMMUNICATION  
WITH EMPLOYEES

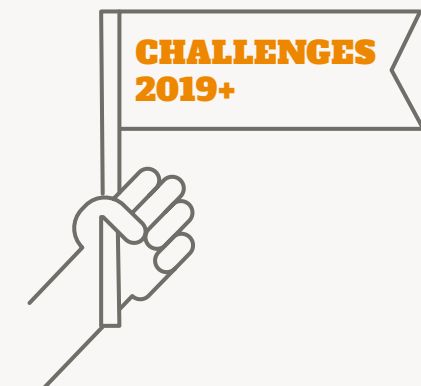
IN PANAMA

We developed news capsules for our team with the goal of generating a culture focused on preventive healthcare.

IN PERU

We developed a communications plan that is associated directly with the Terpel culture to articulate and give visibility to our processes. We report on advances in the work using the following communication channels:

- Integrated Executive Committee – Summary of Progress
- *Take a Moment with Kenneth*, a communication slot where our general manager talks with employees
- *15 minutes of Lessons Learned*
- Forums in the plant
- *Terpel Connection Bulletin*
- Informational bulletin boards



Share the new corporate vision with the Terpel team.

Implement the new innovation management system.

Decrease the accident rate by a minimum of 10% over the year 2018.



QUALITY

# SUPPLIER DEVELOPMENT

→ GRI 103-1 and GRI 103-2

Crecemos de la mano de nuestros socios estratégicos, para generar valor y beneficio mutuo que fortalecen los negocios. We grow together with our strategic partners, generating value and mutual benefits that strengthen our businesses.

Suppliers play a strategic role in our Organization and are an integral part of it. With them, we seek to establish a business model of mutual benefit in the medium and long run, sharing values, best practices, and a commitment to sustainable development. We continuously improve our processes in order to maintain the high standards of quality that make us leaders. We implement initiatives to

grow together, and give priority to domestic purchases with the objective of creating incentives for local development.

We build relationships of trust and shared responsibility with our suppliers on crucial aspects related to economics, quality, ethics, labor, the environment, and social issues.



PURCHASES THAT  
CONTRIBUTE TO  
THE DEVELOPMENT  
OF THE COUNTRIES  
WHERE WE  
OPERATE

→ GRI 102-9  
SDG 8

We empower the economic development of the countries where we operate. We produce income and jobs for those who form a part of our supply chain.

COLOMBIA

PURCHASES WERE MADE FROM

**98%**

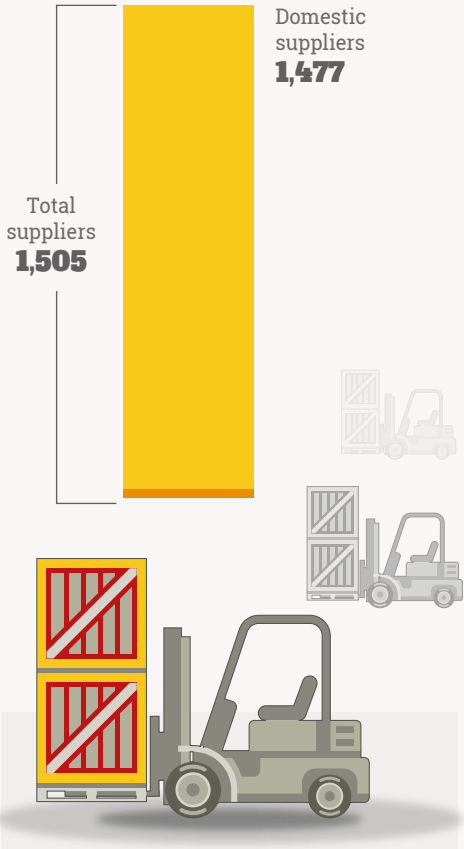
OF THE DOMESTIC SUPPLIERS  
DURING THE YEAR

**97.8%** INVESTED IN  
DOMESTIC PURCHASES

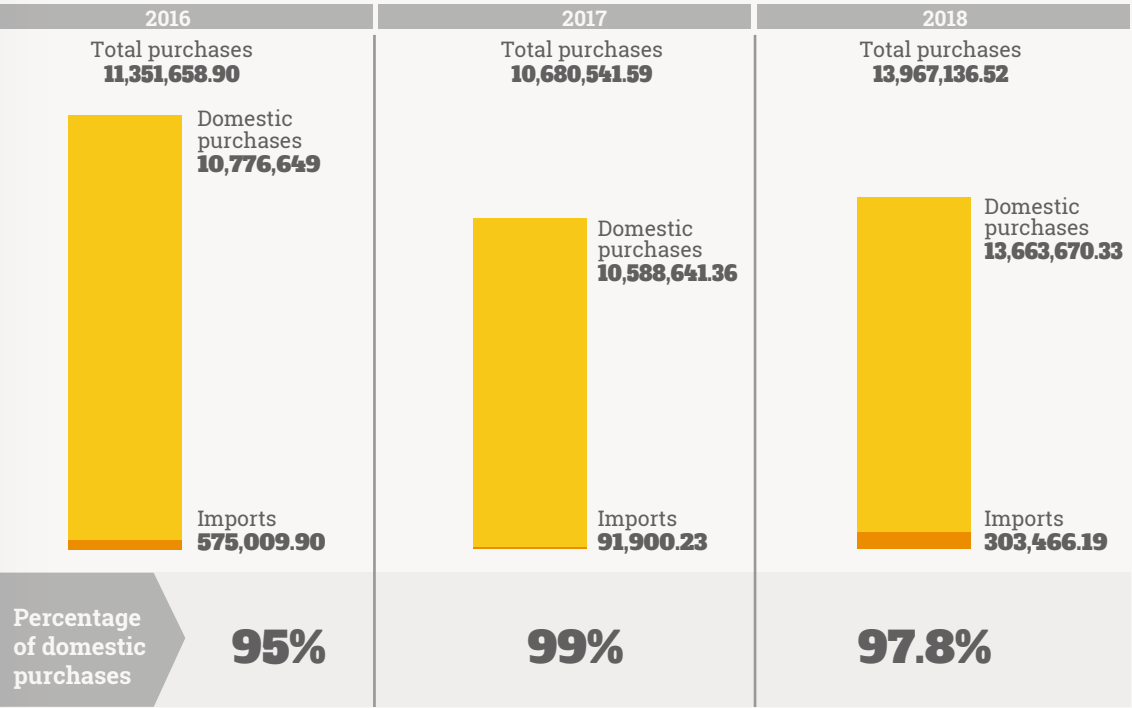
**13.3** TRILLION COLOMBIAN  
PESOS SPENT ON DOMESTIC  
PURCHASES

SUPPLIERS FROM WHOM  
PURCHASES WERE MADE  
DURING THE YEAR

2018



COMPRAS (MILLONES DE COP)

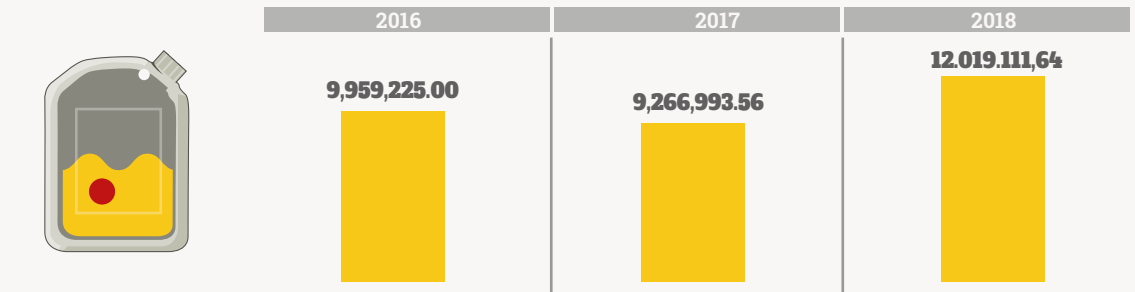


PERCENTAGE FOR DOMESTIC  
PURCHASES ACCORDING TO TYPE OF  
PRODUCT OR SERVICE

	Supplies and services	Civil works	Liquid fuels and biofuels	Natural Gas	Base oils and additives	Transportation	Inputs
2016	2%	1%	88%	3%	-	6%	-
2017	2.58%	0.29%	86.49%	3%	0.15%	6.40%	0.15%
2018	2.3%	0.25%	86.05%	1.94%	1.5%	5.46%	0.23%

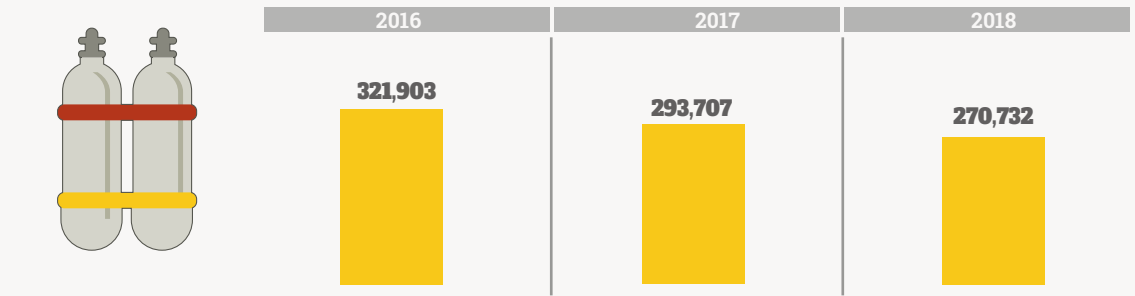
Annual amount of purchases of liquid fuel and biofuel

(millions of Colombian pesos)



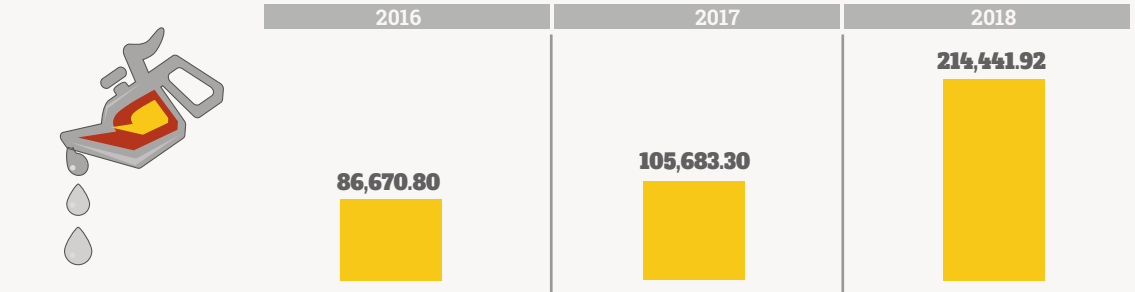
Annual amount of purchases of natural gas

(millions of Colombian pesos)



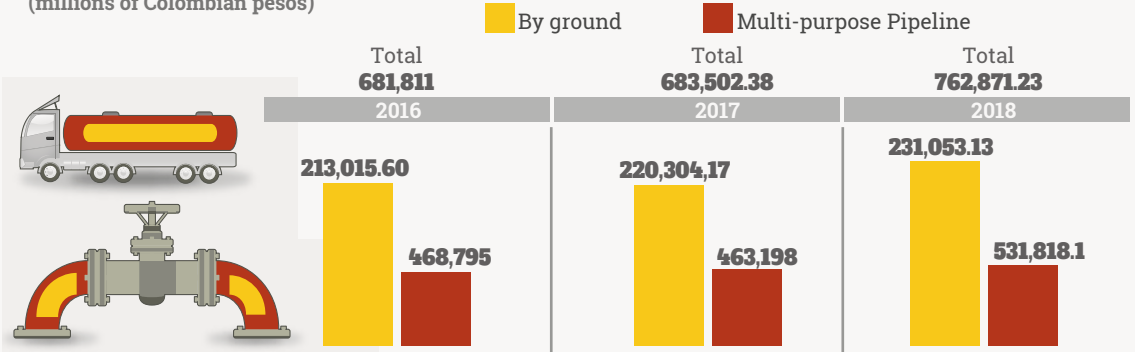
Annual amount of purchases of base oils and additives

(millions of Colombian pesos)



Annual amount of transportation and movement of fuel

(millions of Colombian pesos)



INCLUSIVE BUYING FROM  
VULNERABLE COMMUNITIES

We support entrepreneurialism and work to strengthen the organizational abilities of small enterprises.

In the framework of launching our sustainability report in the year 2017, and in partnership with the ANDI Foundation, we identified and selected small businesses from whom we purchased 1,020 fabric bags at a cost of more than 10 million pesos. The purchase benefited a total of 14 vulnerable families located in seven departments of the country, made up of nine women heads of household, four young people, and a former combatant. We also fomented among beneficiaries the importance of officially getting set up as a company, offering quality products, and working as a team.

ECUADOR

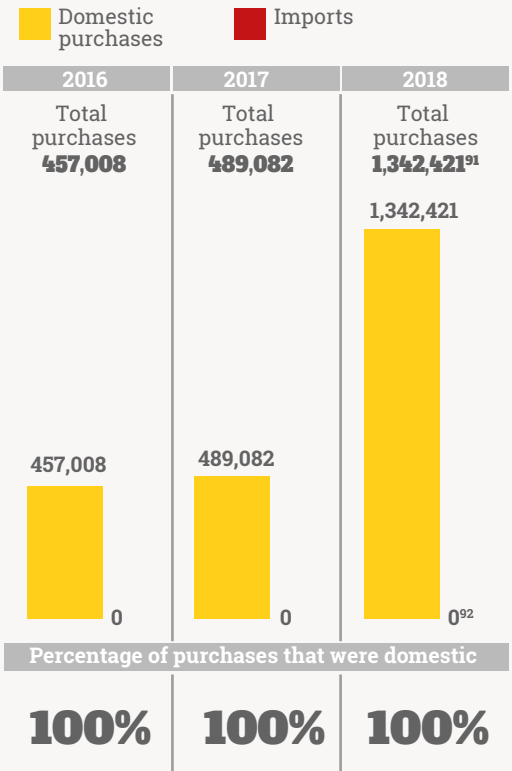


SUPPLIERS FROM WHOM PURCHASES  
WERE MADE DURING THE YEAR

2018



COMPRAS (MILLONES DE COP)<sup>90</sup>



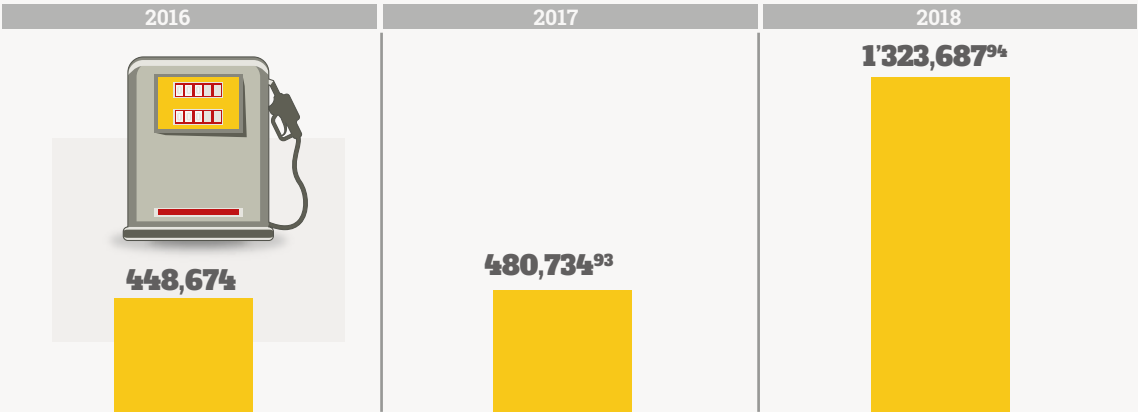
90. E In 2016 and 2017 the figures were adjusted based on an internal review.  
91. Converted from 413,084,369 dollars to Colombian pesos according to the TRM (Representative Market Rate) of 3,249.75.  
92. Converted from 32 dollars to Colombian pesos according to the TRM (Representative Market Rate) of 3,249.75.

PERCENTAGE FOR DOMESTIC  
PURCHASES ACCORDING TO TYPE OF  
PRODUCT OR SERVICE

	Supplies and Services (includes fuel)	Civil works	Liquid fuels and biofuels	Lubricants and additives	Transportation
2016	0.9%	0.2%	98%		0.6%
2017	0.8%	0.1%	98.3%		0.8%
2018	0.75%	0.22%	98.6%	0.02%	0.4%

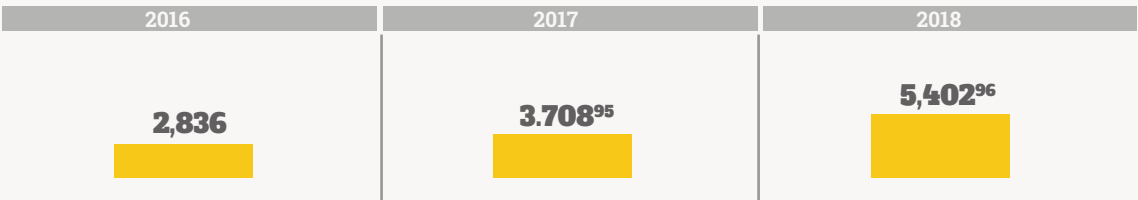
Annual amount of purchases of liquid fuel

(millions of Colombian pesos)



Annual amount for transportation and movement  
of fuel via ground transportation

(millions of Colombian pesos)



93. Figure was adjusted based on an internal review.

94. Converted from 407,319,828 dollars to Colombian pesos according to the TRM (Representative Market Rate) of 3,249.75.

95. Figure was adjusted based on an internal review.

96. Converted from 1,662,546 dollars to Colombian pesos according to the TRM (Representative Market Rate) of 3,249.75.

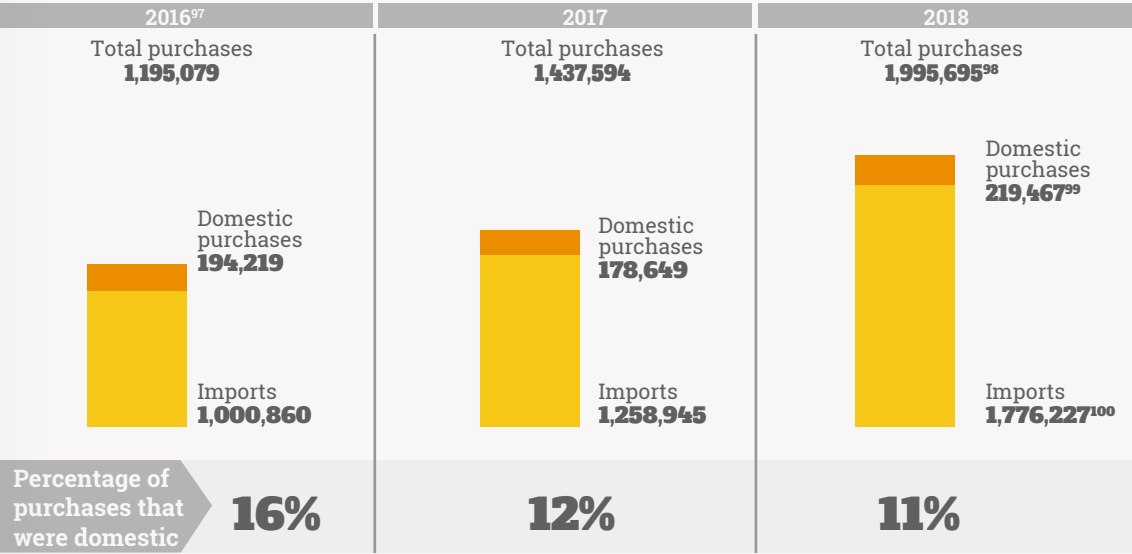
PANAMA



SUPPLIERS FROM WHOM PURCHASES  
WERE MADE DURING THE YEAR



PURCHASES  
(MILLIONS OF COLOMBIAN PESOS)



97. In 2016 and 2017 the figures were adjusted based on an internal review.

98. Converted from 614,107,266 dollars to Colombian pesos according to the TRM (Representative Market Rate) of 3,249.75.

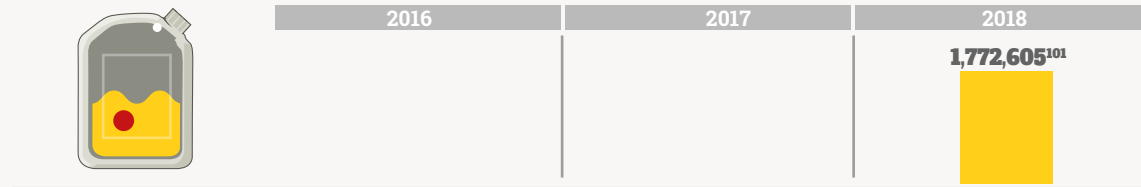
99. Converted from 67,533,670 dollars to Colombian pesos according to the TRM (Representative Market Rate) of 3,249.75.

100. Converted from 546,573,596 dollars to Colombian pesos according to the TRM (Representative Market Rate) of 3,249.75.

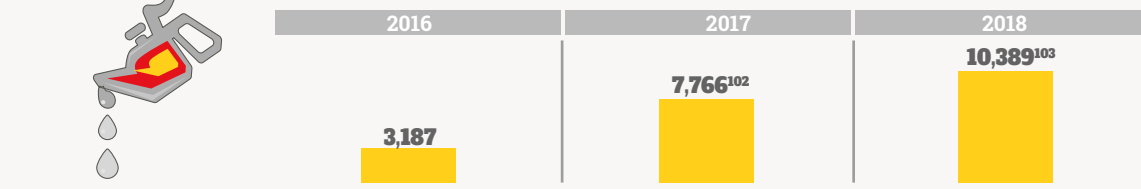
PERCENTAGE FOR DOMESTIC  
PURCHASES ACCORDING TO TYPE OF  
PRODUCT OR SERVICE

	Supplies and services	Civil works	Lubricants and additives	Transportation	Others
2016	9.6%	1.4%	0.3%	2.6%	2.3%
2017	5.8%	0.9%	0.2%	2.6%	2.9%
2018	4.49%	1.59%	0%	2.13%	2.78%

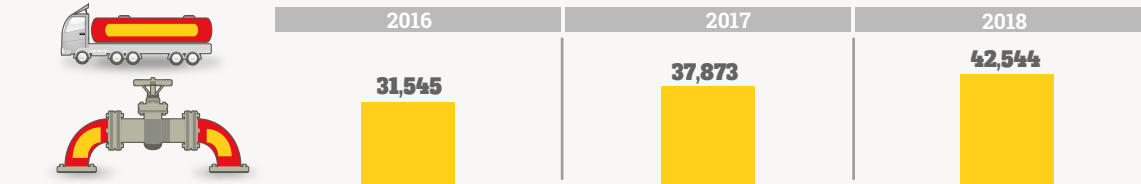
Annual amount of purchases of liquid fuel  
(millions of Colombian pesos)



Annual amount of purchases of lubricants and additives  
(millions of Colombian pesos)



Annual amount of transportation and movement of fuel  
(millions of Colombian pesos)

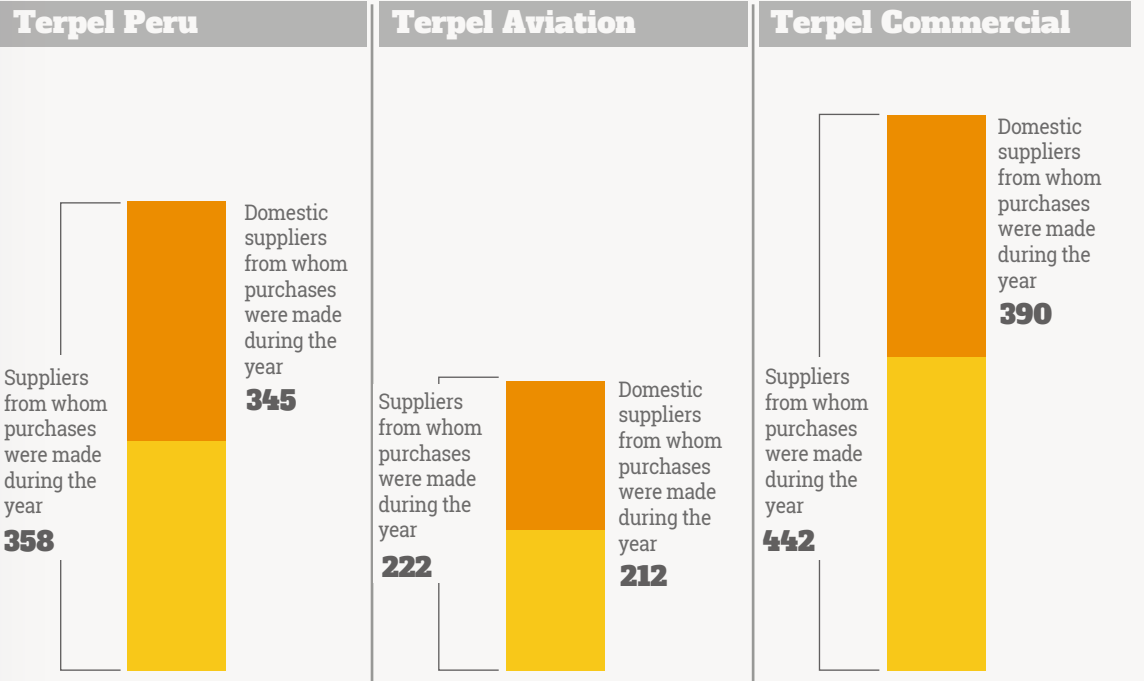


101. Converted from 545,458,932.58 dollars to Colombian pesos according to the TRM (Representative Market Rate) of 3,249.75.  
102. Based on an internal review, we converted 2,602,835.11 dollars to Colombian pesos according to the TRM of 2,984.  
103. Converted from 3,197,072.58 dollars to Colombian pesos according to the TRM of 3,249.75.

PERU



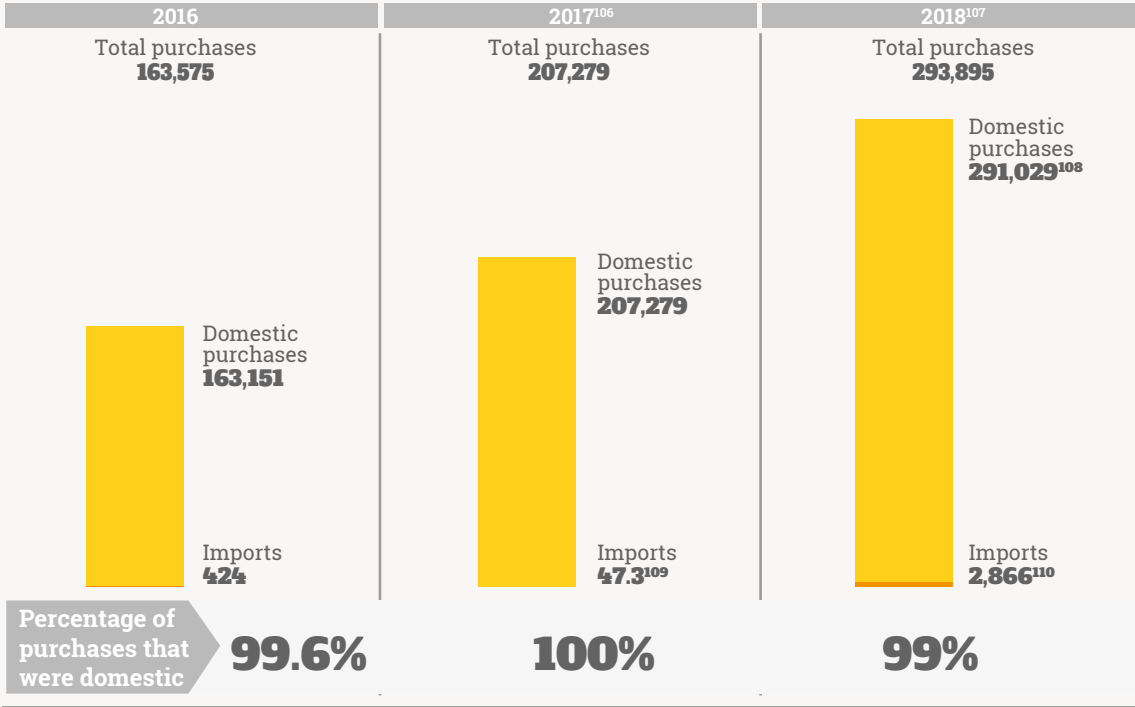
SUPPLIERS FROM WHOM  
PURCHASES WERE MADE  
DURING THE YEAR



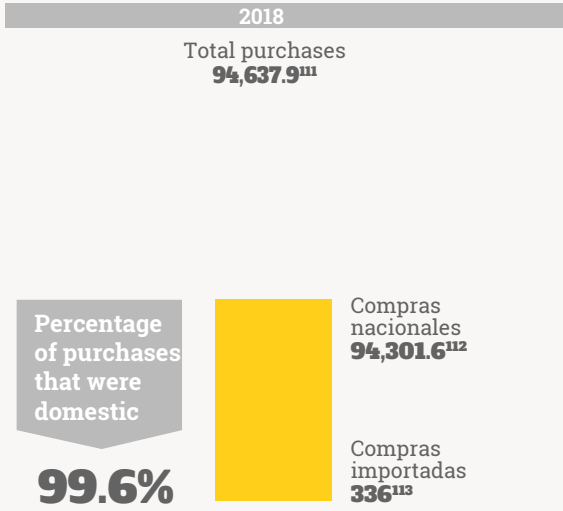
104. Converted from 29,018,129 dollars to Colombian pesos according to the TRM of 3,249.75.  
105. Converted from 34,716,569 dollars to Colombian pesos according to the TRM of 3,249.75.

PURCHASES (MILLIONS OF COLOMBIAN PESOS)

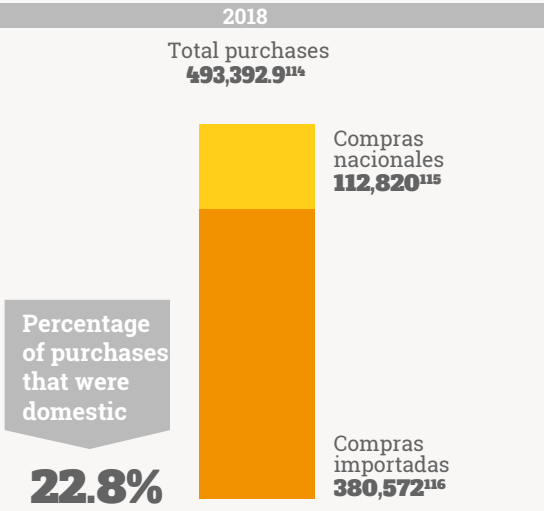
Terpel Peru



Terpel Aviation



Terpel Commercial



106. Figures were adjusted based on an internal review.  
107. Figures were adjusted based on an internal review.  
108. Converted from 89,554,434 dollars to Colombian pesos according to the TRM of 3,249.75.  
109. The marked difference from the years 2015 and 2016 is based on the fact that during 2017 there were no purchases of imported equipment for new projects related to NGV fueling stations.  
110. Converted from 881,827 dollars to Colombian pesos according to the TRM of 3,249.75.  
111. Converted from 29,121,615 dollars to Colombian pesos according to the TRM of 3,249.75.  
112. Converted from 29,018,129 dollars to Colombian pesos according to the TRM of 3,249.75.  
113. Converted from 103,486 dollars to Colombian pesos according to the TRM of 3,249.75.  
114. Converted from 151,824,906 dollars to Colombian pesos according to the TRM of 3,249.75.  
115. Converted from 34,716,569 dollars to Colombian pesos according to the TRM of 3,249.75.  
116. Converted from 117,108,337 dollars to Colombian pesos according to the TRM of 3,249.75.

PERCENTAGE FOR DOMESTIC  
PURCHASES ACCORDING TO TYPE OF  
PRODUCT OR SERVICE

Terpel Peru

	Supplies and services	Civil works	Liquid fuels and biofuels	Liquid petroleum gas	Natural Gas	Transportation	Others
2016	50%	2%	17%	7%	18%	3%	1.97%
2017	49%	2%	18%	9%	16%	0.3%	2%
2018	50%	3%	22%	9%	13%	0.3%	2%

Terpel Aviation

	Supplies and services	Civil works	Others
2018	90%	3%	6%

Terpel Commercial

	Supplies and services	Civil works	Liquid fuels and biofuels	Base oils and additives	Transportation	Inputs	Others
2018	6%	1%	4%	5%	2%	5%	0.3%



TERPEL PERU

Annual amount of purchases of liquid fuel

(millions of Colombian pesos)<sup>117</sup>



2016	2017	2018
27,225	37,599	62,524 <sup>118</sup>

Annual amount of purchases of Liquefied Petroleum Gas

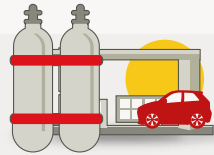
(millions of Colombian pesos)<sup>119</sup>



2016	2017	2018
12,007	18,439	25,525 <sup>120</sup>

Annual amount of purchases of natural gas

(millions of Colombian pesos)<sup>121</sup>



2016	2017	2018
29,208	33,771	38,421 <sup>122</sup>

Terpel Aviation



Annual amount of purchases of  
supplies and services including:  
maintenance of refuelers,  
purchase of replacement parts,  
plant maintenance

(millions of Colombian pesos)

2018
85,529 <sup>123</sup>

Terpel Commercial

2018		
Annual amount of purchases of liquid fuel and biofuel (millions of Colombian pesos)	21,373 <sup>124</sup>	Annual amount of purchases of base oils and additives (millions of Colombian pesos)
		24,698 <sup>125</sup>
		Annual amount of transportation and movement of fuel (millions of Colombian pesos)
		8,475 <sup>126</sup>

117. Figure was adjusted based on an internal review.

118. Converted from 19,239,684 dollars to Colombian pesos according to the TRM of 3,249.75.

119. Figure was adjusted based on an internal review.

120. Converted from 7,854,425 dollars to Colombian pesos according to the TRM of 3,249.75.

121. Figure was adjusted based on an internal review.

122. Converted from 11,823,023 dollars to Colombian pesos according to the TRM of 3,249.75.

123. Converted from 26,318,650 dollars to Colombian pesos according to the TRM of 3,249.75.

124. Converted from 6,576,849 dollars to Colombian pesos according to the TRM of 3,249.75.

125. Converted from 7,600,000 dollars to Colombian pesos according to the TRM of 3,249.75.

126. Converted from 2,608,013 dollars to Colombian pesos according to the TRM of 3,249.75.

THE DOMINICAN REPUBLIC

PURCHASES WERE MADE FROM

91%

OF THE DOMESTIC SUPPLIERS  
DURING THE YEAR

99.4%

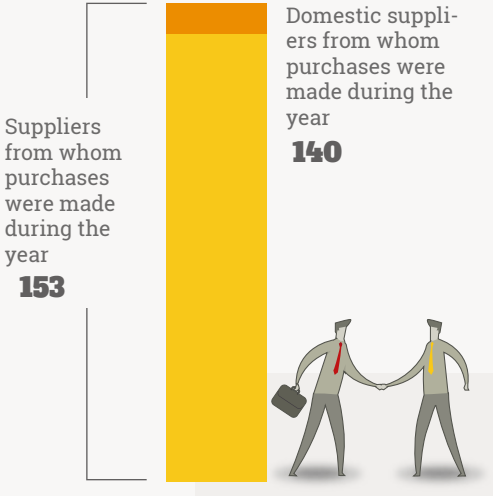
OF PURCHASING BUDGET SPENT ON  
DOMESTIC PURCHASES

492,864

MILLION PESOS SPENT ON DOMESTIC  
PURCHASES

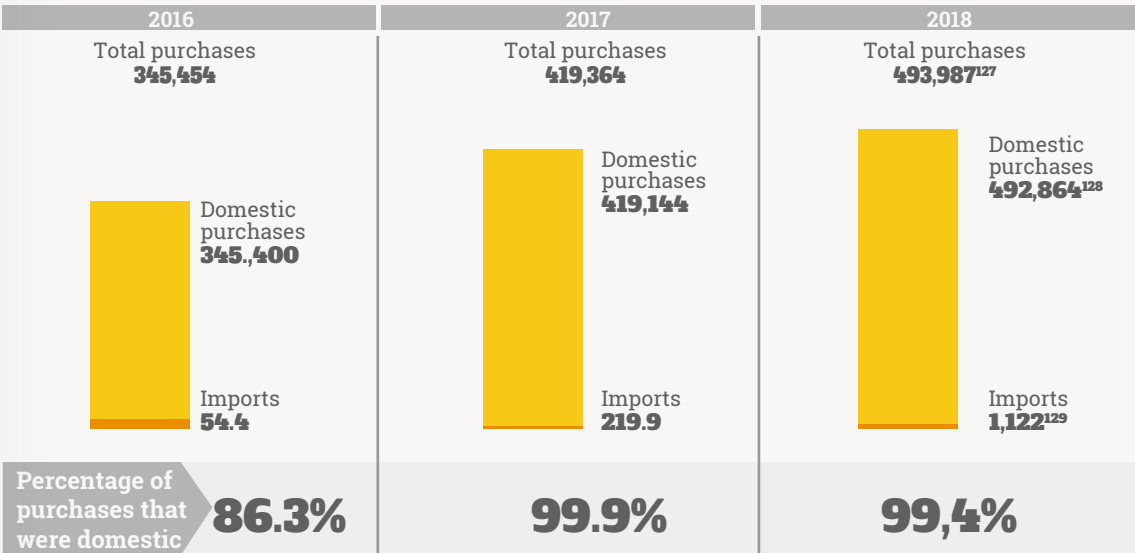
SUPPLIERS FROM WHOM PURCHASES  
WERE MADE DURING THE YEAR

2018



PURCHASES

(MILLIONS OF COLOMBIAN PESOS)



127. Converted from 152,007,694.55 dollars to Colombian pesos according to the TRM of 3,249.75.

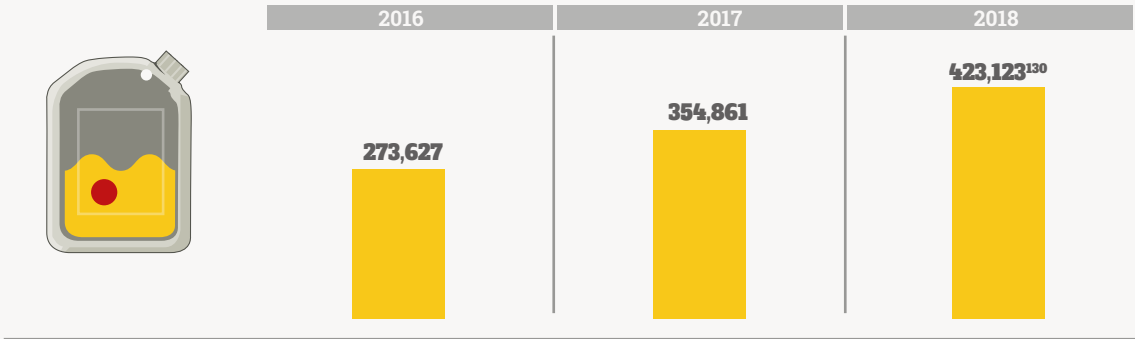
128. Converted from 151,662,158.09 dollars to Colombian pesos according to the TRM of 3,249.75.

129. Converted from 345,536.46 dollars to Colombian pesos according to the TRM of 3,249.75.

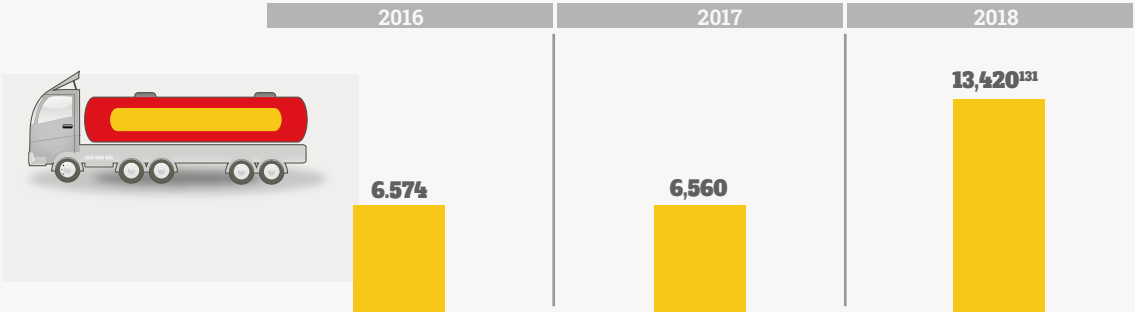
PORCENTAJE DE COMPRAS  
NACIONALES SEGÚN TIPO  
DE PRODUCTO O SERVICIO

	Supplies and services	Civil works	Fuel	Transportation	Inputs	Others
2016	6%	0%	79%	2%	-	13%
2017	5%	0.02%	86%	2%	-	7%
2018	0.01%	0.019%	86	3%	0.01	10.4%

Annual amount of purchases of liquid fuel  
(millions of Colombian pesos)



Annual amount of transportation and movement  
of fuel via ground transportation  
(millions of Colombian pesos)



130. Converted from 130,201,971.94 dollars to Colombian pesos according to the TRM of 3,249.75.  
131. Converted from 4,129,714.75 dollars to Colombian pesos according to the TRM of 3,249.75.

MONITORING AND  
ACCOMPANIMENT  
OF SUPPLIERS

Material aspect: Accompaniment for suppliers  
→ GRI 102-44, GRI 102-47, GRI 103-1 and GRI 103-2  
SDG 8

Our guidelines and processes promote, facilitate, and create incentives for suppliers to conduct themselves ethically, respect human rights, and take care of the environment, among other best practices.

Principals 1 and 2 of the United Nations Global Compact

- Contractors' Manual
- Introduction to Environmental Management
- Contractual Civil Liability Policies
- Environmental regulations for the supplier's processes, products, and services<sup>132</sup>
- Audits of waste disposal agents

COLOMBIA

We fomented sustainable development in our supply chain through a partnership with Universidad Externado de Colombia and the United Nations Global Compact. Our *First Steps in Corporate Social Responsibility* program, with help from four organizations we recruited, provided training for our suppliers and affiliates. They received sustainability advice and training, and concluded the process with satisfactory or outstanding results in terms of the implementation of initiatives at their companies.

WE TRAINED DRIVERS IN ORDER  
TO ENCOURAGE RESPONSIBILITY

COLOMBIA

**Drivers School.** We reinforced the skills and abilities of 1,685 drivers with an average of four hours of training each. This helped improve their performance on the highway, abide by the highest standards for behavior on the road, and reduce the accident rate.

**Driver diploma course.** We explored professional driving knowledge and skills in greater depth with 145 drivers, developing their competencies for driving cargo vehicles.

PANAMA

**Travel Safely with Terpel.** We implemented the Travel Safely with Terpel program to strengthen due diligence, safety, transparency, and best practices for our suppliers' operations. In total, representatives of 13 fuel transportation companies across the nation participated, receiving information on:

- Our corporate values
- Zero tolerance for practices that violate business ethics
- Instruments for managing our ethics and transparency system: Code of Conduct, Human Rights Policy, Good Neighbor Policy, and the Anti-corruption Policy.

132. [https://www.terpel.com/Global/Accionistas/Codigo\\_de\\_Buen\\_Gobierno\\_Corporativo.pdf](https://www.terpel.com/Global/Accionistas/Codigo_de_Buen_Gobierno_Corporativo.pdf)

## SUPPLIER CLASSIFICATION

We classify the level of criticality of our suppliers and continuously monitor their operations. The exercise to establish priorities bears in mind: the type of good or service provided to Terpel, the monetary value of the purchase<sup>133</sup>, and variables related to the impact they can cause on the final product, the process, industrial safety, or the environment.

The criteria are defined as follows:

**High Criticality:** when the input purchased, the process executed, or the finished product, in the case of a non-conformity, puts either people or the operations at significant risk, and the value of the purchase is greater than 1 billion Colombian pesos.

**Medium Criticality:** when the input purchased, the process executed, or the finished product, in the case of a non-conformity, could demand reprocessing or cause delays and inefficiency, and the value of the purchase is less than one billion Colombian pesos.

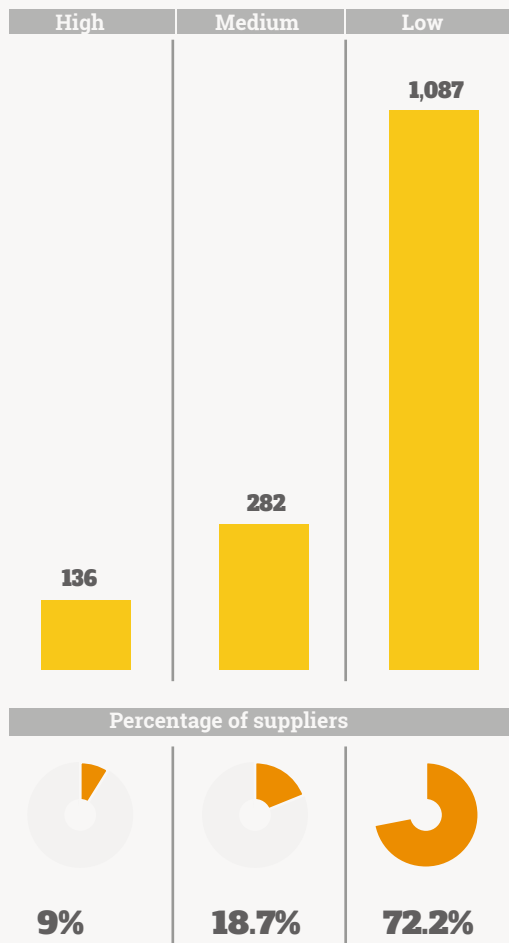
**Low Criticality:** when the input purchased, the process executed, or the finished product, in the case of a non-conformity, does not affect people or the operations, and the value of the purchase is less than one billion Colombian pesos.

### COLOMBIA

In 2018, we classified 1,505 suppliers from whom purchases were made during the year.

#### Suppliers according to level of criticality

Number of suppliers



## SUPPLIER EVALUATION, A WIN-WIN PRACTICE

Material aspect: Accompaniment for suppliers

SDG 8

With an eye toward aligning supplier interests with the interests of Terpel, and strengthening the operations of highly critical suppliers, we do a diagnostic evaluation to identify opportunities for improvement, propose action plans, monitor the operation, and recognize achievements. This process is divided into two phases:

### FIRST PHASE: SUPPLIER PERFORMANCE EVALUATION

1. We identify the suppliers to be evaluated, with the following criteria in mind:

- High Criticality
  - Current Contract
  - Purchases of more than one billion pesos.
  - Failure to meet specifications
- Requirement by management, directors, heads of department, purchase managers or the head of supplier management.
- Occurrence of accidents, incidents, or a noncompliance in the services provided

2. The contract administrator evaluates the supplier at the conclusion of the project or provision of the service, based on variables such as:

- Product quality
- Delivery times
- Quantity delivered
- Occupational health and safety and quality
- Environmental considerations
- Post-sales service

3. We generate a report for each supplier assessed, consolidating the evaluations made by the contract administrators. The results are: Excellent, Reliable, Developing, or Unsuitable

Suppliers who receive an 'unsuitable' result are sent an improvement plan or are blocked in the system.

4. We organize meetings with each supplier to provide feedback about the process and talk about how to complete the proposed improvement plan and about the timeline.

### SECOND PHASE: SUPPLIER PERFORMANCE RE-EVALUATION

This re-evaluation is averaged with the results obtained during the first performance evaluation. Depending on the score:

- Excellent: we give them a diploma for good performance
- Reliable: An award is given
- Developing: we send a request for an improvement plan and do follow-up

133. The amount of the purchase must be more than 1 billion pesos.

**COLOMBIA**

We evaluated 27 transportation providers, representing 100% of our partners in this sector, who are responsible for mobilizing close to 1.4 billion gallons of fuel each month on the country's highways.

**PANAMA**

We identified the function of 100% of Terpel's suppliers in Panama, classifying 163 of them as highly critical. Based on an assessment of 64%, or 105 suppliers, 38 obtained a score of 'Excellent,' 52 'reliable,' 13 'Developing,' and two suppliers were classified as 'Unsuitable.' As short and medium term challenges, we would like to provide feedback on these results to our suppliers, and revise the evaluation form to increasingly fine-tune the process.

**THE DOMINICAN REPUBLIC**

We evaluated a total of 153 suppliers, 100 of which scored as 'Excellent,' 38 as 'Reliable,' and 13 as 'Developing.' The latter are implementing preventive action plans and we are following up on them monthly to strengthen their operations. We canceled the services of two of the suppliers due to their high criticality for the Organization.

**SUPPLIER  
SELF-ASSESSMENT  
ON SUSTAINABILITY**

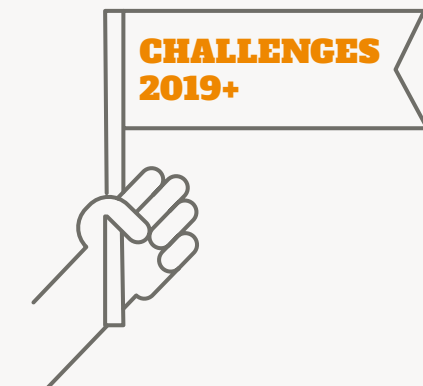
With the purpose of continuing to strengthen sustainability across the entire supply chain, we undertook a pilot exercise in which 13 highly critical suppliers did a self-assessment on topics related to ethical behavior, human rights, contracting conditions, environmental management, communities, and others.

This initiative made it possible for our partners to reflect on both strengths and opportunities for improvement. It also helped us get to know their initiatives and practices, establish trends in the work, determine aspects that represent risks for both the supplier and for Terpel, and find areas where we can grow together.

The results of the self-assessment showed that:

- 92% of the suppliers evaluated implement best practices in at least five out of the 12 areas evaluated: ethics, human rights, community relations, information protection, and the environmental and labor.
- The responses tended to focus on initiatives in the area of policy (policies, regulations, manuals, and procedures, related to topics such as human rights, relations with neighbors, and information protection); and initiatives of a practical nature (implementation of programs, campaigns and plans related to environmental and labor issues).

- The transportation companies are focused on initiatives related to employment, the environment, and alignment with their suppliers, while the maintenance companies are focused on initiatives related to employment and environmental issues.



Organize conversations  
with suppliers.

Implement sustainability  
criteria for the selection of  
suppliers.





## RESPONSABILITY

# PROTECTION OF THE ENVIRONMENT

→ GRI 102-11, GRI 103-1 and GRI 103-2

As an ally of our surrounding environment, our operation meets the highest standards for quality and safety. We are committed to improving the quality of life in the places we operate by taking care of the environment, implementing initiatives to mitigate the impact of our value chain and reduce our ecological footprint.

We are committed to protecting the environment and achieving harmony with our surroundings. We use a preventive approach to maintain safe conditions in our operations, controlling and mitigating any possible impacts. To this end it is fundamental for our employees, business partners, suppliers, and contractors, with whom we share our perspective and best practices, to be keenly aware of these issues and work in a responsible manner.

The strategy is based on our Comprehensive Management System for Health, Safety, the Environment, and Quality (HSEQ) and on legal compliance. We focus on avoiding fuel spills,

managing waste products, and reducing our carbon footprint. We are always working to develop environmentally-friendly fuels and lubricants. We encourage innovation. We foment an environmental culture through training for our stakeholders, encourage responsible consumption, and participate actively in emergency response and coordinated work with the sector and the government. Our goal is to run the operation according to the highest standards in order to ensure the continuity of the business and build relationships of trust with our customers and consumers, and always from the perspective of respect for the environment.



## SYSTEM FOR OCCUPATIONAL HEALTH AND SAFETY, QUALITY, AND THE ENVIRONMENT (HSEQ)

The HSEQ system is designed to identify, prevent, and control the risks associated with our operations in the different countries where we operate. We prioritize the management of risks to our employees and to the environment by means of a safe operation that controls and mitigates adverse consequences in the case of an event. We can thus avoid impacts on the health of the people who work in each business line, and on safety at work centers, the environment, and the continuity of the operations.

### PILLARS

- Risk Identification
- Training in controls
- Emergency response
- Accident investigation

### MANAGEMENT PROGRAMS

- Savings and Efficient Use of Natural Resources
- Spill Management
- Comprehensive Waste Management
- Discharge Control

After an exhaustive evaluation of our HSEQ system - assessing the areas of continuous improvement, operating conditions, and compliance with legal and environmental requirements - the Colombian Safety Council gave us a score in 2018 of 97% compliance on our Contractors Registration (RUC). This positioned us as a reliable, competitive, and highly responsible organization that consistently manages safety, occupational health, and environmental care at our operations.



**TERPEL'S MANAGEMENT SYSTEM PROVIDES SOLID INFORMATION TO HELP LEVERAGE OUR ACTIONS, AND WE ARE CONTINUOUSLY IMPROVING IT."**

José Carlos Barreto Barrios, VP Operations and Logistics

## RELIABLE SERVICE STATIONS, PASSION ABOUT TAKING CARE OF PEOPLE AND THE ENVIRONMENT

Material aspect: Technology and Innovation

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

Principal 7 of the United Nations Global Compact

Reaching the farthest corner of Colombia inspires us to grow in a responsible way and to be a partner in the places where we operate. Our philosophy has a foundation of responsibility toward people's safety, and respect for the environment and the quality of our products. These things motivate all our operations.

Reliable Service Stations is a program that promotes practices that make our service stations safe for the community, our employees, and our customers, stations that protect the environment. We promote this by controlling real or potential impacts to both people and the surroundings. We also do it by forming a single network, which, thanks to a process of consulting and accompaniment, ensures that the highest standards are met<sup>134</sup>.

### ACHIEVEMENTS OF THE RELIABLE SERVICE STATIONS PROGRAM

- 1,488 service stations involved, 13% more than in 2017
- 100% of our Terpel-owned service stations and franchises form a part of the program.
- 77% of affiliated service stations, in other words 1,256, actively participate in the *Reliable Service Stations* program.
- 873 visits made:
  - › 462 visits to 231 Terpel-owned service stations and franchises
  - › 642 visits to affiliated service stations

From the start of the program to the end of 2018, we closed out 89.9% of the 6,343 findings at Terpel-owned service stations and franchises, and 38% of the 25,241 findings at affiliated service stations.

134. See more information about the Reliable Service Station program at the following link: <https://www.terpel.com/Global/Manual-definitivo-23-11-16-BjOPT.pdf>

FIRST RELIABLE SERVICE  
STATIONS TRAINING CAMP

We organized the first Training Camp for service station promoters and operators in Bogotá D.C. At Camp, through seven practical modules and an arena for simulated learning, service station personnel identified the operation's risks and controls while strengthening competencies and best practices.

Training Modules:

- Module 1. Spill control and emergency response
- Module 2. Injuries and first aid
- Module 3. Product quality
- Module 4. Risks and controls for fires and explosions
- Module 5. Sensitive environmental elements
- Module 6. Safe behavior
- Module 7. Accident investigation

WE TRAINED  
**319**  
PEOPLE.

CLIMATE CHANGE,  
RELEVANT  
TO EVERYONE

Material aspect: Climate Change: carbon footprint

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

SDG 13

Principal 7 of the United Nations Global Compact

EN COLOMBIA

We decreased CO<sub>2</sub>e by 15.36 t through the use of solar panels, directly impacting scope 2 of our carbon footprint.

WE MEASURE OUR CARBON  
FOOTPRINT WITH A  
PREVENTATIVE FOCUS.

→ GRI 305-1, GRI 305-2 and GRI 305-3

Carbon Footprint Colombia	2016		2017		2018	
Variables measured	Emissions	Percentage	Emissions	Percentage	Emissions	Percentage
Scope 1 <sup>135</sup> :	2,457 t CO <sub>2</sub> e	3.94%	2,597 t CO <sub>2</sub> e	5.6%	2,826 t CO <sub>2</sub> e	5.5%
Terpel-owned private transportation	2,314 t CO <sub>2</sub> e	3.71%	2,494 t CO <sub>2</sub> e	5.41%	2,735 t CO <sub>2</sub> e	5.3%
Firefighting system and electric and diesel power plants	143 t CO <sub>2</sub> e	0.23%	103 t CO <sub>2</sub> e	0.22%	91 t CO <sub>2</sub> e	0.18%
Scope 2 <sup>136</sup> : Self-generation	23,560 t CO <sub>2</sub> e	37.77%	11,227 t CO <sub>2</sub> e	24.4%	14,235 t CO <sub>2</sub> e	27.6%
Scope 3 <sup>137</sup> :	36,357 t CO <sub>2</sub> e	58.29%	32,259 t CO <sub>2</sub> e	70.0%	34,503 t CO <sub>2</sub> e	66.9%
Leased private transportation	35,960 t CO <sub>2</sub> e	57.65%	31,306 t CO <sub>2</sub> e	67.94%	33,931 t CO <sub>2</sub> e	65.8%
Public air transportation	397 t CO <sub>2</sub> e	0.64%	952 t CO <sub>2</sub> e	2.07%	572 t CO <sub>2</sub> e	1.11%
Total carbon footprint	62,374 t CO <sub>2</sub> e	100%	46,083 t CO <sub>2</sub> e	100%	51,564 t CO <sub>2</sub> e	100%

By 2025, we plan to reduce by 10% the CO<sub>2</sub>e emissions coming from the consumption of electric power self-generated by Terpel.

We contribute to the goal of mitigating the carbon footprint in Colombia Through the Industry business unit, we help

meet the country goal of reducing CO<sub>2</sub>e emissions by 20% by the year 2030. In 2018, we traded carbon credits with 112 clients, representing 11.2 million gallons neutralized per month (GHG). During the year we neutralized 1,030,616 tons of CO<sub>2</sub>e nominated by the industrial sector..

135. Scope 1: emissions coming from facilities owned by the organization, over which it has control. Includes (fuel consumed by vehicles owned by Terpel, fuel consumed by RFL, firefighting systems and electric power plants included in the information from the environmental indicators for plants, airports).

136. Scope 2: emissions coming from electric power purchased from the national grid.

137. Scope 3: emissions coming from the value chain (transportation service providers).

IN ECUADOR

The carbon footprint grew because the installations of Terpel-Commercial, previously ExxonMobil, were added to the measurement. This establishes a baseline for us in 2018 to be able to identify areas for improvement in 2019.

Huella de carbono Ecuador	2016	2017	2018	
Variables measured			Emisiones	Proporción
Scope 1 <sup>138</sup> : Terpel-owned private transportation			41.97 t CO <sub>2</sub> e	17%
Scope 2 <sup>139</sup> : Terpel Self-generation			37.78 t CO <sub>2</sub> e	16%
Scope 3 <sup>140</sup> : Leased private transportation			162.17 t CO <sub>2</sub> e	67,03%
Total carbon footprint	42.56 t CO <sub>2</sub> e	38.94 t CO <sub>2</sub> e	241.92 t CO <sub>2</sub> e	100%

Huella de carbono Panamá	2016	2017		2018	
Variables measured	Emisiones	Proporción	Emisiones	Proporción	
Scope 1 <sup>141</sup>	452 t CO <sub>2</sub> e	7.12%	678.53 t CO <sub>2</sub> e	0,3%	
Terpel-owned private transportation	48 t CO <sub>2</sub> e	0.75%	427.54 t CO <sub>2</sub> e	0,2%	
Firefighting system and diesel electric power plants	-	-	250.99 t CO <sub>2</sub> e	0,1%	
Scope 2: Terpel Self-generation	3,480 t CO <sub>2</sub> e	54.87%	6,050,3 t CO <sub>2</sub> e	2,7%	
Scope 3 <sup>142</sup>	2,411 t CO <sub>2</sub> e	38.01%	217,557 t CO <sub>2</sub> e	97%	
Leased private transportation	2,411 t CO <sub>2</sub> e	38.01%	143,159 t CO <sub>2</sub> e	64%	
Public air transportation	-	-	74,398 t CO <sub>2</sub> e	33%	
Total carbon footprint	6.833 t CO <sub>2</sub> e	6.343 t CO <sub>2</sub> e	100%	224,286 t CO <sub>2</sub> e	100%

138. Scope 1: based on the kilometers traveled during the use of company vehicles.  
139. Scope 2: emissions coming from electric power purchased from the national grid.  
140. Scope 3: emissions coming from the value chain (service providers).  
141. Alcance 1: Scope 1: comes from electric power at facilities, combustion of fuels at stationary and mobile sources, and air travel.  
142. Scope 3: emissions coming from air transportation for fuel delivery.

IN PANAMÁ

Our carbon footprint from the operation in Panama increased in 2018 because emissions from air transportation are now included in the measurement.

We protect environmental reserves to help decrease CO2e emissions

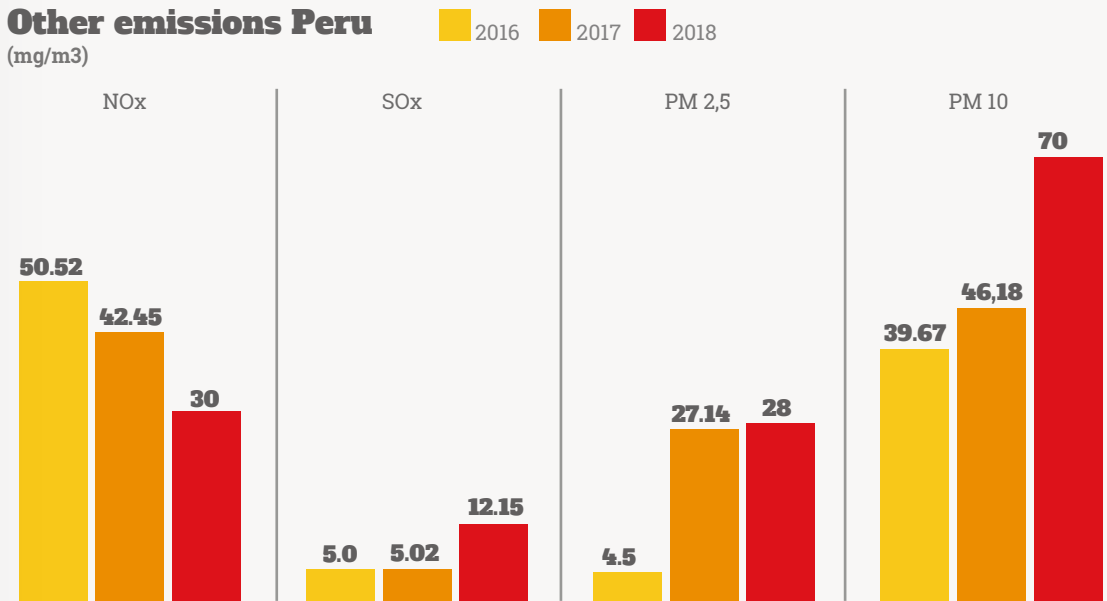
In Panama City we help protect and take care of our surroundings. Through the corporate volunteer program and with support from contractors and suppliers, we planted 100 seedlings of native plants and trees in the Natural Metropolitan Park in Panama City, one of the city's most important environmental reserves, thus decreasing the rate of emissions produced by pollution.

IN PERÚ

We controlled atmospheric emissions

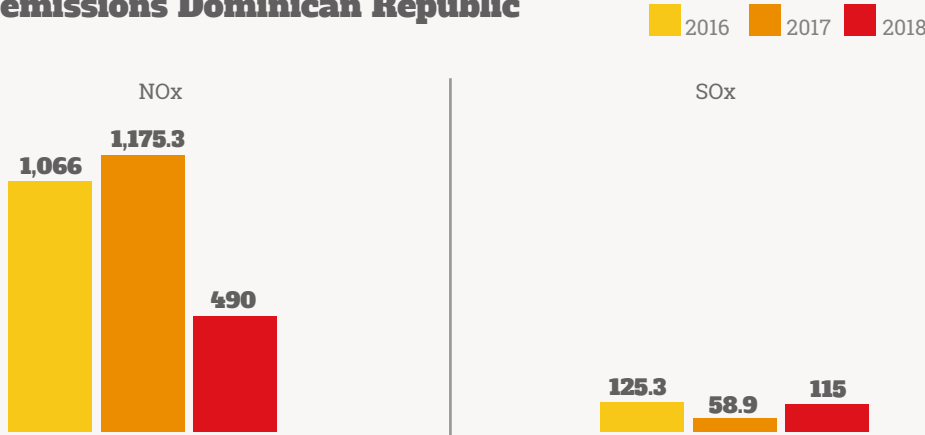
- Each quarter we monitor air quality at the service stations to verify and control emissions of pollutants.
- We switched to an electric-powered stacker, technology that allows us to reduce emissions of greenhouse gases (GHG).
- We promoted changing over to natural gas vehicles in the transportation units, obtaining a decrease in the CO<sub>2</sub> emissions indicator from 2.0 to 1.4 Kg CO<sub>2</sub> per kilometer traveled.

→ GRI 305-7



EN REPÚBLICA DOMINICANA

Other emissions Dominican Republic  
(mg/m3)



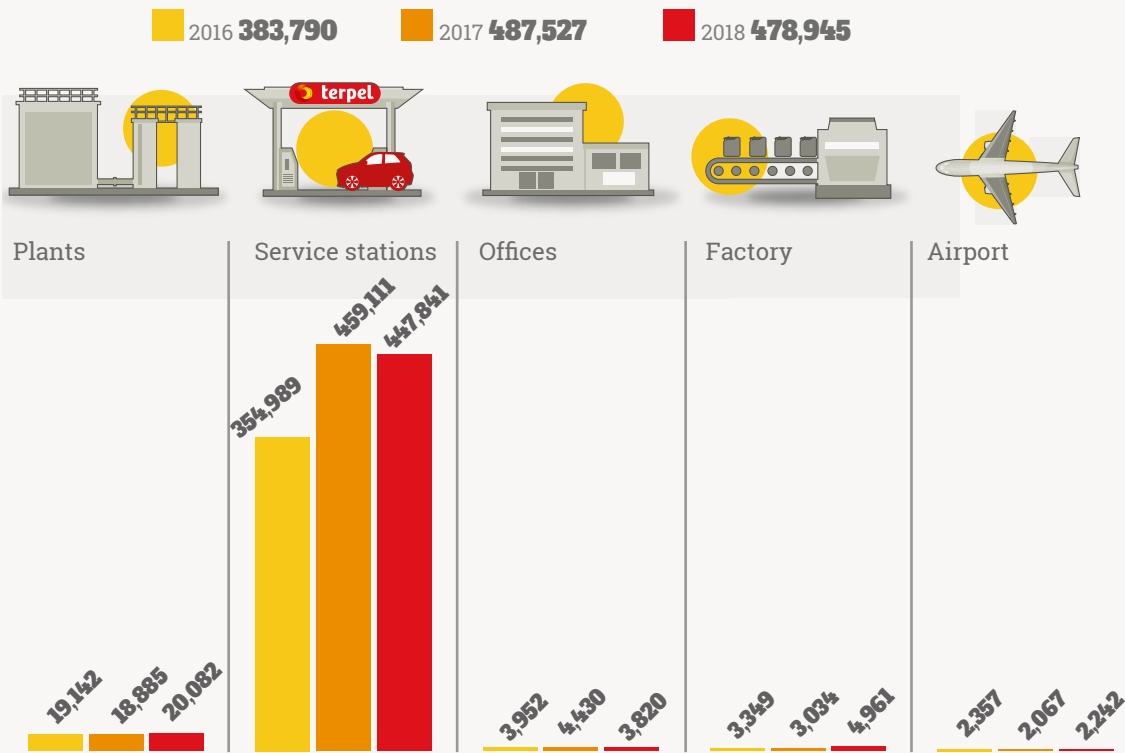
We diminish the environmental impact from emissions by making fuel for natural gas vehicles available for sale. Natural gas for vehicles produces 29% less CO2e than other fuels on the market, and minimizes the risk of respiratory diseases due to the low production of emissions and particulate matter.

ENERGY, FOCUSED ON ITS MANAGEMENT

→ GRI 302-1

Internal energy consumption (GJ)	Colombia	Ecuador	Panama	Peru	The Dominican Republic
Consumption of fuels from nonrenewable sources	41.712	646,68	9.897		5,429.8
Gas-oil (power generation)			3.650		250.4
Gas-oil (mobile sources):			1,302.56		4,142.9
Gasoline (mobile sources)	20.563	646,68	4,944		1,036.4
Consumption of purchased power	478.945	367,67	46,956.89	67,495	1,189,789.2
Electricity	478.945	367,67	46,956.89	67,495	1,189,789.2
Consumption of generated power	516,81				
Solar panels	516,81				
Total power consumption	521,174.73	1,014.35	56,853.75	67,495	1,195,219.016

Power consumption by work center (GJ)<sup>143</sup> in Colombia



IN COLOMBIA

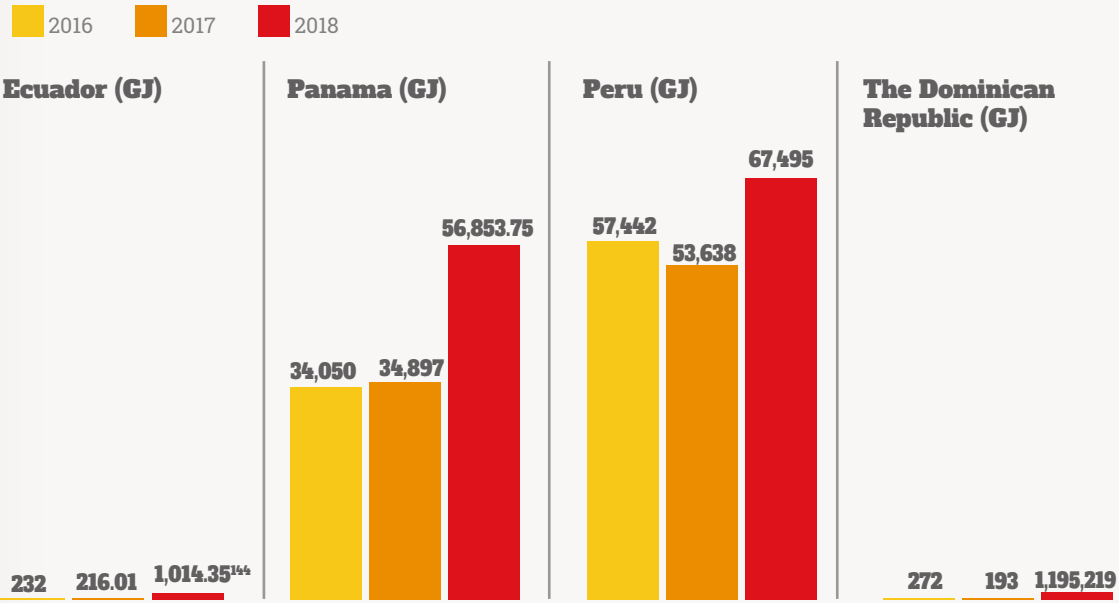
Solar energy for our processes

One of the most relevant factors in Terpel's carbon footprint is power consumption. For that reason, our work focused on decreasing power consumption by installing solar panels at the Baranoa plant in Atlantico, using the energy captured by the panels for self-consumption.

This initiative, implemented at the beginning of 2018, produced 99,265 kW of clean energy. This power could then replace 22% of the total energy required by that work center, preventing the release of 10,621 kg of CO<sub>2</sub>e into the atmosphere.

We also continued to generate solar power via panels installed at three service stations. The panels provide 4.3% of the stations' total power consumption, avoiding the release of 4,739 kg of CO<sub>2</sub>e into the environment.

143. We have specific goals for power consumption for plants, airports, and the lubricant factory, which are managed using the natural resource management program.



IN PERU

We save energy

We implemented a project to change from halogen lighting to an LED system, generating savings of 25% per year in power costs for 2 NGV fueling stations. At the natural gas fueling station for Lima's mass transportation system, located at Patio Norte, the same change generated an annual savings of 48% in invoices for electricity.

→ GRI 302-3

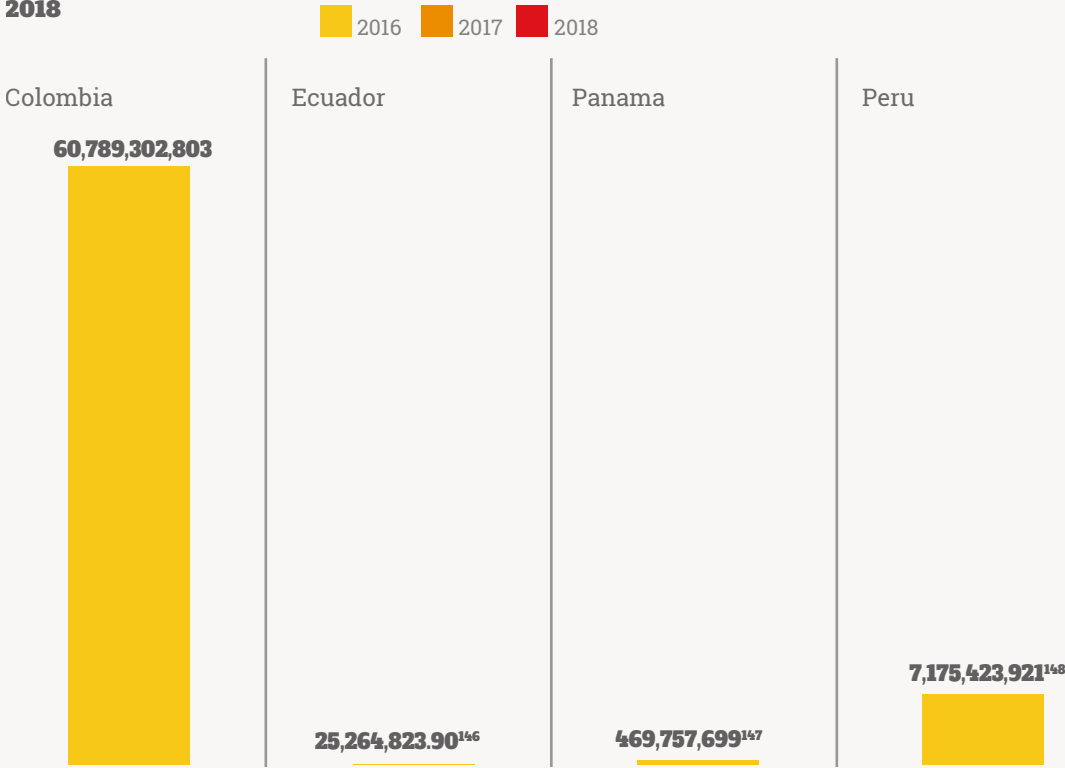
Energy Intensity (GJ / employee)	2016	2017	2018
Colombia	295.90	366.84	371.10
Ecuador	7.73	7.20	11.93
Panama	38.47	37	56.91
Peru	159.56	131	168.73
The Dominican Republic	3.27	2.30	14,575.8

144. The variation comes from the fact that 2017 took into account only consumption of electricity, while 2018 added together consumption of electricity and consumption of nonrenewable sources. In addition, we incorporated information from Terpel Comercial (Mobil) which came to form a part of Terpel Ecuador as of March 2018.



Cost of total energy consumption (COP)<sup>145</sup>

2018



WE PREVENT AND  
MITIGATE THE  
IMPACT OF SPILLS

- Material aspect: Spills and waste products  
→ GRI 102-44, GRI 102-47, GRI 103-1, GRI 103-2 and GRI 306-3
- Principal 7 of the United Nations Global Compact

Our **Spills and Leaks Control** program allows us to take preventive and timely action to avoid spills and leaks, as well as possible impacts on the environment, guaranteeing the safety of our surroundings.

145. This cost does not apply in the Dominican Republic, given that it is considered within rental costs.

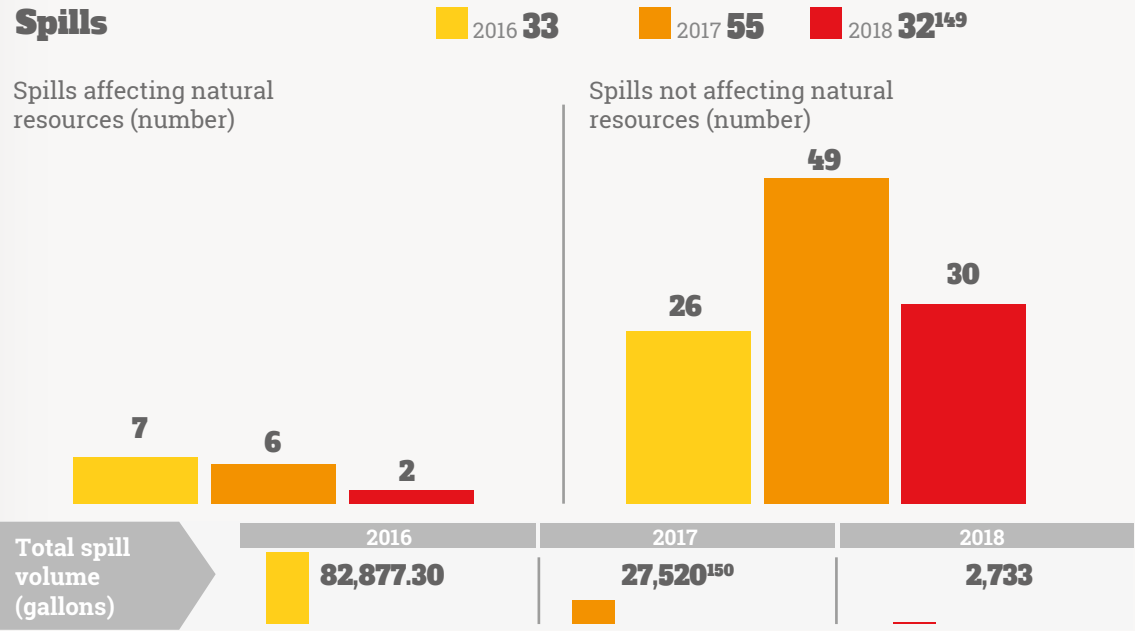
146. Converted from 7,774.39 dollars to Colombian pesos according to the TRM of 3,249.75.

147. Converted from 144,551.95 dollars to Colombian pesos according to the TRM of 3,249.75.

148. Converted from 7,449,767 sols to dollars at the TRM of 3,374, and from dollars to Colombian pesos according to the TRM of 3,249.75

COLOMBIA

Spills



WE MONITOR THE OPERATION TO  
PREVENT IMPACTS ON NATURAL  
RESOURCES

We take diverse actions to prevent and mitigate product spills:

- We have a contingency plan for every work center.
- We engage in simulations and emergency brigades to evaluate and make improvements to procedures.
- We have spill kits available and train service station personnel, transporters, and suppliers.
- We use an **Environmental Log** to monitor our operations and we make the log available to our customers.
- We install overfill alarms on tanks, allowing us to prevent spills at the plants.

In 2018, as a preventive measure, we began building mini-dikes with a minimum capacity of 2,000 gallons. They are located at the foot of tanks that receive fuel from the multipurpose pipeline and their function is to retain liquid in the case of a leak.

We decreased the volume of spills by 90.7% thanks to prevention and control actions taken at each operation center.

149. The spills occurred: 5 in airports, 10 in service stations, 5 in factories, 1 in industry, 7 in plants, and 4 in transportation..

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

ECUADOR

We trained 85% of the service station network, including 100% of the personnel at our Terpel-owned stations, in service station safety regulations for preventing fuel spills. This allowed us to maintain our high performance and improve safety in terms of decreasing accidents at service stations. During 2018 there were no product spills in our operations.

PANAMA

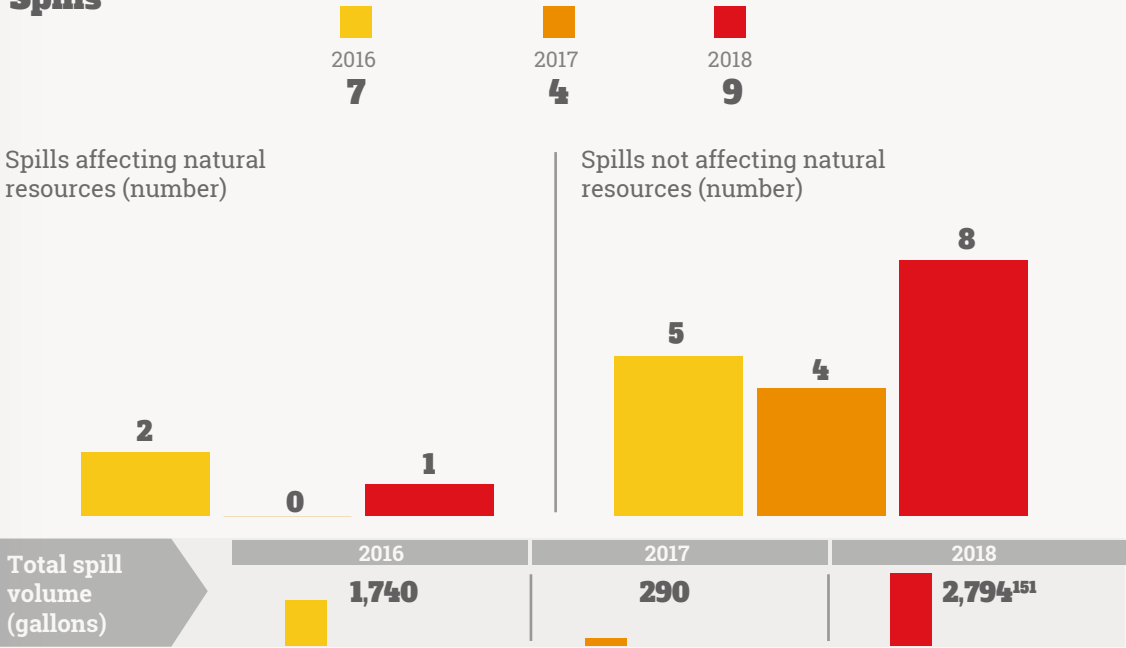
The increase in spills in Panama came from minor damage to vehicle fuel dispensing hoses at service stations. We stepped up our work to inspect equipment in order to identify wear and tear and take the pertinent corrective actions.

PERU

We organized training sessions two times a year for all service station personnel in order to prevent fuel spills and contamination. We presented annual environmental reports to the Environmental Supervision and Evaluation Bodies (OEFA) and to the Ministry of Energy and Mines (MEM). In the year 2018 there were no product spills.

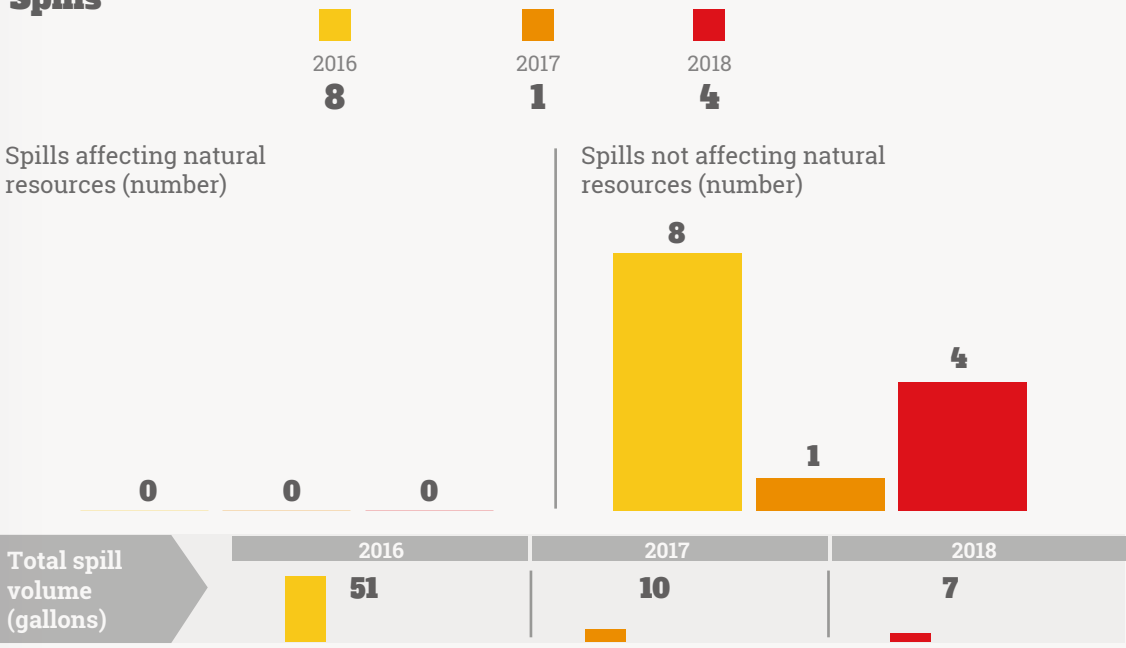
Responsible fuel management at the Jorge Chávez Airport plant kept our spill indicator at zero for the operation.

Spills



THE DOMINICAN REPUBLIC

Spills



151. Includes 2,761 gallons during transportation to mine, and 33 gallons at service stations.

# WE PROPERLY MANAGE WASTE PRODUCTS

Material aspect: Spills and waste products

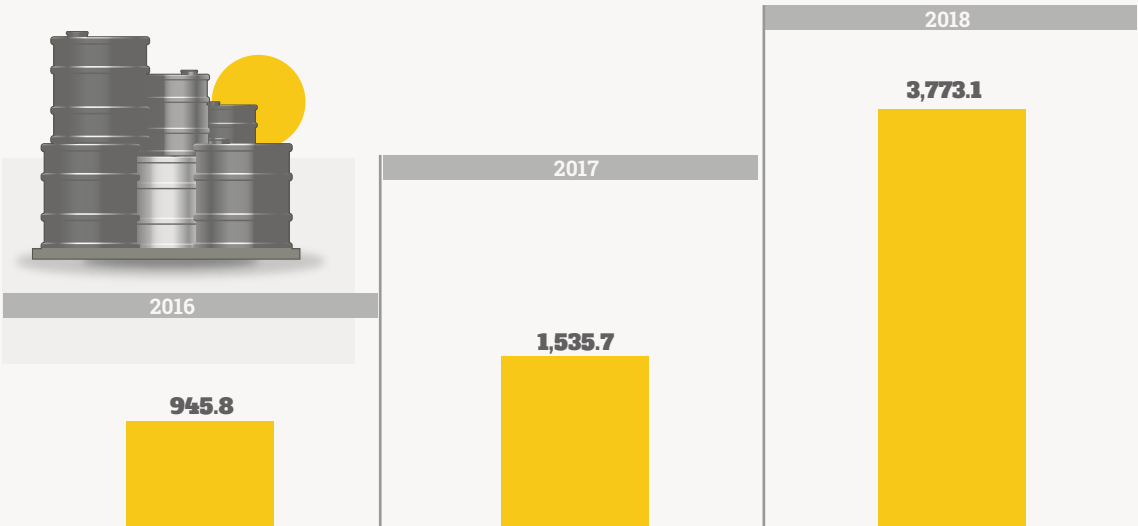
→ GRI 102-44, GRI 102-47, GRI 103-1, GRI 103-2 and GRI 306-2

Principal 7 of the United Nations Global Compact

We deal with hazardous and non-hazardous waste products in a responsible way through identification, collection, and correct disposal throughout our entire operation.

## COLOMBIA<sup>152</sup>

### Total weight of hazardous wastes (tons)



152. In Colombia we don't have the measurement of non-hazardous waste

Weight according to treatment method for hazardous waste products (tons)	2016	2017	2018
Reuse	-	-	-
Recycling	-	49.4	10.3
Composting (or bioremediation)	-	325.86	2.281
Recovery (or post-consumption use)	-	0.353	0.205
Incineration	-	38.68	20.9
Deep well injection	-	-	-
Discharge (or sanitary fill)	-	0.0335	0.00245
On-site storage (or safe cell)	-	118.85	451.9
Biological	-	-	48.6
Regular cell	-	-	0.004
Others (physical or chemical treatment)	-	739.73	960.2

Weight according to type of hazardous waste (tons)	2016	2017	2018
Liquid waste products (includes used oil)	629.78	1,096.2	3,083.12
Solid waste	316.11	409.93	690

Weight of hazardous wastes in each region of Colombia (tons) <sup>153</sup>	2016	2017	2018
Antioquia	34.40	12.15	188.29
Bucaramanga	5.58	45.76	737.78
Center	7.56	24.77	167
West			458
North	12.00	3.56	407.32
Savanna	593.81	1,447.64	1,697.85
South	69.79	1,736	116.56

153. We have specific goals for power consumption for plants, airports, and the lubricant factory, which are managed under the natural resource management program. For the year 2018, the figures were separated for the Center and West regions.

Waste disposal by type and treatment method



USED OIL MANAGEMENT

We continued our partnership with the Used Oil Fund (FAU) at the Colombian Petroleum Association (ACP). Through the Fund, authorized operators gathered 2,956.6 kg of used oil from our work centers, which was then transformed at a processing plant into treated used oil and used as fuel for industrial use.

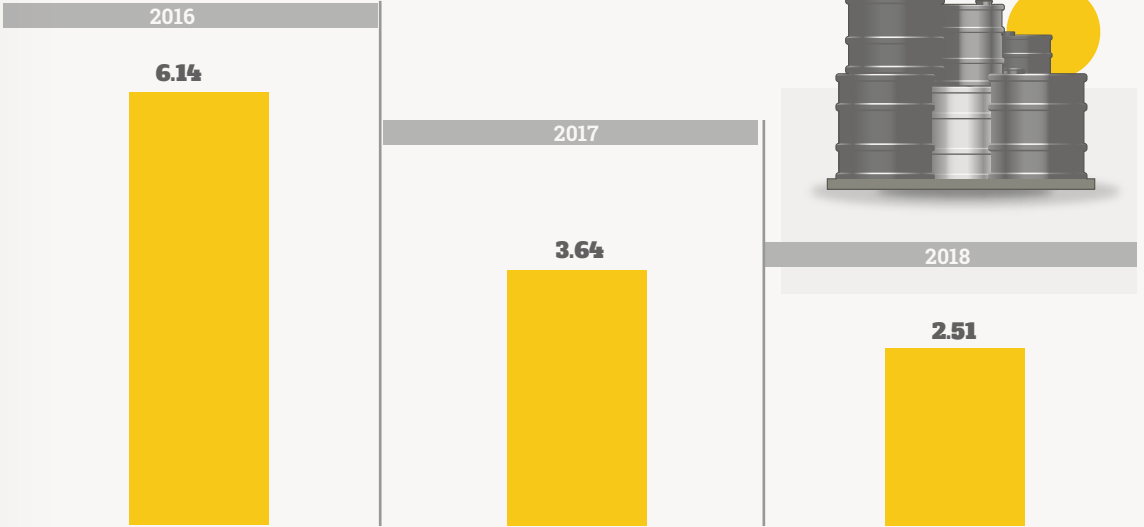
DISPOSAL OF LUBRICANT CONTAINERS

We avoided generating 27,880 kg of waste by collecting used lubricant drums. Recycling these 1,640 drums led to saving the 62,730,000 pesos that would have been spent on the final disposal of hazardous waste products.

154. Not taken into account for the footprint.

ECUADOR

Total weight of waste products  
(tons)



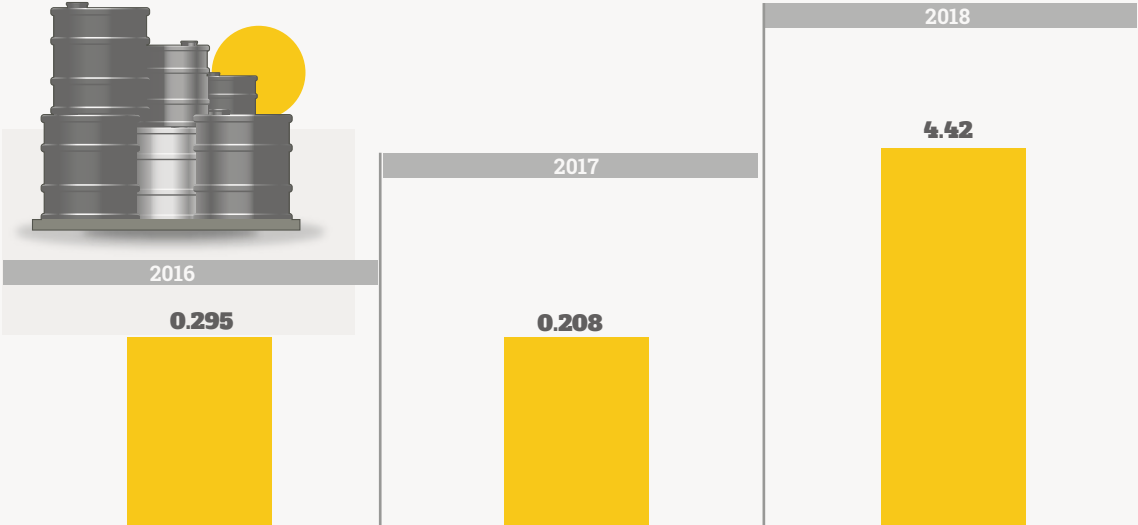
Weight according to type and treatment method for hazardous waste products (tons)	2016	2017	2018	Treatment method
Liquid waste products (includes used oil and hydrocarbon/water mixtures)	2.36	2.08	0.857	Recovery (or post-consumption use)
Solid waste products (sediments, sludge, used filters, used cans, packaging)	3.36	1.13	0.637	Incineration
Total hazardous waste products	5.72	3.21	1,494	

Weight according to type and treatment method for non-hazardous waste products (tons)	2016	2017	2018	Treatment method
Paper	0.42	0.43	0.935 <sup>155</sup>	Reuse through delivery to municipal collector and authorized recyclers. On-site storage
Plastic	-	-	0.084	Recycling
Total non-hazardous waste	0.42	0.43	1.019 <sup>156</sup>	

155. This value increased with respect to 2017 with the incorporation of the Mobil brand into our operation.  
156. This value increased with respect to 2017 with the incorporation of the Mobil brand into our operation.

PANAMA

Total weight of waste products (tons)  
(tons)

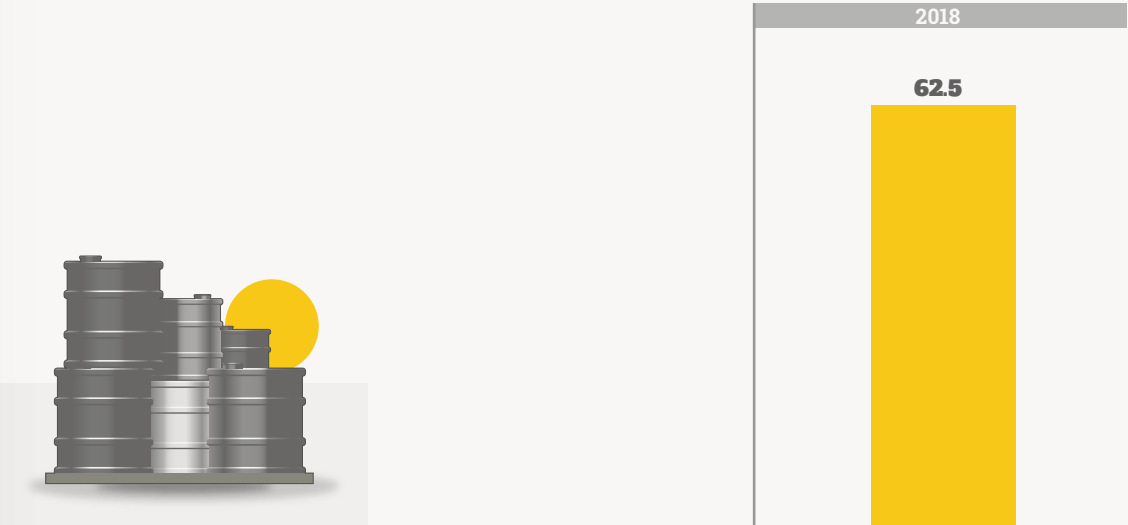


Weight according to type and treatment method for hazardous waste products (tons)	2016	2017	2018	Treatment method
Total hazardous waste (takes into account only liquid hazardous waste such as oil and oily water.)		0.01005	3.57	

Weight according to type and treatment method for non-hazardous waste products (tons)	2016	2017	2018	Treatment method
Technological and/or metal waste products	0.295	0.198	0.059	Recycling
Paper			1.323	Recycling
Total non-hazardous waste	0.295	0.198	1.382	

PERU

Total weight of waste products  
(tons)



Weight according to type and treatment method for hazardous waste products (tons)	2016	2017	2018	Treatment method
Liquid waste (used oil)	2.26	0.48	4.44	
Solid waste	2.45	0.63	8.56	Landfill
Total hazardous waste products	4.71	1.11	13	

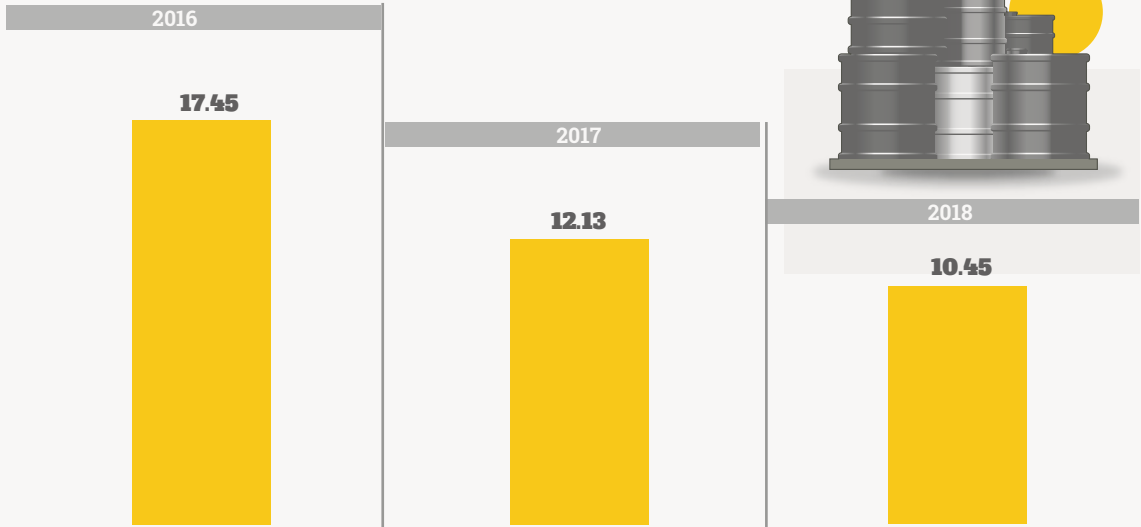
Weight according to type and treatment method for non-hazardous waste products (tons)	2016	2017	2018	Treatment method
Total de residuos no peligrosos	5.6	5.5	49.5	Landfill

- Our waste segregation policy helps us correctly dispose of waste products by recycling and reusing them.
- We prohibit the use of polystyrene foam and single-use plastics in the cafeterias at our plant.



THE DOMINICAN REPUBLIC

Total weight of waste products  
(tons)



Weight according to type and treatment method for hazardous waste products (tons)	2016	2017	2018	Treatment method
Liquid waste	15.23	10.05	7.30	Reuse
Used oil	0.390	1.48	2.33	
Solid waste	0.374	0.494	0.358	Incineration
Used rags	0.01	0.03	0.006	
Total hazardous waste products	15.60	10.55	7.66	

Weight according to type and treatment method for non-hazardous waste products (tons)	2016	2017	2018	Treatment method
Paper	0.500	0.39	0.73	Dump
Plastic	0.463	0.41	0.768	Dump
Metal	0.93	0.021	0.086	Dump
Organic (domestic waste)	0.797	0.75	1.21	Dump
Total non-hazardous waste	1.85	1.58	2.79	

Waste managed in the Dominican Republic	
Type of waste product	Treatment method
Peligrosos	Incineración
Aceite usado	Reuse
Agua contaminada con hidrocarburo	Reuse
Arena contaminada	Incineración
Combustible contaminado	Incineración
Papel y plásticos contaminados	Incineración
Tierra contaminada	Incineración
Trapos contaminados	Incineración
No peligrosos	Dump

WATER, WE  
MANAGE  
CONSUMPTION  
AND CONTROL  
DISCHARGES

We organize campaigns to raise employee awareness about the efficient use of natural resources, and we adapt infrastructure to collect and use rainwater at the airports where we operate.

In all the countries where we operate, most of the water we consume comes from the municipal water system or other public or private water utilities. In the case of Colombia, we also uptake water from surface sources such as wetlands, rivers, lakes, or oceans, or from groundwater resources.

Total water consumption  
(m3)

	Colombia <sup>157</sup>	Ecuador	Panama	Peru	The Dominican Republic
2014	815,352	157	361,992	29,098	493.17
2015	914,258	206	388,549	36,642	4,005.48
2016	644,903	207	433,658	42,180	702.33
2017	689,813	215	443,270	48,507	633
2018	681,992	954	898,788	55,783	926.4

157. We have specific goals for power consumption for plants, airports, and the lubricant factory, which are managed under the natural resource management program.

Water uptake by source  
(m3)

	Colombia	Ecuador	Panama	Peru	The Dominican Republic
Total volume of water taken from surface bodies of water (includes: wetlands, rivers, lakes, and oceans)	4,973				
Total volume of water taken from groundwater	66,964				
Total volume of water coming from municipal or other public or private utilities	610,055	954	898,788	55,783	926.4

COLOMBIA

Relative to managing wastewater and discharges, we put two pilot projects in motion to upgrade the API treatment systems in order to optimize their functioning. In addition, with the goal of starting to measure discharges, we acquired laboratory equipment so that in 2019 we can begin measurement and internal control at supply plants.

PANAMA

We recycled a total of 1,362 m<sup>3</sup> of water for washing cars.

PERU

We began the *Water Efficiency Project*, which consists of installing flow regulators on faucets to minimize water consumption. In 2018, they were installed at the Javier Prado service station, allowing us to monitor water consumption and costs in real-time.

## BIODIVERSITY

Material aspect: Biodiversity

→ GRI 102-44, GRI 102-47, GRI 103-1, GRI 103-2 and GRI 304-3

We recognize the ecological wealth and diversity in the regions where we operate, and, for that reason, taking care of natural resources and ecosystems is fundamental for us, forming an essential part of our operation.

We are aware of the potential direct and indirect impacts we can generate on the environment through our processes to store and distribute fuels, and, in response, we assume a commitment to act responsibly and with respect. To that effect, we have strict environmental policies and guidelines. They help us operate safely and put environmental monitoring initiatives in motion that include everyone in our value chain.

We work continuously to prevent events by employing our Environmental Management System (EMS). We control operating standards and monitor compliance. We invest in research and development of environmentally friendly products. We continuously train those responsible for processes. We restore natural habitats if any negative impacts occur as a result of our activities. And we foment environmental awareness among employees, operations personnel, and partners responsible for the operation and the distribution of our products.

## CLEAN INDUSTRY, A PROGRAM TO WORK TOGETHER WITH OUR CUSTOMERS

We prevent possible environmental impacts in our customers' operations through actions to strengthen their responsibility in fuel operations and control.

### COLOMBIA

- We organized 56 training days on safe fuel handing through 18 occupational health programs.
- We made 56 green visits to 60 industrial customers, who also participated in *Industry School*.
- The *Industry School* included 110 training sessions, including both virtual and in-person classes.

## OPERATIONAL EXCELLENCE, A CONSTANT IN OUR WORK

Material aspect: Technology and Innovation

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

Principal 7 of the United Nations Global Compact

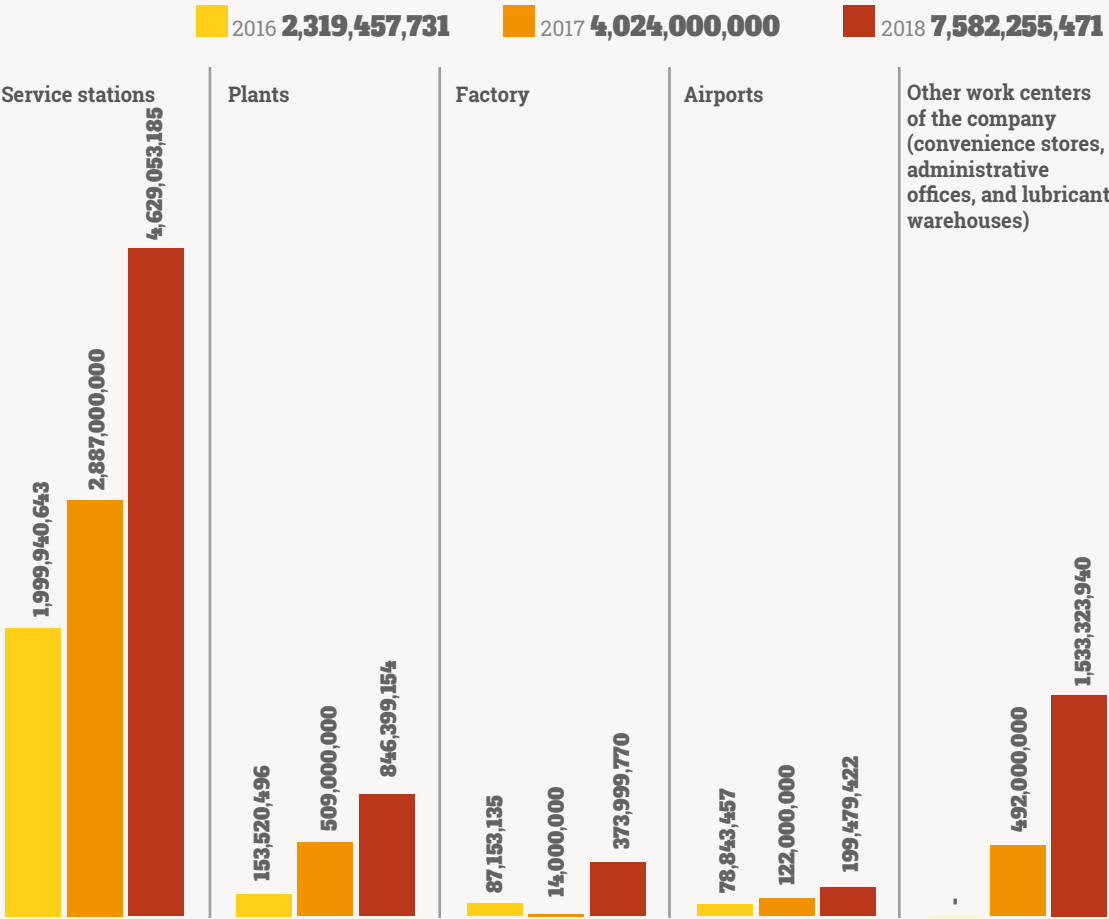
Continuous innovation, such as automation in our work centers, has helped us improve metering and reduce losses from the process, making the operation more efficient.

We obtained 110 environmental permits for the operation of service stations, and complied with all the regulations in 100% of our plants.

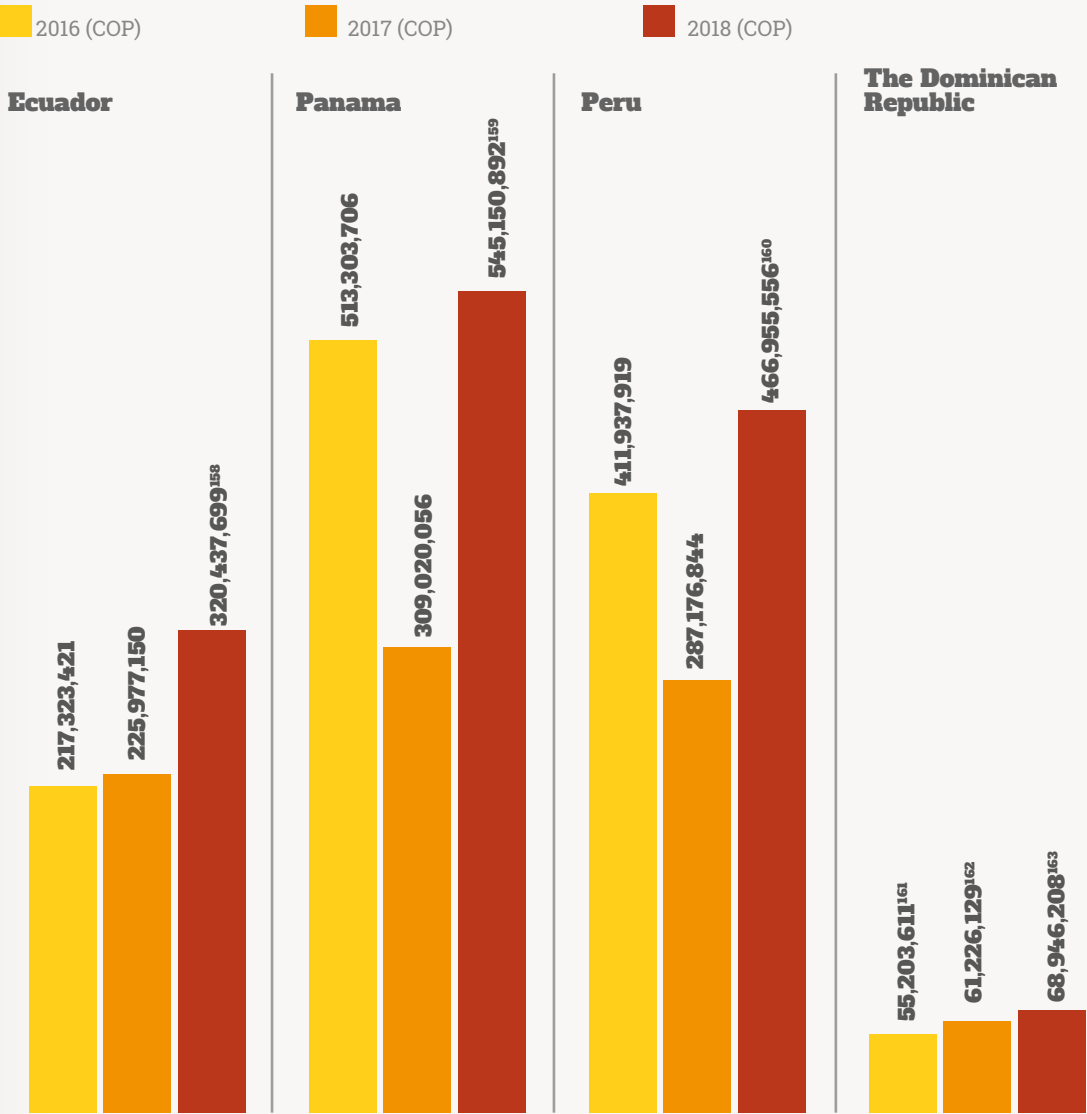
ENVIRONMENTAL  
INVESTMENT,  
BENEFITING  
BOTH THE  
SURROUNDINGS  
AND THE  
OPERATION

COLOMBIA

Environmental expenditures by work center in Colombia  
(COP)



Increasing our environmental investment meant we had to strengthen infrastructure and, with that, grow with the country.



Obtain a RUC (Contractor Registration) score higher than 95%.

158. Converted from 98,603.80 dollars to Colombian pesos according to the TRM for 2018 of 3,249.75.  
159. Converted from 167,751.64 dollars to Colombian pesos according to the TRM for 2018 of 3,249.75.  
160. Converted from 484,809 sols to dollars at the TRM of 3,374 USD, and from dollars to Colombian pesos according to the TRM of 3,249.75.  
161. Converted from 18,396.85 dollars to Colombian pesos according to the TRM for 2016 of 3,000.71.  
162. Converted from 20,518.14 dollars to Colombian pesos according to the TRM for 2017 of 2,984.  
163. Converted from 21,215.85 dollars to Colombian pesos according to the TRM for 2018 of 3,249.75.



THE PUBLIC

# COMMUNITY WELLBEING

→ GRI 103-1 and GRI 103-2

We are active in the communities where we operate, contributing to their development and wellbeing. We bring progress with us as we take fuel to every corner, and we invest in quality education through the Terpel Foundation's programs.

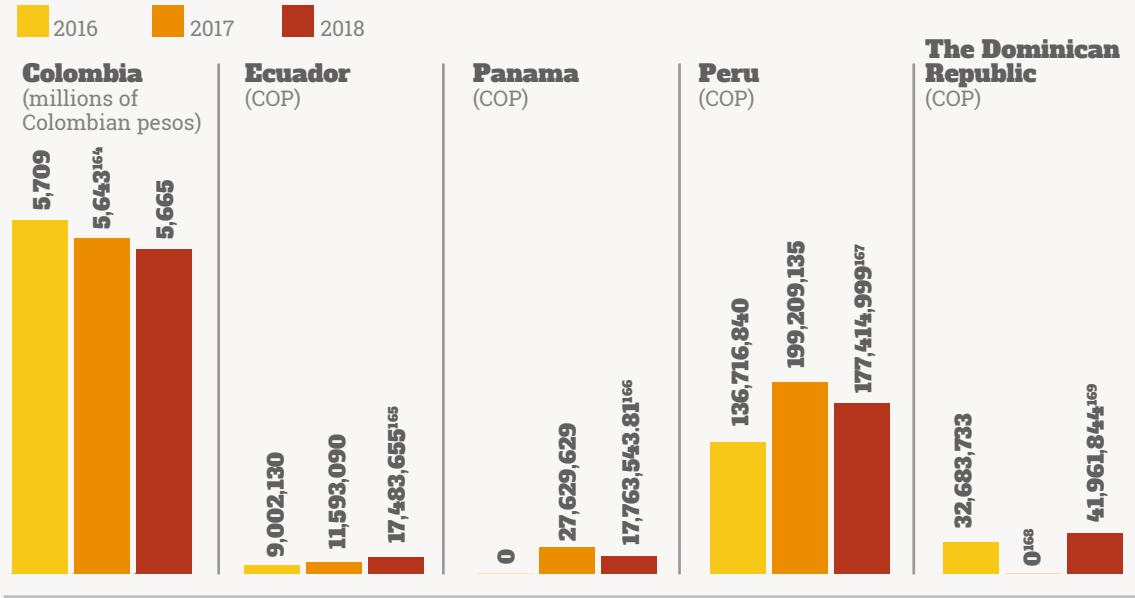
The private sector plays a key role in the challenging process of building more prosperous and equitable societies with expanded opportunities for people to live decently. That's why at Terpel we mobilize development and progress in the diverse regions and contexts in which we operate. Our social investment strategy has been the vehicle for responsible initiatives that have a positive impact on wellbeing and quality of life, especially in the communities closest to our operations.

We promote quality education through the Terpel Foundation's programs. We encourage a spirit of solidarity among employees and coordinate initiatives through our Employer Supported Volunteering program. We are investing in reconciliation in Colombia through the *Restoring Dreams Program*, as we work together in a network with both social organizations and local governments.

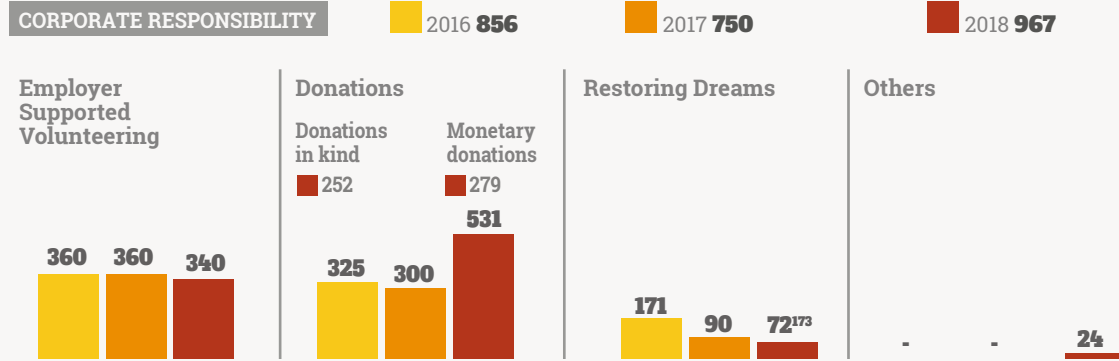
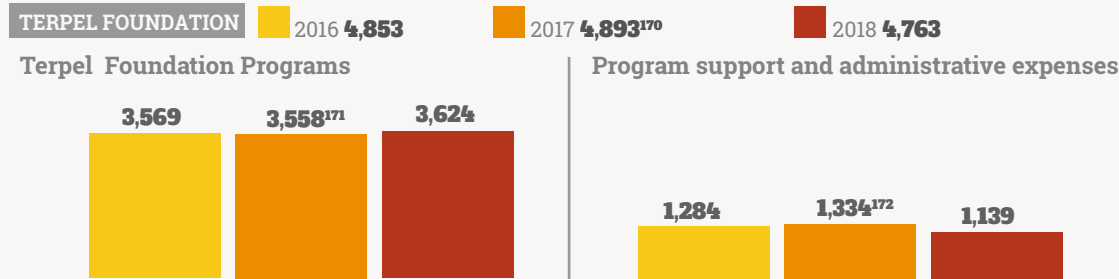
We are a Country Partner, good neighbors, and we have faith in our capacity to transform.



Social investment



Social investment in Colombia  
(millions of Colombian pesos)



164. During 2017, investments of 5,072 million pesos were executed, leaving a surplus to use during 2018 of 571 million pesos.  
165. Converted from 5,380 dollars to Colombian pesos according to the TRM of 3,249.75.  
166. Converted from 18,442.71 sols to dollars at the TRM of 3,374, and from dollars to Colombian pesos according to the TRM of 3,249.75.  
167. Converted from 54,593.43 dollars to Colombian pesos according to the TRM of 3,249.75.  
168. During 2017 we did not implement actions with communities.  
169. Converted from 12,912.33 dollars to Colombian pesos according to the TRM of 3,249.75.  
170. During 2017, investments of 4,346 million pesos were executed, leaving a surplus to use during 2018 of 546 million pesos.  
171. During 2017, investments of 3,253 million pesos were executed, leaving a surplus to use during 2018 of 305 million pesos.  
172. During 2017, investments of 1,093 million pesos were executed, leaving a surplus to use during 2018 of 241 million pesos.  
173. Includes investment in productive projects and service station maintenance.

RESTORING DREAMS PROGRAM, FOR RECONCILIATION IN THE COUNTRY

Material aspect: Reconciliation  
→ GRI 102-44, GRI 102-47, GRI 103-1, GRI 103-2 and GRI 413-1  
SDG 8

We keep the country on the move. We believe in its greatness and we are agents of change that help build a reconciled country. At Terpel we take a strong position in terms of supporting and pushing for the growth and development of vulnerable individuals who are looking to take advantage of a second chance and give their lives direction. Through the Restoring Dreams Program, we provide tools and arenas that will help them get a job.

To execute the strategy, we work along four lines of action:

PRODUCTIVE PROJECTS

We work to write new stories in the lives of former combatants reintegrated into society, who opt to develop their own productive projects.

SINCE THE START OF THE PROGRAM,

208 PEOPLE HAVE RECEIVED JOBS:

123 MEN

78 WOMEN

7 NOT REPORTED

To that effect, we offer administrative, legal, and customer service training to these entrepreneurs who, for a minimum of one year and in line with Terpel's strategy, have been developing their businesses. In addition, we give them seed capital, so their business units have greater opportunities for development.

During 2018, we helped three projects grow: a motorcycle shop in Valledupar, Cesar, a bakery in Bucaramanga, Santander, and a baked goods business in Natagaima, Tolima. The results included formal establishment of the businesses, an increase in their sales, inventory control, job creation, and budgeting.

In the three years this initiative has been implemented we have supported the development of nine projects across the country, located in five Departments affected by the armed conflict (Cesar, Tolima, Santander, Caquetá and Casanare).

In 2019, we will double the number of productive projects we invest in, going from three to six enterprises per year.

## SHARED VALUE

Our contribution to the country generates a dynamic of social growth that makes a contribution to Terpel's competitive strategy.

To offer the best possible facilities to our customers while supporting former-combatants who have been reintegrated into society, in 2018 we began a pilot project to support a group of reintegrated persons in the city of Cali, Valle del Cauca. We got behind them as they created their service station site maintenance company, called C&Y Soluciones Integrales.

We helped them get technical, administrative, and legal training. We taught them how to select and build a team and how to employ different service strategies, and we gave them seed capital in the amount of 26 million pesos. Once they set up the company, we got them involved as suppliers of painting services, canopy cleaning, and signs through an initial contract to handle the maintenance at eight service stations in Buga, Cali, Palmira, Santander de Quilichao, Tuluá and Yumbo.

During 2019 we hope to replicate this model in the Savanna region, taking the following steps:



## BUSINESS FAIRS

As country partners investing in reconciliation, we have been motivated to design arenas inside Terpel where entrepreneurs who are former combatants can present their projects. That way, they can round up some publicity at the company's work centers.

Forty entrepreneurs presented their business proposals in 2018 at eight fairs held at the Organization's different regional offices and in the central office in Bogotá. The other businesses working in the administrative building were also invited, bringing together a larger public to learn about this reconciliation initiative. In total, the new businesses sold more than 4 million pesos at the fairs, and in 2019 we plan on at least two fairs in each region.

## EMPLOYER SUPPORTED VOLUNTEERING, AN ARENA FOR RAISING AWARENESS

→ GRI 413-1

We empower our employees' spirit of service and our goal of being country partners through social initiatives that allow us to develop closer ties with the communities near our operation.

In 2018, out of gratitude to Colombians and the nation for their support, backing, and confidence in Terpel during its 50 years of operation, we organized volunteer days with the Organization's different stakeholders in the nation's seven regions. In the framework of this event, we organized activities to improve public school infrastructure and got 397 people from our stakeholders involved for the first time in doing volunteer work. Those stakeholders included partners, franchises, government representatives, the media, and suppliers. We brought benefits to 6,490 people

and 775 volunteers in total.

Based on the positive results of this experience, in 2019 we expect to continue to cooperate and stand in solidarity with our stakeholders in this type of activity that gives us bigger hearts and makes us better Colombians.

In addition, as part of the outreach strategy for the community near the operation of the new Lubricants Plant in Pasacaballos, Cartagena, we worked together with community leaders in the zone and the Mamonal Foundation to improve local school infrastructure. This was based on the choice made by the community after doing a diagnosis of four schools located there. Changes were made to restrooms, classrooms, and play areas, concluding the activity with an event that involved Terpel employees, members of the educational community, and leaders. This has benefited 2,100 students.

In addition, we organized the following events:

- Two library days as part of the *Adventure with Letters* program by the Terpel Foundation.
- We got involved with the Global City event to restore 68 building fronts in the Las Cruces neighborhood in Bogotá.
- We accompanied Wingo-Copa Airlines in its *An Unforgettable Trip* flight, and our volunteers organized recreational activities for the children receiving the benefit.

#### FIGURES THAT DEMONSTRATE OUR STRENGTH AS VOLUNTEERS FOR THE COUNTRY

# 12

VOLUNTEER DAYS

# 440

EMPLOYEE VOLUNTEERS, EQUIVALENT TO 31.36% OF THE TOTAL WORKFORCE, 47% MORE THAN LAST YEAR.

# 10,566

BENEFICIARIES, 86% MORE THAN IN 2017

# 4,185

VOLUNTEER HOURS WORKED BY EMPLOYEES, SHAREHOLDERS, AFFILIATES, FRANCHISE-OWNERS, SUPPLIERS, THE GOVERNMENT, AND OPINION LEADERS

## DONATIONS, MORE THAN JUST HELP; THEY REPRESENT A COMMITMENT TO SOCIETY

→ GRI 413-1

Donations in kind in the amount of 252 million pesos

Monetary donations in the amount of 279 million pesos

#### THE COLOMBIAN CIVIL AIR PATROL, A PARTNERSHIP THAT MAKES US PROUD

For the last 10 years we have supported the Colombian Civil Air Patrol in its mission to take medical assistance to vulnerable persons.

During this decade:

- We have contributed more than 130 thousand gallons of fuel to transport 400 volunteer physicians to the most remote places in the country.
- We have provided the benefit of medical attention to more than 99 thousand people, medical treatment to more than 51 thousand, and surgeries for more than 9,300.

In 2018, we donated more than 18 thousand gallons of fuel, valued at more than 180 million pesos, to take healthcare campaigns to 11 municipalities in the Departments of Arauca, Casanare, Cauca, Chocó, Meta, Nariño and Sucre. The medical campaigns attended 7,585 people, organized 1,071 surgeries, provided 6,618 courses of medical treatment, and donated 1,772 pairs of glasses.

#### AID FOR SOCIAL EMERGENCIES

#### WE EXPRESS SOLIDARITY WITH VENEZUELAN IMMIGRANTS

Venezuela is experiencing a complex economic and social situation complicating the lives of thousands of citizens, many of whom have moved to Colombia. The Mayor of Bogotá, through the Secretary of Social Integration, organized support for Venezuelans coming to the city in search of refuge and better living conditions. Terpel joined the cause by donating refreshments from the *Altoque* stores for 250 people for four days, helping feed the immigrant population.

## OUR COMMITMENT AS PARTNERS TO THE COUNTRIES WHERE WE OPERATE

→ GRI 413-1

### ECUADOR

We began the second phase of a social responsibility project with the Cristo Rey children's shelter. The seven homes in the shelter each house nine children and their "godmother," who acts as the group's mother. In 2018 we repaired and remodeled homes to make them function optimally. One of our contractors repaired furniture and the roofs of two houses, and we also painted the walls of the meeting room and purchased appliances for four of the homes. This work benefited 70 children at the institution.

- We gave the Colombian Embassy in Ecuador 50 personal hygiene kits for Colombian prisoners in that country.
- To facilitate a work in benefit of disabled persons, we donated two television sets and a video player to the Hermano Miguel Foundation.

- We supported *Mission No. 134* by the Sonrisa Foundation in Quito, Province of Pichincha. Our contribution of 7,799,400<sup>174</sup> Colombian pesos helped buy medical supplies for surgery, which were used by the Mission for three days in National Police Hospital No.1. In total, 120 surgeries took place in six operating rooms, along with 150 examinations and procedures by specialists.

31% of all employees in Ecuador got involved as volunteers.

### PANAMA

We continue to make a difference through employer supported volunteering, with a focus on service to others in an expression of solidarity. With this purpose, we organized a day of coaching to encourage our administrative personnel to volunteer. The event presented the different opportunities for volunteering, Terpel's Sustainable Management Model, and the current programs. A total of 40 employees attended, and they expressed at the end of session their desire to join the group of volunteers and become multipliers of these initiatives that create value for society.

In 2018, our programs engaged in the following initiatives:

- *Vaíto* program (*vaito* means water in the Emberá language): For the second consecutive year, we organized cleaning campaigns on the beaches of the Panama Oeste Province, district of Arraiján, in the sector that attracts tourists known as Playa Veracruz. In commemoration of International Coastal Cleanup Day, volunteers picked up close to 1,700 non-biodegradable products, keeping them from contaminating the waters of Panama Bay.
- The *Vaíto* program received an award from the United Nations Global Compact for best business practices in Latin America and the Caribbean in the protection of oceans and seas, and for thus contributing to achievement of the Sustainable Development Goals.
- The *Bacurú* program (*Bacuru* is the word for tree in the Emberá language): In line with our goal to protect the environment, we planted 100 seedlings of plants and trees native to the region in the Metropolitan National Park in Panama City, in the company of Terpel Panama contractors and service providers. This park is the only natural reserve in all of Central America located inside an urban zone.
- *Our Panama Program*: We helped improve infrastructure for schools and the quality of education:

- › We organized the first volunteer day in the Province of Darien and gave 150 school supply kits to indigenous children in that community.

- › We supported initiatives in favor of bilingualism in the Altos de San Francisco School (Panama Province) and gave out 50 school supply kits to the participating children.
- *Get Reconciled Program*. We supported the socioeconomic reincorporation of socially vulnerable youth (gang members), hiring them as convenience store employees. After a process of re-socialization and accompaniment, we closed out the year 2018 with five former gang members involved in our operation.
- *Terpel in My Community Program*: We contributed to the restitution of the rights of vulnerable children and teens and to strengthening the quality of education by promoting a healthy environment for their development and proper healthcare. After more than five years of success of the program in Panama Oeste Province (district of Arraiján), we expanded the program to the Provinces of Chiriquí and Colón, in benefit of 100 children and teens.
- We took fourth place in Relay for Life Panama City 2018, a country-wide event in which more than 100 companies and entities participated, running a 5.6 km circuit in support of children who have leukemia and cancer.

9

VOLUNTEER DAYS

26%

OF ALL EMPLOYEES IN PANAMA  
PARTICIPATE AS VOLUNTEERS.

3,353

VOLUNTEER HOURS

820

BENEFICIARIES

50%

OF THE COUNTRY'S  
PROVINCES ARE COVERED  
BY OUR PROGRAMS

Actions that strengthen our commitment to the country and to Panamanian society:

- We are members of the local Panama network of the Global Compact.
- Through volunteering and donating food, hydrating beverages, and personal hygiene kits, we assisted 250 victims of the severe rainy season in the Colón Province.
- We were recognized by Club Kiwanis International, Panama Chapter, for our contribution to the *Talenpro 2018* Program, dedicated to promoting young people's skills in oral expression and leadership at public schools across the nation.

## PERU

Based on our corporate guidelines and our human rights policy, and with the goal of forming increasingly stronger partnerships with communities, our team continued to donate to the CASAMOR-ALDIMI Refuge. The Refuge is dedicated to taking care of patients with cancer - children, young people, and adults from low-income families.

## THE DOMINICAN REPUBLIC

*Design for Change*, in support of the community. Making a contribution to society in the Dominican Republic is our greatest objective. To do that, we have developed the Design for Change program, which focuses on intervening in environmental problems that affect the community.

In partnership with the Ser Eco Foundation, during 2018 we implemented two activities as a pilot for a program, including:

- Cleaning beaches on Route 66 No. 1 from the Las Americas International Airport in Caleta, National District, and raising community awareness about the impact of waste and of caring for the environment.

We were supported by institutions such as AERODOM (administrator and operator of six airports in the Dominican Republic), the La Caleta Council, the Department of Beautification and Cleaning, and the La Caleta Fire Department.

Fifteen company employees and their families participated, along with 25 students and 6 teachers from the Mis Primeras Palabras School.

We gathered 30 bags of waste products (70% plastics), whose content was classified and handed over to the Council and informal recyclers for correct disposal. Biodegradable waste products were donated to the Centro Dominicano de Hipoterapia, which used it as compost for its vegetable garden.

- Bearing in mind the good results of the first campaign, we organized a second activity to explore the La Caleta area, due to its proximity to Organización Terpel. The idea is to begin a pilot plan with the Liceo Eladio Antonio Aquino Rojas School, where students could go through the four phases of the *Design for Change* methodology.

- › 30 ninety-minute sessions
- › 80 active students and 65 hours of participation for each student
- › 4 teachers and 8 hours of participation for each teacher
- › 11 projects presented
- › 6 projects implemented

## TERPEL FOUNDATION, 15 YEARS OF EDUCATING TO TRANSFORM LIVES

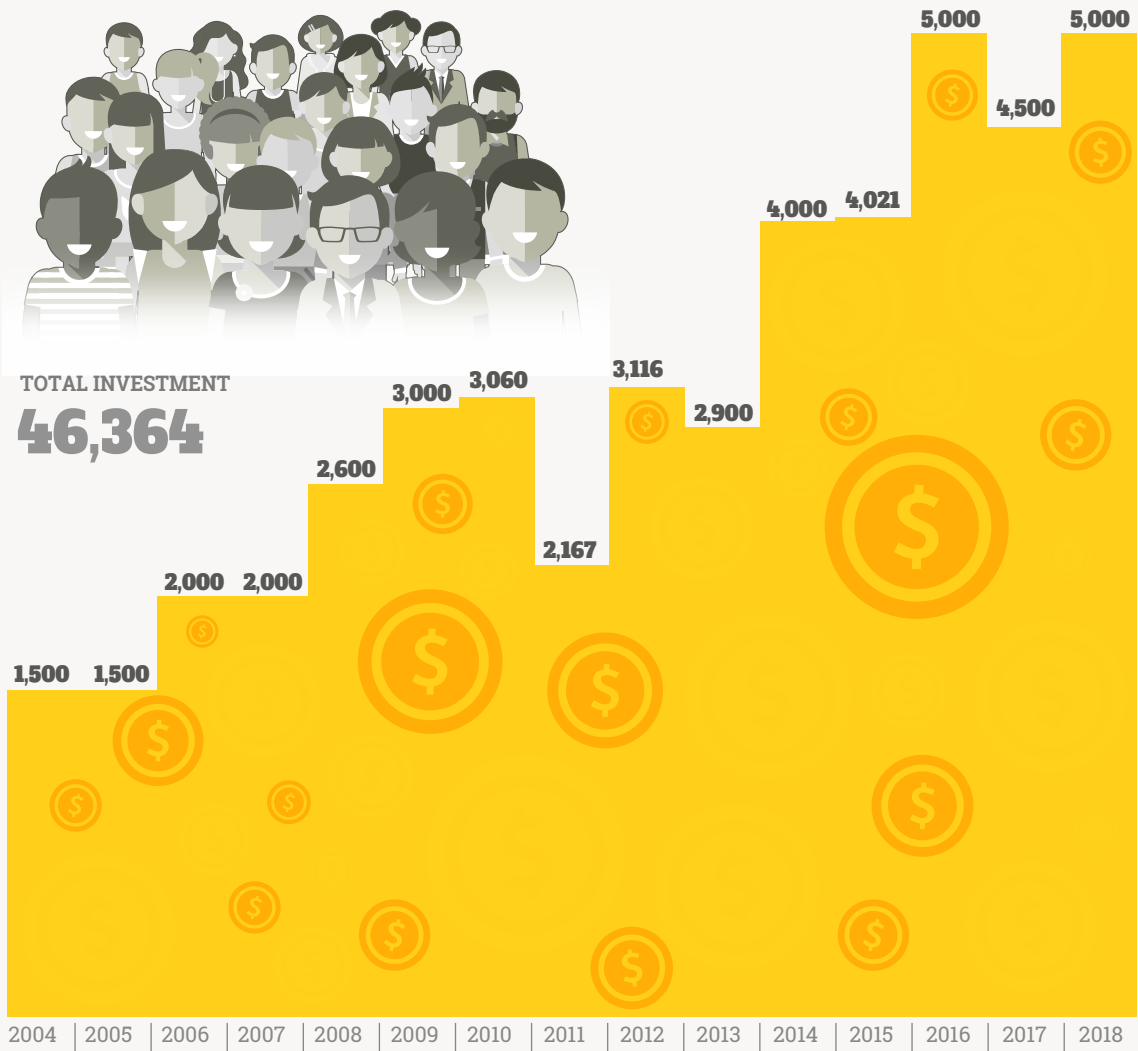
☰ **Material aspect: Quality Education**  
→ GRI 102-44, GRI 102-47, GRI 103-1,  
GRI 103-and GRI 413-1  
🌱 **SDG 4**

We are partners in building a better country. Through the Terpel Foundation we help strengthen education to make it the foundation for forming ideas that will transform people's surroundings, for encouraging children, young people, and adults to exercise leadership that brings positive changes, and for moving ahead into a promising future in the communities where we operate.



During these 15 years we have led programs to promote culture. We have strengthened basic competencies in leadership, mathematics, and language, strengthened schools, and motivated change through programs that involve the Secretaries of Education and schools, along with principals, teachers, students, and parents.

**Investment of the donation from Terpel to the Terpel Foundation**  
(millions of COP)

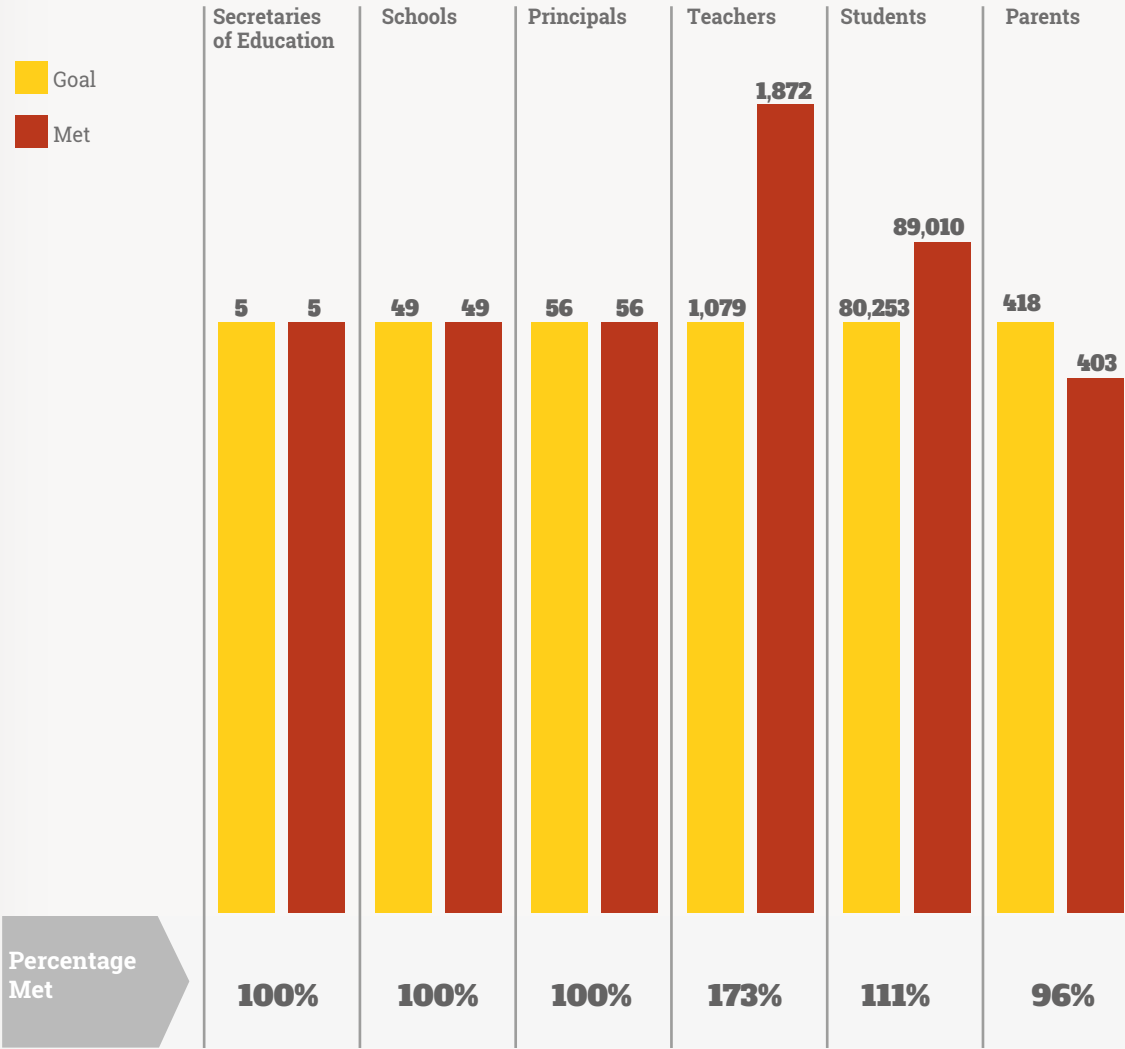


n 2018

- More than 322,000 beneficiaries
- 17 secretaries of education committed to the Foundation's programs
- 276 beneficiary schools across the country
- 110 municipalities in 27 Departments
- 313,706 beneficiary students
- 6,843 teachers and principals trained
- 1,399 parents participating
- 72 rural schools
- 117 volunteers

**SCHOOLS THAT LEARN®**

We help strengthen schools in terms of direction, academics, education, and community aspects. We have seen improvements not only in the quality of education with a focus on mathematics and language, but also in logical reasoning and communication skills for those participating in the process (principals, teachers, and parents).



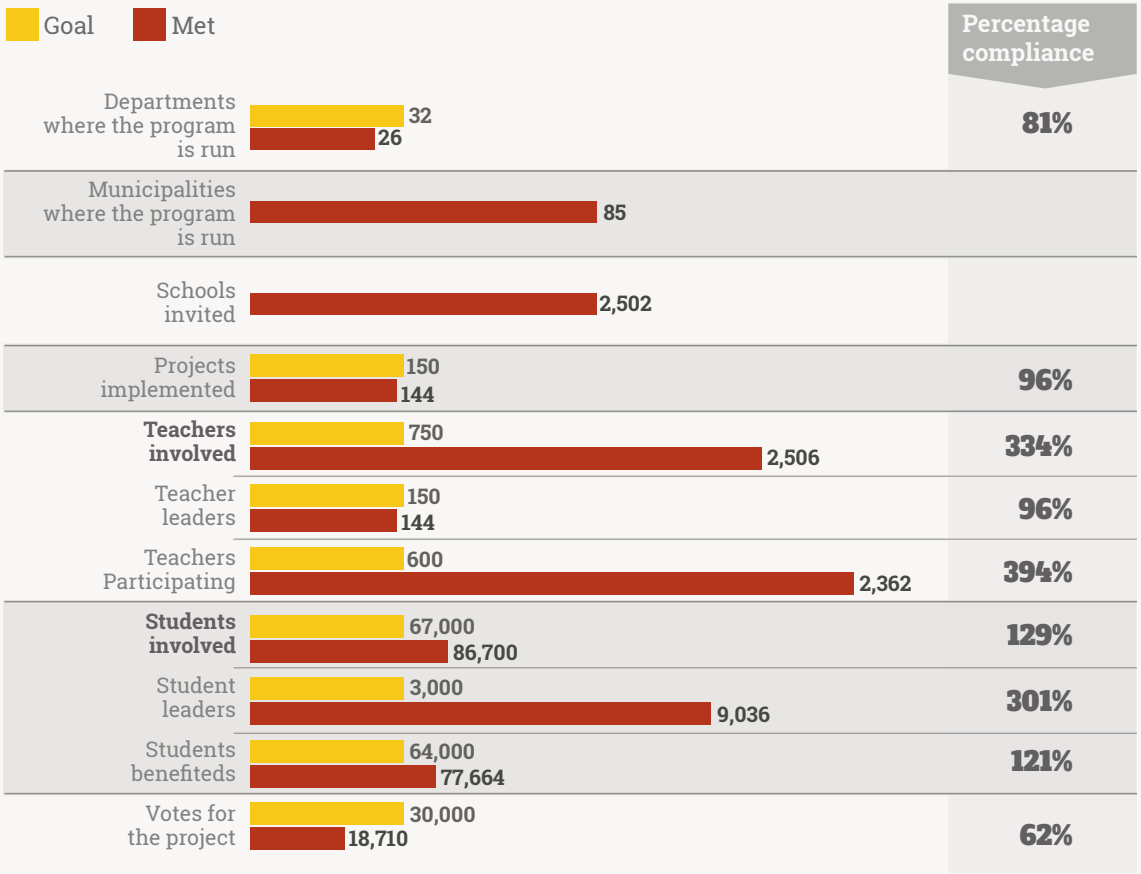
During 2018, the results demonstrate that at the end of the process students performed better in the area of mathematics: 23% attained high scores on logical reasoning in the cities of Leticia, Valledupar, and Bucaramanga, in contrast to 21% at the start of the program. In the area of language, 37% scored at the highest level for reading comprehension, in comparison to 33% at the start of the program.

Our goal is to expand the Schools that Learn program to the cities of Pasto and Sincelejo.

DESIGN FOR CHANGE

We led this initiative in Colombia in the form of a competition between public schools. It gave children and young people a chance to change their worlds right from where they are, using creativity and the expression of ideas in a collaborative work, with accompaniment from adults.

We developed the socio-emotional competencies of 391 students from 16 municipalities that were recommended by their teachers as student leaders who are concerned about their communities, empathetic, creative, and able to understand problems and solve them.



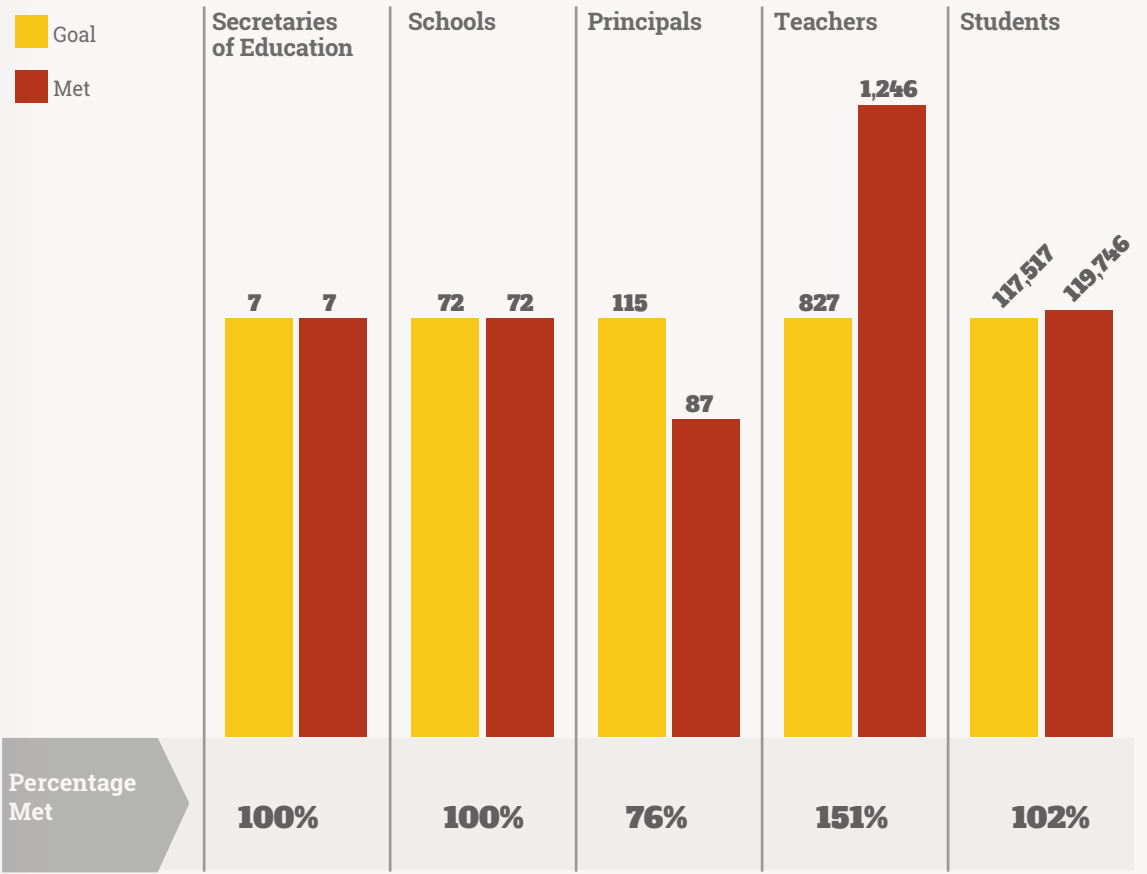
LEADER IN ME®

We reinforced the leadership skills and habits of teachers and students at public schools by implementing this model based on the *7 Habits by Franklin Covey*. The model works on topics such as proactivity, planning, meeting objectives, and team work.

During 2018 we moved into two new cities: Barrancabermeja and Florencia. During the three years of this project, the average level of appropriation of the habits by teachers has been 85%. They now consistently practice effective leadership skills in the cities of

Cúcuta, Montería, and Neiva. With respect to the students, 65% of them practice the seven habits. There has been a notable increase in habit number four, win-win thinking, which implies a significant improvement in the atmosphere at school.

The short-term objective is to raise indicators for schoolwork and leadership among students and teachers. In 2019 we will include 11 schools in the city of Cartagena.



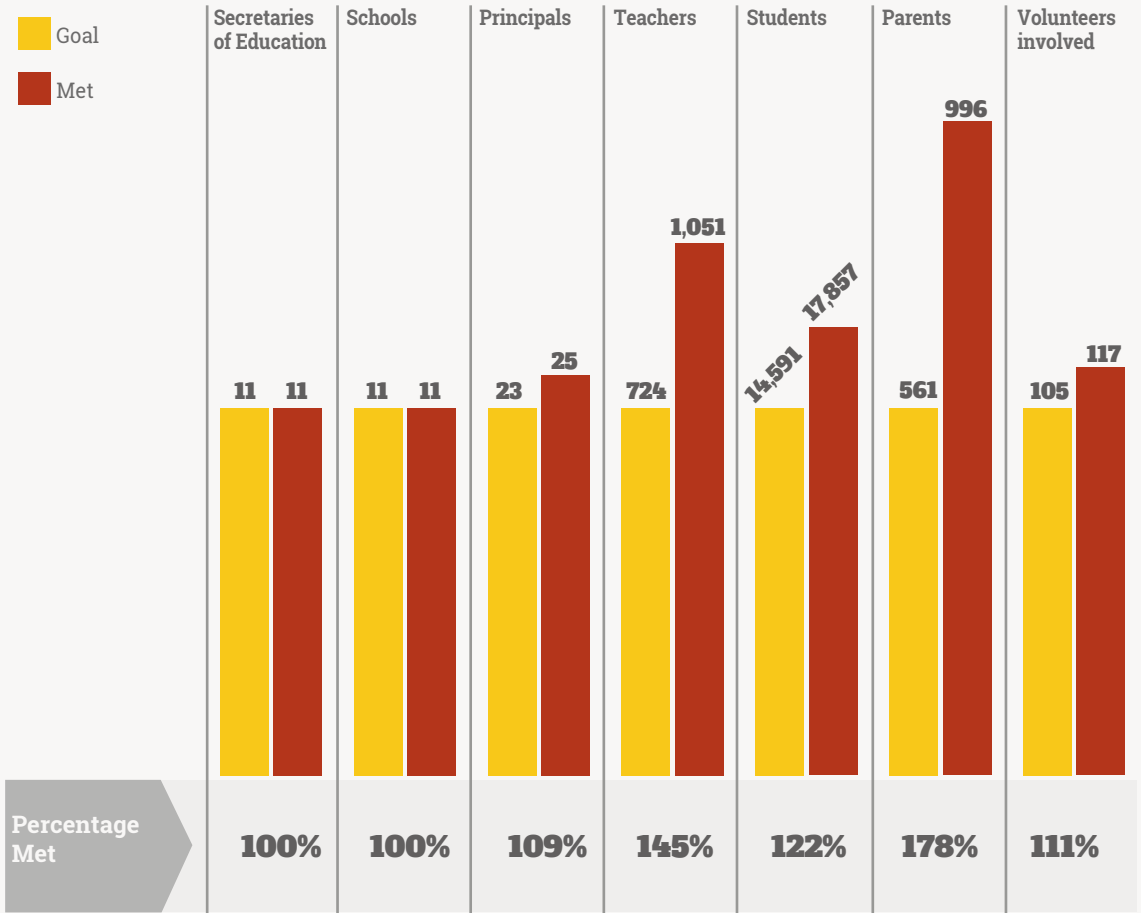
ADVENTURE WITH LETTERS!

By donating public libraries to different municipalities of the country, we encourage children and young students, parents, and teachers to enjoy and develop a reading habit. At the same time we stimulate writing, we enrich the educational practices of the country's schools and complement the *Schools that Learn* project.

In 2018:

- We donated two new libraries, in Barrancabermeja and Florencia.
- We determined that in the cities where the project is already underway, 70% of students visit the library on their own initiative, and 19% of teachers are enjoying reading significantly more.

To continue benefiting students and teachers, we hope to deliver two new libraries in the cities of Cartagena and Leticia, and to continue to raise the indicators for the program's impact.

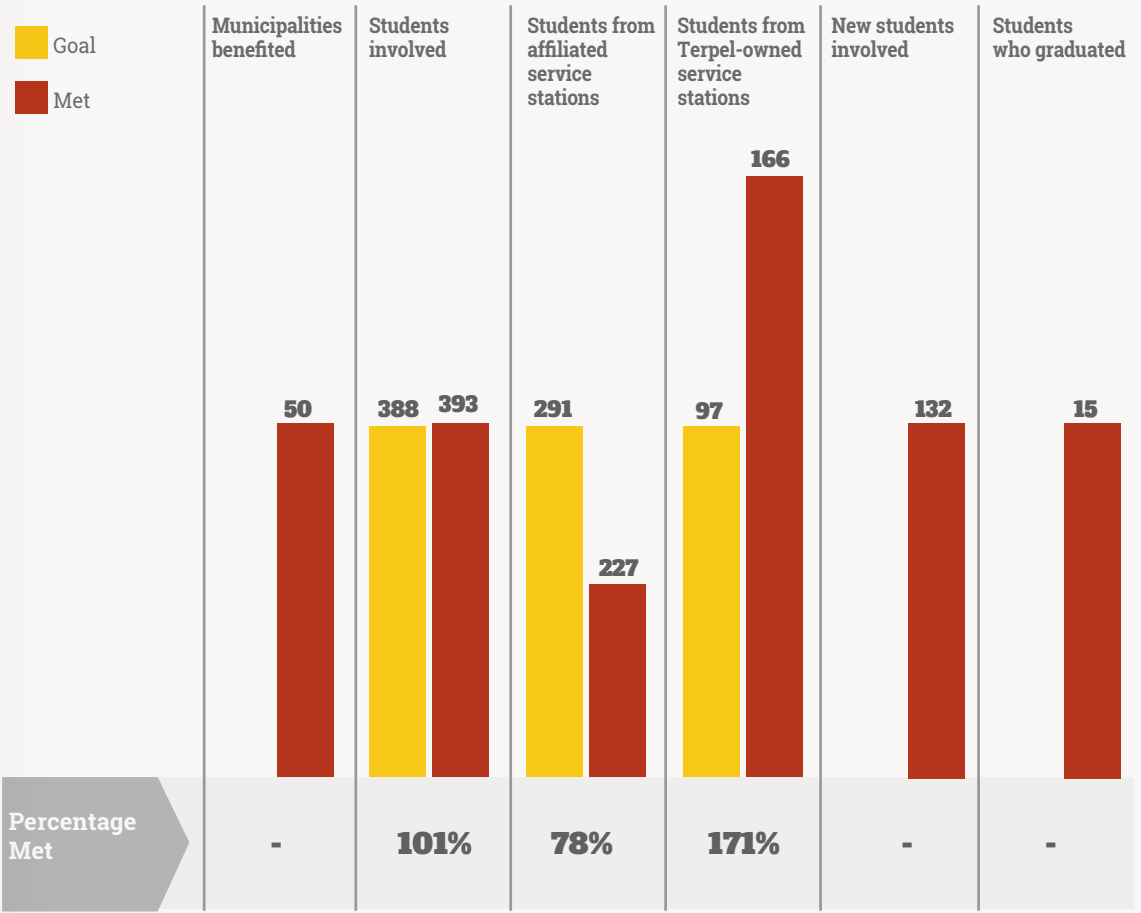


MY FUTURE NOW

We support education in technical, technological, and vocational studies for pump island attendants, promoters, clerks and/or their children by financing 80% of their total tuition. We also provide psychosocial and financial accompaniment to the beneficiaries until their graduation.

In 2018, we fulfilled the dream of 393 students who benefited from the program. We gave out 238 academic scholarships in the amount of 250,000 pesos to each student with a grade point average higher than 2.8 over 5.0. And 70% of their educational loans were forgiven for 11 students who had an accumulated average equal to or greater than 4.0.

In 2019 our plan is to increase coverage to 470 students, and to include the lubrication personnel.





Benefit 240,000 people through the Terpel Foundation programs.

Support six productive projects led by re-integrated persons.

Develop two Business Fairs in the seven different regions.

Replicate the service station maintenance model in Bogotá D.C.

## APPENDICES

### MEMBERSHIP IN COMMITTEES, TECHNICAL OR SCIENTIFIC ORGANIZATIONS, AND ASSOCIATIONS

→ GRI 102-13

#### COLOMBIA

- Asociación Colombiana de Petróleos (ACP)
- Asociación Nacional de Empresarios de Colombia (ANDI)
- Asociación Colombiana de Gas Natural en Colombia (NATURGAS)
- United Nations Global Compact, Colombian Local Network
- Red Colombia Contra el Trabajo Infantil

#### ECUADOR

- Asociación de la Industria Hidrocarburífera del Ecuador (AIHE)
- Guayaquil Chamber of Commerce
- NACS

#### PANAMA

- Chamber of Commerce, Industries and agriculture of Panama (CCIAP)
- American Chamber of Commerce Panama (PANAMCHAM)
- Asociación de Empresas de Panamá Pacífico (ADEDAPP) (first Special Economic Zone of Panama)
- United Nations Global Compact

#### PERU

- Asociación de Grifos y Estaciones de Servicio del Perú (AGESP)
- Sociedad de Minería, Petróleo y Energía

### CERTIFICATES AND SEALS OF QUALITY

100% of our products and processes are certified.



**Colombia:** Lubricants, Aviation  
**Peru:** Lubricants plant



**Colombia:** Lubricants, Aviation  
**Peru:** Lubricants plant



**Colombia:** Lubricants, Aviation  
**Peru:** Lubricants plant



**Colombia:** Aviación con calificación de 99%



**Colombia:** Aviation with a 99% score



**Colombia:** Aviation



COLOMBIA

- In Lubricants, the scope of the certifications covered lubricant production, sales, and distribution.
- In Aviation, the certificates covered the sale, transportation, operation, and supply of aviation fuels.
- In plant operations, we obtained uniform registration of the evaluation of the system for managing occupational health and safety and the environment for contractors in the hydrocarbons sector. In addition, the Occupational Health and Safety Management System was in compliance with Decree 1072 of 2015, with a score of 99.87%.
- We received certification from the Joint Inspection Group (JIG) for the supply of aviation fuels.

PERU

- At the Callao Lubricants Plant, we were certified in ISO 14001:2015 (most recent version) and OHSAS 18001:2007 for the Health, Safety, and the Environmental Management System.
- For transportation companies: We were certified in ISO 9001, ISO 14001, OSHAS 18001 and BASC (Safety and Control Management System).

ENVIRONMENTAL  
AND SOCIAL FINES

During 2018 we did not receive any fines in any of our operations in any country of more than 15 million pesos.





Memorandum of independent review



Memorandum of independent review

2018 Sustainability Report of Organización Terpel

Memorandum of independent review



Memorandum of independent review

On the 2018 Sustainability Report of Organización Terpel issued by the external assurer

Scope of our work

We have reviewed the adaptation of the contents of the 2018 Sustainability Report of Organización Terpel to the consolidated set of GRI Sustainability Reporting Standards, hereinafter "GRI Standards".

Verification process

We conducted our work in accordance with ISAE 3000 - *International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC)*. Our review work consisted in formulating questions to the management, as well as to the various areas of CI Banafrut who participated in the preparation of the 2018 Sustainability Report and the application of certain analytical procedures and review-testing sample described below:

- Interviews with Organización Terpel employees to know about the principles, management approaches and data consolidation systems applied to prepare the Report.
- Analysis of how the content, structure and indicators were defined based on the materiality exercise according to the GRI Standards.
- Analysis of the processes to collect and validate the data presented in the report.
- Checking, by sample, testing and review of quantitative and qualitative evidence corresponding to the GRI contents and Organización Terpel internal indicators included in the 2018 Sustainability Report, and proper compilation from the data supplied by the different sources of information of Organización Terpel.

Responsibilities of the Management of Organización Terpel and Deloitte

- The preparation of the 2018 Sustainability Report of Organización Terpel and its content are the responsibility of the organization, which is also responsible for defining, adapting and maintaining management systems, and internal control which information is obtained.
- Our responsibility is to issue an independent report based on our review procedures applied.
- This Report has been prepared exclusively in the interest of the organization in accordance with the terms of our proposed services. We do not assume any liability to third parties other than the Management of the company.
- We have performed our work in accordance with the Independence regulations required by the ethic code of the *International Federation of Accountants (IFAC)*.
- The scope of a limited review is substantially less than an audit. Therefore, we do not provide an audit about the Sustainability Report.

**Deloitte & Touche Ltda.**  
**Jorge Enrique Múnera D.**  
Partner

Medellín, June 2019

Memorandum of independent review

Confirmation that the 2018 Sustainability Report of Organización Terpel is prepared in accordance with Core option of the GRI Standards

General aspects:

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

Specific aspects:

We reviewed the management approach and the following GRI contents of its material issues:

Material Issue	GRI Disclosures or Organización Terpel <sup>1</sup> internal indicators
Profitability	201-1. Direct economic value generated and distributed
Good corporate governance and transparency	205-1. Operations assessed for risks related to corruption
Other relevant issues	303-1. Water withdrawal by source
Spills and waste	306-2. Waste by type and disposal method
	306-3. Significant spills
Climate Change: Carbon footprint	302-1. Energy consumption within the organization
	305-1. Direct (Scope 1) GHG emissions
	305-2. Energy indirect (Scope 2) GHG emissions
	305-3. Other indirect (Scope 3) GHG emissions
Fair labor relations and conditions	401-1. New employee hires and employee turnover
	403-2. Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities
	405-1. Diversity of governance bodies and employees
safe operating conditions	Internal. Advances of the “reliable EDS” program: Number of EDS linked to the program
Accompaniment to affiliates, suppliers, customers and consumers	Internal. Environmental evaluation of Contractors: Number of contractors that are evaluated under environmental criteria

<sup>1</sup> The management approach of the indicators associated with the material issue Appropriating the culture of Sustainability was reviewed

Memorandum of independent review

Material Issue	GRI Disclosures or Organización Terpel <sup>1</sup> internal indicators
	Internal. Terpel Schools: Training hours in each of the Terpel schools
	Internal. Number of Entrepreneurs that are part of the Terpel Entrepreneur Network (RET)
Quality education	Internal. Terpel Foundation. Number of beneficiaries of education programs
	Internal. Volunteering: Number of beneficiaries and number of volunteer days
Reconciliation	Reintegration: Number of people hired by the organization
Technology and innovation	Internal. Imagen: Number of service stations with a new image
Development of human capital	404-1. Average hours of training per year per employee
	404-3. Percentage of employees receiving regular performance and career development reviews

Conclusion

As a result of our review, we did not encounter any revelation that leads us to believe that the 2018 Sustainability Report of Organización Terpel contains significant errors or has not been prepared in accordance with the GRI Standards: Core option’.

Recommendations according to GRI principles and WBCSD2

Materiality / Relationship with interest groups

General remarks

Terpel has different relationship channels for its stakeholders to express their concerns and expectations regarding their sustainability management and their opinions regarding the material matters prioritized by the company.

Recommendations

Although Terpel has advanced widely in this regard, Deloitte suggests having a stakeholder’s engagement system that involves all countries that allows generating structured consultations with them to reiterate the relevance of existing material issues and / or strengthen the management of them, according to the business context, country environment and expectations of the stakeholders.

The international presence of the company implies challenges in the appropriation of Terpel’s Sustainable Management model and in the proper management and measurement of material matters. Given the above, the constant involvement of the relevant actors in the management of sustainability

<sup>2</sup> “World Business Council for Sustainable Development”

Memorandum of independent review

in each country is fundamental for the success in the execution and advances in the key fronts of the Sustainable Management Model.

Balance

General remarks

Terpel communicates throughout its report, the main challenges it faces associated with the management of different material issues and its Sustainable Management Model.

Recommendations

Deloitte recommends socializing the state of the challenges and action plans to address these, so that different interest groups can know the progress in them and analyze the information presented and have a deep understanding of the management of the company.

ANNEX 1 Declaration of Independence

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

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# GRI CONTENT INDEX

→ GRI 102-54 and GRI 102-55

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

The Terpel Sustainability Report 2018 has been prepared in accordance with the Guidelines of the Global Reporting Initiative (GRI) for Preparing Sustainability Reports, “in accordance” with the Core Option, and its content has been subject to external assurance..

GRI General Standard Disclosures	Response / Title in the Report	Index / Page of the Report	Omissions
GRI 101: Foundation, 2016			
GRI 102: General Disclosures, 2016			
GRI 102: Organizational Profile			
102-1 Name of the organization	Organización Terpel S.A.	Index	
102-2 Activities, brands, products, and services	We aim at being the best company for the planet	Page 7	
102-3 Location of headquarters	The main offices of Organización Terpel S. A. are located in Bogotá, Colombia, Carrera 7 Número 75 –51	Index	
102-4 Location of operations	Technical Presentation of the Report	Pages 7 and 8	
	We aim at being the best company for the planet/ Business lines in each country, plants and regional offices in Colombia		
102-5 Ownership and legal form	Organización Terpel S.A.	Index	
102-6 Markets served	We aim at being the best company for the planet/ Lines of Business in each country <b>Evolution / Memorable experiences and network consolidation:</b> Service stations Complementary services Lubricants Natural gas for vehicles Aviation Industry Marine fuels	Pages 8, 38, 48, 51, 57, 61, 65, and 68	

GRI General Standard Disclosures	Response / Title in the Report	Index / Page of the Report	Omissions
102-7 Scale of the organization	We aim at being the best company for the planet/ Consolidated figures 2018/ Creation and distribution of value  Leadership / Growth of the Terpel Team / We provide fair labor relations and conditions	Pages 10 and 74	
102-8 Information on employees and other workers	Leadership / Growth of the Terpel Team / We provide fair labor relations and conditions	Pages 74 and 75	
102-9 Supply chain	Quality / Supplier development / Purchases that contribute to the development of the countries where we operate	Page 122	
102-10 Significant changes to the organization and its supply chain	Technical presentation of the report  The figures reflect this year's integration of the ExxonMobil Colombia S.A. lubricants business with Terpel.	Page 2 Index	
102-11 Precautionary Principal or approach	Responsibility / Protection of the Environment	Page 141	
102-12 External initiatives	Global Compact Network, Colombia. Businesses for Peace	Index	
102-13 Membership in associations	Appendices / Participation on committees, technical or scientific organizations, and associations	Page 189	
GRI 102: Strategy			
102-14 Statement from senior decision-maker	People are our reason for being	Page 5	
102-15 Key impacts, risks, and opportunities	Transparency / Good corporate governance / Risks/ Risk identification/ Follow-up and control	Pages 33 and 34	
GRI 102: Ethics and integrity			
102-16 Values, principles, standards, and norms of behavior	We aim at being the best company for the planet/ Values, principles, standards, and norms for behavior  <a href="https://www.terpel.com/en/Quienes-somos/Nuestro-proposito/">https://www.terpel.com/en/Quienes-somos/Nuestro-proposito/</a>	Page 8 Index	

GRI General Standard Disclosures	Response / Title in the Report	Index / Page of the Report	Omissions
102-17 Mechanisms for advice and concerns about ethics	We aim at being the best company for the planet/ Our Sustainable Management Model inspires us to work with and for people/ Stakeholder engagement/ Communication channels  Transparency / Good corporate governance / Ethics/ Compliance mechanisms  <a href="https://www.terpel.com/en/Quienes-somos/Nuestro-proposito/">https://www.terpel.com/en/Quienes-somos/Nuestro-proposito/</a> Confidential Whistleblowing Line: 01-800-912-0531 and  <a href="https://www.reportesconfidencialesterpel.com/">https://www.reportesconfidencialesterpel.com/</a>	Pages 14 and 31 Index	
GRI 102: Governance			
102-18 Governance structure	Transparency / Good corporate governance / Good corporate governance and transparency / Governance structure/ Corporate governance bodies  The Communications Committee is the highest level decision-making body for communications and sustainability issues. The CEO and a board member are members of the committee.	Page 26 Index	
102-19 Delegating authority	Transparency / Good corporate governance / Good corporate governance and transparency / Governance structure/ Decision-making for sustainability	Page 27	
102-20 Executive-level responsibility for economic, environmental, and social topics	Transparency / Good corporate governance / Good corporate governance and transparency / Governance structure/ Decision-making for sustainability	Page 27	
102-21 Consulting stakeholders on economic, environmental, and social topics	We aim at being the best company for the planet/ Our Sustainable Management Model inspires us to work with and for people/ Stakeholder engagement	Page 14	
102-22 Composition of the highest governance body and its committees	Transparency / Good corporate governance / Good corporate governance and transparency / Governance structure/ Board of Directors	Page 27	
102-23 Chair of the highest governance body	The President of the Board of Directors does not hold an executive position at Organización Terpel	Index	
102-24 Nominating and selecting the highest governance body	Transparency / Good corporate governance / Good corporate governance and transparency / Governance structure/ Board of Directors / Competencies	Page 28	

GRI General Standard Disclosures	Response / Title in the Report	Index / Page of the Report	Omissions
102-25 Conflicts of interest	Transparency / Good corporate governance / Good corporate governance and transparency / Governance structure/ Board of Directors / Conflicts of interest	Page 29	
102-26 Role of highest governance body in setting purpose, values, and strategy	Transparency / Good Corporate Governance / Good Corporate Governance and Transparency / Governance Structure/ Board of Directors / Functions of the Board of Directors	Page 29	
102-27 Collective knowledge of highest governance body	Transparency / Good corporate governance / Good corporate governance and transparency / Governance structure/ Board of Directors / Evaluating the Board of Directors	Page 30	
102-28 Evaluating the highest governance body's performance	Transparency / Good corporate governance / Good corporate governance and transparency / Governance structure/ Board of Directors / Evaluating the Board of Directors	Page 30	
102-29 Identifying and managing economic, environmental, and social impacts	Transparency / Good corporate governance / Risks/ Risk identification/ Follow-up and control	Page 34	
102-32 Highest governance body's role in sustainability reporting	The sustainability report is approved by the Office of the President of Organización Terpel	Index	
102-35 Remuneration policies	Transparency / Good corporate governance / Good corporate governance and transparency / Governance structure/ Board of Directors / Member remuneration	Page 29	
102-36 Process for determining remuneration	Transparency / Good corporate governance / Good corporate governance and transparency / Governance structure/ Board of Directors / Member remuneration	Page 29	
GRI 102: Stakeholder engagement			
102-40 List of stakeholder groups	We aim at being the best company for the planet/ Our Sustainable Management Model inspires us to work with and for people/ Stakeholder Engagement  <a href="https://www.terpel.com/Global/Accionistas/Codigo_de_Buen_Gobierno_Corporativo.pdf">https://www.terpel.com/Global/Accionistas/Codigo_de_Buen_Gobierno_Corporativo.pdf</a>	Page 14 Index	
102-41 Collective-bargaining agreements	Leadership / Growth of the Terpel Team / We provide fair labor relations and conditions/ Collective employment agreement and freedom of association, respect for rights	Page 91	
102-42 Identifying and selecting stakeholders	We aim at being the best company for the planet/ Our Sustainable Management Model inspires us to work with and for people/ Stakeholder engagement	Page 14	



GRI General Standard Disclosures	Response / Title in the Report	Index / Page of the Report	Omissions
102-43 Approach to stakeholder engagement	We aim at being the best company for the planet/ Our Sustainable Management Model inspires us to work with and for people/ Stakeholder engagement	Page 14	
102-44 Key topics and concerns raised	<p>We aim at being the best company for the planet/ Consolidated figures 2018</p> <p>We aim at being the best company for the planet/ Our Sustainable Management Model inspires us to work with and for people/ Material aspects/ List of material aspects</p> <p><b>Transparency / Good corporate governance:</b> Good corporate governance and transparency Ethics</p> <p><b>Evolution / Memorable experiences and network consolidation:</b> Service stations Terpel Business Owner Network Complementary services Lubricants We strengthen ties with those who recommend and sell our products Natural gas for vehicles Gazel Club Aviation Industry Rumbo Terpel is now digital Marine fuels</p> <p><b>Leadership / Growth of the Terpel team</b> We provide fair labor relations and conditions Safe operating conditions Training personnel, boosting their growth Terpel Schools</p> <p><b>Quality/ Supplier development:</b> Monitoring and accompaniment of suppliers</p> <p><b>Responsibility / Protection of the environment</b> Reliable service stations, passion for taking care of people and the environment Climate change, relevant to everyone We prevent and mitigate the impact of spills We properly manage waste products Biodiversity Operational excellence, a constant in our work</p> <p><b>The public / Community wellbeing</b> Restoring Dreams Program, for reconciliation of the country Terpel Foundation, 15 years of educating to transform lives</p>	Page 10, 17, 25, 31, 38, 40, 48, 51, 54, 57, 59, 61, 65, 66, 68, 74, 95, 104, 112, 135, 143, 144, 152, 156, 166, 173, and 181	

GRI General Standard Disclosures	Response / Title in the Report	Index / Page of the Report	Omissions
GRI 102: Reporting practice			
102-45 Entities included in the consolidated financial statements	Technical Presentation of the Report	Page 2	
102-46 Defining report content and topic boundaries	We aim at being the best company for the planet/ Our Sustainable Management Model inspires us to work with and for people/ Material aspects	Pages 16 and 18	
102-47 List of material topics	<p>We aim at being the best company for the planet/ Consolidated figures 2018</p> <p>We aim at being the best company for the planet/ Our Sustainable Management Model inspires us to work with and for people/ Material aspects/ List of material aspects</p> <p><b>Transparency / Good corporate governance:</b> Good Corporate Governance and Transparency Ethics</p> <p><b>Evolution / Memorable experiences and network consolidation:</b> Service stations Terpel Business Owner Network Complementary services Lubricants We strengthen ties with those who recommend and sell our products Natural gas for vehicles Gazel Club Aviation Industry Rumbo Terpel is now digital Marine fuels</p> <p><b>Leadership / Growth of the Terpel team</b> We provide fair labor relations and conditions Safe operating conditions Training personnel, boosting their growth Terpel Schools</p> <p><b>Quality/ Supplier development:</b> Monitoring and accompaniment of suppliers</p> <p><b>Responsibility / Protection of the environment</b> Reliable Service Stations, passion about taking care of people and the environment Climate change, relevant to everyone We prevent and mitigate the impact of spills We properly manage waste products Biodiversity Operational excellence, a constant in our work</p> <p><b>The public / Community wellbeing</b> Restoring Dreams Program, for reconciliation of the country Terpel Foundation, 15 years of educating to transform lives</p>	Page 10, 17, 25, 31, 38, 40, 48, 51, 54, 57, 59, 61, 65, 66, 68, 74, 95, 104, 112, 135, 143, 144, 152, 156, 166, 173, and 181	

GRI General Standard Disclosures	Response / Title in the Report	Index / Page of the Report	Omissions
102-48 Restatements of information	Technical Presentation of the Report  Evolution / Memorable Experiences and Network Consolidation/ Service stations / Market share  Leadership / Growth of the Terpel team We provide fair labor relations and conditions/ Our team: Employee distribution according to age range Employee distribution by position Average remuneration by level Annual new hire rate Annual turnover rate	Pages 2, 38, 76, 78, 80, and 84	
102-49 Changes in reporting	Technical Presentation of the Report	Page 2	
102-50 Reporting period	2018	Page 2	
102-51 Date of most recent report	2017	Index	
102-52 Reporting cycle	Annual	Index	
102-53 Contact point for questions regarding the report	For further information on the company's sustainable development model or sustainability reports, go to <a href="https://www.terpel.com/en/Sostenibilidad/">https://www.terpel.com/en/Sostenibilidad/</a> and <a href="https://www.terpel.com/Global/Sostenibilidad/rs-ot-2017.pdf">https://www.terpel.com/Global/Sostenibilidad/rs-ot-2017.pdf</a> or get in touch with: Maria Paula Gómez, Head of Corporate Responsibility.	Index	
102-54 Claims of reporting in accordance with the GRI standards	Technical Presentation of the Report	Page 2 and 198	
102-55 GRI content index	GRI Content Index	Page 198	
102- 56 External Assurance	Technical Presentation of the Report See external assurance report.	Pages 2 and 192	

Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assur- ance
Profitability					
GRI 103 Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundaries and limits material aspects / Memorable Experiences and Network Consolidation	Pages 18 and 37		
	GRI 103-2 The management approach and its components	Memorable Experiences and Network Consolidation	Page 37		
	GRI 103-3 Management approach evaluation			Information is not available. In this regard, it is expected to evaluate with stakeholders during the second semester of 2019 and the first of 2020.	
GRI 201: Economic Performance, 2016	GRI 201-1: Direct economic value generated and distributed.	We aim at being the best company for the planet/ Consolidated figures 2018/ Value creation and distribution	Page 10		Yes
	TI P 01: Sales volume	<b>Evolution / Memorable experiences and network consolidation:</b> Service stations Lubricants Natural gas for vehicles Aviation Industry Marine fuels	Pages 38, 51, 57, 61, 65, and 68		
	TI P 02: Market Share	<b>Evolution / Memorable experiences and network consolidation:</b> Service stations Lubricants Natural gas for vehicles Aviation Industry	Pages 38, 51, 57, 61, and 65	This indicator is not reported for the Marine Business Line.	

Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assurance
	TI P 03: Sales Growth	<b>Evolution / Memorable experiences and network consolidation:</b> Service stations Lubricants Natural gas for vehicles Aviation	Pages 38, 51, 57, and 61	This indicator is reported for the Marine Business Line.	
Good Corporate Governance and Transparency					
GRI 103 Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundaries and limits material aspects / Good corporate governance	Pages 18 and 24		
	GRI 103-2 The management approach and its components	Good corporate governance	Page 24		
	GRI 103-3 Management approach evaluation			Information is not available. In this regard, it is expected to evaluate with stakeholders during the second semester of 2019 and the first of 2020.	
GRI 205: Anti-corruption, 2016	GRI 205-1: number and percentage of centers assessed for risks related to corruption and significant risks detected.	Transparency / Good corporate governance / Risks/ Risk identification	Page 33		
	GRI 205-3: Confirmed incidents of corruption and actions taken	Transparency / Good corporate governance / Ethics/ Compliance mechanisms	Page 31		Yes
Fair Labor Relations and Conditions					
GRI 103 Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundaries and limits material aspects / Growth of the Terpel Team	Pages 18 and 73		

Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assurance
	GRI 103-2 The management approach and its components	Growth of the Terpel Team / We provide fair labor relations and conditions	Pages 73 and 74		
	GRI 103-3 Management approach evaluation			Information is not available. In this regard, it is expected to evaluate with stakeholders during the second semester of 2019 and the first of 2020.	
GRI 202: Market Presence, 2016	GRI 202-2: Proportion of senior management hired from the local community.	Leadership / Growth of the Terpel Team / We provide fair labor relations and conditions/ Our team	Page 76		
GRI 401: Employment, 2016	GRI 401-1: New employee hires and employee turnover  DJSI: Talent Attraction and Retention Rate for turnovers and new hires	Leadership / Growth of the Terpel Team / We provide fair labor relations and conditions/ Personnel turnover	Page 84		Yes
	GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Leadership / Growth of the Terpel Team / We provide fair labor relations and conditions/ BienSer, work-life balance	Page 93		
	GRI 401-3: Parental leave	In Colombia, 100% of our employees who had a right to a maternity and/or paternity leave took the leave, and 100% of them were reincorporated after the leave.	Index		

Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assurance
GRI 403: Occupational Health and Safety, 2016	GRI 403-1: Workers representation in formal joint management-worker health and safety committees	Leadership / Growth of the Terpel Team / Safe operating conditions / Figures that reflect our initiatives in occupational health and safety / Health and Safety Committees in 2018	Page 102		
	GRI 403-2: Types of accidents and accident frequency rates, occupational diseases, lost days, absenteeism, and number of work-related fatalities through occupational diseases or work-related accidents.	Leadership / Growth of the Terpel Team / Safe operating conditions / Figures that reflect our initiatives in occupational health and safety	Page 96		Yes
	GRI 403-3: Workers with high incidence or high risk of diseases related to their occupation	In Colombia, a total of 1,755 contractors and 475 employees do jobs that have a high incidence or risk of osteomuscular disorders.	Index		
GRI 405: Diversity and Equal Opportunity, 2016	GRI 405-1: Diversity of governance bodies and employees	Transparency / Good corporate governance / Good corporate governance and transparency / Governance structure/ Board of Directors	Page 28 and 74 Index		Yes
		Leadership / Growth of the Terpel Team / We provide fair labor relations and conditions/ Our team			
		In 2018, we included a new directive in our Human Rights Policy: "At Terpel we respect, value, and promote diversity, inclusion, and the principle of equal opportunity. We recognize the competitive advantage and opportunities provided by learning from differences. That's why we work to build our workforce and the highest governing body with people from diverse nationalities, ethnic groups, beliefs, gender identities and expressions, and sexual orientations."			

Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assurance
GRI 405: Diversity and Equal Opportunity, 2016	GRI 405-2: Ratio of basic salary and remuneration of women to men	Leadership / Growth of the Terpel Team / We provide fair labor relations and conditions/ Our team / Average remuneration by level (base salary and other monetary incentives) Average salary of executive-level women (base salary only) (includes: President, vice presidents, country managers, managers and directors). 28,515,889 Average salary of executive-level men (base salary only) (includes: President, vice presidents, country managers, managers and directors). 33,886,705 Average salary of lower-level women managers (base salary only) (Includes: Heads of department, Executives, Analysts, Supervisors, Technicians, and Assistants). 3,460,001 Average salary of lower-level men managers (base salary only) (Includes: Heads of department, Executives, Analysts, Supervisors, Technicians, and Assistants). 3,114,725 Average salary of operations-level women (base salary only) 1,320,454 Average salary of operations-level men (base salary only) 1,807,402	Page 80 Index		
		DJSI: Labor Practice Indicators and Human Rights			
		10 women in senior management (maximum two levels from the president): President, vice presidents, country managers and managers, equivalent to 2.92% of the total in Colombia  31 women in first managerial position: Managers equivalent to 2.21% of the total in Colombia  455 women in low-level managerial positions: Heads, analysts, administrators and supervisors, technicians and assistants, and operators, equivalent to 32.43% of the total in Colombia.		The scope for this indicator is Colombia	

Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assur- ance
Safe Operating Conditions					
GRI 103 Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundaries and limits material aspects / Growth of the Terpel Team	Pages 18 and 73		
	GRI 103-2 The management approach and its components	Growth of the Terpel Team/ Growth of the Terpel Team / Reliable service stations passion about taking care of people and the environment	Pages 73,95 and 143		
	GRI 103-3 Management approach evaluation			Information is not available. In this regard, it is expected to evaluate with stakeholders during the second semester of 2019 and the first of 2020.	
	TI SOC 01: Advances in Reliable Service Station Program Number of service stations involved in the program	Responsibility / Protection of the environment / Reliable Service Stations, passion about taking care of people and the environment	Page 143	The scope for this indicator is Colombia	Yes

Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assur- ance
Accompaniment for affiliates, suppliers, customers, and consumers					
GRI 103 Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundaries and limits material aspects / Memorable experiences and network consolidation / Supplier development	Pages 18, 37 and 121		
	GRI 103-2 The management approach and its components	Memorable experiences and network consolidation / Terpel business owner network / Monitoring and accompaniment of suppliers	Pages 37, 40 and 135		
	GRI 103-3 Management approach evaluation			Information is not available. In this regard, it is expected to evaluate with stakeholders during the second semester of 2019 and the first of 2020.	



Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assurance
	TI AA 01: Results of surveys to measure customer satisfaction.	Evolution / Memorable experiences and network consolidation: Service Station Customer Satisfaction Index in Colombia Service Station Customer Satisfaction Index in Ecuador Service Station Customer Satisfaction Index in Panama Service Station Customer Satisfaction Index in Peru Lubricant customer satisfaction index in Colombia Natural gas for vehicles customer satisfaction index in Colombia Aviation customer satisfaction index in Colombia Aviation customer satisfaction index in the Dominican Republic Industry customer satisfaction index in Colombia Rumbo Terpel customer satisfaction index Marine fuel customer satisfaction index in Colombia	Pages 40, 42, 44, 46, 52, 58, 62, 64, 66, and 69		
	TI AA 02: Environmental Evaluation of Contractors / The number of contractors evaluated under environmental criteria	Quality / Supplier development / Supplier evaluation, a win-win practice  In 2018 no environmental evaluation was done with the contractors.	Page 137		Yes
	TI AA 03: Terpel Schools/ Hours of training at each Terpel School	Leadership / Growth of the Terpel Team / Training personnel, boosting their growth / Terpel Schools	Page 112		Yes
	TI AA 04: Advances in Reliable Service Station Program / Number of service stations involved in the program	Responsibility / Protection of the environment / Reliable Service Stations, passion about taking care of people and the environment	Page 143	The scope for this indicator is Colombia	
	TI AA 05: Number of drivers trained	Quality / Supplier development / Monitoring and accompaniment of suppliers / We trained drivers in order to encourage responsibility	Page 135		

Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assurance
	TI AA 06: Number of restrooms remodeled	Evolution / Memorable experiences and network consolidation/ Service stations	Page 38		
	TI AA 07: Number of business owners participating in the Business Owner Network	Evolution / Memorable experiences and network consolidation/ Service stations / Terpel Business Owner Network In 2018, 347 business owners joined the Terpel Business Owner Network.	Page 40		Yes
Climate Change: carbon footprint					
GRI 103 Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundaries and limits material aspects / Protection of the Environment	Pages 18 and 141		
	GRI 103-2 The management approach and its components	Protection of the Environment / Climate change relevant to everyone	Pages 141 and 144		
	GRI 103-3 Management approach evaluation				Information is not available. In this regard, it is expected to evaluate with stakeholders during the second semester of 2019 and the first of 2020.

Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assurance
GRI 302: Energy, 2016	GRI 302-1: Energy consumption within the organization.	Responsibility / Protection of the environment / Climate change, relevant to everyone / Energy, focused on its management	Page 149		Yes
	GRI 302-2: Energy consumption outside of the organization	The operation in Panama consumed 46,956.89 GJ of outside energy. The countries of Colombia, Ecuador and Peru reported zero consumption. The Dominican Republic did not report this indicator.	Index		
	GRI 302-3: Energy intensity	Responsibility / Protection of the environment / Climate change, relevant to everyone / Energy, focused on its management	Page 151		
GRI 305: Emissions, 2016	GRI 305-1: Direct (Scope 1) GHG emissions	Responsibility / Protection of the environment / Climate change, relevant to everyone / We measure our carbon footprint with a preventative focus.	Page 145	The scope of this indicator is Colombia, Ecuador, and Panama.	Yes
	GRI 305-2: Energy indirect (Scope 2) GHG emissions	Responsibility / Protection of the environment / Climate change, relevant to everyone / We measure our carbon footprint with a preventative focus.	Page 145	The scope of this indicator is Colombia, Ecuador, and Panama.	Yes
	GRI 305-3: Other indirect (Scope 3) GHG emissions	Responsibility / Protection of the environment / Climate change, relevant to everyone / We measure our carbon footprint with a preventative focus.	Page 145	The scope of this indicator is Colombia, Ecuador, and Panama.	Yes
	GRI 305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Responsibility / Protection of the environment / Climate change, relevant to everyone / We measure our carbon footprint with a preventative focus.	Page 147	The scope of this indicator is Peru and the Dominican Republic.	

Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assurance
Spills and waste products					
GRI 103 Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundaries and limits material aspects / Protection of the Environment	Pages 18 and 141		
	GRI 103-2 The management approach and its components	Protection of the Environment / We prevent and mitigate the impact of spills / We properly manage waste products	Pages 141, 152 y 156		
	GRI 103-3 Management approach evaluation			Information is not available. In this regard, it is expected to evaluate with stakeholders during the second semester of 2019 and the first of 2020.	
GRI 306: Effluents and Waste, 2016	GRI 306-2: Waste by type and disposal method	Responsibility / Protection of the environment / We properly manage waste products	Page 156		Yes
	GRI 306-3: Significant spills	Responsibility / Protection of the environment / We prevent and mitigate the impact of spills	Page 152		Yes
GRI 307: Environmental Compliance, 2016	GRI 307-1: Non-compliance with environmental laws and regulations	During 2018, Organización Terpel did not receive any significant environmental fines of more than USD\$10,000.	Index		

Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assurance
Quality Education					
GRI 103 Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundaries and limits material aspects / Community wellbeing	Pages 18 and 171		
	GRI 103-2 The management approach and its components	Community wellbeing / Terpel Foundation, 15 years of educating to transform lives	Pages 171 and 181		
	GRI 103-3 Management approach evaluation			Information is not available. In this regard, it is expected to evaluate with stakeholders during the second semester of 2019 and the first of 2020.	
GRI 201: Economic Performance, 2016	GRI 201-1: Direct economic value generated and distributed.	We aim at being the best company for the planet/ Consolidated figures 2018/ Value creation and distribution	Page 10		
GRI 413: Local Communities, 2016	GRI 413-1: Operations with local community engagement, impact assessments, and development programs.	The public / Community wellbeing / Restoring Dreams program, for reconciliation in the country The public / Community wellbeing / Employer supported volunteering, an arena for raising awareness The public / Community wellbeing / Donations, more than just help; they represent a commitment to society The public / Community wellbeing / Our commitment as partners to the countries where we operate The public / Community wellbeing / Terpel Foundation, 15 years of educating to transform lives / Schools that Learn	Pages 173, 175, 177, 178, and 181		

Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assurance
	TI QE 01: Terpel Foundation/ Number of beneficiaries of the education programs	The public / Community wellbeing / Terpel Foundation, 15 years of educating to transform lives	Page 181	The scope for this indicator is Colombia	Yes
	TI QE 02: Volunteerism Number of beneficiaries Number of volunteer days	The public / Community wellbeing / Employer supported volunteering, an arena for raising awareness The public /Community wellbeing / Our commitment as partners to the countries where we operate	Pages 175 and 178		Yes
Reconciliation					
GRI 103 Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Boundaries and limits material aspects / Community wellbeing	Pages 18 and 171		
	GRI 103-2 The management approach and its components	Community wellbeing / Restoring dreams program, for reconciliation in the country	Pages 171 and 173		
	GRI 103-3 Management approach evaluation			Information is not available. In this regard, it is expected to evaluate with stakeholders during the second semester of 2019 and the first of 2020.	
	TI R 01: Reintegration Number of people hired by the organization	The public / Community wellbeing / Restoring Dreams program, for reconciliation in the country / Employment	Page 173	The scope for this indicator is Colombia	Yes

Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assurance
Technology and Innovation					
GRI 103 Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Memorable experiences and network consolidation	Page 37		
	GRI 103-2 The management approach and its components	Memorable experiences and network consolidation	Page 37		
	GRI 103-3 Management approach evaluation			Information is not available. In this regard, it is expected to evaluate with stakeholders during the second semester of 2019 and the first of 2020.	
	TI TI 01: Image/ Number of service stations with the new image	Evolution / Memorable experiences and network consolidation/ Service stations Colombia, Panama and Peru	Pages 39, 44 and 46		Yes
	TI TI 02: Complementary Businesses/ Number of service stations that have complementary businesses	Evolution / Memorable experiences and network consolidation/ Complementary services	Page 48		
	TI TI 03: Product Innovation / Number of products certified	Appendices / Certificates and seals of quality	Page 189		
	TI TI 04: Product Innovation / Number of lubricants with environmental advantages	Both the Terpel brand and the Mobil brand have lubricants for motorcycles in their portfolio that meet the CK4 and FA4 standards. This indicates they are lubricants that help reduce emissions of pollutants into the atmosphere. The Mobil brand also has the family of EAL industrial products, which are biodegradable and non-toxic to the environment.	Index		

Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assurance
Development of Human Capital					
GRI 103 Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Growth of the Terpel Team	Page 73		
	GRI 103-2 The management approach and its components	Growth of the Terpel Team / Training personnel boosting their growth	Pages 73 and 104		
	GRI 103-3 Management approach evaluation			Information is not available. In this regard, it is expected to evaluate with stakeholders during the second semester of 2019 and the first of 2020.	
GRI 404: Training and Education, 2016	GRI 404-1: Average hours of training per year per employee.	Leadership / Growth of the Terpel Team / Training personnel, boosting their growth / Figures for employee growth and development	Page 106		Yes
	GRI 404-2: Programs for upgrading employee skills and transition assistance programs	Leadership / Growth of the Terpel Team / Training personnel, boosting their growth / TClass, a place for everyone	Page 108		
	GRI 404-3: Percentage of employees receiving regular performance and career development reviews	Leadership / Growth of the Terpel Team / Training personnel, boosting their growth / Performance evaluation	Page 110		Yes
	TI DHC 01: Investment in training	Leadership / Growth of the Terpel Team / Training personnel, boosting their growth / Figures for employee growth and development	Page 104		
	TI DHC 02: Number of job vacancies filled by internal personnel	Leadership / Growth of the Terpel Team / We provide fair labor relations and conditions/ Promotions	Page 90		

Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assur- ance
Biodiversity					
GRI 103 Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	Biodiversity	Page 166		
	GRI 103-2 The management approach and its components	Biodiversity	Page 166		
	GRI 103-3 Management approach evaluation			Information is not available. In this regard, it is expected to evaluate with stakeholders during the second semester of 2019 and the first of 2020.	
GRI 304: Biodiversity, 2016	GRI 304-3: Habitats protected or restored	Responsibility / Protection of the environment / Biodiversity  The public / Community wellbeing / Our commitment as partners to the countries where we operate / Panama	Pages 166 and 178		

Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assur- ance
Respect for and Promotion of Human Rights					
GRI 103 Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	We declare our commitment to respecting human rights	Page 19		
	GRI 103-2 The management approach and its components	We declare our commitment to respecting human rights	Page 19		
	GRI 103-3 Management approach evaluation			Information is not available. In this regard, it is expected to evaluate with stakeholders during the second semester of 2019 and the first of 2020.	
GRI 407: Freedom of Association and Collective Bargaining, 2016	GRI 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	We aim at being the best company for the planet/ We declare our commitment to respecting human rights	Pages 19 and 33 Index		
		Transparency / Good corporate governance / Risks  No risks were identified to freedom of association or collective bargaining in the operations or at suppliers.			
GRI 408: Child Labor, 2016	GRI 408-1: Operations and suppliers at significant risk for incidents of child labor	We aim at being the best company for the planet/ We declare our commitment to respecting human rights	Pages 19 and 33 Index		
		Transparency / Good corporate governance / Risks  No significant risks were identified for incidents of child labor in the operations or at suppliers.			



Material aspects for Terpel and its Stakeholders	Contents	Response / Title in the Report	Index / Page of the Report	Omissions	Assur- ance
GRI 409: Forced or Compulsory Labor, 2016	GRI 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	We aim at being the best company for the planet/ We declare our commitment to respecting human rights  Transparency / Good corporate governance / Risks  No significant risks were identified for cases of forced or compulsory labor in the operations or at suppliers.	Pages 19 and 33 Index		

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Daniel Perea Villa, VP Corporate and Legal Affairs

Tony Quintero Mejía, VP Marketing

Johand Patiño, VP Commercial Fuels

Rodrigo Ferreira Oyaneder, VP Lubricants

José Carlos Barreto Barrios, VP Operations and Logistics

María Mercedes Carrasquilla Barrera, VP Human Resources and Administration

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Since 2011 Terpel is a signatory of the United Nations Global Compact and is committed to its 10 principles.



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